SECURING PROSPERITY THROUGH CANADA’S HUMAN INFRASTRUCTURE:
The State of Adult Learning and Workplace Training in Canada

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EXECUTIVE SUMMARY

INTRODUCTION: A REPORT ON ADULT LEARNING AND WORKPLACE TRAINING: WHY NOW?

Over the past few decades, Canada’s labour requirements have changed drastically—from a need for physical labourers to a need for knowledge workers—as a result of changes in economic and social conditions that have included advances in information and communication technologies, globalization of economic activity and shifting demographics.1 Consequently, employers and firms are increasingly seeking skilled workers with a more sophisticated array of capabilities.

Of recent concern, the current global recession has led to the deterioration of labour-market conditions in Canada and worldwide, profoundly affecting—through increased vulnerability to unemployment—the economic and social well-being of families and communities across Canada.

Canada’s economic strength, as in other countries, depends on its ability to develop a skilled and flexible workforce, capable of adapting to continuous change.

While Canada’s formal education is of a high standard, it alone cannot provide the conditions needed to secure the development of Canada’s talent—its human infrastructure*—which is a necessary element of our country’s future prosperity.

Against this backdrop, Securing Prosperity through Canada’s Human Infrastructure, CCL’s second† report on the state of adult learning and workplace training in Canada, demonstrates that investments in human infrastructure—both in times of economic uncertainty and relative prosperity—are critical to securing a strong economy and greater social equity.

THE ADULT-LEARNING SECTOR IN CANADA

While Canada’s formal education is of a high standard, the effectiveness of the Canadian adult-learning sector has long been a concern of policy-makers. A review conducted in 2002 by the Organisation for Economic Co-operation and Development (OECD) on adult learning in Canada, Thematic Review on Adult Learning, Canada—Background Report, explored the extent to which adult learning and workplace training in this country is meeting the specific needs and aspirations of the adult learner.2

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* The development of human infrastructure includes learning and skills acquired in early childhood and during the formal years of initial schooling, through formal and informal learning contexts including the home, school, workplace and community.

† CCL’s first report, Unlocking Canada’s Potential: The State of Workplace and Adult Learning in Canada, is available at www.ccl-cca.ca.
The OECD report proposed a number of recommendations aimed at improving the effectiveness of the adult-learning sector, including:

- ensuring appropriate levels of participation in adult learning;
- developing coherent and effective policies targeted to the specific learning needs of adults;
- improving the literacy levels of adults;
- enhancing labour-market information;
- responding to groups with particular learning needs (working poor, Aboriginal people and immigrants);
- improving existing PLAR (Prior Learning Assessment and Recognition) mechanisms in Canada, including the recognition of informal learning;
- increasing research efforts on the effectiveness of adult education; and
- developing a pan-Canadian forum on adult education.

**THE IMPORTANCE OF STRENGTHENING CANADA’S HUMAN INFRASTRUCTURE**

**Investments in Human Infrastructure: Providing Opportunities for Growth**

Investments in human infrastructure can offer even more powerful and lasting benefits than investments in physical capital (e.g., roads, buildings and equipment): in fact, it is three times as important to economic growth over the long run. 3

Research affirms that knowledge and skills are important determinants of the economic success of individuals and countries. In particular, educational quality significantly impacts labour-market outcomes and per capita economic growth. 4 Coulombe and Tremblay (2009) affirm that years of education and rising enrolment rates do not guarantee economic growth. Thus, improving the quality of education may be as important—if not more important—for growth as increasing enrolment rates. 5

The education and skills of a labour force, or human capital, are the building blocks of human infrastructure, and one of the primary vehicles for knowledge accumulation and growth. 6 Canadian adults need education and training opportunities that will help enhance their skills and improve their employment prospects. While training expenditures are often the first to be curtailed during uncertain economic times, this is exactly when investments in training should be made.

**Flexible and Adaptable Workers: A Safeguard for the Future**

Increasingly higher levels of education are needed to maintain Canada’s economic position. As Hall (2006) notes, employers in growing as well as declining industries tend to hire workers who are more highly educated to fill jobs that workers with less education once filled. 7 Human capital is important for long-term economic security; but as the level of education rises in the population, so does the “bar” as higher levels are needed increasingly to maintain the same relative economic position. 8
**Education and training as a protective factor**

Higher levels of education and training can act as protective factors in times of economic instability and may contribute to improved employment prospects, income levels, health, and integration within communities and society. In contrast, low levels of education and skills can negatively affect an individual’s prospects for employment and higher wages.

Education and training that enable individuals to adapt to fluctuations in the labour market (as in the current recession) can serve as a preventative, rather than a reactive, measure of social policy. However, it is important to note that numerous interconnected factors—such as local labour markets, local and provincial policies and programs, and age composition—can mediate the degree of protection.

**The importance of workplace learning**

Over the past two decades, the education and skills of the labour force have become a very important factor in enhancing workplace productivity and in making improvements in the wages of employees.

Indeed, most adult learning and training occurs at the workplace. Through both informal and formal learning at work, adults acquire, develop and maintain skills that contribute to human-capital development and enhanced workplace productivity.

According to Statistics Canada’s Survey of Labour and Income Dynamics (SLID), 25% of working-age adults took part in some form of job-related training in 2006, up from 24% in 2005. Although overall participation rates are up only slightly, there was a significant increase in participation in job-related training for older adults aged 45 to 64. However, younger adults aged 25 to 34 continue to outnumber all other age groups, and were almost three times more likely to participate in job-related training than older adults aged 55 to 64.

**VULNERABLE CANADIANS: UNDERSTANDING THOSE AT RISK**

As a result of lower education and skills, some adults and their families may experience chronic low wages, unemployment, poverty and social exclusion. Vulnerability to poverty is also related to quality of employment. Those who are at particular risk of poverty include the self-employed; those who do not work full-time or full-year; and youth in low-skilled, low-wage jobs. In 2002, about 622,000 Canadians were considered working poor.*

Economic downturns exacerbate the vulnerability of individuals most at risk. Youth, immigrants, older workers and low-skilled individuals are the most vulnerable during economic downturns, as are workers holding temporary contracts. As with previous recessions, the current economic situation is disproportionately affecting workers in certain industries, such as automotive, forest products, construction and parts of the financial sector.

* According to HRSDC (2007), the term “working poor” is used to define a worker who lives in a family of four (two adults and two children) and whose family income is insufficient to support the needs of all family members.
Workers that remain employed during a recession may also be impacted—through reduced hours of work and, as a result, reduced earnings. Reduced wages or job loss can diminish family economic resources, limiting parents’ capacity to provide their children with access to cognitively rich learning environments, such as after-school and extracurricular programs.

**SUPPORTING INDIVIDUALS, WORKERS AND THEIR FAMILIES**

Various forms of support to individuals can help to create a more flexible, knowledgeable workforce and offer a competitive edge in the global economy. Support to individuals can include the provision of training opportunities, wage subsidies, or employment support—such as employment counselling, life-skills training, assistance with child care and travel costs or other work related costs, or help with job searching. It can also involve job creation and skills-development partnerships and agreements, and the development of employment-related policies.

Governments, employers, unions, educational institutions, cities and communities all have a role to play in providing the various forms of support to individuals.

The development of alternative approaches—such as e-learning—to traditional forms of learning can help individuals acquire necessary skills and knowledge such as literacy and essential skills, and can enhance the development of technical, administrative and management skills.

While a comprehensive response to the current economic recession is critical, Canada needs to take a longer-term approach that will sustain a vibrant economy and ensure that Canadians, regardless of skill level and educational attainment, are equipped to meet the demands of the future.

**Governments**

Governments—federal, provincial and territorial—play a key role in supporting Canadians and recognize the importance of a strong human infrastructure. Many of the supports available to Canadians are a result of joint partnerships and agreements between various types of governments. Examples of government initiatives intended to improve employment opportunities for Canadians include (but are not limited to): Active Labour Market Policies, Employment Support Benefit Measures, Labour Market Development Agreements, training tax measures, foreign credential recognition, and related Budget announcements.

**Employers**

Employers also play a key role in building a better skilled and more competitive workforce. This goal can be accomplished through a variety of mechanisms including employment support (e.g., financial and providing time for training during working hours) and the provision of ongoing training opportunities. Through employer-supported training, both on-site and off-site, employees are given the opportunity to develop further a number of important skill-sets, such as literacy or computer skills.
Workplace literacy

Literacy is considered an essential workplace skill, one that can entail reading text, writing, document use, numeracy, thinking skills, oral communication, computer use, working with others, and continuous learning. Yet the concept of literacy is often understood to be functional literacy—which only involves the ability to read, write and perform basic mathematics.

While some employers provide literacy training, it typically receives the lowest amount of funding and emphasis despite research that confirms that improving the literacy skills of the workforce results in tangible benefits, including improved health and safety performance.

To help improve literacy levels in Canada, CCL has developed a series of free, online literacy assessments to help literacy practitioners and individuals evaluate the numeracy, prose and document literacy skills of Canadian adults. Literacy practitioners can access prepared assessments or develop their own tests using an item data bank, and administer them to clients in an online or print format.*

Prior Learning Assessment and Recognition (PLAR)

In Canada, as in many other countries worldwide, Prior Learning Assessment and Recognition (PLAR) policies and supports are present within the education and training systems, although they are much more widespread at the community-college level than at the university or secondary-school level. PLAR appears to be primarily available for undergraduate rather than graduate-level studies.

In 2004, more than one-half of all Canadian adults and over 60% of employed workers (taken together, this represents approximately 12 million individuals) expressed interest in participating in further education that would recognize their informal and experiential learning (also known as prior learning) as credits toward courses and training programs. However, traditional methods for credential assessment, credit transfer or accreditation in Canada seldom recognize adults’ prior learning despite the fact that most adults actively engage in this type of learning in their everyday lives through work, independent study or volunteering.

Research suggests that PLAR can help under-represented and under-employed groups participate more in the labour market, and assist individuals with formal credentials and high levels of education to make career/employment transitions.

Supporting Cities, Communities and Families

Healthy, productive and engaged citizens living in stable cities and communities represent a competitive advantage in dynamic economies and societies. A 2008 report by the Conference Board of Canada notes that a majority of the country’s improvements in productivity are happening, indirectly, in our cities—centres that bring the greatest number of people together and “facilitate the flow of ideas between individuals and firms.” Enhanced investments in Canada’s cities, the report suggests, would provide the most robust assurance of stronger Canadian productivity growth.

* To access the self-assessment, visit www.ccl-cca.ca/literacyassessment.
OBSERVATIONS AND CONCLUSIONS

Seven years have passed since the recommendations were made by the OECD to improve the effectiveness of the adult-learning sector in Canada. Have we made sufficient progress to equip Canadian adults with the education and skills necessary to meet the demands of the future?

As illustrated in this report, there is much room for improvement:

• While there have been increases in recent years in workplace education and training, Canada still lags significantly behind many other OECD countries in both provision and in the uptake of learning opportunities.

• According to most recent data, Canada has made little or no progress over the past 12 years in improving the proportion of Canadian adults who achieve the internationally recognized standard of Level 3 on the five-level international assessment of literacy.

• Significant and persistent gaps in national labour-market information exist, hampering our ability to effectively monitor trends and address emerging employment issues and challenges.

• There have been both policy and program efforts at various levels in government and the private sector, particularly with regard to Aboriginal people and immigrants; however, significant barriers to learning and education persist.

• Although there has been increased acknowledgement of the need to recognize prior learning, and although some jurisdictions in Canada are making efforts to enhance processes in support of such recognition, Canada still lacks a coherent national system for PLAR.

• Despite the availability of information on adult education and learning, there are many unanswered questions and substantial gaps in our data. Often, existing data have not yet been analyzed in a way that sheds meaningful light on the challenges of adult learning, nor on potential solutions for furthering its development.

• Canada continues to lack a national forum on adult education and learning, limiting our ability to develop an effective policy and program platform.

Creating Favourable Conditions for Maximizing Lifelong Learning: Three Priority Issues

Creating a flexible and adaptable workforce that can meet the challenges ahead requires fostering favourable conditions that will stimulate new learning opportunities for (and provide greater choice to) adult Canadians.

Building on the recommendations of the OECD, these conditions are premised on three core principles:

1. **Increasing the premium on adult learning, education and training**
   
   Efforts to promote learning and education typically focus on preparing youth for the labour market. Adults, too, require ongoing learning opportunities to equip them to meet the changing demands of the economy.
Canada needs to view adult learning as a priority and provide opportunities that respond to the specific learning needs of adults at all levels of skill development. This approach would foster a continuous, individualized learning process that entails diverse and complex sites and modes of learning.

2. **Recognizing the interconnections between work, family and community**
   Adults are influential role models—as learners and as active citizens—for their children, colleagues and their communities. Thus, the fostering of adult-learning opportunities contributes to social capital and social cohesion.

   Canada needs to create conditions for learning that are favourable to adults with family and work responsibilities. Family and work typically place considerable demands on adults’ time and resources, limiting their capacity to participate in education and learning in its present form.

3. **Strengthening investments in research**
   The value and importance of information and timely research on learning is critical to Canada’s capacity to identify relevant issues, develop new indicators that provide insight, exchange and promote new knowledge, and assess directions for future investigation.

   Strengthening investments in research would improve our understanding of Canada’s current approach to adult learning and workplace training and allow for the establishment of clear benchmarks and objectives.

**Final Observations**

Canada’s future prosperity depends on the strength of its learning sector and a range of complementary learning opportunities that meet the needs of all adult Canadians—regardless of educational attainment, age, socio-economic status, or level of skills.

Although Canada cannot predict the changes that lie ahead, it can respond to emerging challenges from a position of strength. Investments in human infrastructure can foster the conditions that better enable individuals and society to adapt to change.

While the recommendations of this report are aligned with those put forward in 2002 by the OECD, it is hoped that this report will contribute to the development of a comprehensive plan for adult learning and workplace training in Canada: one that will assure quality of life for Canadians, now and in the future.
INTRODUCTION

A REPORT ON ADULT LEARNING AND WORKPLACE TRAINING: WHY NOW?

Challenging Times for the Global Economy

Canada’s economy, as in other countries, is subject to the pressures associated with shifting demographics, rapid advances in technology and increased global competitiveness.

More recently, as a result of a global recession, labour-market conditions in Canada have deteriorated—as illustrated by recent plant closures, widespread job loss, wage and hiring freezes, and organizational restructuring—profoundly affecting families and communities across Canada.

Securing Prosperity through Canada’s Human Infrastructure, CCL’s second* report on the state of adult learning and workplace training in Canada, demonstrates that investments in human infrastructure—building Canada’s talent—are critical to securing Canada’s economic and social well-being.

Indeed, education and training, as Sweetman (2002) suggests, have a demonstrable impact on productivity at both the individual and national level. In particular, educational quality significantly impacts labour-market outcomes and per capita economic growth. Consequently, knowledge and skills are important determinants of the economic success of individuals and countries.

The Continuously Evolving Labour Market in Canada

Over the past few decades, Canada’s labour requirements have changed drastically—from a need for physical labourers to a need for knowledge workers. Changes in economic and social conditions have included advances in information and communication technologies, globalization of economic activity, greater personal responsibility, and autonomy in all aspects of life.

As a result of this evolving labour market, employers and firms continue to seek skilled workers with a more sophisticated array of capabilities.

* The first report, Unlocking Canada’s Potential: The State of Workplace and Adult Learning in Canada, is available at www.ccl.cca.ca.
The Challenge for Canada

While Canada’s formal education is of a high standard, it alone cannot provide Canadians with the range of learning opportunities necessary for economic well-being and greater social equity.

There are several existing and emerging areas of concern. For example:

• Too many Canadian adults are at risk of not achieving their full potential. More than four in 10 adults lack the reading and writing skills needed to thrive in a competitive global economy. Moreover, the number of seniors with low literacy skills is projected to rise dramatically—doubling from approximately 3 million in 2001 to 6.2 million by 2031. Studies have found that individuals with low literacy skills often express no interest in pursuing training and see little reason to do so regardless of the financial incentives available.

• Internationally, Canada lags in employer-sponsored training. Businesses in countries comparable to Canada, such as Norway and Switzerland, are more likely to offer training to their employees (57% and 54%, respectively) than Canada (45.5%).

• Despite the availability of information on adult learning, there are many unanswered questions and substantial gaps in our data. Often, existing data have not yet been analyzed in a way that sheds meaningful light on the challenges of adult learning, nor on potential solutions for furthering its development.
A 2002 report by the OECD, Thematic Review on Adult Learning, Canada—Background Report, explored the extent to which adult learning and workplace training in this country meets the specific needs and aspirations of the adult learner. The report proposed recommendations to improve the effectiveness of the adult-learning sector. Revisiting the recommendations of the OECD will help to shed light on any progress made in equipping Canadian adults with the education and skills necessary to meet the demands of the future.

About this Report

Against this backdrop, Securing Prosperity through Canada’s Human Infrastructure suggests that Canada needs to position adult learning and workplace training as a cornerstone of economic prosperity. The report highlights the importance of developing a comprehensive, proactive approach to adult learning and workplace training, as a key component of both human-infrastructure development and a lifelong learning society.

Data and information for this report were derived from a wide range of reliable sources. These include the OECD; Statistics Canada; Canadian federal, provincial and territorial government documents and websites; and academic and professional journals and articles. A full listing of sources is available in the bibliography included at the end of the report.

This report consists of the following four sections:

• Section 1: The Importance of Strengthening Canada’s Human Infrastructure
  o This section positions the role of adult learning and workplace training within the context of Canada’s continuously evolving labour market. It affirms the link between investments in human infrastructure—the development of a skilled and adaptable workforce—and improvements in innovation and productivity. It suggests also that higher levels of adult education and training can act as protective factors in times of economic instability and uncertainty.

• Section 2: Vulnerable Canadians: Understanding those at Risk
  o This section identifies certain groups that are particularly vulnerable to economic uncertainty—workers in lower-skilled occupations, youth and new entrants to the labour market, immigrants, older workers, workers engaged in non-standard employment, and long-term non-trainees. This section suggests that a broadened approached to adult learning and workplace training could help raise the life prospects of these individuals and integrate them more fully into Canada’s economy and society.
• **Section 3: Supporting Individuals, Workers and Their Families**
  
  This section provides an overview of the various forms of support to individuals that can help to create a more flexible, knowledgeable workforce and offer a competitive edge in the global economy. It provides examples of how governments, employers, unions and educational institutions have played a role in providing the supports that adults need to be self-sufficient and fully contributing members of society; and explores briefly the role of cities, communities and families in furthering this process.

• **Section 4: Conclusions and Observations**
  
  This section affirms that learning is our greatest safeguard against an uncertain future. It proposes the creation of favourable conditions for maximizing lifelong learning, in three priority areas: increasing the premium on adult learning, education and training; recognizing the interconnections between work, family and community; and strengthening investments in research. It also makes specific recommendations that reflect those proposed in the OECD’s 2002 report on adult learning in Canada.
SECTION 1: THE IMPORTANCE OF STRENGTHENING CANADA’S HUMAN INFRASTRUCTURE

Canada’s labour force at a glance, 2008–2009

At the beginning of 2008, and following six years of strong employment growth, Canada’s labour force* was in a strong position. In January of 2008, the unemployment rate† was at a 33-year record low of 5.8%; in February 2008, the employment rate was at a record high of 63.9%. But as 2008 came to a close and the global economic situation worsened, employment began to decline. By the end of 2008, Canada’s unemployment rate had settled at 6.6%, an increase of 0.8 percentage points from the record low at the beginning of the year.

During the first five months of 2009, a further 279,000 jobs were lost, increasing the unemployment rate to 8.4%, the highest rate in 11 years. Between the employment peak of October 2008 and May 2009, a total of 363,000 jobs were lost. While the loss in employment over these five months followed declines from previous months, the drop in employment experienced in January 2009 alone exceeded any monthly decline during the previous economic downturns of the 1980s and early 1990s, at a loss of 129,000 jobs.

Labour-force trends were similar for the working-age population (25 to 54 years old) over 2008–2009: by May 2009, the unemployment rate for this age group was 7.4%. Since the start of the current labour-market downturn, however, it is men in the 25-to-54 age group who have experienced most of the job losses (employment down 3.4%), while employment among women in this age group has decreased by less over the same period (between October 2008 and May 2009), at 1.1%.

* Statistics Canada’s definition of the labour force refers to both the unemployed and employed. Individuals aged 15 and over who are not included in the labour force are those who are unwilling or unable to work under existing conditions in their labour markets (this includes full-time students currently attending school). See www.statcan.gc.ca/pub/81-004-x/def/4153361-eng.htm.

† According to Statistics Canada’s report The Canadian Labour Market at a Glance, 2007, the unemployment rate is the number of unemployed persons expressed as a percentage of the labour force.
In a knowledge-driven economy, the continuous updating of skills and the development of lifelong learning will make the difference between success and failure, and between competitiveness and decline.”

—David Blunkett, Former U.K. Secretary of State for Education and Employment

Education and training can provide important opportunities for continued growth, for individuals as well as employers. Of particular importance during periods of economic instability, education and training may help individuals to enhance their skills and improve employment prospects, and enable companies to maintain their innovative and competitive edge.
The education and skills of a labour force, or human capital, are the building blocks of human infrastructure.* Strengthening Canada’s human infrastructure can contribute to securing our future economic prosperity and social well-being. Investments in human infrastructure—building our talent—can offer even more powerful and lasting benefits than investments in physical capital (e.g., roads, buildings and equipment): in fact, it is three times as important to economic growth over the long run.42

Human capital, along with research and development (R&D), is recognized as one of the primary vehicles for knowledge accumulation and growth.43 But as Coulombe and Tremblay (2009) caution, “although the empirical literature has traditionally used years of education as indicator of human capital, what really matters for growth is the skills that are produced by that education.”44 Improving the quality of education may be as important for growth, if not more important, as increasing enrolment rates.45

What is human capital?

As Coulombe and Tremblay (2009) describe, “human capital is a stock, and that it is entirely embedded into a person. Being a stock, like a machine, a house, or a car, human capital has the possibility of keeping its usefulness, or value, through time. Like other capital goods, human capital is the result of past investments. Investments in human capital might come from education, studying, apprenticeship, and learning-by-doing (experience). Like any capital good, human capital is also subject to depreciation. The depreciation of human capital might simply be the result of aging and the loss of intellectual and physical capacities. Depreciation can also result from technological change that makes acquired skills obsolete.”


Education and training, and the skills it creates, has a demonstrable impact on productivity and growth at both the individual and national level.46 For examples, differences in average literacy skill levels among OECD countries explain fully 55% of differences in economic growth since 1960.47

* It should be noted that the development of human infrastructure is not confined to one learning environment, nor to the adult years of learning. Importantly, it also includes learning and skills acquired in early childhood and during the formal years of initial schooling. These skills are acquired through formal and informal learning contexts including the home, school, workplace and community.
Investments in human infrastructure are key to innovation, which in turn plays a key role in productivity. To be innovative, countries must invest in the continuous learning, skills updating and training of their populations. Studies suggest that these countries reap enormous benefits in terms of productivity and therefore growth. In fact, increased labour productivity has been the most important driver of economic growth in most industrialized countries over the past decade.\(^4\) Higher levels of productivity in firms, studies confirm, are closely related to the knowledge and skills of their workforce.\(^5\)*

Training expenditures, while necessary, can be costly and are often the first to be curtailed when the economic climate is less than favourable. Importantly, this is exactly when investments in training should be made.

As the U.K. Commission for Employment and Skills notes in its 2009 open letter to employers, businesses that invest in training experience the most dynamic recovery after an economic downturn: “Investing now in building new skills will put us in the strongest position as the economy recovers. Skills to support the development of new products and services will shape whether we are ready to gain competitive advantage when growth resumes. From our experience in previous downturns, it was the businesses that did invest in their staff which saw the most dynamic recovery.”\(^6\)

*Although the link between education and productivity is clear, it is not a causal relationship and some caution should be used in interpreting this information. More (or higher) education is not a guarantee of improved productivity. Many other factors—such as economic and social conditions, and the productivity of individual workers—must also be considered.
FLEXIBLE AND ADAPTABLE WORKERS: A SAFEGUARD FOR THE FUTURE

The introduction of human-capital theory proposed the idea that greater investments in learning would lead to greater individual, societal and economic benefits. Governments around the world have since called for increased participation in adult learning and training.52

Shifting workforce demographics, rapid advances in technology and increased global competitive pressures are transforming our society, but so too is our understanding of the nature and purpose of learning. In an increasingly globalized world, advances in the production of new knowledge occur at an unprecedented rate.

Canadian adults of all backgrounds, regardless of educational attainment, are experiencing and will continue to experience the demands of the new economy in their working and home lives. Adults need to be continuous learners, able to identify and access the learning they need to succeed in the new economy and to achieve their personal goals and aspirations.

Workers with more sophisticated skills are highly sought-after because of their adaptability within the changing labour market.53 These skills include:

- learning and decision-making skills;
- teamwork, entrepreneurship and leadership skills; and
- transferable generic skills such as oral and written communication, interpersonal skills and problem-solving abilities.

As Hall notes, employers in growing as well as declining industries tend to hire workers who are more highly educated to fill jobs that workers with less education once filled.54 A 2007 report by the Canadian Council on Social Development indicates that human capital is important for long-term economic security; but as the level of education rises in the population, so does the “bar” because increasingly higher levels are needed to maintain the same relative economic position.55
Continuous change and learning

Eikenberry (2008) succinctly describes why learning matters, particularly during difficult economic periods:

“Change is all around us. Some say the rate of change is increasing, but whether that is true or not, this is definitely a fact in our business lives. Products change, customers change, process and policies change. We are put on a new team, we are entering new markets, and we have set new goals. In all parts of our daily professional lives change surrounds us. In order for us to cope with that change, we need to be willing and able to change. And learning is a key component in developing that ability. Continuous learning or life long learning is not about suggesting that everyone needs to take a course at their local college, or go back to school for a new degree. Continuous learning is an attitude and a set of behaviors that allow us to succeed in our ever-changing environment, and is the best lever we have to turn who we are today into who we want to be tomorrow. Change requires learning and conversely, there is no learning without change.”

Education and Training as a Protective Factor

As Fasih (2008) notes, education plays a central role in preparing individuals to enter the labour force, as well as equipping them with skills to engage in lifelong-learning experiences.

Higher levels of education and training can act as protective factors in times of economic instability and uncertainty, contributing to improved employment prospects, income levels, health, and integration within communities and society.

A 2009 recent report by Human Resources and Skills Development Canada (HRSDC) illustrates that those with higher education experience less volatility in employment during an economic downturn compared with those who have attained lower or less education. As Riddell and Song (2007) suggest, education and training enables individuals to adapt to employment shocks and can serve as a preventative rather than reactive measure of social policy.

Adaptability to employment shocks is increasingly important for individuals’ labour-market success and to the overall market’s efficiency—particularly during periods, such as the current recession, when the labour market is experiencing continuous structural changes.
Individuals are also experiencing more changes in jobs and even career paths over their working life. As the OECD observed in 2007, “as firms respond to a more volatile market and shorter product cycles,” the shelf-life of skills is shortened, necessitating the continuous renewal and updating of skills.61

As the 2006 Census confirms, higher education is the gateway to higher earnings—for men and women of all ages, full-time, full-year earners with a university degree were reported to have earned substantially more than those with a high-school diploma.62

However, as the Canadian Council on Social Development (2007) cautions, the degree of “economic protection” afforded by education, job-skill requirements and even the availability of employment is affected also by one’s location and a host of other interconnected factors including local labour markets, local and provincial policies and programs, age composition and various other factors.63

Understanding education and training

Although multiple understandings of training exist, the term generally refers to planned and systematic efforts to achieve effective performance in an activity or range of activities, by modifying or developing knowledge, skills and attitudes.64

The term education refers to a process aimed at the acquisition and development of knowledge, skills, values and understanding that allows an individual to define, analyze and solve a range of problems that extend well beyond a narrow field of activity.65

In comparison with training—which involves the acquisition of skills—education involves the imparting of knowledge.

Individuals with higher education tend to experience fewer periods of unemployment and greater job stability. In contrast, low levels of education and skills can affect an individual’s prospects for employment and the ability to earn higher wages.

Employment stability

Overall, individuals with higher education (e.g., some form of post-secondary education) tend to experience fewer periods of unemployment and greater job stability. Data from the 2006 Canadian Census and the 2007 Labour Force Survey (LFS) suggest that education significantly increases re-employment success for unemployed workers, and that highly educated individuals tend to adopt more job-search strategies than those with less education.66
In 2008, 77% of the adult population (25 to 64 years old) was employed. However, only 58% of individuals with less than a high-school diploma were employed, compared with 75% of adults with a high-school diploma, and 82% of those with a post-secondary certificate, diploma or degree.67

Those with less education and fewer skills often have access to fewer resources and may not possess the necessary skills or knowledge to adapt to changing circumstances. Even during periods of relatively high unemployment for all workers, such as in the early 1990s, individuals with higher levels of education had lower unemployment rates than those with lower levels of education.

Higher education also contributes to less volatility in unemployment rates. For instance, unemployment rates for individuals with less than a high-school diploma ranged from 15.2% in 1992 to 9.1% in 2008, a difference of more than six percentage points.68 Conversely, unemployment rates for post-secondary graduates ranged from 7.8% in 1993 to 4.2% in 2007, a difference of 3.6 percentage points.69 Post-secondary graduates may be more likely to find a job during recessionary periods—and those who are already employed are more likely to keep their jobs than those who do not have a post-secondary education.

Since 1990, unemployment rates in Canada for individuals with less than a high-school education have been approximately three times higher than unemployment rates for those with a university degree. Since 2000, the unemployment rates of high-school graduates have been about one-half of those with less than high school.70

**Figure 2**
Unemployment rate, by highest level of education, age 25 to 64 years, Canada, 1990–2008

**Earnings potential**

Income levels are positively associated with educational attainment levels. In the mid-1990s, individuals between 30 and 49 years of age experienced a 32% wage increase within two years of obtaining a university degree, and an increase of 37% after obtaining a college certificate. In contrast, the wage increase for high-school graduates who did not upgrade their qualifications was less than 10%.\(^7^1\)

University graduates have above-average earnings. Indeed, university graduation in Canada is typically associated with high-income levels across the lifespan. Although these graduates in Canada may have low-income levels at the beginning of their careers, their incomes improve substantially as they gain labour-force experience. Income levels for young workers aged 25 to 29 years with a university education were only about $5,000 higher than those of college and trade graduates of the same age in 2005. This difference increased to about $18,000 (on average) by age 40, and to more than $20,000 by age 50.\(^7^2\)

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**Figure 3**

Average employment income by age group and education level (all workers), Canada, 2005

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Source: Jocelyn Wisner and Christopher Duddek, *Data Quality for the 2006 Survey of Labour and Income Dynamics (Ottawa: Statistics Canada, Aug. 20, 2008), Catalogue no. 75F0002MIE2008005; and Statistics Canada, 2006 Survey of Labour and Income Dynamics (SLID), custom tabulation (Ottawa).*
In 2005, individuals aged 40 to 59 with a university degree earned, on average, twice the income of those who had not completed high school. The earnings of university graduates in this age group were about 50% higher than the earnings of graduates with a non-university post-secondary credential (e.g., college and trades). Earnings for all levels of education peaked in the 50 to 54 age category, after which retirements influenced the annual average-income for each level of educational attainment.73

Similarly, those who earn a high-school diploma (usually leaving school around age 18) earn more than those who leave before completing their high-school education.74

Adults who return to post-secondary education and receive a post-secondary certificate appear to reap the greatest benefits. In general, they experience higher gains in earnings than those who do not participate in post-secondary education, even when factors such as firm size, occupation, industry, union status, and province are taken into account.75

It should be noted that lower levels of education is only one factor among many that determines the likelihood of having a low income. Those with higher levels of education are less likely to be unemployed and more likely to have higher incomes. However, education alone is not a guarantee against poverty.76

**The Importance of Workplace Learning**

Over the past two decades, the education and skills of the labour force have become an increasingly important factor in enhancing workplace productivity and making improvements in employee wages.77

**Workplace learning** refers to learning that takes place through the workplace. It includes training under normal operational conditions, as well as off-site training conducted away from the workplace.78 Workplace learning and training include a range of activities: union- or employer-supported learning, formal learning, and informal learning (on-the-job training and self-directed).

The purpose of workplace learning and job-related training is usually to improve job performance, to meet work challenges and tasks in a creative way, and develop the ability to learn and develop continuously on the job. The learning process can be achieved individually, within a group, and in and out of the physical workplace.79

Job-related training dominates adult education. In almost all countries surveyed, job-related training accounted for more than 70% of all education and training courses taken by adults.80

According to Statistics Canada’s Survey of Labour and Income Dynamics (SLID), 25% of working-age adults took part in some form of job-related training in 2006, up from 24% in 2005. Although overall participation rates are up only slightly, there was a significant increase in participation in job-related training for older adults aged 45 to 64. However, younger adults aged 25 to 34 continue to outnumber all other age groups, and were almost three times more likely to participate in job-related training than older adults aged 55 to 64.81
In 2008, more than two-thirds of workers with university degrees took part in formal work-related training, while only 22% of workers without a high-school diploma took part. Workers with low levels of formal education may stand to benefit the most from training, particularly in the areas of basic literacy and numeracy. Research shows that when they do participate, less-educated workers are almost twice as likely to report that learning helped them progress in the job market.82

Research shows that a key factor in the overall availability of workplace training in Canada is the relative size of a company. While almost all large firms offer some sort of workplace training, less than half of small firms (those with fewer than 20 employees) do so. To a great extent, small or medium-sized firms in Canada rely on less structured, on-the-job training.83

Types of adult learning

Adult learning refers to all learning undertaken by adults beyond their initial education and training.84 Adults participate in a mix of learning approaches—formal schooling, non-formal learning and informal learning—undertaken for professional and personal reasons. Adult learning can include higher education and general learning, and vocational and firm-sponsored learning.85

**Formal learning** (also known as structured learning) is any clearly identified learning activity that takes place in an organized, structured setting and leads to a recognized credential. This includes secondary, post-secondary and vocational training.

**Non-formal learning** (also known as continuing education or further education) refers to learning that takes place alongside the mainstream systems of education and training and does not typically lead to formalized certificates. This type of learning may be provided in the workplace and through the activities of civil-society organizations and groups such as trade unions and political parties.

**Informal learning** (also referred to as experiential learning) can be divided into unintentional and intentional learning. Unintentional, or unplanned, learning occurs during everyday activities and in many forms of basic socialization.86 Intentional informal learning is distinguished by the learner’s own conscious recognition of a significant form of knowledge, understanding or skill acquired through his or her own initiatives.87
Research has established a link between increased adult learning and training, and concrete improvements in business performance and productivity. Employer-supported training also fosters innovation at all business levels, including the application of new technologies or software. Training significantly strengthens corporate culture, morale and the potential to attract and retain high-quality staff. It helps workers to acquire new knowledge and to renew or adapt previously acquired skills that enable them to contribute fully to enhanced productivity and innovation. Moreover, research indicates that the equivalent of an extra year of schooling can raise productivity by between 4.9% and 8.5% in the manufacturing sector, and between 5.9% and 12.7% in the services sector.

Most developed countries face demographic trends over the next few decades that will restrict the supply of skills through initial education, making a trained workforce all the more important as a source of new skills.
SECTION 2: VULNERABLE CANADIANS—UNDERSTANDING THOSE AT RISK

Canada has one of the most highly educated populations in the world. A 2007 study by the OECD placed Canada second on an international list comparing overall post-secondary attainment (including university and college), ahead of Japan, the U.S. and Australia. The same study also ranked Canada seventh overall—behind top-ranked Norway, Israel and the U.S.—in the proportion of citizens having completed university.93

Yet, closer examination of education in Canada gives cause for concern. In 2006, almost one-quarter (24%) of Canadians aged 25 to 64 had no more than a high-school diploma.94 Data from 2003 indicate that about nine million “working aged” Canadians aged 16 to 65 years (42%) have literacy skills below the level considered necessary to meet the demands of today’s society.95 The proportion of low-skilled adults grows to 48%—almost half of all Canadian adults—when seniors aged 66 and older are included. By 2031, 47% of adults aged 16 and over—more than 15 million—are predicted to have low literacy skills in Canada.96

Many of these adults and their families may experience chronic low wages, unemployment, poverty and social exclusion—the unintended consequences of low education and skills—and limited opportunities for advancement.

As well, many OECD countries are in the midst of a recession and labour-market conditions have rapidly deteriorated in several member countries, placing many individuals at greater risk of unemployment.97

Studies across a number of countries suggest that employer responses to the economic crisis have varied considerably.98 The number of U.S. companies who implemented cost-cutting measures—including layoffs, hiring and salary freezes, and smaller pay raises—sharply increased. One-half of the companies surveyed in the U.K. were expecting hiring freezes and close to two-thirds were anticipating workforce reductions.99 In Canada, a 2008 survey found that four in 10 Canadian companies were planning workforce reductions and merit-pay revisions over the next year, and many were planning to freeze the hiring of new employees and/or eliminate training programs.100

The Government of Canada noted in the 2009 Budget that a “deepening global economic recession has begun to take its toll on workers and their families, particularly those in some of the more vulnerable sectors.”101 Past recessionary periods have demonstrated that youth, immigrants, older workers and low-skilled individuals are the most vulnerable during economic downturns, as are workers holding temporary contracts.102 As with previous recessions, the current economic situation is also disproportionately affecting workers in certain industries such as automotive, forest products, construction, and parts of the financial sector.

Workers that remain employed during a recession may also be impacted—through reduced hours of work and, as a result, lower earnings.103
Workers in lower-skilled occupations are more vulnerable to poverty and employment instability, and their situation is exacerbated during recessions. In 2001, employment decreased by 1.6% in occupations requiring a high-school diploma or less—typically in industries such as the primary (e.g., agriculture, mining, fishing, forestry etc.) and transportation and storage sectors, which traditionally employ a high proportion of low-skilled workers.109

The “spill-over” effect of a recession

Historically, an economic recession in any country tends to spill over into the economies of other countries. As Weisbrot, Schmitt and Sandoval (2008) note, countries that export to the U.S. benefit from the rapid growth of the U.S. economy, but are also hurt by a period of slow U.S. growth or a recession.104

The U.S. recession has significantly impacted Canadian jobs, notably in the auto industry. Canada and the U.S. have one of the largest and most comprehensive trading relationships in the world—one that supports millions of jobs in each country.105 Canadian firms are therefore more likely than those in other countries to experience more quickly the brunt of shifts in terms of trade.106

The automotive industry, as major studies confirm, is very important to the structure of the Canadian economy. In 2006, the motor vehicle and parts industry employed 219,000 workers across Canada. In 2007, the “Detroit Three” (General Motors, Ford and Chrysler) automakers directly employed approximately 34,100 hourly and salaried workers. In contrast, foreign automakers employed just under one-half that number.107

Although the auto industry is now largely concentrated in Ontario, its sheer size exerts a “spill-over” effect on economies throughout the country.108
The 1981–1982 and 1990–1992 recessions were marked by massive layoffs and factory closures within the manufacturing industry. In 1982, Canadian factories lost 208,000 workers, and another 315,000 workers were laid off between 1990 and 1992.\textsuperscript{113} In response to economic shifts throughout the 1990s, a significant proportion of older manufacturing workers took early retirement, often with little or no income protection. Many other manufacturing workers experienced extensive periods of unemployment before finding jobs at lower wages.\textsuperscript{114} There was every indication that unemployment would remain chronically high and that many workers who had lost their manufacturing jobs in the early 1990s would have difficulty in securing future employment in the manufacturing sector.\textsuperscript{115}

Recessions can affect both “white-collar” and “blue-collar” workers

The recession of the early 1990s affected both white-collar and blue-collar workers, as evidenced by increases in Unemployment Insurance (UI) beneficiaries (now referred to as Employment Insurance/EI).\textsuperscript{110} Between 1989 and 1992, the number of white-collar workers receiving UI benefits increased by 33%, compared with a 31% increase among blue-collar workers.

Most of the increase in UI benefits among blue-collar workers occurred at the beginning of the recession and peaked in 1991. In contrast, UI beneficiaries among white-collar workers increased more slowly but continued to rise throughout 1992. This pattern parallels that of the previous recession in the 1980s, which began with job losses in manufacturing and construction, followed by losses in some parts of the services sector.\textsuperscript{111}

During the early-1990s recession, white-collar workers who were last employed in managerial and professional positions were also affected as a partial consequence of large firms’ restructuring efforts to eliminate middle-management positions.

However, during this period, the sharpest increases in unemployment were among blue-collar workers who were last employed in processing, machining and fabricating occupations. The number of UI beneficiaries nearly doubled in Ontario, where almost one-half of Canada’s manufacturing was located. Unemployment during this period also increased significantly among workers in construction and transportation occupations.\textsuperscript{112}
YOUNG ADULTS ENTERING THE LABOUR MARKET

In response to fewer or non-existent employment opportunities, and in an effort to improve their employment prospects, many young job seekers often opt to enter or return to school—instead of entering or continuing in the workforce.\textsuperscript{116}

Data from the Association of Colleges of Applied Arts and Technology of Ontario show that during the 1990–1992 recession, enrolments and retention increased significantly in educational institutions, including colleges and universities. Applications received in the fall of 1992 increased by 35% over the previous year. During the same period, enrolment in employee- and government-sponsored skill and trade programs also increased substantially.\textsuperscript{117}

Toward improved equity for under-represented groups

The OECD has observed that demand for higher skills is rising, while unskilled and low-skilled jobs are becoming scarcer. In many countries, youth unemployment rates remain high and earnings differentials by levels of educational attainment are widening.\textsuperscript{118} Many people do not have the basic skills needed to learn the technological skills that are redefining the nature of work.\textsuperscript{119}

The OECD has recommended the fostering of “learning societies” that would provide individuals with the necessary foundations of knowledge and skills; and would encourage, motivate and enable continuous learning throughout life. This approach would include the provision of skills training to enhance greater social equity and participation by groups traditionally under-represented in employment.\textsuperscript{120}

In January 2009, the Council of Ontario Universities’ Application Centre reported that 84,300 students applied for fall admission—a 1.1% increase over the record set in 2008, and a 42% increase over the 59,197 that applied in 2000. The only year in which the total was higher—at 102,618—was during the “double cohort”* year of 2003.\textsuperscript{121}

* Double cohort refers to when two classes graduated in the same year (2003), following the cancellation of Ontario’s grade 13.
Similarly, the number of non-secondary-school applicants—including former high-school students, mature, transfer and out-of-province students—increased by 9.9% between 2008 and 2009 to 21,128. If this rate continues, the number of non-secondary applicants in 2009 will surpass the 2008 record total of 44,165. As of January 2009, about 3,500 of the 21,128 applicants in this category were Ontario high-school students who had taken a year off before returning to school.122

Applications to Ontario’s 24 community colleges also increased during the winter of 2009. As of January 5, 2009, there were 43,850 applicants to winter programs at the colleges, compared with 39,866 applicants at the same time in 2008. The 10% increase in 2009 is almost double the increase in 2008 (5.1%) over the previous year.123

Impact of the recession on post-secondary education

As a recent report by the Educational Policy Institute (2009)124 notes, the most immediate challenges facing the post-secondary sector in Canada over the coming years will include:

- decreasing institutional revenues;
- increasing institutional costs;
- increasing enrolments in colleges and Master’s programs;
- declining apprenticeship registrations;
- increasing student-aid costs and difficulties related to institutional need-based awards;
- hiring freezes for full-time staff and an increased use of part-time and sessional staff;
- reductions in graduate scholarships;
- cuts in library spending; and
- larger class sizes.
The 2006 Census revealed that nearly one out of five Canadian residents was born outside of Canada and approximately two-thirds of Canada’s population growth results from net international migration.

Immigration is a major factor in Canada’s economic growth, but successful transitions into the Canadian labour market remain difficult for many immigrants whose skills, knowledge and experience are too frequently under-utilized, as a result of a number of factors including language barriers and lower literacy skills.

As a consequence of Canada’s immigration policy, immigrants to Canada typically have higher educational attainment than native-born Canadians. Very recent immigrants are more than twice as likely to possess a university degree and are four times more likely to have a graduate degree than native-born Canadians.

*The high levels of educational attainment by immigrants are a result of Canada’s admission requirements for skilled-worker immigrants. Principal skilled workers applying for admission to Canada are admitted on the basis of criteria that include level of education, knowledge of one of Canada’s official languages, and labour-market factors. Levels of educational attainment are lower for persons admitted to Canada for the purpose of family unification (family-class immigrants) and as refugees.*
Despite their educational assets, many recent and very recent immigrants experience lower employment and higher unemployment rates than Canadians with similar levels of education. Immigrants also earn less than their Canadian-born counterparts. Data from the 2006 Census reveal that, among recent immigrants, men earn 63 cents and women earn 56 cents for every dollar earned by their Canadian-born counterparts.128

Immigrants reported several obstacles that impede their entry into the labour market. These barriers include language skills, lack of Canadian work experience, failure to receive credit for work experience in other countries, and problems related to the recognition of foreign credentials.129

Results of the 2003 International Adult Literacy and Skills Survey revealed that 32% of immigrants to Canada have very low literacy skills, compared to 10% of native-born Canadian adults. Further analyses suggest that immigrants’ literacy difficulties are primarily the result of inadequate English- or French-as-a-second-language skills.130

Assuming Canadian immigration policies remain stable, the number of immigrants in the population is predicted to grow by 4,126,000 (77%) between 2001 and 2031.131 The proportion with low literacy skills will decrease from 67% in 2001 to 61% in 2031, yet the absolute number of immigrants with low-level literacy skills will continue to rise in the coming decades, increasing by 2,179,000 to 5,754,000 people by 2031 (a 61% increase).132

OLDER WORKERS

Older workers aged 45 and older constitute an integral part of the labour force. However, they can more frequently encounter limited job opportunities than their younger counterparts, for several reasons. As the length of job tenure increases, older workers accumulate firm-, industry- or occupation-specific skills but their ability to acquire other types of competencies and skills is limited. Additionally, older workers have shorter timeframes in which to retrain or relocate.133 Other possible barriers include older workers’ expectations about higher wages, their tendency to be more selective when choosing a new job, and skills mismatches that hinder career change.134

Data collected over the period 1993 to 2001 demonstrated that workers over the age of 40 were more affected by chronic unemployment than younger workers, and those aged 56 to 63 were the most affected. Although under-represented among the unemployed (5% compared with 6.8% of the employed labour force), this older group (aged 56 to 63) was over-represented in the chronic-unemployment (8.4%) and always-unemployed (16%) groups. This suggests that as one ages, obstacles to re-employment become more challenging.135
A 1993 study by Statistics Canada suggests that there may be a link between the state of the economy and early retirement. During the 1990–1992 recession, 211,000 workers retired earlier than planned, an 11% rise from 190,000 over the previous three-year period. The study found that more workers retired early because of layoffs and business and plant closures, and retirement incentives such as a cash-out or early-retirement package.

The particular economic and financial circumstances of the current recession will likely have a different effect on older workers. Given this period’s tighter labour market, organizations may not be as able to offer early-retirement incentives. Public-sector spending on such incentives peaked in 1996 and then declined through the remainder of the decade. The extent to which workers are willing to remain in the workforce may change during this recessionary period, as may the opportunities open to individuals facing retirement in the years ahead.
Working seniors? Baby boomers expected to delay retirement

Statistics Canada data suggest that adults are staying in the workforce longer and that labour-force participation of older workers will continue to rise because of several factors:

- baby boomers’ strong attachment to the labour force;
- the apparent desire of older adults (over 55) to continue working because of personal interest, financial concerns or other factors; and
- the virtual elimination of mandatory retirement at age 65.\textsuperscript{140}

In fact, research indicates that one-quarter of retirees later return to the labour force.\textsuperscript{141}

Older adults may remain in the workforce through a range of work arrangements such as part-time employment or consulting work, or by making career changes. Retaining an aging workforce that can mentor an incoming generation of workers may be one way to raise productivity and counter impending labour shortages.\textsuperscript{142}

Older workers who choose to extend their working lives beyond the standard age of retirement will also need to improve their skills and knowledge to keep pace with the new economy and technological innovations, and to remain resilient during periods of economic uncertainty.

WORKERS IN NON-STANDARD EMPLOYMENT

Standard jobs refer to those that are full-time, full-year and with one employer. Part-time, contract and temporary are examples of non-standard employment. Non-standard employment can also include self-employment.\textsuperscript{143} Many of these workers face greater job insecurity because of the tenuous nature of their employment arrangement.

However, as Ellwood et al. (2000) note, some workers desire such non-standard jobs because of increased flexibility and the opportunity to sample different employers without committing to long-term employment. That being said, uncertainties around employment and earnings, as well as limited access to benefits, appear to be the largest problems in contingent (non-standard) employment.\textsuperscript{144}
In 2007, most Canadian employees (87.1%) had permanent jobs, while another 1.8 million had temporary jobs including term, contract, casual or seasonal-type work.\textsuperscript{145}

Most temporary workers in 2007 were in agriculture; educational services; information, culture and recreation; business, building and other support services; and construction.\textsuperscript{146} Indeed, the availability of temporary jobs increased at a faster pace than permanent ones from 1997 to 2007 (43.5% versus 23.2%), although considerably more permanent jobs were added (2.3 million) than temporary ones (559,000). Nevertheless, the share of all employees in temporary jobs increased from 11.3% in 1997 to 12.9% in 2007.\textsuperscript{147}

Most temporary employment in 2007 consisted of term or contract employment, including employment of workers through a temporary-help agency, and represented 6.6% of all employees (935,000). Casual workers (475,000) and seasonal employees (417,000) each accounted for approximately 3% of all employees (including standard and non-standard).\textsuperscript{148}

From 1997 to 2007, overall temporary employment grew 43.5%, with the greatest change occurring in contract employment (up 59% or 347,000). All age groups experienced growth in temporary employment during this period.\textsuperscript{149}

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**Workers at the edge of poverty**

Data from Statistics Canada’s Survey of Labour and Income Dynamics for the years of 1999 to 2003 demonstrate that for many Canadians, self-sufficiency is not necessarily enough protection to avoid poverty. In 2002, 2.2 million self-sufficient workers avoided poverty by relying on the financial support of other family members. Among non-poor workers who had accumulated at least 910 hours of paid work, 3.4 million would have been poor had they lost supplementary support—such as a family member’s earnings and government benefits—or had they relied solely on their earnings.\textsuperscript{150}

This scenario has important implications for unattached (single, divorced, widowed etc.) individuals—in particular, those aged 45 to 64. This group is at higher risk of experiencing persistent poverty as they may not be able to depend on the financial support of other family members to make ends meet.\textsuperscript{151}

Vulnerability to poverty is related to the quality of employment. Research demonstrates that those who are at particular risk of poverty include the self-employed; those who do not work full-time or full-year; and youth in low-skilled, low-wage jobs.
LONG-TERM NON-TRAINEES

Of particular concern is a group of individuals described as long-term non-trainees—those who have not participated in any formal job-related training for a period of four years and who have little intention of participating in the coming three years. Although more detailed data are needed on this group, it is known that in 2002, 2.2 million Canadian adult workers (16% of the adult workforce) were considered long-term non-trainees,† of which males comprised a larger proportion (54%) than females (46%). More than one-half (56%) of this group had no education above the secondary-school level.

Individuals who do not engage in formal or informal learning activities are Canada’s most vulnerable group of adults—and the least understood among researchers. There are two types of non-participants: those with no interest, and those who have interest but are prevented from participating because of barriers (e.g., lack of time, family obligations, finances etc.).

Non-participants who express no interest in learning and training activities may be unaware of the need to upgrade their skills, of the opportunities available to them, or of the positive return that could accrue from their investment.

A number of factors may influence long-term non-trainees’ desire not to train—such as the nature of their work, the availability of employer support, and previous experiences with formal education and training—which may affect their ability to secure higher wages and job advancement opportunities in the future.

It has been documented that individuals who regularly update their skills are valuable to their employers and to the labour market. The opposite holds true for individuals who do not participate in training over an extended period, and who have no intentions to train in the future. In such instances, research suggests, their skills and knowledge are more likely to depreciate and become outdated.

* According to HRSDC (2007), the term working poor is used to define a worker who lives in a family of four (two adults and two children) and whose family income is insufficient to support the needs of all family members.

† Long-term non-trainees are more likely to be male, 45 years and older, with a high-school education.
The importance of work

Work gives individuals a sense of identity, belonging and self-respect. As Krahn and Lowe (2002) note, “work is the basis for the economic survival of individuals and society. An individual’s work activity structures much of her or his time, and provides a source of personal fulfillment.”

Work is also closely linked with other important aspects of daily life that involve family, leisure, religion, and community life.

Work is central to our understanding of who and what we are. It is importantly a source of self-identification. As one of the ways in which “we are judged by society and how we judge ourselves,” work functions as both a “price tag” and a “calling card.” As Morin (2004) notes, work is, above all, “an activity through which an individual fits into the world,” creating new relations, using talents, learning and growing, and developing an identity and a sense of belonging.

FAMILIES ALSO AFFECTED BY UNEMPLOYMENT

Job loss can impact an adult’s physical and mental well-being and place additional demands on marital relationships—in some cases, increasing the risk of divorce.

Job loss can also affect families and children. The resulting financial hardship can limit families’ economic resources, diminishing their capacity to provide proper nutrition, cognitively rich learning environments such as after-school and extracurricular programs, and other important contributors to positive childhood development.

Parents’ experiences of job loss and unemployment can serve as models for their children, shaping their attitudes and behaviours. According to research, children’s interpretations of their parents’ work experiences can influence their own academic attitudes and performance, and possibly their future economic opportunities. Children who witness parental unemployment may be motivated to further their own education in an attempt to obtain more secure and stable employment than experienced by their parents. Pessimistic perceptions of their parents’ labour-market experiences, however, may also diminish children’s motivation and lead them to disengage from school or work.

The impact of job loss and job displacement on the social and economic well-being of Canadian families and children is particularly relevant given the current economic climate, making some families more financially vulnerable.
The vulnerability of single-industry towns

Single-industry towns—such as those focused on forestry, mining, oil and gas, or fishing—are particularly at risk during times of economic instability. Subject to boom-and-bust cycles, many towns face unprecedented challenges when their sole industry is no longer sustainable. Layoffs, population loss, a shrunken tax base, increasing school dropout rates and related social problems are typically the outcomes for single-industry communities during difficult economic times.165

Forestry towns, for example, were unable to withstand the economic pressures of the 1970s and 1980s—high energy costs and high inflation, and decreases in housing starts and general demand for wood.166 These communities experienced numerous downsizings and closures.167

The challenges for forestry communities will continue as Canada further experiences the impact of a deepening worldwide economic crisis. From 2003 to 2007, 22,000 jobs were lost at 184 mills across the country.168 The Conference Board of Canada predicts that total forestry jobs will decline to 81,500 by 2011 from 87,500 in 2007 and that production will fall again from the 6.6% decline of 2008.169

How single-industry communities respond to economic pressures that undermine their sustainability will ultimately vary from community to community. There are many processes and strategies that they can pursue as they plan for the future—ranging from closing the community, to re-inventing their economies through diversification and working with external partners such as government, industry and neighbouring communities. It appears that most single-industry towns are indeed transitioning to new economies—and that creative, innovative and resourceful team players willing to take risks may be the most successful and sustainable.170
SECTION 3: SUPPORTING INDIVIDUALS, WORKERS AND THEIR FAMILIES

Various forms of support to individuals can help to create a more flexible, knowledgeable workforce and offer a competitive edge in the global economy. This support to individuals can include the provision of training opportunities, wage subsidies, or employment support—such as employment counselling, life-skills training, assistance with child care and travel costs or other work-related costs, or help with job searching. It can also involve job-creation and skills-development partnerships and agreements, and the development of employment-related policies.

Unemployed individuals are not the only group that needs support. As a 2006 report by the Canadian Policy Research Network (CPRN) highlights, those with strong labour-market attachments may also require support to reduce their vulnerability to low earnings, low family income, and potential loss of family or government support.171

Governments, employers, educational institutions, communities, families and society all have a role to play in ensuring that individuals and workers receive the support they need to be self-sufficient and fully contributing members of society. A coherent, comprehensive response to the current economic recession is critical. Canada needs to take a longer-term view that will support a vibrant economy and greater opportunities for individuals in the years to come.

The following section provides a snapshot of efforts in Canada—including those of governments, employers, unions, educational institutions, learning cities and communities—to support individuals and workers. It is not an exhaustive overview, but rather an illustration of the scope of support currently available.

GOVERNMENTS PLAY A KEY ROLE

Governments—federal, provincial and territorial—recognize the importance of planning for the future, and therefore play a key role in supporting Canadians. The federal government’s long-term plan for Canada, Advantage Canada: Building a Strong Economy for Canadians 2006, calls for a workforce that aspires to be “the best educated, most-skilled and most flexible” in the world. The plan commits to creating “new opportunities and choices” for people to excel and achieve their potential.172

Many of the supports available to Canadians are a result of joint partnerships and agreements between various types of governments.

Federal Government

Active Labour Market Programs (ALMPs)

Over the last two decades, Active Labour Market Programs (ALMPs) have emerged as an important employment policy tool in many OECD countries.
ALMPs can help increase employment opportunities and address the social problems that often accompany high unemployment. In times of high employment, the focus is on skills development, while in times of high unemployment a high priority is placed on job-search and placement supports, business start-up assistance and other measures.  

As CPRN (2002) notes, federal and provincial governments have been providing active labour-market programs to Canadians for several decades. Since the late 1990s, many of the services and benefits in this area have been designed and delivered by provincial/territorial governments within a framework of bilateral federal-provincial and federal-territorial agreements.  

ALMPs are considered “active” programs—in contrast to “passive” measures such as unemployment insurance or social transfers designed to mitigate the financial hardships of the unemployed. ALMPs include a wide range of activities to stimulate employment and productivity, such as:  
• increasing the quality of labour supply (e.g., retraining);  
• increasing labour demand (e.g., public-works projects); or  
• improving the matching of workers to jobs (e.g., job-search assistance).  

### Improving labour-market information  

The Forum of Labour Market Ministers (FLMM) is a body that promotes discussion and co-operation on labour-market matters among the responsible federal, provincial and territorial (FPT) ministers. In July 2008, the FLMM established the Advisory Panel on Labour Market Information (LMI), an independent group that advises the FLMM on how best to improve the Canadian LMI system to make Canadian labour markets more effective.  

The panel has identified five key challenges to improving Canada’s LMI system:  
• the labour market has become global even while many of its aspects remain local;  
• basic information gaps exist, even at an aggregated level;  
• the mismatch between the supply of aggregate data and the demand for detailed occupational and geographic information and demand;  
• fragmented and disparate LMI data sources; and  
• under-developed public awareness about, and user friendliness of LMI.  

Supporting Canadians: 2009 Federal Budget

As announced in the January 2009 federal budget, the federal government is providing $8.3 billion for the Canadian Skills and Transition Strategy. The strategy contains additional support for individuals who have lost their jobs, including enhancements to Employment Insurance (EI) and funding for skills and training development to help Canadians get better jobs, “while giving Canada a more flexible and knowledgeable workforce and a competitive edge in the global economy.”

Budget 2009 aims to create more and better opportunities for Canadian workers by:

1. Enhancing the availability of training
   • increasing funding for training delivered through the EI program by $1 billion over two years;
   • investing $500 million over two years in a Strategic Training and Transition Fund to support the particular needs of individuals who do not qualify for EI training, such as the self-employed or those who have been out of work for a prolonged period of time;
   • providing $55 million over two years to help young Canadians find summer jobs;
   • supporting older workers and their families with an additional $60 million over three years for the Targeted Initiative for Older Workers and expanding it to include workers in small cities;
   • responding to skilled-labour shortages with $40 million a year to launch the $2,000 Apprenticeship Completion Grant;
   • providing $50 million over two years for a national foreign credential-recognition framework in partnership with provinces and territories;
   • investing an additional $100 million over three years in the Aboriginal Skills and Employment Partnership (ASEP) initiative, expected to support the creation of 6,000 jobs for Aboriginal Canadians; and
   • investing $75 million in a two-year Aboriginal Skills and Training Strategic Investment Fund.
2. Developing a highly skilled workforce

- providing an additional $87.5 million over three years to temporarily expand the Canada Graduate Scholarships program; and
- allocating an additional $3.5 million over two years to offer an additional 600 graduate internships through the Industrial Research and Development Internship program.

3. Strengthening benefits for Canadian workers

- increasing for two years all regular Employment Insurance (EI) benefit entitlements by five extra weeks and increasing the maximum-benefit duration to 50 weeks from 45 weeks;
- providing $500 million over two years to extend EI income benefits for Canadians participating in longer-term training, benefitting up to 10,000 workers;
- extending work-sharing agreements by 14 weeks, to a maximum of 52 weeks, so more Canadians can continue working;
- extending the Wage Earner Protection Program to cover severance and termination pay owed to eligible workers impacted by employers’ bankruptcy;
- consulting with Canadians and developing options to provide self-employed Canadians with access to EI maternity and parental benefits; and
- freezing EI premium rates at $1.73 per $100 for both 2009 and 2010—their lowest level since 1982—a projected $4.5 billion stimulus relative to break-even rates.

Employment Benefits and Support Measures (EBSMs)

The support provided to unemployed workers through active re-employment measures and programs is known as Employment Benefits and Support Measures (EBSMs). In Canada, the responsibility for the delivery and administration of EBSMs is shared according to details outlined in each provincial labour-market development agreement (see section on page 48 under Labour Market Development Agreements).

Employment Benefits are generally longer-term interventions. Available to unemployed individuals who are currently on claim or who have been on claim in the past three years,* they include the following employment programs:

- Skills Development: providing a negotiated level of financial support to unemployed EI-eligible individuals without marketable skills, who require occupational-skills training in order to secure employment;
- Self-Employment: providing eligible individuals with income and entrepreneurial support while they start their own business;
- Job-Creation Partnerships: providing meaningful work experience in incremental term projects to participating individuals; and
- Targeted Wage Subsidies: providing an employer with a temporary wage subsidy that enables them to provide meaningful work experience to an individual they would not normally hire, and helps that individual to find a permanent job—preferably with the same employer.

Support Measures are short-term interventions and are available to all unemployed individuals. There are three types of support measures:

- Employment-Assistance Services: helping unemployed individuals prepare for, obtain and maintain employment by providing services such as employment-needs assessments, career planning, employment counselling, job-search techniques, job placement and labour-market information.
- Labour-Market Partnerships: encouraging and supporting employers, employee and/or employer organizations and communities to improve their capacity for dealing with human-resource requirements and to implement labour-force adjustments; and
- Research & Innovation: funds projects that examine previously untried solutions to specific labour-market issues or problems.

* Five years for those who have been on parental benefits and are returning to the labour market.
Sector Councils: creating partnerships to build a quality workforce

The Government of Canada supports sector councils in key sectors of the Canadian economy, including automotive, aviation, biotechnology, child care, environment, mining, petroleum, policing, and steel.

Sector councils are national partnership organizations that bring together business, labour and educational stakeholders. Operating at arm’s length from the Government of Canada, sector councils are a platform for stakeholders to share ideas, concerns and perspectives about human resources and skills issues and—in a collective, collaborative and sustained manner—to find solutions that benefit their sector.

The Sector Council Program (SCP) is guided by four principal objectives:

• increasing industry investment in skills development to promote a quality workforce;
• a learning system that is informed of, and more responsive to, the needs of industry;
• reducing barriers to labour mobility, leading to a more efficient labour market; and
• enhancing ability of industry to recruit and retain workers and to address human-resources issues.

Federal-Provincial/Territorial Agreements

Labour Market Development Agreements (LMDAs)

Labour Market Development Agreements (LMDAs) are bilateral federal-provincial/territorial agreements. The Government of Canada has developed varied LMDAs with all provinces and territories.

As Fong notes (2005), active labour-market programming is delivered by Human Resources and Skills Development Canada (HRSDC), provinces and territories, and Aboriginal organizations through LMDAs and Aboriginal Human Resources Development Agreements (AHRDAs).

Provinces and territories engage third-party service providers to assist in delivering active labour-market programming. All jurisdictions have signed LMDAs using one of two models with different degrees of responsibility:

- **transfer LMDAs**, in which the provinces and territories assume responsibility for the design and delivery of programs similar to EBSMs; and funds and staff are transferred to the provinces and territories; and
- **co-managed LMDAs**, jointly planned by the provinces/territories and HRSDC. There are no direct transfers of funds and HRSDC continues to deliver EBSMs.

### Table 1: Labour Market Development Agreements

<table>
<thead>
<tr>
<th>Type of Agreement</th>
<th>Province and Territory</th>
<th>Design and Delivery</th>
<th>Funding and Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer</td>
<td>NB, QC, MB, SK, AB, NWT, NU, ON, BC, NS</td>
<td>Provinces and territories assume responsibility for designing, delivering and managing the programs that are similar to EBSMs.</td>
<td>Funding and HRSDC staff transferred</td>
</tr>
<tr>
<td>Co-managed</td>
<td>NL, PEI, YK</td>
<td>HRSDC delivers Employment Benefits and Support Measures (EBSMs) but shares responsibility for designing, managing and evaluating the programs with provinces and territories.</td>
<td>No transfer of funds or staff.</td>
</tr>
</tbody>
</table>


Aboriginal Human Resources Development Strategy

HRSDC manages the Aboriginal Human Resources Development Strategy (AHRDS). Designed to expand the employment opportunities of Aboriginal people across Canada, the AHRDS helps Aboriginal organizations to design and deliver employment programs and services best suited to meet the unique needs of their communities.

The AHRDS is designed to assist Aboriginal people to prepare for, find and keep jobs. Its programs and services are accessible to all Aboriginal people, regardless of status or location. Programs and services include:

- labour market interventions;
- programs for youth, urban and Aboriginal people living with disabilities;
- creation and maintenance of child-care spaces (First Nations and Inuit Child Care); and
- capacity building for Agreement holders.

In Canada, 80 Aboriginal Human Resources Development Agreement (AHRDA) holders deliver labour-market programming in more than 400 locations.

A unique feature of the strategy is the Aboriginal Human Resources Development Council (AHRDC). Its goal is to create partnerships among Aboriginal organizations, the private sector, and federal and provincial governments that will lead to full participation of Aboriginal people in the Canadian economy.
Past government responses: GI Bill of Rights

Both the U.S. and Canada passed legislation in 1944 aimed at providing education and training opportunities to returning veterans of World War II. The effects would be far-reaching—including significant enrolment increases (veteran and non-veteran) and the expansion of post-secondary programs and services to meet increased demand.

The U.S. experience

Signed into law on June 22, 1944, the GI Bill of Rights, officially known as The Servicemen’s Readjustment Act of 1944, provided greater opportunities to returning veterans of World War II, notably in the field of education and training.

The GI Bill of Rights made access to higher education practical for men from all backgrounds. Prior to the war, much of the population in the U.S. was uneducated—one in 16 Americans had a college education. Unemployment was widespread—with 25% of the population unemployed at the height of the Depression in 1933. In the seven years following the creation of the GI Bill of Rights, approximately 2.3 million veterans attended colleges and universities; 3.5 million received formal in-school training; and 3.4 million received on-the-job training. Veterans formed the ranks of trained engineers, accountants, teachers, scientists, doctors, and dentists—their skilled labour contributing to a burgeoning and literate technological middle class.

Colleges and universities were transformed by the expansion of infrastructure and programming required to meet the demands of this new student population. As these institutions amassed more resources and prestige, they dramatically impacted surrounding communities, stimulating local businesses and housing developments over the coming decades.

The Veterans Rehabilitation Act: The ‘Canadian GI Bill’

Signed into law in 1944, the Veterans Rehabilitation Act (VRA) created a series of programs that included guaranteed vocational training and university education for returning Canadian veterans of World War II.

A total of 50,000 veterans received university allowances, while 70,000 received vocational-training allowances. A 2001 study by Lemieux and Card suggests that most veterans who entered university after the war would not have enrolled in the absence of the VRA.
It would appear that the VRA increased the demand for university education among groups who previously would not have attended university. Total university enrolments (veteran and non-veteran) more than doubled in 1947 from the average of 35,000 enrolments each year between 1930 and 1945.185

The VRA also helped alleviate the associated financial burden placed on university institutions by providing an annual grant of $150 per veteran directly to the university concerned. In 1946, these grants represented over 10% of the operating budget of Canadian universities.186

### Provincial and Territorial Governments

#### Labour Market Agreements (LMAs)

While Labour Market Development Agreements (LMDAs) are governed by Part II of Canada’s Employment Insurance Act,* Labour Market Agreements (LMAs) give provinces the ability to develop programs and services for unemployed and low-skilled workers to improve their employability. LMAs give provinces more flexibility to design programs that meet their unique needs.187

Examples of LMAs include:

- **British Columbia**
  In January 2009, B.C.’s Minister of Advanced Education and Labour Market Development announced $1 million for 2008–2009 for a new provincial labour-market program. The Return to Work Employability Program was created to help British Columbians—particularly those in small and rural communities—to obtain the job skills needed to succeed in today’s changing economy.

- **Ontario**
  Ontario’s three-year Skills to Jobs Action Plan (2008–2011) is designed to help people obtain well-paying, stable jobs. Its programs support new skills for new careers, increase access to post-secondary education, and build places to learn. The centrepiece of the Skills to Jobs Action Plan is the Second Career Strategy—a $355-million investment over three years to help approximately 20,000 unemployed workers obtain long-term training for new and better careers. Each participant can receive up to $28,000 to help pay for tuition, travel, books and other training costs. The strategy offers one- or two-year skills-training courses, related needs-based income supports, and career-planning services. The Skills to Jobs Action Plan also includes $75 million over the next three years to expand apprenticeship training.191

* Potential clients must be Employment Insurance/EI-eligible to access LMDA programs.
Examples of provincial- and territorial-government support for individuals and workers

1. Apprenticeship training: a provincial and territorial responsibility

The skilled trades are an integral part of Canada’s economy. Apprenticeship training is a well-established approach to learning and involves alternating periods of in-class education and on-the-job training. In Canada, apprenticeships typically last between two and five years, with the in-class portion lasting four to 12 weeks each year.  

Each provincial and territorial government bears the responsibility for implementing and overseeing apprenticeship training. Canada currently has 13 different apprenticeship systems, and each province and territory governs its own training and certification policies. Legislation permits provinces and territories to designate apprenticeship programs for their own requirements. There are more than 200 apprenticeship programs available across Canada.

Other key partners are engaged in apprenticeships: for example, employers and unions play an important leadership role within each jurisdiction by guiding provincial and territorial officials and providing input to training programs.

Impact of the recession on apprenticeships

As reported by the Educational Policy Institute (2009), the recession that began in 2008 may have an impact on apprenticeships, resulting in fewer registrations. Not surprisingly, during a recession, employers may be hesitant to hire new employees—and many of those currently enrolled as apprentices may experience job loss as companies are forced to restructure or close.
2. Quebec’s 1% training tax

In 1995, the passage of the Act to Foster the Development of Manpower Training—known as the “1% Law”—initially required all Quebec employers to invest a minimum of 1% of their total payroll on training. Those failing to do so were expected to contribute an equivalent amount to a public fund that supports workplace-training initiatives in the province. (In recent years, the legislation was amended to exempt companies with payrolls of less than $1 million.)

Between 1997 and 2002, participation in workplace training in Quebec increased significantly—from 21% to 33%—representing the fastest growth rate in Canada. Although Quebec’s rate of participation in training still lagged slightly behind the 2002 national average of 35%, the province had, over the six-year period in question, dramatically closed the gap.

The provisions introduced under this Act have had a significant effect on how training is planned, organized and supported at all levels (firm, sector, regional and provincial) across Quebec.

The legislation has led to the creation of several permanent bodies—such as the Labour Market Partners’ Commission, the 30 Workforce Sector Councils, and the 17 Regional Labour Market Partners’ Councils—which focus on decision-making related to workforce training and development.

3. Nunavut Adult Learning Strategy

The Government of Nunavut’s Adult Learning Strategy marks the first attempt to address the learning needs of adult Nunavummiut and creates a plan to help generations of learners who have been unable to obtain employment, training, or recognition for their skills. The strategy underlines the importance of improving literacy levels and the delivery of adult education and training. As the strategy notes, “adult learning and career preparedness must cover areas ranging from literacy and upgrading to adult basic education. Additionally, it must provide specific certifiable courses and programs that will provide individuals with the knowledge and skills they need to move into more skilled areas of the workforce.”
Ontario Government 2009 Budget aims to create jobs and enhance skills training

The Ontario government’s 2009 Budget, announced in March 2009, plans to enhance support to help more unemployed and under-employed Ontarians prepare for the new economy with additional transitional-employment and training assistance of more than $750 million over two years.

The investment targets skills training, literacy and training services for new Canadians; summer jobs; and also includes proposed enhancements to the training tax credit. These initiatives are aimed at helping Ontarians weather economic uncertainty and contribute to Ontario’s future competitiveness by investing in the skills and knowledge of its workforce.

Skills Training

The 2009 Budget allocated nearly $700 million over two years to new-skills training and literacy initiatives, as well as enhancements to existing programs including:

- $94 million over two years to expand support for new Canadians, including bridge-training and mentorship opportunities, serving 15,000 more clients each year;
- $90 million over two years to expand literacy and basic skills training, including funding for community projects, distance learning and workplace literacy, helping up to 13,000 people per year; and
- $50 million annually for proposed enhancements to the Co-operative Education Tax Credit and to make the Apprenticeship Training Tax Credit the most generous in Canada.

Summer Jobs

This Budget is also increasing funding for summer employment opportunities for youth to nearly $90 million from earlier funding of $58 million. This 57% expansion means that more than 100,000 young people will benefit from support for summer employment opportunities this year, up from 73,000 last year.

Support to Internationally Trained Workers

Foreign-credit recognition

HRSDC is responsible for verifying that education and job experience obtained in another country are equal to the standards established for Canadian professionals. Indeed, a number of federal departments (currently 14) are involved with efforts to reduce the obstacles faced by immigrants with foreign-issued credentials.199 For the most part, however, responsibility for foreign-credential recognition is spread among a number of bodies—most under provincial jurisdiction—including post-secondary institutions, self-regulatory professional organizations, sector councils and employers.200

Foreign-credential recognition in Canada tends to focus on sectors in which there is a shortage of workers. Under the Foreign Credential Recognition Program, efforts have been undertaken to improve processes for licensing doctors, nurses, and other health-care professionals including pharmacists, laboratory technologists, radiation technologists, physiotherapists and occupational therapists. With funding of $75 million, the program goal is to facilitate the assessment of 1,000 physicians, 800 nurses and 500 other health-care workers over the period of 2005-2010.201

Approximately 15% of Canadians in the labour market work in regulated occupations (such as doctors, nurses and engineers). Non-regulated occupations—for example, those found in the tourism, textile, software-technology and aviation-maintenance sectors—account for up to 85% of the labour market, although certain occupations within these sectors are regulated. Generally, where non-regulated occupations are concerned, the employer is responsible for credential recognition.202

Employers and regulatory agencies face challenges in evaluating foreign-work experience. Foreign-work experience is often gained in a radically different context than in Canada, particularly where technology is involved. For example, many foreign-trained engineers have the equivalent education and work experience as technicians in Canada.203

Over time, the labour-market gap between immigrants and native-born Canadians diminishes.204 For established immigrants, employment rates and earnings are similar to non-immigrants. Nonetheless, as Canada faces growing competition for skilled immigrants, it is important to ease the transition for new immigrants into the Canadian labour force.

Language education

Immigrants often require two kinds of language education. Some immigrants need to improve their basic literacy skills, while others require technical-language training directly related to the workplace.
In 2003–2004, the federal government announced funding of $20 million annually over five years for Enhanced Language Training (ELT) to improve language training, including job-specific language-training programs. The ELT funding augmented $140 million already provided for adult language-education programs for 50,000 adult immigrants outside of Quebec. Federal funding is available to partner groups that provide matching funds (at least 50% of program costs). These programs may feature internships, temporary or permanent work-placement opportunities, and mentoring programs.205

EMPLOYERS

Canada is facing intense competition in an increasingly knowledge-based, global economy. To succeed, Canada will need a highly skilled and adaptable workforce, combined with a dynamic, innovative business sector.

Demand for highly skilled workers is expected to intensify as employers strive to develop niche markets, refine their business needs, improve their innovative capacity and replace workers ready for retirement. Increasingly, workers with low skills and qualifications are expected to make use of complex materials such as large documentation manuals, and to extract relevant information under time constraints. Security procedures in certain sectors require workers to make use of more complicated materials and advanced technological skills.

Most forms of work today use some aspect of technology. As new technologies are introduced in the workplace, workers are required to keep pace with the change. Workers who do not or cannot continue to upgrade their skills run the risk of becoming obsolete.206

For most adults of working age, the workplace remains the principal location of learning and provides an environment in which to maintain their skills.207

As Canadian Policy Research Networks (CPRN) (2009) notes, employer investment in workplace learning is critical to the development of the skills and knowledge of Canadian workers, especially as the aging of the baby-boom cohort results in a slowing of labour-force growth.208

Additionally, mounting evidence suggests that employers who do invest heavily in workplace-learning programs usually experience a high rate of return on that investment.209 Training does pay off, for both employers and employees, even during economic instability. As a 2008 U.K. report notes, investment in training during an economic downturn becomes even more important if companies are to secure a competitive edge. Research in 2007 confirmed that firms that cut out training were 2.5 times more likely to fail than those that did not—affirming that it is competent, committed staff that make the difference to productivity, quality and value.210

Employers play a key role in building a better skilled and more competitive workforce. This goal can be accomplished through a variety of mechanisms including employment support and the provision of ongoing training opportunities. Through employer-supported training, both on-site and off-site, employees are given the opportunity to develop further a number of important skills sets, such as literacy or computer skills.
As CPRN (2009) also notes, “there is room for Canada to make improvements related to engaging labour and business in setting priorities, disseminating information about training programs, continuing to support the development of sectoral labour market organizations, and providing financial incentives targeted to SMEs and less-educated workers.” Canada could help fill this gap by “giving priority to, and adequate funding support for, the formal evaluation of instruments used to foster employer investment in training.”211

**The Learning Organization: adapting to change and uncertainty**

For organizations to excel during periods of rapid change, they need to be flexible, adaptive and productive. They need to find ways to engage employees’ commitment and capacity to learn at all levels.212 In short, organizations need to become learning organizations—“where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”213

**Employer-Sponsored Training**

According to CCL’s 2008 Survey of Canadian Attitudes toward Learning (SCAL), of those who received formal work-related training during the previous year, 78% indicated that they received some form of employer support for that training.

The forms of employer support that Canadians typically received for their formal work-related training were:

- paid time while on training (59.8%);
- employer provided or arranged the training (59.6%);
- employer helped pay for training costs (e.g., tuition or course materials) (59.3%); and
- unpaid time off (12.5%).

Canadians with more education tended to have employers who supported their formal work-related training, either by providing paid leave-time for training, providing or arranging for the training, or by paying for some or all of the costs of training.
These findings are similar to other research indicating that Canadians without a high-school diploma or post-secondary credentials often work in low-paid, low-skilled jobs, and that employers tend to invest in workers who are already qualified and who work in higher-level positions. This suggests that persons working in certain low-skilled occupations—those who typically benefit from workplace training—may be less able to develop the skills demanded by the new economy.

Research also shows that less-educated workers who have the opportunity to participate in training tend to benefit more economically from their training than their highly educated counterparts. According to a recent study, 53% of respondents with a high-school diploma or less reported that their training helped increase their income, compared with 44% of university graduates.

However, there appear to be minimal data for evaluating the outcomes or success of these training programs, or for capturing the kinds of skills that employees are acquiring. More understanding is needed to determine the extent to which employer-sponsored training equips workers for the broader demands of the new economy.

**Improving productivity and quality of work life through continuous work-related learning**

Increasingly, organizations are using “continuous improvements” to maximize productivity and efficiency on the shop floor.

Continuous learning is central to making improvements and part of many management strategies—such as World Class Manufacturing, Lean Production, Total Quality Management (TQM), Kaizen, the Toyota Production System (TPS), and Training Within Industry (TWI). Continuous learning is critical for both organizational and individual employee success.

The Shell plant in Sarnia, Ontario, illustrates the organizational use of continuous learning to improve productivity and overall “quality-of-work-life” (QWL) for employees. Employee learning, both formal and informal, is encouraged within a supportive team context, and the performance of each work team depends on nurturing all members’ capacity to keep learning.

A new learning management system called Learn@Shell was launched in 2004 with the intention of maintaining a high-quality workforce. This system enables employees to manage aspects of their safety, and their environmental and unit-specific technical and skill validations. Through individual learning plans, employees customize their own educational or training “road map.” New hires are linked with mentors—established employees who share knowledge and experience—and a support program is in place for employees approaching retirement.
E-learning as a Training Tool

E-learning can provide employees with a wide range of skills—from technical to administrative and management skills. In particular, e-learning may be beneficial for literacy and essential-skills training.

A 2003 Conference Board of Canada study of 570 employers suggested that approximately 77% of employers surveyed were using some form of e-learning to deliver training to their employees. However, e-learning accounted for only a small percentage of respondent organizations’ current training efforts. For 37% of respondents, e-learning represented 1–5% of their total training effort; for 24%, 6–15% of training effort; and for 12% of respondents, e-learning was not used.

Nevertheless, there has been significant growth in corporate budgets in Canada for the use of learning technology. Many large and small employers have recognized that e-learning can be used to improve business operations and to deliver necessary training to staff. And with decreases in costs related to both hardware and software, more small- and medium-sized enterprises (SMEs) are adopting e-learning approaches to support their training needs.

Non-formal Workplace Learning

SCAL 2008 uses the term non-formal to refer to both non-formal and informal learning. However, the OECD makes a distinction between these two types of learning: the OECD defines non-formal learning as any organized and sustained educational activity, and affirms that this type of learning can take place both within and outside educational institutions.
Canadians are engaged in many forms of non-formal work-related learning, including:

- on-the-job training including direct instruction, mentoring, coaching, or observation by a superior;
- independent learning by reading, researching or using manuals;
- asking a colleague for help;
- learning through independent problem-solving;
- e-learning, such as through online courses, tutorials or seminars; and
- job rotation.

Overall, 88% of non-retired Canadians reported engaging in some type of non-formal work-related training within the past four weeks of taking the survey. Independent forms of learning—such as problem-solving, reading books or researching online—were the most popular forms of non-formal learning. More structured forms of non-formal learning—such as on-the-job training, e-learning and job rotations—were less popular.223

SCAL 2008 results suggest that non-formal work-related training may be at least partially filling the age gap in work-related training. Participation in non-formal work-related training remains relatively constant across age groups, with only a small drop-off among the very oldest group of workers. In contrast, a larger drop-off occurred among older workers engaged in formal work-related training.

Non-formal training may also be one avenue for closing the training gap between highly educated and less educated Canadians. As with formal work-related training, participation in non-formal work-related training depends on previously achieved levels of education: highly educated workers are more likely to participate in non-formal training; however, the training gap between highly educated and less-educated Canadians is much smaller for non-formal than for formal training.

Workplace Literacy and Essential Skills

As the Conference Board of Canada noted in 2003, definitions of fundamental work skills often include literacy.224 HRSDC has compiled a list of Essential Skills for the Workplace that includes reading text, writing, document use, numeracy, thinking skills, oral communication, computer use, working with others, and continuous learning.225

Although literacy for the workplace is a crucial issue, the concept of literacy varies widely among literacy professionals. Literacy is often understood to be functional literacy—the ability to read, write and perform basic mathematics. Although some employers provide this type of training, it typically receives the lowest amount of funding and emphasis.226
Improving safety at work through improved literacy skills

As the Ontario Service Safety Alliance (OSSA) notes, low literacy skills may limit workers’ ability to understand work-related risks and to act on their rights and responsibilities.227

Literacy skills form the foundation for advanced training—including safety training—and are fundamental to increasing employees’ capacity to acquire the “technical and job-specific skills they need to be high performers.”228

Research confirms that improving the literacy skills of the workforce results in tangible benefits, including improved health and safety performance.229 Employees with better literacy skills are more capable of accessing and understanding instructions for equipment and material use and are also more likely to comprehend and practise workplace health and safety procedures.

By improving the literacy skills of its employees, organizations can reduce the incidents of accidents and injury and therefore minimize insurance claims, premiums and fines that are associated with workers’ compensation boards. Improved employee literacy can help to foster a more stable and content workforce, which is conducive to maximizing employers’ productivity benefits.230

In the absence of a national strategy for adult literacy, a patchwork of provincial and territorial approaches has developed.231 As a result, workplace-literacy training has not been integrated into coherent, long-term strategies and programs for adult education and training. Employer investment in workplace-literacy programs is unevenly distributed. Typically, employers and non-profit organizations have introduced short-term programs and initiatives reflective of the modest level of available resources (provincial and federal) and the type of available funding (project funding versus core funding).232

To help improve literacy levels in Canada, CCL has developed a series of free, online literacy assessments to help literacy practitioners and individuals evaluate the numeracy, prose and document literacy skills of Canadian adults. Literacy practitioners can access prepared assessments or develop their own tests using an item data bank, and administer them to clients in an online or print format.*

* To access the self-assessment, visit www.ccl-cca.ca/literacyassessment.
Many unions promote work-related learning through a variety of means including:

- courses, events and workshops;
- the development of training facilities; and
- partnerships with colleges to broaden the availability of programs designed to upgrade worker skills and credentials.235

Consequently, unionized businesses are more likely (76%) than non-unionized companies (53%) to support employee training.236

Studies have suggested that membership in a trade union significantly affects employees' levels of participation in both formal and informal learning. For example, unionized workers are more likely to participate in registered-apprenticeship training than their non-unionized counterparts.237

Statistics Canada’s Adult Education and Training Survey data (AETS), collected in 1993 and 1997, showed that unionized workers participate more than non-unionized workers in general- and job-related adult education and training activities, and tend to benefit more from employer sponsorship of their training. Unions play a key role in promoting formal and informal work-related learning through courses, events and workshops. Many unions advocate lifelong learning.

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**Canada’s literacy challenge**

Canada's first projections of literacy levels, released by CCL in June 2008, indicate that the proportion of Canadians with low levels of literacy will remain virtually unchanged over two decades—from 48% of all adults in 2001 (aged 16 and older) to 47% in 2031. Moreover, due to Canada’s shifting demographics, the number of adults in Canada with low literacy skills will increase by 25%, from almost 12 million in 2001 to over 15 million by 2031.233

At least two of every three seniors aged 66 and older are considered to have low levels of literacy. Due to shifting demographics, between 2001 and 2031 the absolute number of seniors with low literacy skills will double from 3.1 million to 6.2 million low-skilled seniors in our population.234
to improve the circumstances and everyday work lives of their members. Some unions have highly developed training facilities, while others have merged with college programs to broaden the scope of available programming and the extent of credentialing. 238

Unionized workers also are more likely to receive formal training about new work technologies, technical or professional upgrading, and various kinds of team work and problem-solving. They also receive more courses on employee rights and benefits, and occupational health and safety. Most courses taken by workers are, to some degree, job-related. 239

EDUCATIONAL INSTITUTIONS

Analysis from the 2003 AETS showed that younger workers aged 25 to 34 were more likely to pursue post-secondary education (PSE) in order to find or change jobs (62.1%) and to increase their income (48.5%), compared with 42.4% and 33.8% of workers aged 45 to 54. The older group—those with the most labour-force experience and the highest relative incomes—tended to pursue PSE in order to improve performance at their current jobs (55.7%). 240

In 2002, adult learners aged 25 to 54 were more likely to pursue a college diploma (36%) than either a university degree (29%) or a trades or vocational certificate (28%). Only 7% of adult learners were pursuing a registered apprenticeship. 241

Universities, colleges and vocational institutes offer adult-learning programs as part of the regular curriculum. Learning may be formal, non-formal or informal, and it may be taken for work-related reasons or for general interest. In some cases a degree, certificate or diploma is awarded.

Some institutions offer courses and programs targeted to particular groups, such as refresher courses for select professional groups, learning for retirees, or mini-courses and workshops. As well, many of Canada’s community colleges and technical institutes are now providing employer-sponsored workplace training through multiple community-based campuses. Colleges, in particular, also play an important role in the delivery of literacy and English-as-a-Second-Language programs.

Community colleges form the primary vehicle for adult education and worker training, offering career-oriented and technical training and general education leading to a diploma or certificate. Private colleges or schools provide adults with an alternate system for skills training. 242 As well, an industry-based apprenticeship system exists in Canada that leads to certification in a skilled trade.

As the OECD notes, 243 post-secondary programs for adults are largely the result of post-secondary policies, and not of policies focused specifically on adult education. This can impact post-secondary institutions’ ability to accommodate the special needs of some adults. Access may be an issue of concern for adult learners who must balance the demands and schedules of work and family to attend classes, many of which are offered only during the day and may be inconvenient.
Collaborating to Support Individuals and Workers

The development of content that responds to labour-market needs depends on strong collaboration between businesses and post-secondary institutions. Whereas employers and businesses identify workplace-learning needs, teaching professionals provide innovative pedagogical approaches and relevant content. Such collaborative efforts are mutually beneficial: post-secondary institutions can benefit from a non-traditional (e.g., non-government) source of revenue, while also ensuring that course content remains pertinent to labour-market needs and requirements.

Colleges in particular are committed to partnering with the business community. Indeed, the mission statement of the Association of Community Colleges of Canada advocates this type of collaborative effort.

Nova Scotia Community College (NSCC) provides but one example of collaboration between colleges and business. In 2001, NSCC designed a two-year diploma program to meet the skills and labour needs of a local company, Dexter Construction, which was experiencing a period of growth. The company was adopting new technologies while also facing skill shortages and a lack of qualified applicants. Key features of the partnership included the following:

• mix of classroom learning, practical experience and paid work;
• guarantee of employment on graduation and tuition reimbursement for those who stay with the company;
• strong senior management support for the initiative and buy-in from supervisory staff;
• use of relevant training materials and a flexible design in the training program; and
• demonstrable benefits for both the company and students.244
Prior Learning Assessment and Recognition (PLAR) involves reviewing, evaluating and acknowledging the information, skills and understanding that adult learners have gained outside the context of formal education—through informal learning (experiential or self-directed) and/or non-formal learning (non-credit courses and workshops). 

This learning may be acquired through a combination of work, independent study or volunteering, and cannot be fully recognized by the traditional means of credential assessment, credit transfer, articulation, or accreditation.

Recognition of prior learning can serve as a critical bridge between the world of informal and experiential learning (in which most adults actively engage in their everyday lives) and the organized world of formal education, employment and citizenship encountered in their careers and community lives.
As noted in Achieving our Potential: An Action Plan for Prior Learning Assessment and Recognition (PLAR) in Canada (2008), PLAR can be particularly beneficial in promoting increased active labour-market participation by currently under-represented and under-employed groups; taken together, these groups represent a substantial “reserve” labour force, and therefore development of their potential provides one approach to combatting current demographic trends and labour-market shortages.252

Similarly, PLAR can also help individuals with formal credentials and high levels of education who are experiencing mid-career dislocations and structural shifts, enabling them to assess their experiential and unstructured learning assets as they cope with career/employment transitions.253

Prior Learning Assessment and Recognition: facilitating different kinds of transitions

PLAR254 can provide a means to facilitate large-scale transitions, including:

- the labour-market integration of people who lack foundation education and formal credentials and who need to build their confidence as adult learners;
- the mobilization of discouraged learners, focusing on the 50% of adult Canadians who report not having participated in organized educational activities of any kind;
- the more effective integration of foreign-born workers in terms of formal credentials and competencies acquired through life experience;
- facilitation of transitions across industry sectors and occupations, including “carrying over” relevant credentials and acquired competencies from one field to the other;
- facilitation of transitions across jurisdictions in both regulated and unregulated occupations; and
- the more efficient targeting of education and training on the employed labour force through the rigorous assessment and identification of knowledge and skills acquired through informal learning, and the greater ability to focus on knowledge and skills gaps.
In Canada, as in many other countries worldwide, PLAR policies and supports are present within the education and training systems, although they are much more widespread at the community-college level than at the university or secondary level. Moreover, PLAR appears to be primarily available for undergraduate rather than graduate-level studies.

PLAR implementation and learner uptake at Canadian and international post-secondary institutions appears to be concentrated in certain disciplinary areas, notably health sciences (dietetics, nursing, pharmacy and optometry), human services (early childhood education and social work) and business education.

Many adults acquire much of their informal and non-formal learning through work experiences. Research suggests, however, that only a small proportion of the general public is aware of PLAR. In 2004, more than one-half of all Canadian adults and more than 60% of employed workers (taken together, this represents approximately 12 million individuals) indicated they would be interested in enrolling in further education that recognized prior learning, thus enabling them to apply their informal learning achievements as credits toward a wide range of academic courses and other training programs.

As detailed data on PLAR are limited, Canada does not have a clear, nation-wide understanding of employers’ and professional organizations’ involvement in PLAR. In particular, the absence of provincial/territorial government policies to monitor or evaluate PLAR further limits our understanding.
The U.K. government promotes adult informal learning

On March 23, 2009, the U.K. Department of Innovation, Universities, and Skills launched The Learning Revolution, a white paper that sets out the government’s strategy to foster wide-ranging and more accessible opportunities for adults to participate in informal learning. As The Learning Revolution notes, “Informal learning is important at any time. But during an economic downturn it is essential.”

The U.K. government recognizes that while informal learning can support the development of work-related skills, it also contributes significantly to the health and well-being of communities “by building the confidence and resilience of the individuals involved.” For the low-skilled and under-confident, informal learning is viewed as an important stepping stone to further learning and a more skilled future.

U.K.’s informal adult-learning strategy provides a framework for building capacity within individuals, communities, and within the public, private and voluntary/community sectors. Through an extensive network of partnerships, the strategy aims to achieve the following objectives:

• build a culture that values informal adult learning in all its forms, with a wide range of organizations promoting it;
• support people to drive their own learning—in particular, by making it easier for people who want to start “self-organized” groups;
• link up the learning provided by the public, private and third sectors* to broaden choice and clarify opportunities for learners;
• make better use of technology to support learning and inform people about available opportunities; and
• ensure there is a wide choice of high-quality learning opportunities for everyone.


* Non-governmental organizations (NGOs).
SUPPORTING CITIES, COMMUNITIES AND FAMILIES

Cities Have the Potential to Increase our Productivity

Learning has the potential to return substantial benefits to individuals, families, communities and the national economy. As noted by the Conference Board of Canada (2008), enhanced investments in the traditional drivers of productivity—physical (e.g., machinery and equipment) and human capital (e.g., education and skills)—will provide the most robust assurance of stronger Canadian productivity growth. Cities play a key role in this process, the Conference Board emphasizes: “A safe bet for our policy makers in improving productivity would be to invest in our cities.”261

Not surprisingly, most investment in physical and human capital takes place in urban areas. As the Conference Board report notes, most improvements in productivity are happening, indirectly, in our cities.262

Cities as centres of learning

“It is important to think of cities as centres of idea creation and transmission. In other words, cities facilitate the flow of ideas between individuals and firms. Urban environments bring the greatest number of people together. They expose workers to a rich array of role models and allow them to learn by seeing, thereby enriching the overall talent and value of the workforce. This is true as well at the organization level as firms crowd together in dense areas to share knowledge and learn from each other.”


Learning Communities

Healthy, productive and engaged citizens living in socially stable communities (e.g., communities with high levels of societal trust and civic engagement) represent a competitive advantage in dynamic economies and societies. As the OECD suggests, such regions and countries tend to have more equitable incomes, higher adult literacy levels and access to further learning.263

Interest in the role of community as the “site” of adult learning has increased in recent years as policy-makers and learning practitioners seek ways to address the complex social, economic, political and environmental challenges of the knowledge economy.
Learning communities are a sustainable form of community development in which local people from all parts of society come together to enhance the social, economic, cultural and environmental conditions of their community. A unifying thread throughout learning communities is their explicit use of lifelong learning as a key source of economic regeneration, democratic participation, social inclusiveness and cohesion.

There are approximately more than 300 learning communities around the world, most of them located in Europe and Australia. In Canada, interest in learning communities first began in the west and has since begun to spread eastward.

Learning communities support a range of sites and modes of learning, notably opportunities for informal learning. Research suggests that for most adults, “informal learning…continues to represent our most important learning for coping with our changing environment.”

The 1998 New Approaches to Lifelong Learning (NALL) survey found that more than 95% of Canadian adults were involved in some form of explicit informal learning that they identified as significant.

**Learning helps to foster better health and stronger families**

Research has shown that individuals with higher levels of education tend to lead longer and healthier lives, be more engaged in their community, and express greater personal satisfaction with their lives.

The role that learning plays in the lives of adults can also have an important impact on children and families. As parents and family members, and as teachers and mentors, adults shape their children’s abilities, foster their desire to learn, and provide models of lifelong learning.

By continuing to upgrade their skills and acquire new knowledge, adults demonstrate their ability to make informed decisions, improve their wages, and acquire more access to resources and better living conditions. These advantages enable them to position their children to succeed, by demonstrating the link between increased skills and education and improved life opportunities.

Thus, by widening learning opportunities for adults, we also lay the foundation for our children’s future success, and strengthen the fabric of society.

**Supporting Families through Improved Financial Literacy**

Canadians’ well-being depends partially on their ability to understand, analyze and use financial information that will help them to make good decisions in their day-to-day life and to plan for the future. This type of skill is known as financial literacy—the ability to understand personal and broader financial matters, to apply that knowledge, and to assume responsibility for one’s financial decisions. Financial literacy can help individuals make informed decisions related to bank accounts, mutual funds, government financial-assistance programs (Canada Student Loans Program, Employment Insurance) or wealth-creation incentives such as capital gains and RRSPs.
Levels of financial literacy affect important aspects of citizenship. It can impact an individual’s capacity to provide for their family, to invest in their own education and that of their children, and to contribute to their community.269

While difficulties with financial literacy can affect Canadians at all income levels, the impacts can be especially severe for low-income families; quite simply, poor financial decisions can put them more significantly at risk than other segments of the population.270

A 2008 report by the Vanier Institute of the Family indicates that average household debt in Canada increased from $53,000 in 1990 to more than $90,000 in 2008, while the total debt-to-disposable-income ratio increased from 91% to 140% during the same period. Since 1990, spending has increased twice as quickly as household income and debt has grown six times faster than income.271

According to a 2007 survey by the Financial Consumer Agency of Canada (FCAC):

• most Canadians (87%) feel informed when they shop for financial products and services; however, a clear majority of respondents (60%) admitted that they found most information about financial matters hard to understand;

• about one-third of Canadians are unclear about their rights in the financial marketplace; and

• many Canadians (41%) acknowledge that they need more information for financial decision-making.272

Financial literacy is an important life skill that empowers individuals to make the best financial decisions regarding their particular circumstances. While a number of initiatives are currently underway to improve financial literacy for Canadians, the Government of Canada expects to launch an independent task force in the future, which will make recommendations to the Minister of Finance on a cohesive national strategy on financial literacy. The task force will include representatives of the business and education sectors, volunteer organizations and academics, and will be supported by a federal secretariat.

Empowering individuals through Nudge Economics

_Nudge: Improving Decisions about Health, Wealth and Happiness_ (2008), by Richard H. Thaler and Cass R. Sunstein, explores how the new science of “choice architecture” can be used to “nudge” people toward decisions that will improve their lives, making them healthier, wealthier and happier.

For example, certain “nudges” can positively influence the decisions of parents and their children to enrol in post-secondary education. Rather than simply relying on a lesser default option, parents and students are provided with the right incentives to make choices that are in their best interests.273
SECTION 4: CONCLUSION AND OBSERVATIONS

A CHANGING WORLD

Shifting demographics, rapid advances in technology, increased global competitive pressures, and the impacts of the recent global recession are transforming the way Canadians work, live and plan for the future.

Although most Canadians receive a solid foundation of formal education, many may not acquire the knowledge and competencies sufficient to succeed in an increasingly complex and uncertain future.

As this report suggests, the development of Canada’s human infrastructure, notably in the area of adult learning and workplace training, is our safeguard against a future of continuous change. Higher levels of education and training can act as protective factors in times of economic insecurity, impacting individuals’ employment prospects, income levels, health, and integration within their communities and society. In the context of social policy, education and learning can serve as a preventative rather than reactive measure.274

In addition, the skills that are produced by education are also of vast importance. Thus, improving the quality of education may be as important for growth, if not more important as increasing enrolment rates.275

Indeed, in Canada, the federal government’s long-term plan, Advantage Canada: Building a Strong Economy for Canadians 2006, calls for a workforce that aspires to be “the best educated, most-skilled and most flexible” in the world. The plan commits to create “new opportunities and choices” for Canadians to excel and achieve their potential, and identifies “quality education” as key to developing a globally competitive country.

REVISITING THE RECOMMENDATIONS OF THE OECD

While Canada’s formal education is of a high standard, the effectiveness of the Canadian adult-learning sector has long been a concern of policy-makers. The 2002 OECD report, Thematic Review on Adult Learning, Canada—Background Report, identified specific areas of weakness—such as a lack of specific policies geared to the adult learner, and a paucity of data on adult-learning outcomes—and provided specific recommendations intended to improve learning opportunities for adults and the effectiveness of the adult-learning sector.
Seven years have passed since the recommendations were made by the OECD to improve the effectiveness of the adult-learning sector in Canada. Have we made sufficient progress to equip Canadian adults with the education and skills necessary to meet the demands of the future?

Revisiting the recommendations of the OECD will help to shed light on any progress made in equipping Canadian adults with the education and skills necessary to meet the demands of the future.

As illustrated in this report, there is much room for improvement.

**Ensuring appropriate levels of participation:**

- While there have been increases in recent years in workplace education and training, Canada still lags significantly behind many other OECD countries in both provision and in uptake of learning opportunities. With respect to broader participation in adult learning, unlike the European Union and its member states, Canada has set no national benchmarks or targets for either participation or outcomes as measured by adult literacy and other essential skills. Without appropriate benchmarks and targets, our ability to monitor progress and respond to emerging issues and challenges will be hampered.
Improving literacy levels of adults:
• Canada has made little or no progress over the past 12 years in improving the proportion of Canadian adults who achieve the internationally recognized standard of Level 3 on the five-level international assessment of literacy. Further, CCL's projections of rates of adult literacy to 2031 show only a weak improvement in those proportions, accompanied by a significant rise in absolute numbers of Canadians with low literacy skills, as the population increases. Canada has set no targets for future rates of adult literacy nor ensured that the projected rise in absolute numbers of low literate Canadians does not occur.276

Enhancing labour market information:
• Significant and persistent gaps in national labour-market information exist hampering our ability to effectively monitor trends and address emerging employment issues. A 2009 report on labour market information in Canada outlines the very significant and persistent gaps in such information on a national basis, the consequences of this, and the steps required in Canada to ameliorate this key information base.277

Responding to groups with significant needs:
• There have been both policy and program efforts at various levels in government and the private sector, particularly with regard to Aboriginal people and immigrants; however, significant barriers to learning and education remain. The Human Resources Committee of the House of Commons is pursuing the issue of learning needs of the working poor.

Improving PLAR:
• Although there has been increased awareness of the need to recognize prior learning, and although some jurisdictions in Canada are making efforts to enhance processes in support of such recognition, Canada still lacks a coherent national system for PLAR. A recent report commissioned by CCL outlines how partner countries in the OECD are moving to implement prior learning recognition nationally or across borders; and identifies existing elements for a potentially integrated system for Canada.278

Increasing research efforts on the effectiveness of adult education and learning:
• Despite the availability of information on adult learning, there are many unanswered questions and substantial gaps in our data. Often, existing data have not yet been analyzed in a way that sheds meaningful light on the challenges of adult learning, or on potential solutions for furthering its development. The mandate of the Canadian Council on Learning aims to provide an evidence base for decision-making on issues related to learning, and has emphasized the need for improvement to the research base.

Developing a pan-Canadian forum on adult education and learning:
• Canada continues to lack a national forum on adult learning, limiting our ability to develop an effective policy and program platform. However, the Adult Learning Knowledge Centre, created by CCL and operational between 2005 and mid-2009, did provide, over four years, a valuable pan-Canadian venue for capacity—building and knowledge exchange in the domain of adult learning.
Creating a flexible and adaptable workforce that can meet the challenges ahead requires fostering favourable conditions that will stimulate new learning opportunities for and provide greater choice to adult Canadians.

Building on the recommendations of the OECD, these conditions are premised on three core principles:
1. increasing the premium on adult learning, education and training;
2. recognizing the interconnections between work, family and community; and
3. strengthening investments in research.

1. Increasing the Premium on Adult Learning, Education and Training

Adult learning includes a combination of formal and informal learning, and it is this mix of learning that ultimately enables Canadians to maintain the skills and knowledge they need to make informed decisions and lead successful lives.

The skills and education of a population are linked to higher productivity, innovation and economic growth. Learning also has the potential to return substantial benefits to individuals, families and communities. Individual benefits include better wages and job satisfaction, fewer periods of unemployment, and improved health and quality of life.

Efforts to promote learning and education typically focus on preparing youth for the labour market. Adults, too, require ongoing learning opportunities to equip them to meet the changing demands of the economy.

Canada needs to view adult learning as a priority and to provide opportunities that respond to the specific learning needs of adults at all levels of skills development. Canadians need to recognize that adult learning is not a commodity with a fixed end-point, but rather a continuous, individualized process that entails diverse and complex sites and modes of learning. Indeed, learning trajectories across the life course—including the adult years—are as intricate, unpredictable and non-linear as individuals’ lives.

More specifically, continuous global economic and societal changes make the issue of work-related training an important agenda item for policy-makers in Canada and around the world.

Various partners including governments, employers, industry, unions and educational institutions must work together to ensure that Canada continues to develop its human capital and compete in the knowledge economy.
2. Recognizing the Interconnections between Work, Family and Community

The skills and knowledge that Canadians bring to their families, their workplaces and communities play an important role in determining Canada’s economic success and overall quality of life. Healthy, productive and engaged citizens living in socially stable communities represent a competitive advantage in dynamic economies and societies.

Adults are influential role models—as learners and as active citizens—for their children, co-workers and communities.

Adult learners influence their children’s attitudes about the value and purpose of learning, demonstrate the link between increased skills and education and improved life opportunities, and serve as role models of good citizens. Thus, by widening learning opportunities for adults, we also lay the foundation for our children’s future success, and strengthen the fabric of society. Thus, adult learning contributes to social capital and social cohesion.

We need to foster conditions for learning that are favourable to adults who have family and work responsibilities that typically place considerable demands on their time and resources. Adults are workers, parents, community members and leaders, and caregivers of aging parents—and these competing roles limit their capacity to participate in education and learning in its present form.

The current education sector needs to be more flexible, capable of responding to the specific needs of adults and the impacts of life events such as birth of children, loss of employment and divorce. As the OECD observes, we need an approach in Canada that enables individuals to be independent and autonomous learners, who are able to determine when they need further education and what steps they should take to acquire it.279

3. Strengthening Investments in Research

The value and importance of timely research and information on learning is critical to our capacity to identify relevant issues, develop new indicators that provide insight, exchange and promote new knowledge, and assess directions for future investigation.

Research and information can, for example, improve our understanding of the factors that affect access to and participation in education, training activities and the labour market. Importantly, timely and relevant information promotes the facilitation of evidence-based decision-making about learning. Research and information also enables us to monitor our progress and work toward the establishment of clear benchmarks and objectives.

This process requires the development of indicators that, in general terms, provide information about the status, health, and quality or performance of a system—and describe a system’s core features. Indicators enable us to monitor our progress over time and to observe any changes or trends. Importantly, they can help us to establish clear objectives and to identify possible areas for societal action.
Data gaps limit our understanding…and our potential

Despite the availability of information on adult learning, there are many unanswered questions and substantial gaps in our data. Often, existing data have not yet been analyzed in a way that sheds meaningful light on the challenges of adult learning, nor on potential solutions for furthering its development.

For instance, we do not understand why literacy scores decline with age—nor do we know how to manage the impact of low health literacy on vulnerable populations, including seniors, or how to raise their literacy skills.

While there are pan-Canadian data on the nature and extent of work-related learning, we know little about the outcomes of that learning. For example, is there adequate information on the return-on-training investment for employees and employers; or on the impact of learning on workplace performance, employee skills and competencies, and corporate productivity?

Similarly, with better information we could more accurately assess the need for skills among employees, employers, and entire industries and sectors. We could also explore factors that influence access to work-related learning, as well as incentives and strategies to support learning—especially for non-traditional and non-standard types of work and among vulnerable groups, such as immigrants. Indeed, while many Canadian workers receive work-related training, many do not. A closer look might help us to understand the barriers that these people face.

Informal work-related learning is also an area where we need to learn more. There is little pan-Canadian information on the amount of informal learning that takes place, and the impact of informal learning both on employees and their workplace.

And finally, there is a shortage of data on the social impact of adult learning. Despite widespread belief that adult learning helps promote active citizenship, we need more information to understand its effects on the everyday lives of Canadians.

FINAL OBSERVATIONS

Canada’s future prosperity depends on the strength of its learning sector and a range of complementary learning opportunities that meet the needs of all adult Canadians—regardless of educational attainment, age, socio-economic status, or level of skills.

We cannot afford, through dearth of transparent information and analysis, to have people without jobs and jobs without people.

Although Canada cannot predict the changes that lie ahead, it can respond to emerging challenges from a position of strength. Investments in human infrastructure can foster the conditions that better enable individuals and society to adapt to change.
Development of Canada’s human infrastructure requires a significant shift in our approach to adult learning and workplace training. We need to position learning and education as a cornerstone of social and economic well-being. Doing so requires commitment and a long-term plan—a proactive (rather than reactive) approach that will see us beyond the current recession.

While the recommendations of this report are aligned with those put forward in 2002 by the OECD, it is hoped that this report will contribute to the development of a comprehensive plan for adult learning and workplace training in Canada—one that will assure quality of life for Canadians, now and in the future.
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