



Employment and
Immigration Canada

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Partnerships for the Future

Implementing the Labour Force
Development Strategy

Canada



PARTNERSHIPS FOR THE FUTURE

Implementing the Labour Force Development Strategy

May 1991

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INTRODUCTION

The federal government launched the Labour Force Development Strategy (LFDS) in 1989. LFDS is a comprehensive, long-range plan for building a strong, highly skilled and internationally competitive workforce. It calls for the concerted efforts of business, labour, social action groups and individuals to increase the skills of Canadian workers, and to help all Canadians achieve their full potential in an increasingly sophisticated workplace.

Since the Minister of Employment and Immigration launched LFDS in 1989, the government has undertaken extensive consultations co-ordinated by the Canadian Labour Market and Productivity Centre. In an historic consensus the consultation partners agreed that there need to be fundamental changes in the way both the private sector and governments invest in training and skills development.

On the one hand, the private sector must be prepared to put more time, effort and resources into developing a skilled, competitive workforce. On the other, governments must be prepared to work more closely with the private sector - giving business, labour and social action groups a more direct say in how federal resources are used to address labour market problems. Together, both the private sector and governments must forge a new relationship - as partners committed to labour market development.

The new Canadian Labour Force Development Board, announced in January 1991, marks an important first step. It is expected that other private sector boards at the provincial/territorial and sub-regional levels will be established. These boards will ensure that business, labour and other groups can play a far more direct and active role in decisions concerning skills training in Canada.

At the same time, Employment and Immigration Canada (EIC) is working to make its programs and services simpler, more flexible and easier to use, and to implement the changes that were identified during CLMPC consultations. EIC is shifting to an approach centred on individual needs in order to promote the self-sufficiency and independence of clients through their participation in the labour market.

In response to conclusions reached during the consultations, all labour market programs and services are being restructured and integrated into four basic categories. This restructuring will include a number of new or expanded initiatives designed to upgrade the skills of the labour force.

During 1991, the new and restructured programs will be implemented in consultation with the Canadian Labour Force Development Board. When the initial transition is complete, the board will offer regular advice to governments on programs to ensure that they reflect the changing needs of Canadians.

This brochure outlines progress in implementing LFDS with respect to federal programs and services. However, LFDS calls for action beyond the scope of federal government programs. It seeks the co-operation and commitment of all members of the labour market - employers, workers, educators, social action and other interested groups, as well as other levels of government.

Canada's economic future depends on that commitment. It is a future where training, knowledge and skills will be critical to personal success in the workplace, and national success in world markets. It is a future where all Canadians must accept responsibility for training and re-training as a lifelong activity.

BACKGROUND

A country's ability to compete in international markets depends on many things, but in the 1990s one factor is critical: the development of skilled human resources. And in the 1990s, a failure to invest in human resources - in education, training, and skills - can have severe consequences for individual workers, for companies, and for the nation as a whole.

For the individual, a lack of skills means lost job opportunities and an increasingly difficult task of coping with sophisticated changes in the workplace. For a company, a poorly trained workforce means reduced competitiveness, lost market opportunities and lost productivity. For a country, it means losing ground in today's highly competitive global economy - and a falling standard of living.

These dangers are of particular concern to Canadians.

The Need for Change

Canada's high standard of living has been supported for many years by an abundance of natural resources, and a demand for those resources in world markets. But this is changing. Many countries are now exporting natural resources at very competitive prices. And many of our competitors - in Europe, Japan, the United States - are gaining an edge in other industries by aggressively developing new technology and a highly skilled workforce.

Many countries have a well-established "training culture", where the value of lifelong training and skills development is recognized. Such a culture is not particularly strong in Canada. The best data available indicate that Canadian business and industry invest about one half as much in training as American business on a per employee basis. Comparisons with European countries and Japan are even less favourable.

The importance of developing a stronger training culture in Canada has been identified by many studies, such as the 1988 Canadian Chamber of Commerce report, Focus 2000, the 1989 report of the Advisory Council on Adjustment, and The Aggressive Economy - Daring to Compete, by the Canadian Manufacturers' Association. These studies also identified the lack of constructive partnerships among business, labour and governments as a major obstacle to real progress in this area. Unless this obstacle is overcome, it will increasingly undermine our competitiveness and, ultimately, our future prosperity.

The Labour Force Development Strategy

In April 1989, the federal government issued a policy paper, Success in the Works, that described in detail the need for more training in Canada, and the consequences of falling further behind our competitors in the "training race". This paper also launched a strategy for achieving a stronger training culture.

The Labour Force Development Strategy has three objectives:

- to focus the attention of business, labour, governments, educators, social action groups and individual Canadians on the importance of human resource issues;
- to mobilize the efforts of organizations and individuals to increase the skills of our workforce; and
- to develop the policies and programs necessary to ensure that we can achieve our full potential in the competitive, skill-intensive marketplace of the 1990s.

As a key part of this strategy, the Minister of Employment and Immigration made a commitment to establish a national skills development board, that would provide the foundation for a new partnership among labour market stakeholders.

The government also announced its intention to realign the Unemployment Insurance program away from passive income support towards active training and re-employment assistance for the unemployed. The enabling legislation for this realignment went into effect on November 18, 1990, allowing the government to re-allocate some \$775 million of UI funds annually for training and employment assistance programs. The reallocation of UI funds will result in a 50 per cent increase in federal expenditures for labour force upgrading.

Consultations

The government recognized that the fundamental changes it called for could not be achieved in isolation from those who share the responsibility for labour force development. The government's first priority was to invite its labour market partners to become more directly involved in the design and delivery of training and labour adjustment programs.

At the request of the government, during 1989 the Canadian Labour Market and Productivity Centre (CLMPC) co-ordinated an extensive series of consultations and symposia on the future of human resource development and labour market programs in Canada. During the first phase of these consultations, business, labour, social action groups and training organizations took part in seven task forces, which reported to the Minister of Employment and Immigration in March 1990. These reports provided a wide range of recommendations on the reform of existing labour market policies and programs, and the implementation of the Labour Force Development Strategy.

Many of these recommendations concerned ways to increase private sector involvement in decisions about training and skills development. The recommendations reflected a variety of different approaches to this issue.

The Minister then asked CLMPC to undertake a second phase of consultations that would bring various recommendations for permanent structures together into a single, comprehensive proposal. The Phase II report, presented to the Minister in July 1990, provided concrete recommendations to ensure the continued involvement of all labour market partners in training and labour force development decisions.

Notably, these consultations revealed a strong consensus on the importance of training, and the direction the government should pursue. The government is now acting on the recommendations of CLMPC Task Forces through the establishment of new labour force development boards, in discussions and negotiations with the provinces, and in developing - in consultation with our new partners - new and expanded programs which are planned to be in place by April 1992.

A NEW ROLE FOR THE PRIVATE SECTOR

The development of new private sector partnerships represents a major undertaking.

In the past, the private sector - business, labour, social action groups and others outside of government - had no clear role in identifying labour market needs, in recommending programs and services to address those needs, or in the delivery of programs and services. In Canada there has been no tradition, as there is in some other countries, of setting aside differences and working together on issues of common interest, such as training.

The consensus on training issues that emerged during LFDS consultations holds out the prospect of new approaches. The government is now building on that consensus by establishing new structures for co-operation. The private sector is being encouraged to take on greater responsibilities in the management of labour force development and adjustment, and to ensure that federal programs are truly responsive to labour market needs at the national, provincial/territorial and sub-regional levels.

The Canadian Labour Force Development Board

At national level, the new Canadian Labour Force Development Board will determine overall training priorities, address questions such as standards for skills training, and play an important advocacy role concerning Canada's need for a strong training culture.

The 22-member board will consist of representatives from business, labour, social action groups and training organizations. In addition, there will be ex officio representation of the federal and provincial governments.

The structure and mandate of the board reflect all of the key recommendations contained in the CLMPC Phase II report. It will operate with maximum independence, determining its own priorities and agenda for action. Board members have been chosen by the private sector organizations themselves.

The mandate of the board is intended to ensure that the private sector plays a substantive role in decisions affecting skills training in Canada. In addition to providing advice to the Minister of Employment and Immigration on federal programs, the board will play an important role in mobilizing industry, labour and trade associations to upgrade skills standards, and will encourage the expansion of interprovincial certification.

The board will also serve as a major advocate for training excellence in all sectors. Its mandate specifically sets out responsibilities for promoting stronger links between education, training and the workplace and for encouraging new sectoral and community training initiatives. In all of its activities, and through the extensive networks available through its members, the board will play a leading role in developing the training culture that is vital to Canada's future.

Provincial/Territorial-level Boards

Provincial/territorial-level private sector boards could provide a valuable opportunity for business, labour and community groups to advise on training priorities within their respective provinces and territories. Several provincial/territorial initiatives for the collaboration of labour market partners in training matters have been developing throughout 1990, and discussions are in progress with governments on the creation of new advisory structures.

The prime functions of provincial/territorial-level boards would be to: provide an independent assessment of federal and provincial training efforts in the province/territory; advise on training priorities and the degree of co-ordination, overlap, duplication or gaps that may exist between federal and provincial/territorial programs; and advise on the best ways for the federal and provincial governments to adjust their expenditure patterns in the province/territory.

Sub-regional Labour Market Boards

Labour market boards will be established in consultation with the Canadian Labour Force Development Board. They will be asked to assume responsibility for assessing skills requirements locally, for developing local skills training plans, for identifying the best means of providing that training. In addition, EIC will offer them an executive role, including the commitment of funds for the purchase of skills training under contribution agreements with EIC.

It is expected that 60 to 75 labour market boards will be established across Canada. The pace at which they are established will depend upon the degree of interest shown by labour market partners in specific communities. It is hoped that by 1994, labour market boards will be operating in most parts of the country, assuming significant responsibility for local skills training decisions.

Aboriginal Management Boards

The government has also been pursuing new partnerships with Canada's Aboriginal people. In November 1990, the Minister announced Pathways to Success, an Aboriginal Employment and Training Strategy developed with Aboriginal groups to meet their specific training and labour market needs.

A key part of the strategy is the establishment of joint Aboriginal Management Boards, consisting of members selected by Aboriginal groups and representatives from Employment and Immigration Canada. The boards will allow Aboriginal people to work with officials in determining their own labour force development priorities at local, regional and national levels. These boards will ensure that training and employment assistance activities in their communities are, as far as possible, delivered, managed and controlled by Aboriginal people, in partnership with the federal government.

The Aboriginal Management Boards will be linked with the Labour Force Development Boards where appropriate, through the common membership of Aboriginal representatives.

Defining New Relationships

There will be a need for co-ordination and information sharing among the various private sector boards being set up - national, provincial/territorial-level, sub-regional and Aboriginal boards. However, it is not expected that any one level of board will have supervisory authority over another.

Of equal or greater importance will be the relationship between the boards and the federal government. If the boards are to perform their role in fostering a new commitment to training excellence, they must be given independence and authority with accountability. Governments must therefore be prepared to relinquish some control over policy and program decisions. Boards must be prepared to assume full responsibility for the decisions within their mandate.

The experience of other countries, and the views of Canada's labour market leaders, reinforce the need for a private sector role that goes beyond the traditional one of an "advisory" body. To the extent that the parties are capable of reaching agreement and making the difficult trade-offs involved in training decisions, the Minister of Employment and Immigration is prepared to act upon the recommendations of the board that have been reached by consensus.

ENHANCED PROGRAMS AND SERVICES

The new structure of private sector boards is based on the Phase II report of the Canadian Labour Market and Productivity Centre (CLMPC) consultations. The Phase I report, submitted to the Minister of Employment and Immigration (EIC) in March 1990, provided more detailed recommendations concerning existing and proposed labour market development programs.

CLMPC set up seven task forces to examine specific aspects of the Labour Force Development Strategy (LFDS): Older Workers, Unemployment Insurance Beneficiaries, Social Assistance Recipients, Apprenticeship, Co-operative Education, Entry-level Programs, and Human Resource Planning. These task forces generally supported the LFDS approach – noting that the problems outlined in Success in the Works were real, and that more training efforts are required if Canada is to remain competitive.

The task forces also recommended a number of improvements to EIC's existing programs. The recommended improvements included:

- less rigid eligibility criteria and restrictions on assistance to EIC clients;
- a simplification of EIC programs, including a reduction in the number of options within programs;
- more focus on identifying and resolving clients' employment problems earlier;
- more guidance for clients who need help; and
- re-aligning programming to be more responsive to local labour market needs.

EIC has taken these recommendations seriously. Over the past year a complete review of employment programs and services was conducted in light of the CLMPC Phase I report, taking into account the involvement of an increasingly wide range of partners in the department's activities.

As a result, EIC is proposing a new structure of programs and services that is more rational, flexible, and simple than in the past. This new structure builds on the success of the Canadian Jobs Strategy (CJS), and responds to concerns raised during CLMPC consultations.

New Employment Principles

The proposed program structure is characterized by the following common elements:

- Increased partnerships with business, labour, provincial/territorial governments, educators, interested organizations and individual Canadians;
- Improved community-based participation in the delivery of labour market programs;
- Use of a client-centred approach to ensure:
 - improved accessibility for clients to employment services and programs;
 - improved client self-sufficiency in programs by promoting active client participation in the selection of specific interventions;
 - comprehensiveness of assistance that is structured to address clients' needs in the major skill areas in a logical, integrated sequence, to achieve labour market self-sufficiency;
- Special equity measures to correct conditions of disadvantage in employment for women, Aboriginal people, persons with disabilities and visible minorities.

Proposed New Program Structure

The program review took into consideration the six programs and some 35 options that exist under the Canadian Jobs Strategy. The new program structure will integrate these components, along with new initiatives, into a new system that is:

Simpler, with just four basic programs:

- An information and special initiatives program to provide general Canada Employment Centre (CEC) services, such as labour market information and the CEC placement services.
- A program for workers who need help to find employment, or to get back to work and to improve their longer-term employability.
- A program for employers to help them plan, solve human resource problems, train their employees, and assume their primary responsibility for meeting changing skill needs in their workplace.
- A program to help communities facing serious employment problems, and to support special work experience projects where appropriate.

Less rigid with respect to eligibility requirements:

- Rigid eligibility criteria, such as the requirement that clients must have been unemployed 24 out of the last 30 weeks, will be replaced by criteria that are less time-dependent and based more on a client's need.
- This will ensure that clients get help sooner – before they develop more serious employment problems – and that EIC's limited resources are used most effectively to help those who most need help. In addition, CECs will be able to prioritize assistance on the basis of local conditions and the seriousness of the individual client's need.

More flexible and responsive to client needs:

- Each program will make available a broader range of services and assistance to eligible clients; the type of assistance will be determined by an assessment of the needs of each client, rather than boundaries set by narrow program categories.
- Thus, if a client could benefit by an extensive combined training and work experience "project", this option could be provided. Alternatively, a client who only needs help with job search techniques could be provided with just that assistance.

More comprehensive:

- Within each new program, clients may receive more than one type of assistance. For example, a client might be offered literacy upgrading, followed by project-based skills training and a job finding club, without having to repeatedly requalify for each phase.

More responsive to local labour market conditions:

- Each CEC, in consultation with partners in the immediate community, will determine the interventions to meet local needs. It will be easier to shift funding between program areas at the local level, and there will be more flexibility in setting local priorities. Thus, in one community a CEC may concentrate on assisting employers with human resource planning; in another there may be a greater emphasis on helping employers to train workers to acquire key skills in areas of skill shortages.

Building on the Canadian Jobs Strategy

In all cases, existing Canadian Jobs Strategy options are to be transferred to the new programs and will become part of the new structure. Thus the new program structure is partially a relabelling, regrouping and integrating exercise.

The exercise is not, however, merely a cosmetic one. There are significant advantages, for example, in having just one intervention through which clients are referred to training at community colleges and other training institutions, rather than several options for client groups.

In addition, there will be changes to some eligibility criteria, and important changes in the way programs and services are delivered. All of these steps will improve EIC's ability to meet local labour market needs and the needs of individual clients, and to work more effectively with other labour market partners.

The new program structure will benefit from regular review and advice by the Canadian Labour Force Development Board.

The new structure of programs and services will be phased in over 1991, with full implementation planned for completion by April 1992. Specific changes and initiatives will be announced as they are developed.

CONCLUSION

The Labour Force Development Strategy represents a major change in EIC's approach.

It involves building new partnerships at all levels, finding new ways to meet the labour market needs of Canadians, and preparing Canadians for the workplace of the twenty-first century. There will be many challenges. Meeting those challenges will require the commitment and co-operation of all partners - business, labour, educators, social action groups, governments, individuals and EIC staff.

The stakes are high: nothing less than Canada's competitive position in a highly competitive world, and ultimately the standard of living that every Canadian enjoys. The Labour Force Development Strategy sets out an agenda for winning those stakes through training, knowledge and skills – the keys to prosperity in the years ahead.

CHRONOLOGY OF THE LABOUR FORCE DEVELOPMENT STRATEGY

April 1989 : Labour Force Development Strategy (LFDS) announced by the Minister of Employment and Immigration and described in Success in the Works.

June 1989 : Bill C-21 introduced to revise the Unemployment Insurance Act and provide funding for LFDS initiatives.

June 1989 : Canadian Labour Market and Productivity Centre (CLMPC) is asked to co-ordinate consultations with labour, business and social action groups on LFDS. Some 70 representatives from business, labour, community interest and educational groups participate in seven task forces and a series of symposia.

March 1990 : CLMPC's Phase I task force reports are submitted to the Minister of Employment and Immigration.

June 1990 : Five "Pathways to Success" principles of the Aboriginal Employment and Training Working Group (AETWG) are endorsed by the Minister of Employment and Immigration.

July 1990 : CLMPC's Phase II task force report, "A Framework for a National Training Board" submitted to the Minister. The report deals with ways to design new institutions and structures to ensure the private sector's involvement in the national training effort.

October 22, 1990 : Bill C-21 passed by Parliament, providing additional resources to implement LFDS.

November 29-30, 1990 : First meeting of the interim National Aboriginal Management Board (NAMB) and release of the Aboriginal Employment and Training Strategy, "Pathways to Success".

January 1991 : Announcement by the Minister of the Canadian Labour Force Development Board.

May 1991 : Announcement of the co-chairs and members of the 22-member Canadian Labour Force Development Board.

April 1991 to April 1992 : Implementation of a new EIC employment and training program framework, developed from recommendations of CLMPC task forces.