Social Security Reform: Implications for Training and Labour Force Adjustment

Submission to the Standing Committee on Human Resources Development

December 9, 1994

Canadian Labour Force Development Board

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The Canadian Labour Force Development Board is made up of partners from business, labour, education and training, and the equity groups (women, aboriginal peoples, people with disabilities and members of visible minorities), working together to develop a highly skilled Canadian workforce that contributes to the well-being of Canadians and a productive and prosperous economy.

The notion of "working together" to bring about positive change is often articulated but seldom translated into key principles of public policy. The CLFDB – a national, not-for-profit organization with an agenda and a work program set independently by the members – was established in 1991 in response to the growing consensus that labour market partners must play a greater role in training and human resource development in Canada. The Board's mission is to work towards the creation of a coherent and coordinated system of labour force development that is equitable, effective and efficient.

The Board is made up of 22 voting members: eight representatives each from business and labour, two from the education and training community, and one from each of the four equity groups. Board members are nominated by the constituencies they represent – over 90 national organizations. Provincial/territorial and federal departments responsible for labour force matters are represented by non-voting members. The Board works by consensus.

The CLFDB co-chairs have also been selected by their constituents: J. Laurent Thibault, former President of the Canadian Manufacturers' Association, as Business Co-chair, and E. Gérard Docquier, former Canadian National Director of the United Steelworkers of America, as Labour Co-chair.

The CLFDB mandate is to:

- play a lead role in developing commitment to training and labour force development in Canada;
- advocate more, relevant, higher quality and accessible training;
- provide direction on all aspects of training and related employment and adjustment programs and policies;
- provide the labour market partners with opportunities to conduct meaningful dialogue and build consensus;
- establish a framework for government accountability with respect to training and labour force development programming;
- ensure information is available to monitor and evaluate training outcomes enabling the Board to be accountable to its constituencies.

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Social Security Reform: Implications for Training and Labour Force Adjustment

INTRODUCTION

The Canadian Labour Force Development Board (CLFDB) is committed to the development of a highly skilled workforce that contributes to the economic and social well-being of Canadians and a productive and prosperous economy. We are, therefore, pleased to have the opportunity of contributing to the discussions on social security reform.

In March 1994, the CLFDB presented the Standing Committee on Human Resources Development with some concepts that define the essential ingredients of a truly effective, efficient and equitable training and labour force adjustment system. In November, the CLFDB gave the committee its views on proposals contained in the government's discussion paper on social security reform (the green paper). At that time, we offered some suggestions for moving from concept to practice; this paper is an elaboration of those suggestions.

Our ideas respond directly to the suggestions made in the government's paper on ways to improve the current system of learning and employment development. They answer many of the questions posed in the paper, but go beyond its proposed solutions. The ideas were developed from the significant work of the CLFDB over the past three years, including a special cross-country consultation with over 500 program participants, delivery agents and coordinators; deliberations of a CLFDB working group; and a recent forum involving over 180 representatives of all labour market partners and federal and provincial/territorial governments.

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This paper is the beginning and not the end of our efforts. The CLFDB is committed to providing ongoing advice to the government and the labour market partners on many areas of training and labour adjustment that are critical in social security reform. In the coming year, we will have more to offer with respect to the financing of training and labour adjustment. Similarly, we expect to undertake further work regarding the integration of labour force training and adjustment with community economic and social development. The CLFDB will remain involved in developments related to career and employment counselling, labour market information, occupational and training standards, prior learning assessment and skills portability, equity in employment and employment programming, apprenticeship and other forms of training and development.

As well, the CLFDB does not represent just one interest group. Our members represent business, labour, education/training and the equity groups (women, members of visible minorities, people with disabilities, and aboriginal people). And we operate on the basis of consensus, which is hard work. But we are learning, and believe that as our organization gains experience, we can make a substantive contribution to national policy debates. This paper is one example.

OUR STARTING POINT

The CLFDB has a vision of labour force development. We want to create an environment conducive to labour force development and pursue actions that move toward the attainment of a training and labour adjustment system that:

- achieves the full use of individuals' skills and potential through work that is well paid and rewarding, provides employment stability and career development, and offers equitable opportunities and earnings;
- encourages the acquisition by individuals of flexible, recognized skills that meet the changing requirements of the labour market and that promote continuous learning throughout a person's working life; and
- promotes the effective development and use of human resources by employers.

In referring to the training and labour adjustment system, we are speaking about a system that offers all types of learning opportunities including classroom, on the job experience, and project training interventions; as well as related services such as job search assistance, job clubs, counselling, life skills development, employment participation, job placement, and skills transfer. It is a system where there is follow- up and where income and other supports are available. We are referring to a system designed to help people in making transitions from school to work and from unemployment to employment, to enter or reenter work, and to keep up with technological and other changes in the workplace.

We believe that:

- secure, well-paid employment is the best form of economic and social security;
- developing people's skills and abilities is fundamental to helping them get and keep a job;
- income replacement and support services are at times needed by people while they prepare for a new job;
- not everyone who is unemployed lacks skills there are just not enough jobs for everyone; and
- training does not create jobs it helps people respond to job opportunities and contribute to healthy communities.

DEFINING THE PROBLEM

While travelling across the country and meeting participants in employment programs, unemployed people unable to get into a program, program and service providers and coordinators, and many of the labour market partner groups, we were able to develop a real sense of where the existing system needs to be changed. To put a human face on the many successes and failures we hear about, the CLFDB made a video illustrating the encounters of four Canadians with the system. The video points out several problems, most of which are also mentioned in the green paper. For example:

- "[Training] programs... have little to do with [client] aptitudes or [labour market] opportunities." (p. 30)
- "[Clients] are shunted from one program to another when all they really need is basic counselling." (p. 30)
- "Course offerings are driven by what is available rather than by what is needed." (p. 30)
- "[Program] outcomes are frequently not assessed." (p. 30)
- "[Programs] offered by different levels of government [are] often ... not coordinated." (p. 30)

- "[By inference] there is need for a modern labour market information system." (p. 33)
- "In short, [the] system must change." (p. 30)

We agree: the system must change. However, many of the problems mentioned have existed for a long time, so the remedy will require something more than just tinkering — minor changes to objectives and criteria will not make a difference. We need a coherent training and adjustment system that works for all Canadians. In this paper we offer some suggestions for fundamental change.

MOVING FROM CONCEPTS TO PRACTICE

A reformed training and labour adjustment system should be structured around eight key concepts:

- coherence,
- equipping people to help themselves,
- high-quality programs,
- a well-trained workforce,
- equity,
- full and active participation of the labour market partners,
- investment in training and labour adjustment,
- accountability for results.

1. A COHERENT SYSTEM

The training and labour adjustment system must provide a coordinated array of employment programs and services that facilitate effective transitions. The system must be readily accessible to all potential clients and be supported by a comprehensive labour market information system.

Coordinated programs

Training and labour adjustment programs encompass a wide range of services from counselling, to training, to job placement. Effective programming requires them to be organized as a coherent package. Potential consumers must be made aware of what is available and have access to the particular combination of programs and services in the sequence, at the time, and with the supports that meet their individual requirements.

We believe that Canadians must be able to make the transition from school to work, from work to school and from unemployment to employment without getting lost in a maze of government programs or getting bumped from one service provider to another.

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At present this is not the case. Eligibility for services and programs is largely determined by entitlement to a form of income support and by the objectives of the programs. Because programs have been instituted by different authorities, each with their own unique objectives and funding base, people have to qualify separately for each. Once a person has started along a path, there is no assurance that he or she will have access to subsequent steps, making it difficult, if not impossible, for an individual to obtain all the needed programs and services, or to move from one to another in a sequence appropriate to his or her circumstances. Organization, method of delivery and timing of programs may complicate any attempt to arrange them in a sequential manner.

Both the government's green paper and our own extensive survey of consumers indicate that the maze of programs, with their multiplicity of eligibility requirements and often narrow objectives, is the major source of consumer frustration. It is even more frustrating to realize that eligibility rules are frequently established to restrict access simply as a means of controlling the use of funds. The program maze intimidates potential consumers, negates the possibility of formulating a coherent action plan, and results in inappropriate service utilization.

The existence of a myriad of programs and services does not necessarily reflect an abundance of available help. In social services, the opposite is often the case.

As long as the training and labour adjustment structure remains a set of distinct programs offered by different levels of government and by nongovernmental organizations, changing and multiple individual needs will drive governments to create more and different program "boxes" each with its own eligibility requirements and funding mechanisms. Consumers will continue to have difficulty gaining access to the system and following a coordinated plan of action. Instead, they will try to adjust their needs and plans to fit the program requirements.

Single access

The green paper suggests that offering provincial/territorial governments greater responsibility for the planning and delivery of many federal employment programs and services would unlock the program maze, as would the use of a single-window service (p. 32). However, a single window with "two faces" would provide little improvement. Devolving responsibility to provinces/territories for "institutional training purchases" and some other programs would not eliminate rules and restrictive eligibility criteria. It would simply further fragment an already disjointed system.

Our work over three years and our recent round of consultations lead us to suggest, among possible options, the following:

- Introduction of a single program training for the nonemployed with eligibility determined at the local level based on individual needs and aspirations, not on entitlement to some form of income support such as unemployment insurance (UI) or social assistance. Within the program a fairly large range of approaches could be used, singly or in combination (e.g., literacy training combined with life skills, followed by specific job skills training accompanied by employment counselling and mentoring). Federal and provincial/territorial governments (with advice from the labour market partners) would play the central role in establishing the legislative framework for training and adjustment programs, such as apprenticeship, and in setting objectives, standards, operational guidelines, and performance criteria. Federal and provincial/territorial funding (not including UI funds) would be pooled and channeled in unencumbered blocks for use in program delivery at the local level. Implicit in this structure is maintenance of the federal responsibility for the funding of labour force training and adjustment, and for the continuation of an Unemployment Insurance system; and
- Creation of a single administrative and resource umbrella (singlewindow service), through which local community providers would work jointly with the staff of federal and provincial/territorial governments in a network of "client service centres" providing a broad range of integrated services. Clients would not necessarily have access to all the services they need at one physical location, but they would only have to fill out forms once and their files would be transferred from one service to another as required. Clients would have access to programs funded by all levels of government from a single entry point. This would include access to child care facilities, sign language interpretation, assistive devices, etc. Of course, there must be access points to the single window in small rural communities as well.

Ensuring access to a multicomponent single training program begins with providing information to potential consumers. The information must be comprehensive and available in an integrated fashion from a single source. This does not mean that the information is only available at one location or in one format; it means that wherever the information is provided, it must be complete and consistent.

Similarly, access to the single training program would provide entry to a variety of training and service approaches, with eligibility based on individual need. Having gained access, consumers would be able to assemble their own package of programs and services, rather than using a preestablished set, and would not have to requalify for each component. Consumers' files, containing a proposed plan of action, would accompany them as they progress through the system.

Resources are finite and priorities would have to be established at the local, provincial/territorial and national levels. However, eligibility would be determined at the point of service delivery on a consistent basis related to individual needs and labour market requirements.

Labour market information

The green paper was correct in highlighting the importance of accurate, comprehensive and timely labour market information (LMI) within a coherent training and labour adjustment system (p. 33). In this context, LMI refers to two types of information. The first, which is largely descriptive, relates to the operation of the labour market. It includes information on current labour demand and supply — along with trends, projections and forecasts — and training and labour adjustment services. It is intended for use by employers in labour force planning and by individuals as a basis for career development planning. The second type of LMI is transactional and involves the *matching* of people with jobs — a labour exchange function. Although the creation and use of LMI has been an acknowledged federal responsibility since 1960, little action has been taken to create the kinds of systems that are needed.

The suggestion offered in the green paper for establishing a network of electronic databases for LMI is commendable (p. 34). However, such a system must allow for the sharing of information at the local, provincial/territorial and national levels. We recommend using the evolving information highway to create a new network of LMI databases built from the local level up. As the co-chair of our recent Task Force on Transitions into Employment put it, to be truly effective, the system must be accessible from the corner store, the shopping mall and the employer's desk. An investment in technology is not the only requirement. An electronic job-matching system must have a "home." It must be an integrated part of training and labour adjustment services. It has to be universally available and include information on training and other opportunities. In essence, LMI provided through technological or human means will only be useful in improving individual access to jobs and training opportunities if it forms part of a network of labour exchanges — which could be part of the client service centres mentioned earlier.

We believe that policies, program criteria, funding decisions and delivery approaches must all match the labour market conditions and needs of workers and employers in the short, medium and long term. To achieve this, a more effective labour market information system is required.

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2. EQUIPPING PEOPLE TO HELP THEMSELVES

Canadians must have access to appropriate career and employment counselling, as well as access to income and personal supports required for effective participation in employment and employment programs.

Counselling

We are pleased to see that the green paper acknowledges the lack of employment and career counselling services, and that counselling is critical to helping people develop and carry out an individual action plan (pp. 30, 32, 33). The green paper also admits that in the current system there is poor linkage between personal aptitudes, interests, prior learning, and opportunities for jobs and training.

Counselling covers a variety of activities. It begins with assessment of needs, relating available services to an individual's situation. It does not replace other services, such as training, but rather heightens the effectiveness and efficiency with which other services are used. Misuse or waste of services is as serious a problem as lack of service. Counselling must be available to help, but not direct, people to make decisions, design action plans, and guide them through their plans. Counsellors must often serve as advocates for their clients, helping them get access to training or support services (income assistance, transportation, day care, disability accommodation, etc.). Counselling is needed to help people learn how to adjust to the changing workplace — to learn how to look for and keep a job. Many people need only a minimal amount of counselling; some need considerable help.

How can counselling services be made more broadly available? Resources will certainly have to be redirected to counselling. In addition, we must look at new ways to organize and deliver the services. One possibility is to create a three-component career and employment counselling structure; this could be part of the network of client service centres mentioned earlier. The counselling resources of the federal, provincial/territorial and local community agencies would be pooled to form a network of centres through which component one, two or three service would be available. The first component of service would consist of self-directed activities and work-life assessment, with access to extensive LMI, the labour exchange, connection to special services for income and other assistance, and the services of a coach if needed. Second-component service would provide training assessment and access to training programs, group assistance in activities such as job search, and assistance in developing an individual action plan. Third-component service would include intensive individual and group counselling, extensive rehabilitation counselling, and client advocacy.

We believe that career planning must be done not in response to a crisis but as a means of avoiding a crisis. It must be a part of all training and adjustment programming.

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Existing counselling resources are spread widely. They are found in schools and colleges, they form part of various labour force and social assistance programs and are available from a multitude of community-based organizations. The services provided encompass a variety of areas and levels of intensity. However, to be effective, employment and career counselling requires skill, experience and some degree of specialization. The knowledge and abilities required of a high school guidance teacher may not be suitable for advising people preparing to leave school and enter the labour market. They will certainly be different from those required of someone advising the unemployed regarding particular industries or the availability of training and support services. Similarly, people who have been out of work for extended periods of time and have major personal hurdles to overcome before they can benefit from employment services or reenter the labour force require yet another set of services. For this reason, we suggest that steps be taken to pool and upgrade employment and career counselling services, and that they be an integral part of the client service centres.

We believe that the level of resources allocated to counselling must be increased even though this will reduce resources available for other programs and services including training. However, restructured and better-coordinated counselling services will improve the effectiveness and efficiency with which other services are used and result in an overall improvement in the system.

Supports

Income support must be available if needed. However, its availability should not govern the decision to provide training or other programs or services, nor should it be the only means of obtaining access to programs. The green paper acknowledges that the current financing arrangements divide clients into two groups: those with access to the large fund for training and labour adjustment from UI Developmental Uses (UIDU), and non-UI clients who receive assistance from the smaller pool of funds derived from general government revenues (p. 52). The paper also suggests that a flexible range of employment services should be available to people, based on their individual needs and not on program funding rules. The CLFDB supports this.

Unfortunately, the green paper does not acknowledge the need for an incomesupport program for unemployed adults or those attempting to reenter work who are not entitled to UI and who are not in receipt of social assistance. People in this category with an identified need for income assistance during training or other adjustment activities should receive an allowance comparable to the level of UI support. An improved student loan scheme (p. 64 of green paper) should not be seen as an alternative. Although student loans should be more broadly available, unemployed adults or those wishing to reenter work rarely have the resources to undertake further education without direct income support.

We believe that temporary income support must be available for those who are preparing themselves for reemployment, but, as a result of job loss, are experiencing a loss of income. Although the green paper notes the need for a single pot of funds for training linked to individual need and not source of income support, it offers a system of UI in which clients would be divided according to their use of UI, with frequent users expected to receive less income support but more "employment development services" (pp. 45–46). Linking training and labour adjustment services to UI entitlement, as suggested in the green paper, will lead to three levels of assistance: a situation that would be worse than we have now. We support the idea of a single pot of funds that is adequately financed and would be used to pay for programs for those with identified needs. As well, UI clients should continue to receive income replacement while they are in a program.

The green paper refers to the needs of people with disabilities with respect to removal of barriers and the provision of accommodations (p. 41). This focus is required for all people frequently shut out of employment programs and good jobs (such as women, aboriginal people and visible minorities in addition to people with disabilities), and is essential to successful reform of the training and labour adjustment system. In a new system, information on the routes of access to programs and services must be widely publicized and, in most cases, promoted among clientele who are not in the traditional "information networks." Equal access means that appropriate accommodation is made, including, but not limited to, physical accommodation, transportation assistance, child care, and accommodation for learning disabilities. All of these must be included as a regular part of program assistance. Providing equal access may also require anti-racism training for service providers and coordinators.

3. HIGH-QUALITY PROGRAMMING

Canadians must have access to high-quality education and training and an effective, universally accepted means of documenting knowledge, skills and experience.

Basic education

Preparation for work begins with a high-quality basic education, provided through the school system for youth or as part of adult education programs. We agree with the observation in the green paper that Canadians should not be entering society and work without the language and numeracy skills needed to function effectively (p. 58). More must be done to ensure that our youth achieve the level of literacy they need to live and work in an increasingly complex, knowledge-based society. The federal government must work more closely with provincial/territorial governments to ensure that all Canadians have the opportunity to receive a graduation diploma.

In this regard, we favour the development of standards and testing mechanisms to promote and maintain functional literacy levels. Adult basic education and literacy training courses must also be broadly available in all provinces/territories.

We believe that the labour market partners should be afforded more opportunity to contribute to what is taught in the schools. Secondary school curricula should take into account the realities of the contemporary economy and the labour market. In particular, the development of generic employment skills should be a pervasive element in all education and training programs. These are skills that enable people to communicate effectively, solve problems and continue to learn throughout their lives; adopt positive attitudes and behaviour; take responsibility; be flexible; and work with others. The core courses taught in all secondary schools, such as mathematics and science, should include approaches to the development of these skills and ways to generalize the acquisition of those skills beyond the individual subjects.

In recent years, we have seen progress in bridging the gap between school and work. The formation of partnerships at the community level between learners, employers, labour groups, educators/trainers, equity groups and governments has been instrumental in achieving this. Although partnerships aimed at the joint development of course content are needed, we believe that greater provision should be made for *operational* connections between basic education and the labour market. This kind of connection can be provided through apprenticeships, cooperative education, and internships (p. 36 of green paper). Such approaches should be used more often, and new models should be adopted.

Among ideas suggested for discussion is that the apprenticeship training model be used as a model for transitions from school to work. In this approach, students complete their high school diploma requirements *and* register in an apprenticeship training program simultaneously. This would help address important shortcomings in Canada's current apprenticeship system — the relatively advanced age at which most apprentices begin training and their tendency to leave basic education unfinished and use apprenticeship and other forms of technical training as a substitute for, rather than a complement to, academic studies. We also suggest that preapprenticeship programs be made more broadly available as they focus on transitions for a wider group of people than just students. Finally, it is important that entry and training in many more occupations be based on an apprenticeship model.

In the next years, most jobs will require increased levels of education and training, indeed, many will require lifelong learning. Since the late 1950s, there has been a very large increase in participation in — and a corresponding improvement in the quality, variety and general accessibility of — education programs. Growth at the postsecondary level is the direct result of decisions

A good basic education is essential to success in working life. made by successive federal governments to give national priority to this essentially provincial/territorial responsibility. The practical outcome of these decisions was the institution of a series of cost- and revenue-sharing arrangements whereby federal resources were made available to provincial/territorial governments.

If proposals for change in the federal contribution (pp. 62–63 of green paper) reduce the total resources available for postsecondary education, attention must be given to the impact of this on the labour market. Significant increases in tuition fees would likely reduce access to high-level skills and professional training for middle- and low-income employed and unemployed people. A decrease in resources might also undermine geographic accessibility and uniformity of standards for high-level skills and professional training, with many smaller institutions in poorer provinces/territories losing out in the competition for funding.

Training

Real reform of the training and labour adjustment system will require greater investment in individuals for longer periods of time. It means more than providing income support (p. 30 of green paper). Giving many people minimal help achieves little. For workers at the margins of the workforce, who regularly cycle through employment and unemployment, a patient long-term approach is needed. Providing assistance that brings them only half-way is not enough to break the cycle.

Programs will lead to stable, long-term employment if they are relevant to individual needs and aspirations, and work opportunities, not simply based on administrative requirements and the existing infrastructure of institutions. Training institutions must be ready to provide different kinds of training, in a variety of occupations, based on reliable and timely LMI. And the way training is delivered has to be tailored to the individual.

Training related to employment development should be structured as a continuum to allow a person to move smoothly from lower to higher skill levels — from literacy training, to academic upgrading, to skills acquisition and job search assistance. Again, the CLFDB advocates training models that are linked with the workplace and provide sequential learning and work experiences, such as apprenticeship, supported work experience and job-site mentoring.

To permit sequential training, funding arrangements must be predictable. Federal and provincial/territorial funding of community colleges and community-based trainers should, for the most part, be allocated in multi-year blocks and be based, in part, on some objective measure, such as size of the labour force, number of unemployed, etc. Furthermore, technical training requires special provisions for capital costs. Encouraging private industry to "lend" equipment and facilities, through tax credits or deferrals, might be considered.

Learning and skills portability

A "learning passport" (p. 66 of green paper) would set the stage for lifelong learning and help people arrange their learning and employment experiences in sequence. Although the concept is sound, its presentation in the green paper is not inclusive enough. We would prefer an approach in which not only academic and vocational credentials are documented, but *also* all experiences relevant to learning and work. The learning and skills portfolio should be tied to the use of the *individual action plan* discussed earlier. A number of other elements must also be in place:

- Standards recognized by business, industry and the education/training community will have to be developed for a large percentage of occupations. We will need an institutional mechanism for developing standards, such as those of the interprovincial "red seal" trades and various health professions.
- A system of prior learning assessment must be established in all provinces/territories. A number of methods are currently being used to assess prior learning, but few embrace the notion of evaluating life and work experience. Most systems are aimed at the recognition of foreign credentials; although that is essential, a common system must also be developed for evaluating credentials and experiences gained in various Canadian jurisdictions.

4. A WELL-TRAINED WORKFORCE

Education and training is the single most important factor bearing on Canada's future competitiveness. It is vital that Canadian business and Canadian workers invest in training and development.

Workplace training

Keeping people employed is as important as helping unemployed people find new jobs. Canada has been slow to do the research and develop the information needed to illustrate the value of investing in workforce training and adopting human resource management (HRM) practices that help maintain employment levels and achieve productivity gains. At the same time, We believe that training must be long term and sequential; each component must build on what has been done before. The training system must allow people to engage in lifelong learning. government programs to encourage workplace training and new HRM practices have been intermittent, poorly targeted and rarely integrated into a broader approach to community economic development. The green paper suggests the expansion (p. 35) of employer and union efforts to coordinate industry or sector-wide training initiatives.

Sectoral developments

The CLFDB has worked hard to encourage and assist in the establishment of new sector organizations and the conduct of sector studies. We agree that sector groups are probably in a good position to promote and provide training for the employed workforce that truly meets the needs of business and its workers (pp. 36–37 of green paper). Although business and labour are willing and able to fund the ongoing work of their sector organizations, government financial assistance is critical in the creation and initial development of these organizations.

Occupational standards

Government should continue to work cooperatively with business and labour to develop occupational and training standards. It is not enough to provide training, even in large amounts. Training must be related to changing workforce requirements if it is to contribute to employee growth, improved productivity and competitiveness. In this context, occupational standards are important in helping to define the results or targets of training.

Integration with economic development

Better integration of job creation, self-employment development efforts, and training with the economic development plans of communities is essential. Economic conditions, particularly as they affect employment, are very different across Canada. Solutions to employment problems will differ not only from province to province/territory, but from one community to another. To be effective, a national, sustainable economic development policy must be put in place. The policy must allow communities to plan; engage in job creation activities, employment and entrepreneurship training; and establish approaches for entrepreneurs to access capital. This process will be helped by:

• the provision of government program assistance for training, selfemployment, job creation, and economic and social development from a single source. The recent decision to split responsibility for this area between HRDC and the federal regional developmental agencies should be reversed;

We believe that workforce organization, training and human resource practices have an impact on the success of enterprises.

- having the labour market partners work with governments at the local community level to determine what public- and private-sector programming is needed for the training and development of employed and unemployed workers, including programs to assist in the creation of new enterprises through self-employment.

5. EQUITY

Canadians must receive fair treatment and equitable benefits, regardless of race, gender, class, ethnicity or ability. Appropriate policies and support services must be established to allow for the full and equitable participation in employment and employment programming of all Canadians.

Over the past few years, all labour market partners have striven for the recognition of equity as a key issue in all public policy. Yet the green paper, a guide for discussion on one of the most significant reform efforts of our time, is silent regarding the principle of equity. Addressing the issue of access to programs by people with disabilities is vitally important, but it does not constitute recognition that equity for all must be a fundamental principle in the redesign of the social security system.

In establishing new training and labour adjustment programs, consideration must be given to the impact of every decision on the rights and benefits of all Canadians. The key question is how programs can be designed and delivered in a way that will improve access for all Canadians and particularly for marginalized groups. Despite past government policies, the proportion of public funds spent on training and adjustment programs for members of marginalized groups has declined from year to year. The equal participation of marginalized people, including members of the designated groups, remains elusive.

As social security reform proceeds, the government must make it clear that equity is an integral and important part of the process. The government must show that the participation of members of marginalized groups, specifically the designated groups, is a priority in the provision of all public assistance to unemployed and employed workers, as well as in all programs directed at employers.

As a matter of principle, representatives of the equity groups should be assured effective participation on all bodies established to govern labour market programs, nationally, provincially/territorially and locally. We believe that Canadians, particularly those belonging to the designated equity groups, must be afforded full access to training and adjustment programs. Despite government policies, this does not describe the current situation. Special measures must be taken to promote the participation of members of the designated groups in training and adjustment programs. The efficacy of bridging and preapprenticeship programs has been amply demonstrated. However, the political will is necessary to fund these measures and other supports, such as disability accommodation and child care, and to incorporate them regularly in all training and adjustment programs.

6. FULL AND ACTIVE PARTICIPATION OF THE LABOUR MARKET PARTNERS

Decisions for the delivery of training and labour adjustment programming should be devolved to the labour market partners, in cooperation with governments, at the local, provincial/territorial and national levels.

The green paper decries the lack of federal–provincial/territorial coordination, and urges a "clarification of roles and responsibilities" (p. 32). It suggests that the new offer for federal–provincial/territorial labour force development agreements (June 1994) is a step in this direction. However, the green paper provides no practical clarification of roles or provisions for balancing jurisdictional boundaries with support of training and adjustment. Similarly, the green paper lauds direct employer involvement in training and supports the involvement of "business, labour and community groups" in defining needs, delivering services and improving program assessment, but does not recognize participation of labour market partners as a precondition for devolution of federal authority in this area.

Through the CLFDB, the labour market partners have participated, on a national basis, in decisions on a variety of training and labour adjustment issues. We have been a strong advocate for a more coherent labour adjustment and transition system and for more, relevant and better-quality training of unemployed and employed workers. However, national advice and advocacy is not enough because there are many labour markets in Canada. The labour market partners must be actively involved as advisors, advocates, and even providers of service in some cases, at the provincial/territorial and local levels. It is at the local level that individuals and institutions most directly share a sense of community and common purpose.

The green paper states that governments should set broad goals and let local communities determine how to meet them (p. 39). We agree with this approach, if the labour market partners participate at all points in goal-setting and delivery. However, this will not be achieved by simply devolving powers and responsibilities for training and labour adjustment to the provinces/territories. Inappropriate and ineffective functions of federal

We believe that decisionmaking should be shared among the labour market partners. However, maintaining effective partnerships takes time, energy and commitment. departments do not change simply because they are transferred to their provincial/territorial counterparts. Overlaps and gaps between the federal and provincial/territorial governments certainly must be eliminated. An important step in this direction would be the determination — by the two levels of government jointly with the labour market partners — of the best means for sharing authority, responsibility and accountability for training and labour adjustment.

The focal point for the planning and delivery of training should be the community, with business, labour, educators/trainers, equity groups and other appropriate representatives working in partnership to determine training needs, sources and acceptable outcomes. Resources for the delivery of training must be made available at this level. This implies that service or program delivery may vary across communities, but the desired outcome would remain constant.

Vesting the authority, responsibility, resources and accountability for training and labour adjustment in the community is the best way to establish a coherent system, founded on individual choice (truly client-centred), that can pool the resources of federal and provincial/territorial governments. Basing the system on local community decision-making is essential if client service centres, a three-component counselling service and individual action plans are to work.

7. INVESTING IN TRAINING AND LABOUR ADJUSTMENT

Helping Canadians make the transition from unemployment to employment and from school to work must be regarded as an investment in the country's future. It is a shared responsibility of all Canadians.

Funding sources

The green paper poses the question of how employment development services should be funded (p. 85). For the unemployed, the paper presents only two options: taking funds from UI savings achieved through redesigning the UI system, and administrative streamlining (pp. 50, 51, 85).

There is little argument against administrative streamlining. But using anticipated UI savings to improve employment development programming is a real concern. The labour market partners have stated clearly that the current way of paying for training and labour adjustment (using UI funds for UI clients and general government funds for non-UI clients) has distorted the delivery system, creating two classes of clientele. Access to programs should be based on individual need, not on entitlement to a form of income support. We agree (other than UI). Training costs should, however, be funded out of general government revenues. The government should not look to UI, which is an income replacement program, to provide the money for training.
We realize that a significant amount of money must be found to support employment development. The CLFDB is taking a broad look at various means of financing and lobeur adjustment.

employment development. The CLFDB is taking a broad look at various means of financing training and labour adjustment. Even at this preliminary stage in our work, we can suggest a single pot of funds with resources from federal consolidated revenues, provincial/territorial general government revenues, and private investment. We believe that the government has an obligation to go beyond the suggestions contained in the green paper and undertake an extensive examination of *all possible funding alternatives*.

that there should be a *single pot of funds* for training and labour adjustment

A side of financing training and labour adjustment not addressed in the green paper relates to the support of community programming. Although the paper argues that the local community should be the focal point for the delivery of programs, it offers no suggestion as to how to ensure the creation and maintenance of an infrastructure for program delivery. Currently, community groups receive funding from year to year, making staffing and development of materials risky. In addition, public and not-for-profit groups must compete for program funds. Some spend up to 40% of their time and resources bidding for support.

We argue that the infrastructure for the public, not-for-profit, and privatesector delivery of programs should be maintained. Not-for-profit delivery agents and public institutions should work with governments and the labour market partners in a collaborative, rather than competitive, manner to provide training courses, training projects, employment and support services. Funding should be provided on a multi-year basis.

Earnings supplementation

In its discussion of UI and welfare reform, the green paper (pp. 38 and 77-78) proposes a substantial program of earnings supplementation to encourage welfare and UI recipients to abandon income assistance and accept lower wage employment. We are concerned that institution of a broad-based earnings supplementation program as an integral part of employment policies would constitute denial of the principle that employment should be the fundamental source of income. While application of the earnings supplementation may well reduce UI and welfare payouts, they may also erode the existing wage rates, distort the labour market, concentrate the distribution of work among fewer people, exacerbate the current problem of sustaining permanent well-paying jobs, and certainly undermine the principle of UI as insurance. This issue needs to be examined carefully and any experimentation with earnings supplements undertaken in a highly controlled manner.

In light of the significant restructuring of our economy, we believe that public and private funds should be invested in training and labour adjustment at a level required to help Canadians get and keep jobs.

8. ACCOUNTABILITY FOR RESULTS

To be effective, training and labour adjustment programs have to be designed and delivered in an environment where what works and what doesn't work has been taken into account. All those involved in programs, whether participants or providers, should agree on the results desired and on methods for measuring results.

Evaluation of training and labour adjustment programs has largely focussed on measuring economic outcomes, such as changes in earnings, employment opportunities and duration of employment after participating in a program. However, programs also have important social outcomes, such as an increase in a person's ability to make decisions about employment and to search for jobs, to identify and eliminate barriers to employment, and to acquire social skills that contribute to getting and keeping a job. New measures that include social outcomes and take into account longer-term developmental improvements in individuals must be developed and agreed upon.

The green paper suggests the need for a new approach to accountability based on results (pp. 38–39). We strongly agree, but believe that "successful results" must be defined through a collaborative process. Program participants, along with community delivery agents, governments and the labour market partners, must agree on the results desired and on the methods for measuring them.

We have argued that the training and labour adjustment system must be clientcentred. Therefore, the effect that training and labour adjustment programs have on an individual's general ability to function in society should be one of the outcomes considered in evaluating effectiveness along with the usual economic outcomes of obtaining a job and improving income. Providers and learners must be accountable for improvements in employment decisionmaking skills, self-management skills such as self-assessment and problemsolving, interpersonal skills such as communicating and negotiating, in the ability to learn and the capacity to adjust to changing labour market conditions.

Despite the billions of dollars being spent on programs, neither the federal nor most provincial/territorial governments track the processes and outcomes of training and labour adjustment. A system that follows both qualitative and quantitative individual outcomes over time must be put in place over the next few years. This is essential not only for long-term evaluation, but for individuals and delivery agents to assess performance and make adjustments in the assistance provided. We believe that training and labour adjustment programs are often evaluated on the wrong basis. We must redefine expected outcomes, then implement a new system for ensuring accountability.

CONCLUSION

There are over 1.4 million Canadians officially out of work. When we take into account the many social assistance recipients and others who have become discouraged, the number rises to 2.5 million, even though we are in a period of growth. Many people have been displaced from permanent employment for the first time in their lives. Many are receiving no assistance whatsoever. Others are getting UI benefits or social assistance, but no other help in preparing for reemployment. Many do not know how to get assistance, or in which direction to turn. Some encounter bureaucratic obstacles in their attempts to obtain new, marketable skills.

We have highlighted some of the problems in the system faced by ordinary Canadians in their attempts to help themselves. The green paper clearly presents many other problems and also suggests some solutions. We have commented on many of them and presented other approaches.

Our main message is that the current training and labour adjustment system is fragmented by the division of federal–provincial/territorial responsibilities and lack of systematic participation by all the labour market partners. It is all too often focussed on the system itself, rather than on the consumer. Although purporting to be client-centred, the current system actually attempts to fit people into predetermined program boxes. Many of the proposals in the green paper would simply change the titles of the program boxes and alter some of the eligibility rules.

We are suggesting that the program boxes be completely done away with, leaving a single program with one pot of money and few eligibility rules. A person would have access to training or other adjustment approaches based on individual needs, labour market requirements and funds available. Assistance would be provided in response to the individual's action plan, it would be tailored to his or her circumstances, and it would contribute to his or her learning and skills portfolio.

Instead of being presented with a predetermined package of services, a person would assemble an individualized set of services. The local community would set priorities (through local boards) for training or other assistance which would be provided through the network of client service centres. This approach begins with the client's needs and provides the means for community partners and service providers to meet them — truly a client-centred system.

