

Ideas for Labour Market Partners

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Markets are creating greater inequality

- Technology
- Global competition
- Consumer preferences
- Employer and worker responses

Inequality leads to winners and losers

- People with skill, education, adaptability have upward mobility
- People without education, ability to learn miss out, and may face a downward spiral
- Canadians are worried about this polarization, but there is no clarity on what to do
- The search is on for new ways of pooling risk

Employers' response

- Focus on competitiveness, by seeking control over total wage cost
- Creating contingent or contract work
- Subcontracting whole production systems

Workers' response

- Some like the “entrepreneurial life” of contract work
- Others like the flexibility, but worry about how to keep their skills up to scratch
- Many are frightened and alienated – second class citizens who have lost their anchors

Training response

- About one third of employers train more intensively – mainly big firms
- The rest do not train, or do so in “episodes”
- Those who do train create payoffs for both parties
- Very significant unmet demand for training by people in contingent work and in small firms
- Core workers get training, but contingent, contract workers are “on their own”

A new training market has emerged

- The training market has evolved dramatically in the past ten years
 - ▶ There is more choice – public and private institutions
 - ▶ Courses are more responsive to needs of firms and workers
- But there is not enough quality control/accountability for outcomes
- And workers have been uncoupled from employers

Employer sponsored training has many advantages

- Employees are seen as an investment, not a cost
- Training is relevant to workplace
- Addresses time-crunch problem of workers --cost of time lost is paid by employer
- Employer takes responsibility for quality

Consequences of not acting

- Training and education deficits reduce potential income of workers, firms and communities
- Trend to polarization of Canadian society into Knows and KnowNots accelerates
- Small firms face serious economic disadvantage due to their size
 - ▶ Costs of creating tailor made courses are prohibitive
 - ▶ Harder to absorb the cost of time lost while training

Opportunities to make a difference – workers

- Workers need information, time, money and access
 - ▶ Information about what they need to know and where the right courses are offered
 - ▶ Time off from work to take the courses
 - ▶ Money to pay for them
 - ▶ Access to focused courses with flexible delivery – when and where

Opportunities to make a difference - employers

- Employers need information, partners, and money
 - ▶ Information about where the training courses are offered, how to influence course content
 - ▶ Partners to pool the cost of course development and delivery
 - ▶ Money to pay their share of the costs

Opportunities to make a difference – education

- Focus on early intervention with work-oriented programs in secondary schools, e.g. work terms, coop placements, adopt a school
- Educators need information on skill needs, and access to current equipment, mentoring by employers

Intermediaries have a role to play

Both workers and employers need assurance of the quality of training, through accreditation, standards etc

- Both need intermediaries in the new training market
 - ▶ Temporary help agencies
 - ▶ Training “brokers”
 - ▶ Standard setters
 - ▶ Accreditation bodies
 - ▶ Information on jobs created and skills needed as in Putting the Pieces Together

Labour market partners can make a difference

- As markets create winners and losers, we need new ways of pooling the risk for workers and for many small and medium-sized firms
- The best solutions will come from a partnership of all the stakeholders – educators, workers, employers, and governments.
- Go for it!