
"Ideas for Labour Market Partners"

Labour Market Partners Forum '98

Markets are creating greater inequality. Technology, global competition, consumer preferences, employer and worker responses are all elements contributing to this inequality. This leads to winners and losers. People with skill, education and adaptability have upward mobility while people without education or 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 focuses on competitiveness by: seeking control over total wage cost, creating contingent or contract work and subcontracting whole production systems. The workers' response is uneven: 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, feeling like second class citizens who have lost their anchors.

Training is one form of 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, but there is very significant unmet demand for training by people in contingent work and in small firms. Core workers get training, but contingent or contract workers are "on their own". They have been uncoupled from employers.

A new training market has emerged. The training market has evolved dramatically in the past ten years. There is more choice in both public and private institutions. Courses are more responsive to needs of firms and workers. However, there is not enough quality control/accountability for outcomes. Also, workers.

Employer sponsored training has many advantages: employees for example are seen as an investment, not a cost. Training is also more relevant to the workplace and can address the time-crunch problem of workers – the cost of time lost is paid by the employer. Finally, the employer takes responsibility for the quality. But who will train the contract workers? Or those in small firms which face serious economic disadvantage due to their size: the costs of creating tailor made courses are prohibitive, and it is harder to absorb the cost of time lost while training.

The consequences of not acting are wide. Training and education deficits reduce the potential income of workers, firms and communities. They tend to accelerate the polarization of Canadian society into Knows and KnowNots.

There are opportunities for workers, employers and educators to make a difference.

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 and access to focused courses with flexible delivery.

Employers, especially small firms, 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, and money to pay their share of the costs.

The education system needs to focus on early interventions 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, as well as 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 and 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!

(April 1998)