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## **Backgrounder**

### **The Future of Work in Canada – A Synthesis Report**

This CPRN report assesses where work in Canada is headed, the economic and social forces shaping these trends, and the policy directions Canadians must consider if we are to determine our own working future.

Work transformations are profoundly affecting individuals, families and communities. Based on a synthesis of available evidence, the authors argue that Canadians are at a critical juncture in our nation's working life. Canadians must now grapple with important economic choices if they are to influence the future of work. This collective project will ultimately determine the kind of society we have in the 21st century.

Underlying present concerns about the future of work is a pervasive public anxiety regarding jobs, the economy, and our ability to cope with rapid change in our working lives. The prospect of being jobless drives this sense of anxiety. These fears now pervade the middle class, eroding consumer confidence.

Does the high level of economic anxiety fit the facts? The authors document that, while labour market and economic changes have been wrenching, they are not as bad as suggested by public opinion polls. Looking further, Canadians also are reacting to the growing individualization of economic risk. In short, individuals, families and communities have had to shoulder more and more of the responsibility for adjusting to high unemployment, downsizing, industrial restructuring, and related trends.

The reason for this individualization of risk is that the "anchors," which in most of the postwar period helped Canadians adjust to economic change, have disintegrated. The "social safety net," unemployment insurance, stable employment relations these and other "anchors" are being radically altered as governments cut program funding and reinvent their role, and as employers turn workplaces upside down in search of a competitive edge. The prosperity and rising living standards of the 1950s, 1960s and 1970s now seem more elusive than ever. Not surprisingly, Canadians believe they are running out of options, and are struggling to find a way forward.

What is the way forward? So far, discussions of the future of work in Canada have been dominated by futurists and economic gurus, often writing from an American vantage point. Reviewing this diverse literature, the authors critically assess three scenarios (see box):

### Three Scenarios on the Future Work

Issue	Technology Not People	Work Not Jobs	Almost Business As Usual
<b>Environment</b>	Revolutionary change	Revolutionary change	Evolutionary change
<b>Technology</b>	Massive labour displacement Small "techno-elite"	creates new opportunities Knowledge becomes key factor	Key to innovation-led growth Knowledge key factor
<b>Employment concerns</b>	Potential for mass unemployment Polarization Service and knowledge work	Unemployment not an issue New growth in high-tech areas Knowledge and service work	Persistent unemployment Moderate polarization pressures Knowledge and service work
<b>Employment contract</b>	More contingent work forms	Dejobbing/Self-employed	More non-standard work forms
<b>Work organization</b>	"Post-Fordist" showcases Sweatshops Weak unions	Fluid models Contracting webs Old unionism incompatible	High-performance models Lean production models Pressures on unions
<b>What should be done?</b>	Bold social responses Work sharing, paid third sector Guaranteed income International standards	Mainly individual responsibility Drop "job fantasy" Guaranteed income Human capital investment	Moderate social responses Focus on fundamentals Self-sufficiency social policy Support innovation climate

- The "technology not people" scenario pessimistically depicts massive job loss and work dehumanization in the wake of revolutionary advances in information and communications technology.
- The "work not jobs" scenario also sees a postindustrial, high-tech revolution sweeping across the economy. But its interpretation is optimistic, seeing new opportunities for more fluid, flexible and fulfilling work as we move away from job-based employment.
- An "almost business as usual" scenario reflects the view of many governments and economists. Taking a far less extreme position, this perspective sees present trends as evolutionary, and advocates fine-tuning the existing public-policy framework.

The authors' analysis of Canadian "facts" shows that, while some of the concerns raised by the future-of-work scenarios are justified, in more general terms, the scenarios either wrongly suggest that the direction and impact of key trends are predetermined, or fail to see the need to invent new work and labour market institutions. What Canadians need is a wide-ranging policy discussion about how, collectively, we can create a working future consistent with our national values. Adding urgency to this, the report identifies six trends with disturbing long-range implications if left unchecked:

- persistently high unemployment;
- underemployment in the context of rising educational levels;
- the spread of non-standard forms of work;
- the polarization of incomes, job conditions, and work hours;
- earnings stagnation that forestalls improvements in living standards; and
- new management strategies that redefine the very nature of the employment relationship.

For Canadians to ensure their working future, the authors argue, they must meet three challenges: achieving sustainable economic growth; distributing opportunities, jobs, incomes, and security; and ensuring social cohesion. The report advocates immediate responses to these challenges. Employers, unions, professional associations, governments and community leaders can and must define the future shape of work in this country.

Policy levers capable of enabling bold action deserve serious discussion. These include:

- **Refocusing monetary and fiscal policy.** Three strategies are needed. The first is to set a clear employment target with the goal of reducing unemployment below its current, unacceptable level. The second is to establish a growth agenda based on substantial investment in people, including revamped labour market training and education systems. The third is to re-examine tax policy with a view to devising new tax approaches based on the currency of the new economy information.
- **Redistributing work.** Given growing dissatisfaction with current work arrangements, we must explore alternatives. This agenda will have to address questions such as: Should compensation and benefits be provided for unpaid work? Are there ways to more evenly distribute work time? What are the prospects for work sharing, limitations on overtime, and a shorter work week? Are there ways of easing the currently abrupt transition into retirement? Substantial social and economic benefits will flow from a better distribution of working time in these ways.
- **Education and training.** Education and training are not panaceas. However, investment in human capital increasingly is the best strategy for individuals and nations. The issue is how to make these investments in ways that ensure maximum social returns. Barriers such as inadequate labour market information must be overcome. Funding mechanisms must preserve quality and accessibility, and programs need to be more flexible.
- **Worker representation.** Now is the time to consider a wider range of worker representation options. To begin, we must address three questions: How do we ensure that an increasingly educated workforce is more directly involved in firm-level decision making, especially around issues that could affect their job quality or employment security? As a society, how can we provide a high level of rights and entitlements for workers who presently fall outside the scope of collective bargaining? And how can unions reinvent themselves to thrive in a labour market in which traditional jobs are diminishing?

We cannot immunize ourselves against change. We can, however, harness it in ways that will benefit the nation as a whole. By fully understanding the trends that now define work, and by creating a positive national vision of their working future, Canadians can construct new institutional anchors for a 21st century postindustrial economy.

(1997)