

A STRATEGY FOR HUMAN RESOURCES DEVELOPMENT  
AND UP-GRADING SKILLS, WITH SPECIAL REFERENCE  
TO PRODUCERS OF TECHNOLOGICALLY-INNOVATIVE GOODS  
AND SERVICES FOR EXPORT.

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## 1. Introduction.

The 1973 oil crisis, high inflation and the resulting economic down-turn caused all industries to go into a tail-spin. This created reasons for serious re-thinking of our industrial strategy and how we do business, in order to maintain our standard of living. There was another serious recession in 1981/83 in which interest rates peaked at an all-time and totally unacceptable high of over 20%.

By 1984 the Canadian economy, like others, started pulling out of the recession. However, the major bulk of unemployed people could not be absorbed into the devastated economy, despite continued efforts to re-build it with needed modernisation and technological innovations. This apparent paradox was caused by the need for new skills combined with a lack of programmes and facilities for re-training the unemployed, in common with some other industrialised countries; this issue has been of concern for the Liberal Party of Canada. The recent election campaign literature, particularly the red policy book, "Creating Opportunity", reflected on this and other related matters in depth and detail.

## 2. A Viable Human Resources / Job Creation Strategy.

Since 1984/85, recovery in the industrialised economies has been primarily in the service sector where the value-added component, which measures a nation's productivity and capacity for creating wealth, is at best minimal if not marginal.

In 1987, a Liberal Caucus task force, as well as the U.S.

Senate Committee on the Economy, looked into the serious longer term implications for the continued health and competitive capacity of their respective economies.

### 3. A Personal Perspective.

Having been a victim of the aforementioned recession as an engineer and a student of social studies, I have been intrigued by this apparent paradox. Consequently, for the last several years I have been doing extensive research and studies to develop a possible, practicable and realistic approach to break this log-jam.

### 4. A Brief Outline of the Plan.

4.1. Identify producers of goods and services which should receive special assistance for the purpose of achieving major improvements in Canada / 's export performance, considering current and likely future world economic and political conditions. Examples: environmental protection industry, building products industry, electronics industry.

4.2. Derive a set of re-training objectives for unemployed professionals and workers.

4.3. Recommend forms of re-training agreement between unemployed individuals and prospective employers, and subsequent employment contracts.

4.4. Obtain information concerning numbers of people willing to provide re-training services and facilities on a voluntary basis.

4.5 Make re-training available to anyone requesting it

including U.I. beneficiaries, U.I. exhaustees, welfare recipients and the self-employed, and those in the high-risk category of redundancy.

4.6. All cases of hidden unemployment or under-employment, such as those currently practised with predominantly young, new entrants to the labour force, should be catalogued and monitored for their longer-term employment effects.

#### 5. Rationale.

(a) This a coherent, cooperative approach for involving the various levels of government, the business sector, the labour the academia and the individuals.

(b) It is cost-effective in the sense that it does not involve massive capital committment.

(c) It is a continuous process of fine-tuning the industrial strategies and related skills requirements for ever-sharpening international competitive factors.

(d) This implicitly creates a recognised demand for a level of skills not only in the labour force but also in terms of management, marketing, salesmanship, engineering design skills etc.

In an ever-changing global market environment, technology and technological innovations are already the prime movers in capturing global market share. For instance, electronic accessing, within a few seconds, can generate billions of dollars of international business in any part of the world; another example is the environmental protection industry.

## 6. Implementation Strategy.

6.1. With respect to 4.1., solicit information from private business and industry associations as to export potential, and skills expected to be in short supply.

In the case of companies interested in exporting but facing problems such as lack of working capital for investment in necessary activities to prepare for doing export business, make recommendations to Minister for Industry and banking / venture capital industries concerning actions to assist them in this respect so that they are better positioned to create jobs for Canadians.

(Example: technical approval of building industry products with respect to foreign technical standards such as Deutsche Industrie Norm in Germany).

6.2. With respect to 4.2., conduct consultations with industry associations and/or individual business firms concerning current and predicted future requirements in terms of professional and trade skills, and likely numbers of people with different skills who will be needed.

6.3. With respect to 4.3., propose forms of re-training agreement and subsequent employment contracts to private industry, for discussion and amendments to be followed by legally-binding agreement between government, business and labour. Emphasise private study and research by individual job-seekers to up-grade their skills, on-the-job training and voluntary work by instructors and their facilities.

In addition, under this scheme, there must be satisfactory provisions for labour mobility in all its aspects, including but

not limited to recognition of qualifications across all the Provinces of Canada, such that artificial barriers to movement of labour to locations of employment opportunity are eliminated,

6.4. With respect to 4.4., advertise government interest in a "Voluntary Instructor Programme" and solicit interest from Canadians willing to donate time and facilities, through newspaper advertisements. Conduct surveys, as necessary, to determine availability of people to provide training in particular skills.

6.5. With respect to 4.5., make the necessary regulatory changes to the federal U.I. system and provincial welfare systems.

Make the necessary regulatory provisions for self-employed people wishing to up-grade their skills. Example: some highly qualified professionals such as engineers are working in the low paid and low-value-added service sector as a result of dismissal without-cause from their professional employment, combined with non-availability of alternative identical employment in their respective fields such as professional engineering.

Make further regulatory changes such that welfare recipients continue to be entitled to welfare and other necessary support, whilst acquiring new skills and attending formal training courses.

6.6. With respect to 4.6., the temptation to merely seek to lower the unemployment statistics in their present form must be resisted from the outset. In particular:

- (a) The notion that U.I. exhaustees or welfare recipients "have dropped out of the labour force" or "have given up looking for

work" must be abandoned at once because it has no logical basis and no moral justification.

(b) The current methods of collecting employment statistics and the interpretation of those statistics must be changed.

Under the current system, statistics are collected by Statistics Canada, who conduct random sampling of individuals and employers within randomly-selected urban areas. Individuals are asked whether they are unemployed, or working full-time or part-time; employers are asked how many people were hired fulltime or part-time. There is no follow-up verification; in the case of part-time employees, this may result in gross over-stating of the total employment created relative to the number of such people gainfully employed and relative to a "normal" working week of, say, 40 hours. In practice, the part-time employees referred to may be getting as little as 2-5 hours of employment per week and at less than the legal minimum wage; examples are hairdressers and supermarket cashiers who may be high-school students simply making a little pocket-money without having to support themselves, university students, or even people of working age outside these two categories who cannot find any other work and yet have to support themselves somehow.

### 7. Resource Requirements.

In terms of resource requirements, as mentioned earlier, the proposed strategy will involve minimal costs, particularly since it will require re-allocation of existing funds for various government expenditures from transfer payments onwards.

To illustrate, federal transfer payments on education, going

down to the school board levels, will involve only changes in emphasis on (a) existing curricula, and (b) adapting to new curricula.

With respect to cooperation amongst the players, it is imperative that business be persuaded, if necessary forced, to face the reality of the 21st century - that is, that the responsibilities of business enterprises are to the economy of the nation and the Canadian people and landed immigrants, rather than to their shareholders. Consequently, they must be persuaded to become full partners in developing the human resources who constitute the labour input for the continued well-being and productivity of their respective ventures, both nationally and internationally.

Similarly, the governments and policy-makers must abandon their preoccupation with statistics in their present form; instead, they must face the reality of living, breathing human beings behind the statistics. They must forsake the creation of illusions and work towards resolving the human problems which they are faced with.

#### 8. Time Frame.

Clearly, this cannot be confined to any specific time frame. it will be an ongoing process. However, the process, which may be developed and put in place within a maximum two-year period, must be a continuous process of monitoring and adjustment as deemed required by the exigencies of the changing directions and business environments both nationally and internationally.

The time frame allocated to the House Standing Committee on Human Resources Development, as well as the two brief days of



encounter in Detroit, tend to play down or even ignore the complexity of the problem and its structural nature.

9. A Brief Postscript on the Detroit Conference on Job Creation.

The job creation Summit last week, in Detroit, as expected, has been a case of the blind leading the blind. At a time when the European Community as a whole has over 19 million unemployed, when nearly 2 million in Canada are officially looking for work, while nearly 14 million are out of jobs in the U.S. and when Japan, for the first time, is experiencing the spectre of rising unemployment, any expectations of concrete solutions to this global problem could not have been realistically met in a "Hail Fellow, Well Met!" two day forum.

In the preceding pages, I have tried to explore some of the not-so-high-profile and yet creative strategies for getting a handle on to the problem. The Liberal Government has rightly approached the problem with its committment to job creation and having it linked with an infrastructure development programme. However, since this 35th Government came to power, it is clear that it needs to solve some problems of communication in the areas of defining the long-term as well as the short-term strategies and objectives of its two-pronged focus. Similarly, thus far, even as the Standing Committee on Human Resources Development continues its deliberations, it has failed to recognise the obvious necessity of integrating social policy with in an overall economic policy. As the Minister of Finance, The Honourable Paul Martin, recently observed, "structural impediments to job creation" need to be looked at from the focal point of who should be ultimately responsible for creating greater and,

more importantly, continuing opportunities. Clearly, the businesses - especially those which are small and medium-sized - have the scope, as well as the scale, for creating and exploiting the opportunities necessary for creating employment growth, as well as ensuring overall economic growth. This has been an economic and political wisdom for at least the past two decades. However, in order for these businesses to fulfil their potential - if not their economic mandate - there must be hands-on support from the government and the banking community to facilitate access to capital and the relevant technologies; these are the latter-day factors of production which not only promote but accelerate the process of innovation and therefore economies of scale, and promote much-needed export potential.

It is also important to underscore and to communicate to all concerned that a government commitment to job creation is not to be confused, and must not be confused, with the government's commitment to create jobs. In other words, a government cannot be the provider of jobs; instead, it can provide the necessary incentives through effective and efficient management of monetary and fiscal policies, such that businesses have access to the tools to expand the horizon for the labour market at any given time.

It is emphasised here that there is a growing need for recognising the new relationship which has been developing for the past 20 years between economic growth and job creation. In fact, the much-desired productivity growth for a solvent economy seems to increasingly preclude the prospects of creating jobs in any meaningful sense. As a result, it is clear that new and effective

job strategies must be more than an article of faith. At the

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same time, under this new government, I am not suggesting that we should be proponents of the former Conservative Government by revamping their policies of laissez-faire economy - far from it. While the burden of responsibility is rightfully directed towards the private sector, the mechanics of the direction-finding and the tools of "navigation" - if you like - and the required partnership of the government with business and labour are, in the ultimate analysis, the likely solution to the growing dilemma of labour market management in the 21st century.

#### 10. Conclusion.

This a very brief presentation of a much larger strategy which has been developed. In my submission as well as presentation to the Standing Committee on Human Resources Development, I have provided a fuller expose of the inherent issues and concerns which face us.

Should the Human Resources Department be interested in developing and up-grading Canadian human resources to their full potential, as is repeatedly emphasised in the Liberal Government red policy book "Creating Opportunity", I would be willing to meet with your department at the earliest convenient time.

I am available on (613) 798-1937

A handwritten signature in cursive script, reading "R.T. Chisholm", is displayed on a light gray rectangular background. The signature is written in dark ink and is underlined with a thin, multi-colored line.

ROBERT T. CHISHOLM.