

SOME FURTHER CONSIDERATIONS CONCERNING HUMAN RESOURCES DEVELOPMENT
AND CANADA' S ECONOMIC RECOVERY.

Date: July 28th, 1995.

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1. Introduction.

My interest in the subject matter dealt with in this paper, and related topics, began in 1983, shortly after I immigrated to Canada from the U.K. At about this time, I began collecting media reports and analysing them in order to fully understand Canada's problems and what was responsible for my own difficulties.

Since early 1993, I began to take action to solve Canada's problems. These actions have included, among other things, two personal appearances before The Honourable Lloyd Axworthy's Standing Committee on Human Resources Development, several written submissions to this same Committee and appearances in two television programmes. The Standing Committee released its final report in February 1995, following a year's work which included (among other things) two phases of public consultations.

The present paper constitutes a sequel to this earlier work. It deals with some additional and important problem areas - which have so far received insufficient attention, and in some cases no attention - from the policy-makers, media and the general public. The present paper does not pretend, in itself, to present the whole of the solution to the problems with Canada's social programmes, hence it refers to the earlier work where necessary.

2. A New Statement of the Overall Problem.

Currently, there are roughly 1.5 million people across Canada receiving U.I. benefits. In Ontario alone, there are also about 1.3 million people receiving provincial social assistance, out of a population of about 10 million; the total number of social assistance recipients in Canada, with a population of about 27 million, could then be roughly estimated as 3.5 million.

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Hence, in order to eliminate unemployment and hence eliminate expenditure on both federal and provincial programmes for the unemployed, about 5 million new full-time jobs are needed across Canada of which nearly 2 million would need to be in Ontario.

At the same time, about 1 in every 5 Canadian jobs depends directly on Canadian exports. Hence, in order to create 5 million new jobs, we need to create 1 million new export-related jobs across Canada in order to stimulate the domestic economy into creating the other 4 million new jobs needed. Furthermore, in all cases, the 5 million people involved must collectively have all the skills needed to match the 5 million new jobs, and where necessary they must all have proper access to appropriate re-training to acquire any necessary new skills (in addition to what they already have).

The figures given above, based on the current situation, require refinement but will give some idea of the size of the challenge to be met. They will also change with respect to time, partly on account of demographic factors such as the aging of the "baby boom" generation, and partly on account of immigration.

3. New Export-Related Jobs.

It was pointed out above that we currently need about 1 million new export-related jobs in Canada.

Nobody, to my knowledge, has ever stated the challenge in these terms - not even the Standing Committee on Human Resources Development, even though it well addresses the challenge in qualitative terms. See reference 1.

Consequently, there is still a lack of focus in directing job creation initiatives and re-training efforts. Job-creation efforts

of all types, and re-training efforts, need to be directed initially at prospective exporters of new products and services; this set of problems and actions are addressed in references 2 and 3.

The media have, for the past several years, been constantly talking about Canada's "good" export performance. This, in a sense, is fine - in terms of tending to reassure the general public and the money markets. But it fails to deal with the question of whether this is sufficiently good, in terms of creating new jobs, relative to the size of Canada's unemployment problem and the consequential cost of Canada's social programmes. Based on the foregoing, it quite clearly is not.

4. Job Creation, Re-Training and Coordination. of Federal and Provincial Social Programmes for the Unemployed.

The issues of job creation and re-training, in terms of how Canada must set about creating new jobs, the professions involved, and the types of retraining programmes needed, are dealt with in references 2 and 3. These are arguably more important than anything else, but at the same time are insufficient if proper arrangements are not made for ensuring access to appropriate re-training for all unemployed people who need it.

Currently, there are obvious and massive flaws in the systems of social programmes which are not being addressed. The flaws concern the current lack of coordination between federal and provincial social programmes; these will be the main focus of sections 5, 6 and 7 of this paper, with special reference to Ontario.

5. Some Current Problems with Coordination of Federal and Provincial Social Programmes in Ontario.

5.1. The current federal Unemployment Insurance system declares most unemployed people to be "ineligible" for benefits on account of the following :-

- (a) U.I. benefits for some claimants have run out as a result of them being unemployed for longer than they were entitled to collect benefits.
- (b) Some claimants have "insufficient" insurable weeks and hence cannot qualify.
- (c) Some claimants who have had long-term problems with respect to obtaining insurable employment are classified either as having "weak labour force attachment" or as being "new entrants or re-entrants to the labour force", which may raise the minimum number of weeks required to more than the actual weeks of employment accumulated prior to being laid off (in law, this is "dismissal without cause"). Alternatively, they may never qualify on account of never being able to obtain insurable employment - which, at the same time, means that they never have access to Section 25 Employment Development-funded training.

(d) A common current problem is non-payment of wages by the employer, forcing the employees affected to quit and possibly before accumulating sufficient weeks to qualify. The Unemployment Insurance Act 1971 and subsequent amendments do not address this scenario. At the same time, the current waiting period to get a case heard before the Ontario Ministry of Labour exceeds 6 months.

(e) Self-employed people are ineligible for U.I. benefits because this form of employment is classed as "non-insurable". In

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addition, it may be unstable and insufficient in the long term to yield a living wage.

In all these cases, the people affected are forced to claim provincial social assistance benefits - and even then, are not always eligible (this usually applies to people who are self-employed).

5.2. All federally-funded re-training programmes are accessible to U.I. recipients, but not to provincial assistance recipients, for example :-

"User-Pay" - Community college courses (but excluding university courses which are funded by OSAP in Ontario)

"ON-SITE" / Energy Pathways Inc.

"ENGINEERS IN CANADA" / Ottawa-Carleton Learning Foundation (recently cancelled)

These are all funded out of U.I. funds under Section 25 (Employment Development) of the Unemployment Insurance Act. The types of programme available under Section 25, in terms of subject matter and amount of financial backing are also not adequate - but for the purposes of the present paper, this is a separate subject.

5.3. Provincially-funded retraining programmes are generally only available to provincial social assistance recipients and not to federal U.I. recipients, for example

"TRANSITIONS"

"JOBS ONTARIO"

The former is only available to people aged 45 or more who apply within 6 months of being permanently laid off from permanent

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employment (and hence is obviously restricted to those who were sufficiently lucky to get such employment in the first place, whilst excluding those who were not sufficiently lucky to ever get such employment in the first place)

The latter has just been cancelled; a major reason appears to have been its use by employers as a wage-subsidy programme rather than as a means to conduct serious re-training for jobs which can be said to have really existed. The author, from his own experience, has also noticed that few, if any, of the jobs involved were based on export-related business: the proportion appears to have been much less than 1% and certainly nowhere near the 20% needed, which is indicative of lack of interest on the part of the right kinds of employers and other factors.

5.4. The artificial ineligibility of people for retraining programmes means that, in these cases :-

(a) The circumstances described in 5.1, 5.2 and 5.3 above mean that most unemployed people cannot get any access to re-training to expand their range of skills, so that non-access to re-training and jobs then cause the circumstances described in 5.1 to be self-perpetuating.

(b) Thus they are forced on to provincial social assistance programmes, through which certain other re-training programmes are accessible but which are not adequate.

(c) Non-access to re-training caused in the manner described means non-access to jobs and hence "getting stuck" on social assistance. Thus a condition occurs which, apart from social concerns, has two important and fundamental economic consequences:-

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(i) The person is prevented from working (by means of regulatory barriers) and hence is prevented from contributing to federal or provincial tax revenues (by these same regulatory barriers).

(ii) Both the federal and provincial governments end up condemning themselves (through the application of the said regulatory barriers) to paying out money to social recipients "for life", in amounts less than required to meet basic needs, instead of investing in these people in the appropriate manner in order to put them back to work.

Federal money as well as provincial money is involved here, on account of the Canada Assistance Plan (to be modified and re-named the Canada Social Transfer).

Hence the current system, consisting of federal and provincial social programmes together, is dysfunctional from the standpoint of solving the unemployment problem and related social problems. It also makes no sense whatsoever from a cost-accounting and economic standpoint. These considerations are fundamental to solving, or failing to solve, Canada's problems concerning both the current account deficit and the accumulated deficit.

6. Public Awareness and Mis-Diagnosis / Mis-Understanding of the Problems.

Based on the media reports which I have collected to date :-

(a) The media have failed to analyse the problems correctly. In particular :-

(i) They have failed to emphasise the number of new export-related jobs (about 1 million) in Canada which are needed in order to solve Canada's economic problems, as a means to stimulating the

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political leadership to direct its efforts appropriately.

(ii) They have failed to examine the manner of operation of Canada's social programmes for the unemployed properly. As a result, the public- most of whom are employed and not particularly interested in other people's problems based on lack of time and impatience - do not understand what is wrong, and wrongly blame the cost of Canada' s social programmes on the unemployed and in particular social assistance recipients. In particular, some Statistics Canada classifications and figures relating to unemployment, combined with

the traditional manner of reporting them in the media, have been contributing to public disinformation and misunderstanding of the problem.

In particular, media reports concerning those who have exhausted their U.I. benefits have suggested that they:-

- (a) "have dropped out of the labour force"
- (b) are "discouraged workers"
- (c) "have given up looking for work"

The author believes that such reports are responsible for the widespread and mistaken belief that U.I. beneficiaries, and more particularly social assistance recipients, are "lazy" or "unwilling to work" etc. This, in turn, is believed by the author to motivate the electorate to support public policy to reduce benefits (such as has just happened in Ontario), whilst simultaneously making the electorate fail to recognise the true causes of the "excessive" cost of social programmes which it is so concerned about.

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7. The Form of Solution Required, with Special Reference to Coordination of Federal and Provincial Social Programmes for the Unemployed in Ontario.

The definition of "unemployed" is to include all federal U.I. beneficiaries and provincial social assistance recipients, and all those who are in any way under-employed.

It goes without saying that in order to deal with this properly, much additional research and analysis is required.

However, it is obvious that the presence of regulatory barriers which exclude any unemployed person from re-training programmes are inappropriate. All current re-training programmes, both federal and provincial, must be made available to all unemployed people as defined in the first paragraph of this section. Some completely new re-training programmes are also required to meet the current and future needs of the economy. In all cases, adequate financial support must be available to meet the needs of people in such programmes - to cover tuition fees, purchase of books and computer software, borrowing of books, photocopying and all other items related to the re-training being undertaken. This must be provided in addition to catering to basic needs such as food, shelter and transportation. All other trade and profession-related expenses, and job search-related expenses, must be covered such as professional corporation membership, learned society membership, telephone, postage, FAX, resume preparation, transportation to and from job interviews.

8. The Necessity for Coordination Between Other Federal and Provincial Government Programmes.

As has already been shown, the effort required to solve Canada's unemployment problem is not confined to correcting the cur-

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rent coordination problems with the federal Unemployment Insurance system and provincial social assistance systems.

Job-creation initiatives, with all that these entail by way of help to prospective exporters and other things, must also be implemented in a manner which includes proper coordination between federal and provincial programmes.

9. Immigration.

Immigrants are often seen as representing un-wanted "competition" to Canadians who are looking for work.

Immigration policy currently results in about 200,000 people settling in Canada each year; roughly half (100,000) require jobs with the other half being accounted for by "non-working" family members such as children.

At the same time, based on media reports, Canadians mostly seem to conveniently forget that they themselves are either former immigrants or descendants of earlier generations of immigrants, except for members of the "First Nations". They also seem to forget or ignore the effects of federal and provincial social programmes and human resources development policies, and management attitudes in private-sector enterprises.

It should be realised that an immigration policy which does not lead to social unrest will only be possible in the presence of a functional set of human resources development policies and full employment.

10. All the Facts and All the Parameters of the Problems Must Be Addressed; Logical Thinking is Required at All Times.

The current problems, as has been shown, have resulted from

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failure to address all the facts and parameters of the problems in a logical manner, augmented by public disinformation and misunderstanding.

In defining and solving any set of problems, it should be remembered that overlooking any one fact or any one parameter, or any one flaw in logic, or any deficiency in any area, will result either in complete failure to produce the desired results or serious deficiencies in the results obtained. This also applies to solving the human resources problems in Canada, with the additional challenges represented by human emotions, international politics and economics, behaviour of money markets and foreign investors etc. thrown in.

References.

1. Final Report of the Standing Committee on Human Resources Development, "Security, Opportunity and Fairness", February 6th 1995.
2. R.T. Chisholm submission to The Hon. Lloyd Axworthy dated March 21st 1994, "A Strategy for Human Resources Development, with Special Reference to Producers of Technologically-Innovative Goods and Services for Export."
3. R.T. Chisholm submission to the Standing Committee on Human Resources Development dated October 21st 1994, "A Low-Cost Training Scheme for Unemployed Professionals such as Engineers, Accountants, Sales and Marketing Personnel".

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