



**Canadian
Manufacturers &
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**Manufacturiers et
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Building Canada Together

Keynote Address to the
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Canadian Association for Prior Learning Assessment

Hon. Perrin Beatty
President and CEO
Canadian Manufacturers & Exporters

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Thank you very much for your hospitality today and for the interest you are demonstrating in one of the key issues facing Canadians today.

I'm very pleased that you have invited me to share in the Keynote Remarks today, and I congratulate you for highlighting the issue of Recognizing Learning. It's a question that is increasingly front and centre on the agenda of the business community in general, and of manufacturers in particular.

I'm particularly pleased to be sharing this role with Ken Georgetti, the President of the Canadian Labour Congress. Ken and I are Co-Chairs of the Canadian Labour and Business Centre and, through the CLBC, we frequently have the opportunity to talk about these sorts of skills-related issues with our other Board colleagues from business, labour, governments, and the academic community. I, for one, appreciate these exchanges, and regard them as a major benefit of my CLBC membership.

While labour and business will differ on a number of issues, we both share a serious concern over skills issues in general, and, increasingly, over issues of qualifications recognition in particular.

I won't bore you with the numbers, but I think you all know something about the demographic forces that are driving the skills issue today in Canada, namely:

- Much slower labour force growth (projected at under 1% per year for the rest of this decade)
- An older work force (about one-third are now over 45 years old)

- Increasing retirements (the average age of retirement is now 61 and has been declining for over 20 years)
- Fewer new young labour force entrants.

Trends like these make skills shortages a question of national significance, even urgency. It's a story I hear whenever I visit with CME members across Canada, and CME's annual Management Issues Survey, in which we ask manufacturers throughout the country for their perspectives on a wide range of questions, confirms it. For example:

- The most influential factor in deciding where to locate new facilities is not access to markets, corporate taxes, or even government relocation incentives. It's access to skilled labour; and
- The lack of qualified personnel is cited as one of the most serious constraints on performance improvement.

CLBC research echoes this. In 2002, the Centre's biennial survey of business and labour leaders found that skill shortages were among the top five concerns of the business community, and among the top ten within the labour community, out of a list of about 40 issues – high rankings, both.

So skill shortages are an important issue. But what are we doing about them?

Well, there's room for lots of improvement here. Immigration numbers, for example, paint a somewhat stark picture.

By 2011, it's projected that immigration will contribute 100% of net labour force growth in Canada. That is to say, without immigration, the Canadian labour force simply will not grow.

In some parts of Canada, in fact, we're already in this position. In Toronto, without immigration, the labour force would actually have shrunk by about 100,000 in the 1990s, instead of growing by about 330,000.

(Now there may be a number of people in this room who think that a smaller Toronto would not be a bad thing, and we won't go into all those reasons now....)

But when the CLBC asked business and labour leaders about how they would meet their expected skill shortages, only one respondent in ten indicated that hiring foreign-trained workers was 'very important.' So immigration is providing a huge proportion of our labour force growth, but almost nobody says it's important. Is there a disconnect here?

Additionally, immigrants are finding it harder and harder to successfully enter the Canadian labour force. CLBC research shows that in 1981, it took five years in Canada before immigrants' average unemployment rate fell to equal that of the Canadian-born. But it now takes more than ten years for this to happen. As Jeffrey Simpson, who writes for the Globe and Mail, says, this is a fact we've swept under our welcome mat. Why is immigrant adjustment slower?

It's also clear that we have not used the skills of all our workers, whether immigrants or Canadian-born. The Conference Board estimates, for example, that eliminating our overall learning recognition gap would add between 33,000 and 83,000 individuals to the ranks of Canada's skilled work force, and give Canadians up to about \$6 billion per year in additional income. It raises obvious questions about what we are doing...or not doing.

There are many newspaper stories about skilled immigrants in jobs that don't even remotely use their skill sets. Where this happens, the costs in terms of foregone income and career prospects for these individuals, not to mention the costs in terms of their confidence and self-respect, are extremely high.

Last Thursday's Toronto Star provided yet another example to add to the list. A week ago, China launched its first manned spacecraft into orbit. One of the engineers who helped develop the rocket's propulsion system had immigrated to Canada two years ago, after her (yes, her) groundbreaking work was built into the earliest test flight rockets. Today, she sells cinnamon buns in a Toronto subway shop, for \$8.00 per hour. She's thinking about returning to China. And how many similar cases are there where newcomers to Canada are unable to put their skills to work?

But there is an equally important 'flip side' that doesn't get reported as often. For every foreign-trained worker whose qualifications go unrecognized, there is a well-paying Canadian job vacancy that is going unfilled. This may mean that the employer with the vacancy may be passing up opportunities and contracts because he or she lacks the qualified staff to deliver on them. Here, the employer and the economy are also victims. They are just as real as the individuals involved, but don't tend to get as much press.

Canada is not alone in dealing with the effects of an aging population. The United States, Europe, and Japan are also growing greyer, in some cases even more rapidly than we are. It's a complex problem, and we need to develop a comprehensive strategy that improves the quality of our education and training, enlarges the pools of talents from

which we can draw, incorporates new and innovative technologies and invites people from all parts of the world to join with us in building Canada.

My family came to Canada from Ireland over 150 years ago. Much has changed since then, but the motives that brought previous waves of immigrants to our shores – the desire to live in freedom and to build a better life – are the same as those that guide today's newcomers.

Canada is a wealthy country. But we are not so wealthy that we can afford to waste the skills of our people. As a country, and as an economy, we can't complain about skill shortages if we are not doing everything we can to recognize our most important sources of skills, and then recognize the skills themselves. These include not only the skills of immigrants, but also, very significantly, the skills of those already in Canada – Aboriginal people, visible minorities, and women seeking non-traditional jobs, among others. It's just basic good business practice to use your resources – in this case our human resources – as efficiently as possible.

What are we doing about this issue?

You in this room probably know the answer to this question far better than me. You, indeed, are the champions of Recognizing Learning in all its forms. You best know about credentials recognition services, or the best way to develop portfolios for prior learning assessment. So I won't presume to answer this question in its entirety, but rather focus on what we in the business community are doing.

You will no doubt be the first to agree that we collectively must make the 'business case' for recognizing learning. We must get the attention of the business community and

demonstrate the impacts of recognizing learning on the bottom line. This is particularly the case for small and medium-sized employers, whose concern for addressing skill shortages may not surface until they are face to face with having to fill a key vacancy.

Conferences like this one provide an extremely valuable opportunity for business people to share their best practices – to discuss not only what they are doing, but why. Again, I commend you on providing this opportunity. But while I have not looked at your agenda or your participants list in great detail, I suspect that you would like to see more employers in the audience and among the presenters. This challenge relates back to the way in which we make the ‘business case’.

I think it is important for the business community to find effective ways to increase its own awareness of the importance of these issues, using its own language. That’s why I am pleased with the work that CME’s Ontario Division, in partnership with the Ontario Ministry of Training, Colleges and Universities, has been doing on the issue of recognizing the skills of foreign-trained workers.

Last Thursday, in fact, we released “Right Before your Eyes”, a document which provides practical guidance for employers seeking to make their way through the process of recruiting and hiring foreign-trained employees. It documents a number of ‘best practices’, answers frequently asked questions, and cites extensive resources which employers can draw on to help them through this process.

It’s a unique document, and definitely a ‘must-read’ for any employer looking at foreign-trained workers. I think it marks

an important milestone in employer awareness of these issues. It will be available on our website, www.cme-mec.ca.

This is only one example of what should be happening here. I think, too, that governments at all levels are well positioned to provide strategic assistance to initiatives such as these and others. The 2003 Federal Budget, for example, included additional resources to support foreign credential assessment and recognition, as well as language training. That's very helpful.

Provincial governments may also want to ensure that provincially-mandated credentials recognition agencies receive the support they need to market their services to both businesses and individuals. In large firms, where staff may turn over and take their knowledge with them, or in small businesses where owners may be preoccupied with other issues, such constant marketing seems to be necessary.

Both Ken Georgetti and I continue to be impressed by the potential role that the proposed Canadian Learning Institute could play in facilitating information-sharing on credentials recognition and Prior Learning Assessment and Recognition, among many other subjects related to adult and workplace learning. The CLI was also announced in the 2003 Federal Budget, and resourced with a one-time contribution of \$100 million. It's an amount that could produce results. We strongly urge the federal government to provide an important role for the Canadian Labour and Business Centre as it sets up the Institute, and we hope that we will see speedy progress.

In the years since you began holding this conference – and for years before that – much excellent work has been done

to improve our knowledge of credentials recognition issues and develop the tools and processes for doing so.

Congratulations to all of you in this room who have been instrumental in making this happen.

More, of course, remains to be done, particularly in promoting these tools and processes to those who can use them in workplaces. You will continue to play a key role here, but you must be joined by business and labour people who can help promote these within their own communities.

In this, you can count on my support.

As one of the executives in CME's "Right Before Your Eyes" document stated, "Those companies that are not recognizing the skills of internationally trained workers will not succeed in the 21st century".

I couldn't have said it any better myself.