



House of Commons
CANADA

Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

HUMA • NUMBER 022 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, October 24, 2006

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Chair

Mr. Dean Allison

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•(1305)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I'd like to call the meeting to order.

Pursuant to Standing Order 108(2), our study on employability in Canada, I'd like to take this second to thank all the witnesses for being here today. This is a very important issue that we face across the country, and what we've been doing is starting here on the east coast. We'll be finishing our swing this week, and then in a couple of weeks we'll be heading out west to do that as well. We want to thank you very much, as I said, for being here.

We're going to start with Ms. Keddy for seven minutes. Then we'll start with the first round of questions and answers for seven minutes and a second round of five minutes. That's the way we'll work today.

Seven minutes goes by pretty quickly, so do your best to get it all in. I will give you a one-minute sign. As I said, some of the previous presenters spent a couple of minutes talking about their organization. We're really looking for recommendations and solutions, so if you think you need to cut anything, we'd appreciate if you'd cut on the organization and we'll get it out of the background information.

As the last thing, if you've brought any anything that needs to be translated, it will be translated in due course and sent out to the committee members.

Without any more of my preamble, Ms. Keddy, seven minutes, please.

Ms. Shawna Keddy (Project Coordinator, Community Development, Acadia Centre for Small Business and Entrepreneurship): Great. Thank you very much.

Ms. Elly Danica (Consultant, Older Worker Transitions, Acadia Centre for Small Business and Entrepreneurship): We're presenting together, so....

The Chair: Most definitely. Sorry, Ms. Danica. Thank you very much.

Ms. Elly Danica: Good afternoon, honourable members and fellow presenters.

My name is Elly Danica, and I am an older worker transition consultant and an older worker. For the past three years I've been working for the Acadia Centre for Small Business and Entrepreneurship in Bridgewater, Nova Scotia, which has been actively involved in facilitating support for older workers in this province.

In partnership with the Nova Scotia Department of Education and Service Canada, several initiatives were completed with the goal to help older workers, aged 55 to 64, re-enter the workforce and maintain their jobs.

Ms. Shawna Keddy: Good afternoon. Bonjour. My name is Shawna Keddy, and I'm a community development project coordinator with the Acadia Centre for Small Business and Entrepreneurship in Wolfville, Nova Scotia. For the past several years I've been involved in seeking support for and managing various regional projects tailored towards older workers.

We would like to speak to you today about effective strategies to support the employment and retention of the older workforce in Nova Scotia.

Ms. Elly Danica: Who are older workers in Nova Scotia? We are individuals aged 50 to 64 who are experiencing a number of challenging social and employability issues. The older worker clients whom we assisted over the past three years presented various barriers to employment. The social issues they identify include low confidence levels, age discrimination, low literacy and essential skill levels, and limited access to public transportation.

Ms. Shawna Keddy: The employability issues that older worker clients struggle with are displacement from a long-term employer, lack of technology skills, low education levels, and change in physical ability.

Ms. Elly Danica: The one common characteristic of older workers is that we want to work and continue to contribute to our communities. Older workers want to work smarter, not harder.

Ms. Shawna Keddy: Numerous results were achieved through the successful implementation of various older worker projects. We have formulated recommendations based on the information, experiences, and feedback gathered throughout the past three years.

Our first recommendation is to support employers in retaining older workers. We suggest the development of an awareness campaign targeted toward employers to promote the value and benefits of recruiting and maintaining an older workforce, particularly to ensure that the essential knowledge transfer occurs in business and organizations. We also suggest that employers be informed on ways to target their human resources policies to meet the needs of the aging workforce.

An article in the August 16, 2006, *Canadian HR Reporter* entitled, "Unprepared for aging workers", lists ways to integrate older worker programs in existing HR policies. They advise promoting a positive work environment for all employees, setting up flexible work arrangements, changing the way work is done to reduce physical strain, providing opportunities for older workers to mentor or train young people, providing training support to mature workers, giving special compensation such as perks or bonuses to mature workers, training employees on respecting older colleagues, and making sure hiring and promotion processes do not discriminate on the basis of age.

We know from our experience in working with older worker clients that these initiatives would make a significant difference to the employability and retention of older workers in Nova Scotia.

Ms. Elly Danica: Our second recommendation is to encourage older workers to participate in lifelong learning activities. A large number of clients that existed through older worker projects were in need of skill development, which included essential skills such as literacy and computer training and upgrading of their existing level of training.

Accessible financial support is required to encourage lifelong learning activities for older workers. This would particularly include financial support for gap clients. A gap client is someone who does not fit into the existing funding structures for skill development. Bridge funding would allow a person to acquire specific updated skills in their field, as well as funding for the process of validation of prior learning and past work experience to acquire certification. For example, a fisherman with over thirty years of experience in marine engine repair does not qualify on land as a diesel mechanic even though he has never met a diesel engine he couldn't fix.

Recommendation three is for a continuation of programs and services tailored to meet the needs of older workers, which also includes best practices learned from previous projects. Some of the best practices gleaned from the older worker projects in Nova Scotia were activities to support older workers through their life-work transitions with one-on-one coaching and peer group learning—for example, to assist older workers to identify and pursue retirement careers—and delivery of specific programs for older workers that address social and employability issues, such as the age advantage program, a transition program for older workers that takes an entrepreneurial approach to addressing the issues.

Consistent accessible support for older workers requires sustainable financial support for programs and services.

• (1310)

Ms. Shawna Keddy: Our final recommendation is to continue to involve the Nova Scotia Department of Education's skills and learning branch to build upon and enhance established partnerships

with community organizations such as ours that work directly with older workers.

On behalf of the Acadia Centre for Small Business and Entrepreneurship, I would like to take this opportunity to acknowledge the vision and work of the Nova Scotia Department of Education's skills and learning branch in support of older worker initiatives. It is our hope that long-term funding will be provided by the federal government to assist provinces to continue to support the aging workforce.

I would like to thank the honourable members of the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities for the opportunity to share our recommendations on strategies to support the employment and retention of older workers in Nova Scotia.

Merci.

The Chair: Thank you very much. You're right on time.

Mr. Kymlicka, you have seven minutes.

Mr. Stephen Kymlicka (Senior Policy Analyst, Atlantic Institute for Market Studies): Good afternoon, Chairman Allison, distinguished members of the committee, and fellow panellists. It is a privilege to be here to share the work of the Atlantic Institute for Market Studies, specifically our research on the labour market.

On first read, the article in *The Globe and Mail* last Thursday, which highlighted a backlog of over 20,000 immigrant cases in part due to forty vacancies at the Immigration and Refugee Board, was ironically funny. However, recently released business condition survey figures show that 9% of firms experienced production difficulties due to a lack of skilled labour, and a further 5% reported difficulties due to a lack of unskilled labour.

In this light, the backlog of immigrant cases must be seen as a serious strain on our economy, and there are some examples locally. We have a huge restaurant and food sector here, in part due to our tourism industry and in part just because we love to eat.

The Canadian Restaurant and Foodservices Association has just released a report projecting huge labour shortages throughout the industry. This industry, like many other services, cannot be outsourced to China or India. It must be done by people right here in Canada, not offshore.

The Dalhousie business school had more recruiters on-site last month than in all of the previous years. The Warren Group, a Maritimes trucking company, recently brought in ten drivers from Europe to help ease the acute shortage of long-haul truck drivers. In P.E.I. there are twenty Russian guest workers at a fish processing plant and a request for twenty more. These are just some examples.

In response to requests from businesses across the region, every provincial government in Atlantic Canada now has an immigration policy and, I believe, an agreement with Ottawa. Under these provincial nominee programs, needed workers can be fast-tracked. However, immigration is not enough. We have an aging population that birth rates do not offset. Furthermore, the profile of immigrants mirrors our society in that many of our immigrants face retirement as well.

Recent studies have shown that if existing trends continue, the Maritimes will be faced with an unemployment rate of below 3% within ten years. As you know, 3% is approximately the minimum unemployment rate associated with structural and frictional shifts in the labour market. Below this level, the economy must shrink.

That's a very unique situation for Atlantic Canada. We haven't had this before.

We need to lose the assumption that everyone needs to be a software engineer or a biotechnician. Many of the jobs that are already going begging in Canada are for skilled and semi-skilled blue collar workers. I've already mentioned truck drivers, fish plant workers, and restaurant workers. If Canadians are unwilling to perform these tasks, we are going to need to think about how we are going to get them done, as many of them cannot be outsourced but must be done close to home.

Part of the solution lies in taking up President Vicente Fox's invitation for Canada and Mexico to set up a guest worker program. Mexico is the NAFTA partner we ignore, and yet as both Canada and the United States enter a period of labour shortages, having a large pool of unemployed labour on our doorstep may prove to be a huge boon. However, we should not take these workers for granted. Just as employers compete for more workers, Canada will have to compete. The highest-value guest workers or immigrants are much sought after everywhere. They have more destinations to choose from than ever before that offer high standards of living and personal security. At the very least, we need methods to fast-track the recognition of foreign credentials.

Another part of the solution is increased productivity. It's not a question of whether a firm can hire the people it thinks it needs, because nobody is going to find the workers they need. The problem is trying to find out whether the firms and governments can modernize themselves through the use of information technology, outsourcing non-core functions, more rigorous management, etc. That's allowing them to do their essential work while drawing far less on the country's labour pool. You actually need far fewer people to do what you really need to do, and you need to pay them much better.

Productivity can come from many sources. One key area is removing barriers to worker mobility. The usual examples in the literature include architects, accountants, and engineers. However,

my wife, for example, had to take an additional course for early childhood education here in Nova Scotia when we moved here from Saskatchewan. A research report last year from the OECD ranked Canada as the worst in the G-7 in barriers to labour mobility.

By the way, deregulation is nothing to be afraid of. Remember, a labour shortage is a worker's best friend. Workers are entering an era of high and rising bargaining power, and not just on wages. For example, many long distance drivers have negotiated a rework of the delivery chain as a series of six-hour drop-offs. No longer do they need to be away for a month at a time. They can live at home and have a normal family life.

In an effort to maximize the available labour pool, many people are leveraging technology to help disabled people. I'm reminded of the story from a colleague who told me of a PowerPoint presentation delivered by a blind person. The JAWS program reads the slides rapidly to the presenter. As such, he could make allowances for those in the audience who needed visual aid.

This brings us to the elimination of regionally differentiated EI and regional development spending on business support and many kinds of other business subsidies. Political opposition is going to be much more muted as the labour shortages spread across the country. It is no longer necessary to leave Mabou or Bathurst for Toronto and Calgary. It may be quite sufficient to go to Moncton or Halifax.

● (1315)

In fact, Halifax needs this rural-urban move today. In 2005, Halifax's employment rate was higher than Toronto's, Vancouver's, and Montreal's. It was one thing when people had some sympathy, when we had the argument that there were no jobs, but in an era of massive labour shortages, the moral and economic arguments coincide. There is no case on either score for continuing to pay people not to work or to try to create artificial employment at the cost of higher taxes when genuine, sustainable business has to shelve development plans for lack of workers.

In short, we are experiencing an acute labour shortage, and the situation is getting worse. Immigration may provide short-term softening of the blow. However, it is not enough. Furthermore, we are in competition for quality immigrants and guest workers. We need to streamline the process for them and recognize their qualifications. For that matter, we need to recognize our own qualifications and remove barriers to worker mobility. We need to identify the labour gaps and promote those fields aggressively, whether they be skilled, semi-skilled, or non-skilled.

Lastly, we have to stop paying for regional schemes that are disincentives to resolving these pressing problems. All these barriers directly hurt our productivity, and in the age of competing global supply chains, productivity is king. We need to leverage technology to expand our worker force and to make do with fewer workers.

Thank you very much for your attention.

The Chair: Thank you, Mr. Kymlicka.

We'll have Ms. Bourgeois.

Ms. Andreea Bourgeois (Senior Policy Analyst, New Brunswick and Prince Edward Island, Canadian Federation of Independent Business): Good afternoon, fellow panellists, and especially honourable members of the committee.

I am Andreea Bourgeois. I am senior policy analyst with the Canadian Federation of Independent Business. I represent over 11,500 members in Atlantic Canada. I just want to make it clear that I speak on behalf of our members in Nova Scotia, New Brunswick, and Prince Edward Island.

Because I know the time is limited, I am going to start with the end of my presentation, which are the recommendations. Basically, CFIB has three main recommendations that will vary by province, so I will give you the general recommendations and then get into specific provincial numbers.

The first one is that we would like the government to ensure that government initiatives help, not hurt, growing labour shortages. I'm going to give you one example of a great initiative that has been very well received by the small business owners—the one with the federal apprenticeship handout. It has been great. I have received many phone calls asking when you are going to expand it. That's one of the things that worked really well. It was implemented very fast and people have clear indications of how to apply for it.

The second recommendation is to focus on multi-level approaches and policies. I am just going to build on what my colleague actually spoke about, and I'm going to give you one example of what I mean about including provincial partners in that equation. Let's say everyone here in all the Atlantic provinces talks about immigration right now. You have the power to increase immigration and to promote immigration in these provinces. However, language training is something that has to be done in partnership with the provincial education departments. It would be best if they were aware in advance when immigration is to be promoted here, rather than after the fact.

The third recommendation is that businesses understand they do have a role to play. They know they are responsible, and we're not asking for funding; they're not asking for money. It's a solution that

will also actually involve you, involve departments of education locally, and involve all kinds of other partners and business owners themselves.

I think it is time for the federal government to step up and be the big brother and provide information and education to business owners on how to achieve their goals. I am talking about the region. It's not an unknown fact that the Atlantic provinces have performed well in the past years; however, they are lagging behind the Canadian average.

They do have very healthy employment plans for the future, however. In terms of full-time employment, we have 67% of businesses in the maritime provinces that plan to increase full-time employment and 78% that plan to increase part-time employment for the next year.

However, what happens is that they have labour shortages. I know the numbers don't seem much, maybe, in comparison to what we hear of in western Canada, but years ago the numbers here used to be in the 20% range. Right now in P.E.I., the smallest province, 47.5% of business owners complain about labour shortages. It's huge for the Island. They used to be in the 20% range; now it's double that.

In New Brunswick the figure is 42%. In Nova Scotia the figure is 31.3%. These are huge numbers for this region.

One of our reports published last year, based on two years of data, showed that there are long-term vacancy rates. At any point in time, a business will have a vacancy. It's the natural course of action. A long-term vacancy occurs when they have had a position open for more than four months. These vacancy rates have been persistent in 2004 and 2005, and they have been increasing from 3.1% to 3.7%. Just to give you an example for New Brunswick, it's the third highest rate for Canada. Of course, you have Alberta and B.C. that were on top of that, and Saskatchewan, followed by New Brunswick.

I don't think we should wait for the situation here in the Maritimes to get as bad as in the west before we actually do something to help the business owners.

Moreover, when we asked them about the future, entrepreneurs seemed to be optimistic. That's the way they run their businesses. However, they were very pessimistic in terms of employment. As to whether they believe it will become easier or harder, 70% said it's going to become even harder to employ people in the next five years. They already see it as hard, but when they said "harder", that really scared us.

Just to give you again the magnitude of the numbers for the long-term vacancy rate, what this meant was that in 2005 alone there were 2,500 jobs open in P.E.I. That may not seem a lot for Ottawa. That's probably an apartment building, but it's a lot for the Island economy. In Nova Scotia there were 12,000 jobs—a good couple of apartment buildings here—that could have been filled with people working.

Business owners don't actually stand on the side and wait for someone to solve their problems. What they do is obviously hire underqualified people and then train them. They pass responsibilities among the employees they have, and so on.

And worse, some of them ignore business opportunities. There is a very high likelihood of a business owner in the Maritimes ignoring business opportunities. They just don't know where else to go and they prefer to say no to an order coming in.

• (1320)

I wanted to tell you what is specific to this region. While all across Canada the most cited difficulty for hiring was the lack of candidates with education, experience, or the set of skills, what was more likely to be said in the Maritimes as to why they had hiring difficulties was first of all about the lack of resources to pay a higher salary. It's very hard to compete.

By anecdotal evidence you know that the federal government is a very big employer in the region. They offer very good packages and benefits. It's very hard for small businesses to compete. They need the same qualified people as everyone else.

The other reason was that “there are too few people in my local area looking for work”. Those were entrepreneurs in northern New Brunswick saying that. Well, where do they think the employees went? They went out west, so of course it's hitting them. It's a different kind of problem than what you have in the west, but it's hitting them here too.

The third reason is the nature of the work. The reality in the Maritimes is that there is a lot of seasonal and temporary work. A fish plant cannot work more than a couple of months a year—if they're lucky, maybe May to October; if not, it's only a twelve-week season a year. What do those employees do after that?

These reasons are way more likely to be quoted as very hard difficulties here in the Maritimes than in the rest of Canada.

The next slide talks about training. What they actually do when they employ someone who's underqualified, who doesn't have the experience, who doesn't have the skills, is they train them. It's very common in Atlantic Canada to provide informal training. It's very easy to recognize where formal training is; however, here they prefer to be trained by their suppliers, by a mentor within the business, or by someone else who has more experience. Sending employees out for training is much less practised in this region of the country.

Of course, the top three things the federal government can do to help with the shortage of labour are to lower the tax burden—that would allow them to have more resources to pay their employees and to invest in training; rebalance the social programs, such as EI, and lower the payroll taxes; and offer more information on where to access training.

Thank you.

• (1325)

The Chair: Thank you very much.

Mr. Messenger, you have seven minutes, sir.

Mr. Keith Messenger (Strategic Planning and Policy Analyst, Skills and Learning Branch, Nova Scotia Department of Education): Thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you today to discuss the issue of employability in Canada.

My name is Keith Messenger, and I am a strategic planning and policy analyst for the skills and learning branch of the Nova Scotia Department of Education.

Employability is a key component of Canada's economic and social future. As in many other provinces and jurisdictions, Nova Scotia faces a multitude of challenges regarding both its current and future workforce.

Today, I would like to discuss a key provincial initiative designed to help address these challenges: the Nova Scotia skills and learning framework. In addition, I'll offer some highlights of what's been done in the past year and what we would like to see for the future.

Released in 2002, the framework was designed to help address a number of a labour force and education challenges that hindered the development of a well-balanced, skilled, and knowledgeable labour force. Some of the labour force challenges included an aging and decreasing population as well as increased education and training requirements for most jobs. The education challenges included a significantly high number of people without a high school diploma, as well as many people with minimal or low literacy and numeracy skills.

The framework consists of three goals: first, to meet the skill needs of Nova Scotia's labour market; second, to provide better labour market access and supports to Nova Scotians; and third, to strengthen Nova Scotia's system of lifelong learning opportunities.

“The Skills Nova Scotia Annual Progress Report 2005-2006” highlights Nova Scotia's impressive record of success in moving the province's skills agenda forward.

As outlined in the report, the accomplishments of 21 provincial departments, agencies, and offices, as well as engaged stakeholders from business, industry, educational institutions, community organizations, and labour reflect the actions needed to support Nova Scotia in developing a world-class workforce fully prepared to take advantage of existing and future opportunities.

Under the first goal, meeting the skill needs of Nova Scotia's labour force means having a finger on the pulse of Nova Scotia's immediate, emerging, and future labour market needs. Timely and accurate labour market information underlies the development of responsive policies and programs and supports labour market decision-making.

Some highlights from accomplishments of the past year include round tables with CEOs of Nova Scotia's largest companies. A research project was initiated to gain a better understanding of the economic and social policy implementations of Nova Scotia's changing demographic situation. The "2005 Nova Scotia Labour Market Review", which outlines key labour market statistics in Nova Scotia, was published. Numerous education and training programs were introduced to address labour market skills, shortages, and gaps. The development of policies and programs to promote safe and healthy work environments, fair employment standards, and stable labour-management relations was continued. Considerable progress was also made in developing a process for recognizing international credentials and helping immigrants to understand the process that must be undertaken to practise their professions in Nova Scotia.

With respect to the second goal, coordinating programs and services to support Nova Scotians in making career and employment choices is critical for the success of the skills Nova Scotia framework. This involves providing career and employment counselling services and resources, and ensuring access to education and training for all Nova Scotians.

In the past year, access to employment counselling services was expanded through a variety of print, classroom, and web-based resources. New publications and resources to support students, teachers, counsellors, and parents were developed, and the Nova Scotia career website was expanded to include career development and employment sections, as well as additional Nova Scotia-specific labour market information.

The Educate to Work program, an employment development pilot project, and a new grant for first-time students from low-income families all provided workplace learning and enhancement of employment opportunities for income assistance recipients and low-income individuals. Programs for groups underrepresented in the labour market were supported.

Our third goal, the nurturing of a lifelong learning culture in Nova Scotia, is a prerequisite for the continued development of a skilled and knowledgeable labour force. In 2005-06, great strides were made in encouraging positive attitudes toward learning to prepare Nova Scotians at all stages of life for success in the future.

In 2005-06, developmentally appropriate education and literacy programs for children were supported. A program called Options and Opportunities, which was designed to expand secondary students' exposure to the education and career choices available to them after graduation, was piloted.

• (1330)

Cooperative education and apprenticeship programs were developed to provide valuable work experience and apprenticeship hours for our youth. In 2005-06 alone, approximately 500 adult learners graduated with their high school graduation diplomas through the

Nova Scotia School for Adult Learning, bringing the total number of graduates to almost 2,000 since 2001. Most of these adult learners went on to further education and to find better employment opportunities.

Construction of the new Nova Scotia Community College, Metro campus, and the renovations for existing campuses that has commenced, will bring Nova Scotia's college system capacity to approximately 10,000 seats by 2007.

The skills Nova Scotia framework is an effective catalyst for creating strategic partnerships and opportunities for skills partners to work hand in hand to advance programs to meet common needs. The result of these cooperative efforts among industry, business, and government is a more focused and sustained effort to develop and distribute the programs and services we need to develop a skilled, knowledgeable, and responsive workforce.

For the future, a retention, recruitment, repatriation, and retraining initiative will assist in assuring that supply meets demand in the Nova Scotia labour market, and we see the federal government's role as greatly aiding the province in the deployment of its programs by taking a new approach to the labour market development agreement, the LMDA, by devolving responsibility to the province and by implementing a labour market partnership agreement, an LMPA, to allow flexibility to use funding for employees at risk, underemployed and underutilized groups, and other non-EI-eligible clients.

One glove doesn't fit all. Federal programs are appreciated but need flexibility and adaptability to work in local systems and markets. Education and training is the foundation of productivity, and Nova Scotia needs federal support for initiatives that increase productivity—individual and otherwise.

Thank you very much.

The Chair: Thank you very much.

We'll start with Mr. Regan, for seven minutes.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman, and thank you all for coming today.

I want to congratulate Acadia University for its involvement in your program, particularly in view of the fact that my daughter is there in first year at your institution. I must tell you, having said that, that I gained a whole new respect for Mr. Kymlicka when I spotted his X-ring, which shows that he's a graduate from the number one undergraduate university in the country, which my daughter didn't choose, for some reason. That's her choice. They're both great universities, as they all are in Nova Scotia, of course.

I have lots of questions. I will start with Mr. Kymlicka, if I may.

I agree with your focus on immigrants and their importance for our region, without question. In fact, I appreciated the paper by Brian Crowley a couple of years ago when he talked about the fact that we have to be a welcoming society. It isn't enough to be tolerant of immigrants; we have to make them feel welcome. It's a matter of the heart when you move somewhere new, and we have to understand that and make sure that people feel welcome in all our communities. That's one of our challenges.

You focused on immigrants and how we need to bring more of them into our region to solve or to deal with our shortage of workers and skilled workers. What I didn't hear about were people who are kind of on the margins and have been left behind, such as adults, for instance, who need literacy training or skills upgrading and so on to be more a part of our workforce. It seems to me that there is a role for government in terms of those kinds of programs, and I'd like your thoughts on that.

Second, you talk about it not making sense to pay people to stay home and so forth. Let me just ask you about older workers. We heard Monday in St. John's from the FFAWU, of course, defending fishermen and people working in the fishing industry. They spoke of women who are 58 and 60 years old who worked their whole lives on concrete floors with their hands in cold water cutting fish, and who now have arthritis and bad backs. They're not really in a position to learn to be rocket scientists or software engineers and so on.

What would you propose we do with people like that? What kind of support programs...? Do we put income support programs in place? Would you really argue that they have to move from where they are and find new employment and new skills?

• (1335)

Mr. Stephen Kymlicka: My response would be that there are jobs that are available for a lot of people in a lot of regions, and in the face of labour shortages, companies will go to great lengths to try to fill those needs. I'm reminded, for example, of McDonald's during the Clinton administration, which actually went out and created cash registers for illiterate people because they needed bodies. Obviously, those aren't the people you are talking about. These are people who have worked long and hard and who have skills in certain areas. It's just that there have been structural shifts. They have far more to bring to the table, and employers would be more than happy to try to use those workers.

Let me remind you, from my notes, that 5% of employers said they experienced production difficulties because of a lack of unskilled workers. That's a huge amount. We need them; we need everybody. Certainly there are going to be people who can't work, and we have to acknowledge that, but for those people who can, there are many opportunities.

Hon. Geoff Regan: Ms. Danica was just shaking her head. It's interesting, because you were also talking about helping older workers get into the workforce. But I have the sense that you're saying that for someone who is willing to live his whole life in an outpost in Newfoundland and Labrador, the answer isn't necessarily to move to Halifax.

Ms. Elly Danica: The problem is most people in that age group have invested very heavily in their communities and they're not

willing to move. I don't think having government programs that compel them to move to get a job will work when their employability is quite limited because of physical changes and they don't have the educational levels to work in cities. So there really are some very serious problems.

On the scenario you painted, I've met a number of older workers in the fishing industry with very similar scenarios. They find that in our community there isn't enough adaptability within the employing population to accommodate their specific needs. Some people can't stand because their feet have been smashed while working in the fishery. It would be very difficult for the woman you described to work in a retail environment and stand all day. She couldn't do it because of health constraints. But to retrain her if she still wishes to work—and many of us do—we don't have the infrastructure and support to allow that to happen.

Hon. Geoff Regan: We heard this morning from groups involved in working with people with disabilities—and also yesterday in St. John's—that the kinds of supports that are needed are different because people have disabilities or are older, for example.

I'd like both of your views—particularly these two groups, but also anyone who wants to add to it—on the question of what governments should be doing to assist in providing supports to employers, and to employees who are either older or have disabilities, to ensure they can be available as part of the workforce in the situation we have with skill shortages.

The other question I asked earlier was about providing services for adult learners. You didn't have time to answer that.

• (1340)

Ms. Elly Danica: I think the federal government could provide support and leadership for employers to make them aware of what they're dealing with when they have an older workforce. There are skills that are going begging because these older workers are not getting the training or retraining support, as the case may be.

If the woman from your scenario is interested in working in a different field, unless she has enough EI credits she is not able to do that. What also happens is that when a skill development program proposal goes forward there is not exactly a bias, but there's an awareness that the person is 58 years old and requires two years of retraining. How long is that person going to be in the workforce, and is that a viable return?

So there are issues around retraining. There are issues around employer awareness. For example, many older workers, myself included, cannot work in low-light environments. If an employer wants me to bring my skills into his place, he has to give me a chair that supports my back and light levels so I can actually perform the work.

We don't have enough awareness yet, and the government can provide leadership to say, look, we have this untapped resource of older workers, and a little bit of investment—not a huge investment—by the employer will actually get you the people you need. It will also help with knowledge transfer, so younger people can have the information they need to retain the corporate vision, the institutional memory.

The Chair: Thank you very much.

Mr. Lessard.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

Good day and thank you for being here to provide your expertise and contribute to the debate and the research we are currently doing.

When we talk about older workers, two problems arise. The problem we tackle regularly is keeping older workers on the job who are still employable and for whom there are jobs. I think older workers will agree. People who have worked all their lives have learned to work. It is part of what gives meaning to their lives. I will come back to that.

The ones I would like to speak for now are those for whom there is no longer any alternative. For them, you might say a Gordian knot appears every time they approach the government and, often, employers. They are people who can no longer work for purely objective reasons. They have reached the end of their ability to work. I will give you the example a woman talked about earlier.

Just recently, I met with forty or so women who had all worked in fish plants for more than 40 years. They started working there at 15, 16 or 17 years old. They are now between 50 and 60 years old. Some 40 of the women I met had all started work at the same time and were no longer able to work. They told me they were given three months of work a year, and those months of work became synonymous with hard labour. They did not want to hear of going to work elsewhere; they are no longer capable of it. They worked all their lives wearing rubber boots, in the damp, constantly moving 25 to 30 lb loads, often up to 2,000 lbs a day. So their backs are in bad shape.

What do we do with those people? How do we support them? They are people who, objectively speaking, can no longer work because of their physical condition.

Just as objectively, other people find themselves in a similar situation. I'm thinking of people like the women who worked at the Whirlpool plant in Rivière-du-Loup, where they manufactured stoves all their lives. However, the company closed down. They are people who are still capable of working. They did not work as hard as the women I talked about earlier, but they are no longer able to find a job. The plant has been closed for two years. There were about fifty workers there over 55 years old. Two of them have committed suicide. They don't want to talk about it but we must. After two years, there is no more employment insurance; there is nothing any more.

I will give you the example of a 57-year-old man who was provided two years of training paid for by the government. He

undertook the retraining and submitted 92 applications for employment. He got an interview and was not selected because he was too old, he was told. He is an intelligent, sturdy man, capable of working, who wants to work. He is discouraged. I don't know what has become of him. I could give you many similar examples.

Those are two objective situations where older workers cannot work. What do we do with them? The government objects to granting them income support. It does not make sense. What is left for them? Social assistance. After social assistance, what is left for them? To obtain social assistance benefits, they have to spend all the income they have earned. Often, it is not much, even though it is a whole life's work. I am going to stop there.

I would ask the people who represent employers, including Mr. Kymlicka and the small business representative: What do we do with the people I talked about earlier? Do we ignore them or do we help them out, knowing that the employment insurance fund has a surplus every year?

• (1345)

Ms. Andreea Bourgeois: I represent the Canadian Federation of Independent Business and many employers. I hear similar stories every time we publish a report or say there are vacant positions. The telephone rings all day and some people, 57-year olds, for example, ask me where they can go to work, what they can do. Unfortunately, the truth is, at this time, not all employers are aware of the value of an older employee. They often ask what it is going to cost them. They say that an older employee might suffer a back injury or some other injury. The employer thinks he will have to give an older employee one or two weeks training. That is a lot of time for someone who only employs four people.

To go back to the example you gave, if I have a business and I hire someone older who has two years training and good experience, he has the necessary education but I am going to spend two weeks training him and, after that, the risk of a back injury is much greater than if he were younger. Employers are still not aware of the value of older employees. That is a reality of the labour market, and we have to educate employers, speak to them, inform them of the fact that there are so many people in their community who are of such and such an age and have such and such training or education, and they can hire them. If they do not want to hire them, that is their choice, but when businesses do not have the information, it is difficult to say they are guilty of not hiring those people.

Mr. Yves Lessard: I appreciate your honesty. You might say there is a conflicting message; I am not suggesting that it comes from you. They say one of the solutions to the current labour shortage is to train older workers and have them re-enter the labour market. You describe the situation well. In spite of your effort, you cannot open doors for them, for the reasons you just outlined.

I want to hear your opinion on what I am about to say, even if you do not agree with me. We have to put an end to the false message that we are going to make every effort to ensure their re-entry when we know very well that employers are not willing to take them. We have to stop telling each other lies. I am not blaming you. It is the prevailing message from the government and from employers that is misleading.

Do you share that opinion?

Ms. Andreea Bourgeois: Yes. If you will permit me, I agree with you entirely that the message is not completely true.

But I am going to ask you a question.

I am an immigrant. When I arrived in this country, I did not speak either of the two official languages well. The first time someone hired me, that person took a big risk. I was willing to prove I had value. Today, if someone has a choice of hiring me or hiring this man—I have nothing against you—he may prefer to hire the man. First, because I am a woman and am of child-bearing age, etc. It is a risk.

Why not help small business take that risk? Why not reduce the contributions to employment insurance for businesses that hire people 50 years old and over? Why not help them take that risk? It is like helping banks take risks with immigrants. It's the same thing. We have to help them take a risk.

That's all I have to say. Thank you.

• (1350)

[English]

The Chair: We're out of time, but thank you for that answer.

Madame Savoie.

[Translation]

Ms. Denise Savoie (Victoria, NDP): I am going to continue in the same vein. You suggested helping small businesses take risks, including by reducing their employment insurance premiums.

In your opinion, are there other ways of opening minds a bit on this subject?

Ms. Andreea Bourgeois: First, in my opinion, would be a way of educating them. I don't know how to say it in French, but it would be a handout about the value of employees of that kind. Sometimes that is enough. Small business owners are very tuned in, which is not happening in big business. We can give the example of a business where a man has made very good progress and where three employees 50 years old and over are working very well and have never suffered any more back injuries than others. An example like that may say more than you and I in a community. That is what we need: a positive example.

Second, we have to help them take the risk. We could reduce the tasks or grant them an income tax credit for hiring older people, persons with disabilities, immigrants, all those who represent too much risk for a small business. Ninety-seven per cent of businesses on the market employ fewer than five people. If every business, even 1 out of 10, hired one older person, we would be doing much better.

Ms. Denise Savoie: Okay. Thank you.

[English]

I think it was you, Mr. Messenger, who mentioned LMDAs and LMPAs. One is for development of labour and the other one is around productivity. Did I understand that correctly, and can you go over that for me?

Mr. Keith Messenger: Certainly.

The labour market development agreement is essentially a partnership between each of the provinces and the federal government. The majority of the money is spent on development of the labour market for recipients of employment insurance funds.

Ms. Denise Savoie: It's for recipients and not for companies.

Mr. Keith Messenger: Yes.

A labour market partnership agreement is a similar agreement with a pot of funds and has more flexibility. It works with folks who are not receiving employment insurance. With older workers, the labour market partnership agreement in place in Ontario right now would allow flexibility for things like programming, but it would also allow flexibility to go beyond a two-year funding stage for deliverers of these programs. It would allow flexibility to support people beyond simply either tuition or the direct costs of retraining. When you have a 50-year-old who is broken from 35 years of hard labour, they most likely still have a balance on a mortgage, car payments, etc. They can't stop work to retrain. Then they're not under assistance.

Ms. Denise Savoie: You referred to older workers. In my office I've met people who were 35 years old and didn't have proper training, but didn't seem to fit into a category that allowed them to take retraining because they had families, they had rent to pay, and so on. How could we remove these barriers to retraining perfectly able and willing people and meet some of those market needs? It's not just tuition for whatever course; it's the cost of living. How do we address that? The problem exists right across the country.

• (1355)

Mr. Keith Messenger: It exists across the country, and I would venture to say that it is probably one of the most complicated issues that faces Canadians right now. It is not an issue that can be addressed by the federal government on its own or by the provincial government on its own. It is an issue around the productivity of all people in Nova Scotia and in Canada.

The onus is on all aspects—that includes the federal government—to be able to provide supports around this retraining. The onus is on employers to identify and recognize prior learning—the skills that come with experience and go well beyond formal training. The onus is on the individuals themselves to take a chance and move beyond their current skill sets. We need to look at this as an entire system. This is not something that only one entity can solve.

I suspect that most of it is very simply a communications issue. We have a lot of older workers who believe and have bought the notion that they are no longer productive or as viable. We have employers who feel the same way. We have government programs that convince them of that.

Ms. Denise Savoie: Right now there are many people who may be receiving welfare benefits and can't go to college or university without their support for living. Would you see that as an option, to allow them to continue receiving the benefits of social assistance, to allow them to get out of that cycle? Is that something...? Perhaps any of you could answer that.

Mr. Keith Messenger: I certainly do see that as one option, most definitely.

Ms. Denise Savoie: Anybody else? I'd be interested in....

Ms. Shawna Keddy: I think that happens currently. There are programs out there, through the department of community services, where they do support their clients to further their education and still maintain their income support.

One point I wanted to bring up was that in some of our recommendations we talk about transition. When you look at older workers—and Yves mentioned the example of somebody coming out of a fish plant after a number of years, after twenty to thirty years—there is a lot of work that has to happen with older workers before they can even look at getting another job or furthering their employment. They have a lot of barriers, such as low self-confidence. We've dealt with a lot of clients over the years who were simply afraid to come through our doors because their life existed in putting on rubber boots every day, and they had no idea how to transfer those skills to a different employer. So I would recommend that there be some more work done individually—we call it transitioning, consulting, or counseling—with older workers to look at the bigger picture and try to establish really good self-confidence and looking at their essential skills and what they can transfer into different employment.

Ms. Denise Savoie: Sure. Thanks. And—

The Chair: A quickie. I gave you a couple of extra minutes because of the day....

Ms. Denise Savoie: Because you stole some at the last meeting, I'm keeping count.

I'd like to come back to the notion that you raised about non-qualified workers and their being in demand. I wonder if we are resorting to immigrants or agreements with, say, Mexico. How do we ensure that their human rights are protected? I don't know if you were suggesting impermanence or simply agreements to have them come to fulfill a particular contract, because that is also one of the things I've been hearing, that in some cases workers' rights are abused or not respected. What mechanisms would you...?

• (1400)

Mr. Stephen Kymlicka: I think there are pretty good labour standards in place already. I think this applies to both the guest worker kinds of programs and the immigrant programs. I think what Canada has to realize is that we're in competition with the United States, the EU, and everybody for the talented worker in either type of stream. There is a great incentive on the part of employers to provide decent working environments now.

One of the examples that I use a lot is with Mexican truckers. Study after study has shown that they are as qualified, if not more, than their counterparts in the United States, yet the Teamsters have managed to block them coming in. There's this huge labour pool of excellent people who can come in and solve our trucking problem, and we have a huge trucking problem. Why don't we avail ourselves of that?

The Chair: That's all for this round.

I have only a couple points for clarification before we move on to Mr. Warkentin.

You talked about labour market partnership agreements. We were talking with the analyst here. We were under the impression that those were no longer.... Is that right?

Hon. Geoff Regan: Mr. Chairman, there were three of them.

The Chair: Yes, go ahead, Mr. Regan.

Hon. Geoff Regan: There were three of them. They were replaced in three provinces as of the beginning of this year. I believe it was Ontario, Manitoba, and maybe it was Saskatchewan. Was it Saskatchewan? It was Saskatchewan. Those are the three provinces. They were replaced by the Government of Canada with transfer funding to those provinces that they could use for people who weren't on employment insurance, to assist them with the upgrading and so forth.

The Chair: Thank you.

Hon. Geoff Regan: But the new government did not....

The Chair: They have not been renewed, no.

Ms. Denise Savoie: That's my understanding.

The Chair: Okay. That was just a clarification.

My second point. I know in terms of the way it was addressed today, when it comes to older workers...I'm making the assumption from all I've heard today that even though we have a large group of older workers who are prepared, we talked about ones that obviously need transition skills. There really is a mindset out there in the workplace. That's really what we're battling, the bias of the mentality right now that we're not able to use these workers because the workplace is not ready for them.

We haven't come to a place where we think of what a great resource we have in older workers, that we could use the brain trust, if I can use that term, of years of experience. You're suggesting education for small businesses. Do we need to come to a place, do you think, where we get to 3%—which is less than no unemployment—before people start to figure out there are other ways? Is the situation not bad enough yet that people are saying we need to...?

Ms. Elly Danica: Mr. Chairman, it's bad enough for the older workers, but although there is a barrier in terms of some employers not welcoming older workers, there's also an internal barrier among older workers in that they feel dismissed by the economy as being too old and useless. They internalize that, so some of them do not present their skills adequately. There are several levels to this.

The Chair: Confidence is certainly one that plays into it.

Ms. Elly Danica: Confidence is a really big issue. A lot of the clients we worked with, before they could go out and actually apply for a job, had to have their confidence built up so that they could acknowledge their personal value to an employer. Then they can be successful.

The Chair: Did you want to add a quick one?

Mr. Stephen Kymlicka: I have a couple of quick comments on this topic.

I completely agree with everybody here on the notion of awareness of the brain trust that's available. I think that is a huge gap, and part of it bears on what was said earlier about this limited number of years available of work. I think this mandatory retirement age thing is one thing that's just got to go.

To give you an example of just how ridiculous it is, in order to work at the hospital here, you have to be cross-listed as faculty with Dalhousie University, which has a mandatory retirement age. We have to kick our doctors out of the hospital at age 65 because Dalhousie does. It's ridiculous.

The other thing is we have to look at trying to build a better bus. For example, one of the things that has come out recently is that bringing broadband throughout an area substantially improves the economic viability of that area. If we want non-physical jobs for our older workers, then bringing that infrastructure—if we twin the highways at Rivière-du-Loup, we'll get more traffic there and more economic activity there.

• (1405)

The Chair: So it's a combination of things.

Mr. Stephen Kymlicka: Yes.

The Chair: I appreciate that, thanks.

Mr. Warkentin, seven minutes, sir.

Mr. Chris Warkentin (Peace River, CPC): Thank you very much, Mr. Chairman.

Thank you to each one of you who have come and presented this afternoon. We appreciate your insight and your perspective.

Certainly for a moment there I thought I was back in Alberta with all this talk of not enough labour force. But then after you started talking about older people not being brought into the workforce, I recognized that maybe I wasn't in Alberta, and that in fact we're just seeing what Alberta looked like several years ago.

It's been our experience in Alberta, in the region that I'm from specifically, that older people are being brought to the table, are being brought into the workforce, because of necessity. In our situation we have negative unemployment. There are jobs that are vacant, thousands and thousands of jobs that are vacant, and everybody's employed, including the older people.

What has happened, because of necessity, is that employers have gone out and asked for these people who maybe were resistant to come in. They've gone out and searched. Quite frankly, we're still accepting résumés, so if anybody has any older person who would like a job, the person is more than welcome to come to Grande Prairie to apply. We welcome them. I do that a little bit in jest because I do recognize that people want to remain in the communities they've invested so much in. Certainly we know that.

The one thing I would recommend is any strategy we can do to encourage employers to start bringing older people into the workforce. These are the types of people who maybe are less likely to transition to new communities. If we fill the positions in these communities where there still is some unemployment with older workers, then there's a possibility that some of the younger people are a little more likely to be able to travel and move into other communities. That may be a strategy. Are there any perspectives on that?

We do have to address the issue of older workers, but we also have to address the issue that in certain pockets, specifically many communities here but also out west, we have huge numbers of jobs that are continuing to be unfilled. I'm not sure how we can strategize to figure out how we can do that, because I don't think, as it was suggested, that paying people to stay home is the answer. There has to be some other way we can do this.

Ms. Elly Danica: Out-migration is a real issue in Nova Scotia, because if all our young leave, there's going to be no one to support the aging population as we become very aged. There's a concern in Nova Scotia about out-migration. It's understandable, because there are these amazing jobs in Alberta, but as a province I think it's very alarming that so many of our young people leave.

While we want to be able to integrate or re-integrate older workers into our communities, we cannot do that simply because we've lost all our young. We have to have a completely integrated workforce. We need the young and the middle group and the aged population all working together, sharing their resources, sharing their energy, sharing their knowledge. So I'm a little bit leery about all those jobs in Alberta.

Mr. Chris Warkentin: And I appreciate that. I can totally relate. I think in any region where that is becoming a reality, you would hesitate to encourage anybody to leave.

The numbers seem to indicate that as far as the OECD countries are concerned, Canadian employers, comparatively, invest very little in on-site training. As a comparison, in Canada, employers spend \$824 per employee, whereas just south of here in the States they spend over \$1,000 per employee. I'm just wondering if there's any way you can think of—I've been asking for suggestions all morning—that we can encourage employers to invest in their employees. I think it might do something as far as possibly bringing older people into the workforce. I'm wondering if this might be a positive. How do we encourage employers to invest in their employees?

Ms. Elly Danica: I think employers need to be more aware that they do get a return for their investment in employees. What I keep hearing is that if I invest in a young person, that young person will give me more return on my investment.

•(1410)

Mr. Chris Warkentin: Okay, but our experience back home, and it may be here, is that younger people are more likely to switch employers, whereas older people are more likely to remain with the employer they trained with.

Ms. Elly Danica: The employer is not getting that.

Mr. Chris Warkentin: Is there a way we can communicate this? I've been asking if there are tax incentives. Do you think that would be a positive, so that at the end of the day, if they have a tax incentive to educate their employees, the employer is not out a significant amount of money?

Ms. Elly Danica: I think it's important to make them aware that young people are in a different life stage. They're in an exploratory stage. They will stay with an employer for a year or two and then they will move on, because they're building their careers. Older workers, because of how they were trained as younger persons, will have a significant sense of loyalty to an employer. If they're given a chance, they will do the job and they will stay.

Again, we will refer to a recommendation we made. We need an awareness campaign with employers to actually attack those myths that you get more out of investing in a younger person. You get something, yes—and I don't like to pit younger workers against older workers, because we need an integrated workforce—but we still do have value in older workers.

The Chair: Ms. Bourgeois.

Ms. Andreea Bourgeois: If you'll allow me to answer, I disagree slightly with the OECD studies, just because I know from experience that it's much easier to measure formal training. The Maritimes especially tend to do a lot of informal training. If you take the Island as an example, there is a lot of agriculture there. They're not going to send someone to a classroom to learn how to milk a cow; they're actually going to sit down and tell you. I grew up in a city, so I have no idea about what to do with a cow. They will explain it, and they take the time.

OECD studies are good for comparison, but it's hard for a small business person. We are five people here. You could go for training today and we would have to answer the phone. So it's really a different perspective.

I'm going to sound like a broken record, but you asked if there are ways to encourage employers to train older workers. Sure, cut payroll taxes if they spend that money for training. There was a program—the new hires program—a while ago that worked really well. It encouraged them to hire new people. Now, it would be the reverse of that, if that is possible. I'm sure you have more expertise than I do on that.

I want to answer the first question you asked, but in a different way. It's true that in Alberta there's a lot of negative unemployment. You have too many jobs and not enough people to fill them and so on. Recently, I was looking over Statistics Canada numbers, and surprisingly, Alberta has the lowest participation of women in the workforce. I said, no, no, no, they have it wrong. So I looked twice, and it's true. Apparently, Quebec has the highest participation of women in the labour force. The reason is very easy—it took me two pages to find it—the day care system.

There are factors in the market that work differently than just a job offer. The day care system in Quebec—and I'm not going to say whether it's good or bad, it's just the way it is—encourages women to go back to work much sooner after they have children. Alberta doesn't have that, and a lot of women still tend to stay at home. It was really surprising to see that the province that has all these great, well-paying jobs still can't motivate those people to come into the labour market.

Mr. Chris Warkentin: But there are other reasons for that.

Ms. Andreea Bourgeois: I'm sure there are other reasons, but just looking at the numbers—

The Chair: We'll wait for the next round for those.

We're going to move to Mr. D'Amours, for five minutes.

[*Translation*]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you, Mr. Chairman.

I would also like to thank you for appearing before us this afternoon. I must tell you that the discussions you have raised are interesting. I am in my second term as a Member of Parliament. We just began to work on the whole issue of employability a few months ago. There has been an increasingly strange perception. Apparently some people in this country thought that in the Maritimes, in the Atlantic provinces — I am from New Brunswick — there was no problem finding employees, as if there were too many employees for the number of jobs available. I think it is more the opposite that is happening. In any case, I am pleased to hear you talk about that.

At a Human Resources Committee meeting a few months ago, I remember, a member from the government side said that the federal government should introduce financial initiatives to encourage people in the Atlantic provinces to go to Alberta. I think that would only take the problem and move it, which would produce even more problems. I'm glad the member is not among us today, because he certainly would have grimaced. Be that as it may, he will know that I said it again.

Ms. Bourgeois, when you said that, in future, there will be nearly 12,000 jobs in New Brunswick, clearly that is important for workers, if we count people who have the opportunity to work.

You mentioned the issue of discrimination, Ms. Bourgeois. I think Ms. Danica or Ms. Keddy said that discrimination should not exist, but it still exists. It would be sticking our heads in the sand like an ostrich to say that there should not be discrimination because it's against the law. Everybody does it, but no one says so. I think that is the problem. It's true that a woman who is of child-bearing age may be a victim of discrimination. That is also the case for young people who don't have enough experience and older people who may no longer have the physical capabilities some employers are looking for. But some day employers will have to understand that each one can contribute something positive to a business, whether it is a woman, a young person or an older person. Each and every one can contribute something positive.

You are from New Brunswick and Prince Edward Island, Ms. Bourgeois; you represent the Canadian Federation of Independent Business. When you did your assessment, your studies, did you take seasonal workers into consideration, among the 12,000 jobs in New Brunswick and maybe in the other Maritime regions? If so, what risk — and I would encourage anyone who wants to answer my question — would be associated with retraining those workers for a permanent job that does not currently exist? What happens the next year, the next season? What is done to fill the job that was held by a seasonal worker? The reality is that there are still people in this country who forget or do not know that fish is not caught in Toronto, that a two-by-four does not come from a sawmill in downtown Montreal, and I could go on. We have to convey this message, repeat it over and over again. A study was done in a Toronto school in which children were asked where pumpkins came from. The young people answered they came from Loblaws. So there is a lack of understanding of the Canadian, the pan-Canadian reality, from one end of the country to the other. In rural areas, we may be a bit slow to understand the whole country but it is an everyday reality.

I am going to stop talking because the Chairman is going to tell me the time available to me has run out. I am going to let you answer my questions, please.

•(1415)

[English]

The Chair: I'll remind the member that we have Lake Ontario, which is full of lots of fish, right?

Not nearly enough.

Who wanted to start? We have about a minute left.

Madame Bourgeois.

[Translation]

Ms. Andreea Bourgeois: Yes, you are right. In the study we did, there were 11,500 vacant jobs in New Brunswick, 12,000 in Nova Scotia and 2,500 in Prince Edward Island. The question is really very simple. Your analyst can access all our figures; they are in the presentation I provided.

We asked employers how many employees they currently had and how many jobs had been vacant for four months or more. We didn't want to know the ones that had been vacant for two or three weeks. We cleaned up the data for the calculations. For example, if an employer answered 50 when he employed 80 people, it was much too high. We really cleaned up as much as we could. Yes, our figures

may include part-time and seasonal employees. Therefore the number may be lower.

At the Moncton office, where I often answer the telephone, I received a call from an employer who has a fish processing business in Shédiac. He asked me very honestly how he could help his employees obtain employment insurance benefits. I thought I had misunderstood; he repeated his question. He told me he worked from May to October and did not want to lose his qualified employees. He told me they were the best and if they went elsewhere to find a full-time job, he would really be in trouble. He had no one to replace them. He asked me what he should do so his employees qualify for employment insurance. I gave him the information he asked me for and that was it. That happens often.

It's true that people in major urban centres who have not lived in regions like mine, including me who had to learn all that, do not realize that employees who work in fish processing plants are highly valued and add great value to their company. That is their lifestyle. There are people who do something else during the season when there is no fishing and are able to maintain the skills they have learned; however, that does not apply to everyone.

•(1420)

[English]

The Chair: Let's have just a quick response, as we're over time.

Mr. Kymlicka.

Mr. Stephen Kymlicka: There was an excellent study done by a guy at Queen's and a guy at a California university comparing the effect on the economy of EI between New Brunswick and Maine. They talked about many of these issues of using the employees from the seasonal work environment in other jobs versus not.

In Maine, where they don't have the EI program, they found high levels of re-employment in the off-season, and substantial GDP gains for the state generally. So at AIMS we have argued that this in essence is a subsidy to the fishing industry and that many of these people can in fact find work in the second half of the season. Certainly that has been the case in Maine; the data are very convincing. I can provide the study to the committee, if you'd like.

The Chair: Sure. If you'd forward it to the clerk at some point in time, that would be great.

That's all the time we have. I apologize for that. But I'm sure Mr. Lessard has five minutes.

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chairman.

I want to come back to a statement or information Mr. Kymlicka gave earlier that there are no immigrant workers in Canada because the *teamsters* blocked them from coming in. That is what I understood. I'm trying to see what he meant because, in Quebec, which has not yet separated... That may come but it is still part of Canada.

Some hon. members: Oh, oh!

Mr. Yves Lessard: As I was saying, thousands of Mexican workers come each year to Quebec, particularly since the mid-1980s. They sometimes work in pretty difficult conditions, in jobs Quebecers do not want. Therefore they fill a labour shortage. They come to plant crops for the vegetable farmers and stay for the harvest. They are there for a period of approximately six months. Those workers are now talking about unionizing because they realize they are being exploited, plain and simple, not all, but many of them.

I am probably missing information on the rest of Canada. I didn't know it was not allowed elsewhere in Canada.

I would like to come back to the issue of older workers. Our Conservative colleague touched briefly on the problem associated with mobility. People who worked and raised their family in a particular place, in a city, in a community, are near their whole family, their friends. In that case, of course, it would be difficult for them to go work in Alberta for two or three years, if that is how long they have left to work.

Once we have looked at the whole picture and realized all the problems faced by older workers, we see all the rich potential of their knowledge and skills.

Wouldn't it be appropriate to establish a hiring policy literally for older workers based on a number of the characteristics you have raised yourselves, that is, the skills and experience have they acquired and adapted, as well, to their real situation in terms of time and their contribution to the job?

This morning, I was talking about mentoring with someone else. Couldn't we ask these people, not necessarily to do the same work but to teach others to do it, to support younger people, coach them, maybe for shorter periods of time? It isn't necessary for them to work 40 hours a week. They no longer have the same needs; however, they still need income, to feel valued. Above all, they have the fundamental need to be aware that they are contributing to society. When someone does not have a sense of being useful, we know where that can lead.

That is my question. Would it not be appropriate to establish a policy adapted for older workers that takes into consideration the contribution they can make?

• (1425)

[English]

Ms. Elly Danica: That would delight me. It would absolutely delight me, and many of the clients I saw over the last three years would be absolutely over the moon to be able to contribute to their communities and to young people in that way.

I agree with you. They don't always have to work forty hours a week to maintain their lifestyles, but they need to feel worthwhile. I think you alluded to that as well.

If not, what tends to happen is depression. They then no longer contribute in any way. With depression and illness, they become a drain on the health care system, whereas simply employing them and continuing to allow them to be part of their communities means they create value.

Yes, your idea of a policy, Monsieur Lessard, is wonderful.

Ms. Andreea Bourgeois: I think it's a good idea; however, it has to be implemented in such a way so as not to hurt the ones it's meant to help. I'm going to go to the extreme and give you an example of what I mean.

Last year at the federal labour code hearings, someone next to me was representing people with disabilities. He suggested that people with disabilities should be paid less than the minimum wage, to which everyone was almost shocked.

He said they will always receive certain benefits because their physical disabilities require therapy anyway. No salary will actually allow them to have that kind of physical therapy. But if an employer has to pay a minimum wage for him, fortunately, he has two arms and two legs. A minimum wage for someone who doesn't have an arm is such a high risk and it's such a great expense that it actually hurts them.

This person was representing people with disabilities. When talking to him, I learned that's the extreme case. But I think you want to have the kind of policy that will help people, not exactly hurt those it's meant to help.

It's a great idea, but implementation is not going to be easy.

The Chair: We're out of time.

Mr. Messenger, would you have a couple of remarks, for about thirty seconds, for Mr. Lessard?

Mr. Keith Messenger: Thank you very much, Mr. Chairman.

With regard to older workers, a larger problem is the number of older workers—specifically in the Nova Scotia context, at least—that will be retiring and the amount of knowledge that will be leaving the labour force. Why? What can the government do? Change the law to allow senior citizens and people who are in receipt of their pension to work three days a week and draw their pension for two days a week. Everybody wins.

The Chair: Thank you.

We're going to move to Madame Savoie for five minutes.

[Translation]

Ms. Denise Savoie: I need maybe two more minutes, anyway!

[English]

The Chair: You can get five minutes, if you want.

[Translation]

Ms. Denise Savoie: Thank you, Ms. Bourgeois, for your comments on early childhood learning and care services. We have been trying for a very long time to say the same thing to the Conservatives and have not succeeded as well as you succeeded in doing this afternoon. You said it very simply and very clearly. So thank you for those comments.

I have two quick questions to ask. Mr. Kymlicka talked about eliminating the mandatory retirement age and, from this side of the table, I saw you nod your head. I agree with that idea, but I see a problem with it. It could have a negative effect. Yes, we could eliminate the mandatory retirement age but, at the same time, I fear we might delay access to benefits, for example, to Canada Pension Plan benefits, etc. For workers who are worn out, who are really ready for retirement, that could pose a problem.

That is a question I am raising. I wonder if you have comments to make on that subject.

• (1430)

[English]

Mr. Stephen Kymlicka: I'm certainly in agreement with Mr. Messenger that there should be no problem with someone working and collecting their pension. They've paid into it all their lives and they're entitled to it. If they still want to contribute over and above that, then why not?

Ms. Denise Savoie: So you're not suggesting, for example, as I think has been done in Australia, postponing the benefit for a pension by two years. You're simply saying, let's eliminate the—

Mr. Stephen Kymlicka: Yes.

Ms. Denise Savoie: Okay. That's one thing.

Some of you have mentioned reducing the tax burden to employers to invite them to hire perhaps older workers. One of the questions I raised in my area—for example, to employers in the IT area—was that specific question: would that help? They said, “Sure, lower taxes. Everything being comparable, that's not a big, big factor for us.” They told me that what they were interested in was good health care being maintained in Canada, having the federal government invest in post-secondary education, in training opportunities, and good public services. They felt that, for their businesses, that would be a much larger advantage than the race to the bottom in taxes that some are advocating.

Can you comment?

Mr. Stephen Kymlicka: I used to run an IT consulting firm in Saskatchewan and I know a bit about this.

The biggest problem in the IT field—

Ms. Denise Savoie: I'm sorry, that was just an example I gave. There are others in my area.

Mr. Stephen Kymlicka: I think this would stand in proxy for many services. We are in an era of increased specialization. There was a wonderful study out of Acadia University a couple of years ago that pointed out that no society has ever moved from specialization to generalization. Societies always move to increased specialization.

Within the technical services area, this is in spades. So from the point of view of the employer, the availability of the worker who can fit that niche project is fundamentally critical. It's not a question of just simply building the economic base. It's finding the right person at the right time. That is why you're hearing about investing in post-secondary education and those things.

I think there is a second set of the economy that does benefit from a lower taxation rate and provides stable long-term growth. One of the problems with the high-tech sector is that it's very volatile.

It's wonderful. I made a good living at it. I'm not complaining at all. But in terms of government policy, one should look at the majority and where the long-term growth prospects are. Lower taxation is certainly a major part of that.

Ms. Denise Savoie: Further to that, I was reading, for example, that the auto industry in the States has to pay substantially more in health care costs for each worker than manufacturers would in Canada. So that's an example of where Canada has invested in providing a service that really relieves the employer to some extent. I think that was the message I was hearing.

Would you not agree that this is a bonus to Canadian employers?

Mr. Stephen Kymlicka: There's strong evidence that health care, cheaper energy costs, and a few other factors were responsible for the growth of the auto sector in southwestern Ontario. It in essence looked like a subsidy to the U.S. auto manufacturers. It allowed them to get high-quality workers for less than they would otherwise. Whether or not that's a sustainable advantage, given our rising health care costs and what not, is an open question. I think we're at a stage where those costs are starting to consume our tax base. That's not the forum for this committee—

Ms. Denise Savoie: No, that's next door.

• (1435)

Mr. Stephen Kymlicka: —but obviously something has to be done about it.

The Chair: Thank you.

We're pretty much out of time, but there's one question I wanted to ask, and it was raised by one of the other members.

I'm really encouraged to see what's happening in Nova Scotia and New Brunswick and the Maritimes. My parents moved from New Brunswick and Nova Scotia to Ontario, so I never actually got a chance to live here. But I visit here every summer.

I'm going to address this to you, Mr. Kymlicka. What is your thought process in terms of economic prosperity for the Maritimes over the next ten to fifteen years? I'm encouraged to see those numbers of low unemployment, which indicate to me that there's a lot of great things happening.

Do you have any ideas, given the fact that this is your area of expertise?

Mr. Stephen Kymlicka: There are two issues. Yes, lower unemployment is good, but the size of our workforce is actually decreasing. We've maxed out, and the expectation is that the number of workers available is going to decrease. Yes, immigration will help. If we can eliminate the mandatory retirement age, that would help. So we have an issue there.

I think there are lots of great prospects for the Maritimes. We have a highly motivated workforce. It's not for nothing that in Alberta there's often a preferential hiring policy for Maritimers who are willing to come out. I used to live in Alberta, and I heard it all the time. And we have several industries, not the least of which is transportation and what's happening with our port, that are going to drive the economy here.

So I'm optimistic, but I'm also concerned. We have a shrinking labour force.

The Chair: So your issue would be, once again, attracting workers to continue to fuel the economy.

Mr. Stephen Kymlicka: Absolutely.

The Chair: Does anyone else want to touch that at all?

Mr. Messenger.

Mr. Keith Messenger: I would argue that I agree entirely. I would also argue that an additional component to the future prosperity of the Maritimes is going to be productivity. We have a diminishing population; we have lower birth rates. We have an aging population, and while yes, we have all kinds of older workers who would like to continue to work, we also have all kinds of older workers who have earned a very well-deserved retirement. Each individual Nova Scotian, each individual Canadian, will need to be more productive and will need to undertake lifelong learning to continue to improve and adapt, because the world is changing very quickly, and it's changing very quickly right here at home.

So productivity is the number one concern that I would see affecting the prosperity in the next ten to fifteen years.

Mr. Stephen Kymlicka: I'll make one quick note, just so you understand the magnitude of the problem. The belief is that it takes

about 2.1 kids in order to maintain the population. We're currently at about 1.4.

So it's going to get worse. There are no two ways about it.

The Chair: No, that's fair, and I think productivity is an issue we face in Canada, by and large, as well.

One last comment, Ms. Bourgeois.

Ms. Andreea Bourgeois: I'd like to say that I think the economy will perform okay in the future, and it has great potential for growth—but only if immigration in the region increases. Without immigration, we're going to stay at 1.4, that kind of number.

Just to give you the numbers for New Brunswick, because Mr. D'Amours is here, in 2004 there were 800 people who came to New Brunswick; 1,600 left New Brunswick. I'm not saying that all 800 stayed.

The Chair: Clearly, we'll be looking for the days when we start taking people from Alberta, and that's all there is to it.

We want to thank you once again for taking the time. This is a very important issue, and, as I say, we do thank you for your insight. I think these are a couple of very key and important issues. The issue of older workers is something this committee has talked about a great deal, as well as productivity and all these other things. Thank you very much.

Once again we move on. We're going to be in Montreal tomorrow and Toronto by the end of the week. We'll be out west sometime in November.

Thank you, once again, for your time and your insight.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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