

## EXECUTIVE SUMMARY

The International Adult Literacy Survey (IALS) by OECD and Statistics Canada (1995) and The Adult Literacy and Life Skills (ALLS) study by the Government of Canada, NCES and OECD (2004), clearly demonstrate the **strong link between literacy levels and a country's economic potential**. These studies report that many adult Canadians do not have the level of literacy and essential skills deemed necessary to succeed in an increasingly complex environment at home, in the community, at work and generally within Canadian society.

To achieve the markers set by the Standing Committee's pre-budget consultation (sustained economic recovery, quality sustainable jobs, low taxation rates and a balanced budget), the government must invest in the development of long-term strategies that will help to ensure that **all adult Canadians** can contribute to the ongoing and sustained economic growth of Canada. To that end Canadian Literacy and Learning Network makes the following recommendations:

1. Developing a tax credit for employers who engage in literacy and essential skills training.
2. Monitoring of the LMA/DA consultation.
3. Embedding a strategy for literacy and essential skills training in the anticipated Digital Economy Strategy.

## INTRODUCTION

Canadian Literacy and Learning Network (CLLN) is the national coalition advancing literacy and essential skills across Canada. For three decades, CLLN has provided a forum and voice for literacy organizations, practitioners and learners across the country. In partnership with our member literacy coalitions and learner representatives from every province and territory, CLLN supports the field through professional development, public awareness, research and capacity building.

In turn, our member literacy coalitions represent hundreds of adult educators and thousands of adult learners. Organizations that offer literacy and essential skills upgrading (or up skilling) programs to unemployed and underemployed adults are a key component in "growing" the Canadian workforce. Additionally, they work with adults who increase their literacy and essential skills for a myriad of non-employment reasons (civic engagement or the development of financial literacy skills, for example).

### What do we mean by Literacy and Essential Skills?

In today's technological society, **everyone** needs a more sophisticated range of capabilities to succeed in an increasingly complex environment at home, in the community and at work. Essential skills<sup>1</sup> are the skills everyone needs for work, learning and life. Literacy skills are the foundational skills upon which all other skill development is based. Together, Literacy and Essential Skills give us the core skills that we need to enter the workforce, to adapt to workplace change and be successful in the workplace at home and in the community.

## SETTING THE CONTEXT

The goals of most adults who are in literacy and essential skills training/upgrading programs are very similar: if they are unemployed, they want to improve their job prospects; if they are already employed they want to keep the job they have or gain the skills they need to evolve to another job. All of them want to provide a better life for themselves and their families, they want to gain the skills and confidence to participate fully in Canadian society and they want to contribute to an economically strong Canada.

Upgrading opportunities are currently provided in a variety of program settings (including workplaces), using a variety of instructional approaches. While the responsibility for education and training lies with each province and territory, many of the challenges faced by the programs providing services are common regardless of jurisdiction: programs are under-resourced, staff need initial training and ongoing professional development and there is a general lack of understanding of the issue (to mention only a few common challenges). Adults in literacy and essential skills upgrading also face barriers to their success that are common across the country. These can include access to daycare, the need for transportation, and ongoing supports outside the learning environment, as examples.

The priority and level of support given to literacy and essential skills within each province and territory differs. The focus of funding priorities also differs. Some provinces only provide funding for workforce or pre-employment training. In provinces where both workforce and workplace training is funded there can be a gap between the types of training provided and the skill needs of the worker.

Even given the challenges and limitations, organizations across the country are providing valuable programs and services to adults. To ensure a sustained economic recovery in Canada, however, we need to rethink our approaches to training and upgrading. In the 21<sup>st</sup> century the workforce and the workplace are changing. Workers are more mobile, the number of self-employed workers is increasing, job sites are flexible, and small- and medium-sized businesses continue to be a dynamic and diverse component of the Canadian economy.<sup>2</sup>

### **What do we know about literacy and essential skills in Canada?**

Much of what we know about literacy and essential skill levels in Canada is a result of our participation in two international surveys.<sup>3</sup> The first was the "International Adult Literacy Survey" (IALS). It was a seven-country initiative conducted in 1994 that collected information from 5,000 Canadians between the ages of 16 and 65. The second, also a seven-country initiative, was the "Adult Literacy and Life Skills (ALLS) Study" conducted in 2004. The specific tasks designed for both surveys were scaled by difficulty and the range of difficulty was further divided into five broad literacy levels, with Level 1 being the lowest and Level 5 the highest. IALS Level 3 has been identified as the proficiency level needed by adults to be independent learners and to compete fully and fairly in the job market.<sup>4</sup>

IALS was the first report to demonstrate the link between literacy levels and many socio-economical factors, such as health and well-being, and **the strong link between literacy levels and a country's economic potential**. The IALS results told us that much as 43% of the population between the ages of 16 and 65 are at Levels 1 and 2. This means they do not have the foundational skills that are needed to learn new skills or gain new knowledge. The survey also discovered that many adults do not believe they have a literacy problem, even when an assessment process shows that they do.

## THE FUTURE WE NEED TO CREATE

We will be able to develop and sustain Canada's economic growth if our education, training and employment strategies provide adequate programs and supports. Economic prosperity relies on workers having the skills they need for the jobs at hand but a multi-pronged approach is required: adults looking for work who have low literacy skills need programs that will increase their employability skills; employed workers need workplace training that will enable them to "meet the challenges of ever-evolving technologies, increasing internationalisation and demographic changes."<sup>5</sup> We need long-term strategies for literacy and essential skills training.

We need the federal government to play a lead role in strengthening political cooperation across jurisdictions. We need a consistent strategy to meet the challenges faced by people attempting to enter the workforce, adults currently in the workforce and employers. We believe the next budget must focus on the following three priorities:

1. Developing a tax credit for employers who engage in literacy and essential skills training.
2. Monitoring of the LMA/DA consultation.
3. Embedding a strategy for literacy and essential skills training in the anticipated Digital Economy Strategy.

Each of these recommendations will assist the federal government as it works toward the support and development of quality sustainable jobs, low taxation rates and a balanced budget. Each of these recommendations will help to ensure a workforce equipped with the skills needed to contribute to our economic recovery.

**Recommendation One:** Developing a tax credit for employers who engage in literacy and essential skills training

While tax credits for hiring and training do exist in Canada, the policies and programs attached to these incentives need to be revamped. Employers, and employees, need access to a flexible "menu" of training opportunities and incentives. As the skills Canadians need to participate fully in modern life evolve, the Federal government needs to support the development of a learning culture within the many industries that contribute to our economic prosperity. A tax credit to employers is one way to achieve this. Providing incentives such as this will help to build meaningful partnerships between employers, labour and training programs; which will, in turn, help to increase Canada's economic productivity.

As noted by Murray, at al in *Addressing Canada's Literacy Challenge: A Cost/Benefit Analysis* "recent reports have established that literacy is important to macro-economic performance, with differences in the average level of literacy explaining 55% of differences in long term growth rates of GDP per capita and labour productivity in OECD economies. The distribution of literacy skill has also been shown to have an impact, with higher levels of low skilled adults inhibiting GDP growth...". The global *knowledge economy* means that literacy and essential skills will become more, rather than less, important.

**Recommendation Two:** Monitoring of the LMA/DA consultation process

Labour Market Agreements (LMAs) and Labour Market Development Agreements (LMDAs) are a primary and necessary labour market mechanism for transferring Federal dollars to provinces and territories. LMAs and LMDAs allow provinces and territories to address regional needs. The most recent round of agreements created jobs, stimulated the economy, and protected Canada from the worst impacts of the global recession.

We recommend a more coordinated pan-Canadian approach to workforce development that ensures all Canadians have access to the literacy and essential skills training they need. Our workforce is highly mobile, and provincial/territorial boundaries are meaningless to people looking for work. We know from IALS and other research that adults with higher literacy skills work more, experience less unemployment, earn more, spend less time unemployed and rely less on government transfers.

In June 2009, at the International Conference on Financing Adult Education for Development held in Bonn, Germany, participating organizations issued a number of recommendations to inform the action needed at the Sixth UNESCO World Conference on Adult Education (CONFINTEA VI, Brazil December 2009). One of these statements calls for national governments to “allocate a minimum of 6% of GNP to education within which a minimum of 6% is for adult education, reserving half of this for adult literacy programmes where required”. In Canada, this allocation should be included in annual adjustments to LMA/DA agreements beginning in 2011-2012.

The federal government must strengthen its process for monitoring the LMA/DA consultation process. Adults with less than IALS Level 3 will have difficulty achieving success in training or re-training programs because they lack the foundation skills. Organizations that work with these clients know and understand the types of supports and training needed. While the signed LMA/DA agreements (and Omnibus Amending Agreements) with each Province and Territory clearly outline the process and content for the annual planning process, during the first two years of the new LMA/DA funding cycle these key community organizations were not consulted in many jurisdictions. A more coordinated pan-Canadian approach to workforce development will provide the opportunity to create bi-lateral policies and agreements that will solidly place literacy and essential skills upgrading as the foundational underpinning of economic prosperity and the health and well-being of **all** Canadians. This in turn would ensure that LMA/DA funding is provided to organizations that have the skills and knowledge to provide this training.

**Recommendation Three:** Embedding a strategy for literacy and essential skills training in the anticipated Digital Economy Strategy

We applaud and support the development of the National Digital Economy Strategy. Canada's economy needs a plan to ensure all Canadians have access to high quality internet access. Strategic research on digital divides and access issues would provide a framework upon which to build a strong pan-Canadian digital learning strategy.

High-speed Internet access needs to be affordable. Equally important is providing all Canadians with the basic skills and knowledge they need to participate and succeed in the digital world. It is especially

important in rural and remote communities where digital technology is a critical component for success.

As our knowledge economy continues to evolve many Canadians are being left behind. Many adult Canadians did not benefit from digital skills training and computer education while they were in formal schooling. Many other Canadians – mostly within vulnerable population groups – have no access to technology in their homes and lag behind their peers in digital skills development.

Attached to the Digital Economy should be a training program that makes it possible for Canadians to understand not only how to use computers and digital devices, but how to use them in a manner that protects their identity and property. The Strategy should also give workers access to labour market opportunities and give employers access to a technologically savvy workforce.

## CONCLUSION

The value of adult learning to employability and general well-being is commonly recognized. Without a strong set of foundational skills, however, as much as 43% of our population is at a disadvantage.

The rate of return on an investment in literacy and essential skills upgrading has been estimated to be as high as 251% per annum<sup>6</sup>. The economic benefits of an multi-faceted literacy and essential skills investment portfolio are great: improved productivity in the workplace, increased workplace safety, an increase in the skill base to draw from, more adults participating in training and re-training program to mention only a few.

We believe that our economic prosperity depends on a multi-pronged approach to literacy and essential skills training/upgrading. Canada needs to invest in training and education to ensure that we do not have “people without jobs, jobs without people” (Miner, 2010).

## Endnotes

---

<sup>1</sup> In Canada we consider nine specific skills to be “Essential”. These include: reading text, document use, numeracy, writing, oral communication, working with others, computer use, continuous learning, and thinking skills (which is sub divided into problem solving, decision making, critical thinking, job task planning and organizing, significant use of memory and finding information. More information about essential skills can be found at: [www.hrsdc.gc.ca/eng/workplaceskills/essential\\_skills/general/home.shtml](http://www.hrsdc.gc.ca/eng/workplaceskills/essential_skills/general/home.shtml).

<sup>2</sup> In Canada, 99 percent of businesses have fewer than 500 employees and they employ 64 percent of workers in the private sector. Source: “The Economic Impact of the Canada Small Business Financing Program” Industry Canada, 2008.

<sup>3</sup> For more information about “International Adult Literacy Survey” (IALS) please go to: <http://www.hrsdc.gc.ca/eng/hip/lld/nls/Surveys/ialscrbk.shtml>; for more information about The Adult Literacy and Life Skills Survey go to: <http://dsp-psd.tpsgc.gc.ca/Collection/Statcan/89-603-X/89-603-XWE-part1.pdf>

<sup>4</sup> “Literacy, economy and society: results of the first International Adult Literacy Survey”. Statistics Canada and OCED, 1995.

<sup>5</sup> European commission on Education and Training, 2009. [http://ec.europa.eu/education/lifelong-learning-policy/doc28\\_en.htm](http://ec.europa.eu/education/lifelong-learning-policy/doc28_en.htm)

<sup>6</sup> Murray, Scott, et al. *Addressing Canada's Literacy Challenge: A cost/benefit analysis*. DataAngel, 2009.