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## **Standing Committee on Official Languages**

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**EVIDENCE**

**Thursday, May 29, 2014**

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**Chair**

**The Honourable Michael Chong**



## Standing Committee on Official Languages

Thursday, May 29, 2014

•(0845)

[Translation]

**The Chair (Hon. Michael Chong (Wellington—Halton Hills, CPC)):** Welcome to the 27th meeting of the Standing Committee on Official Languages. Today is Thursday, May 9, 2014.

Pursuant to Standing Order 108, we are here to study the economic situation of Canada's minority linguistic communities.

Today, we will be hearing from representatives of four groups. We are going to start with Mr. Antunes, from the Conference Board of Canada.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** A point of order, Mr. Chair.

[English]

**The Chair:** On a point of order, Mr. Godin.

[Translation]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you, Mr. Chair.

I have a motion that I would like to present to the committee. It reads as follows:

That the committee invite the Minister of Employment and Social Development Canada to appear before the committee before June 19th 2014 to explain why his department has refused to finance the project "Développer des pratiques innovantes en ACE pour la main-d'oeuvre qui vit en contexte linguistique minoritaire" which was developed by the Réseau pour le développement de l'alphabétisme et des compétences (RESDAC).

**The Chair:** Thank you, Mr. Godin. That is a notice of motion, correct?

**Mr. Yvon Godin:** Yes.

**The Chair:** Thank you very much.

Mr. Antunes, the floor is yours.

**Mr. Pedro Antunes (Deputy Chief Economist and Executive Director, Conference Board of Canada):** Thank you, Mr. Chair and members of the committee.

I am pleased to be with you today to talk briefly about two of our recent studies that deal with the topic you are considering today. One of those studies, which was completed in 2012, if I recall correctly, deals with the economic situation of the Canadian francophonie. The second study, which was completed in 2013, deals more specifically with francophone and Acadian communities outside Quebec, or, in other words, in minority territory.

Though they were conducted quite recently, the two studies are based on data from the 2006 census. There would be work to be done, therefore, if we wanted to bring the results up to date, but they do allow us to draw some meaningful conclusions.

First of all, the French-speaking population of Canada, meaning those whose first language is French, is 6.9 million, or about 22% of the total population. Quebec has 5.9 million French-speakers, representing 80% of the population. That still leaves about 1,952,000 people outside Quebec whose first language is French. The two biggest groups are in Ontario, with 500,000 francophones, and New Brunswick, with 233,000.

We observed, however, that the economic impact of the francophone community is still very significant. Average salaries in francophone communities are higher than the average in those regions. Unemployment rates, in general, are lower than the average in each of the regions. There are some exceptions to that.

Overall, the direct economic position of francophones represents 19.5% of GDP, of the country's income. I remind you that these are 2006 figures. That is a little lower than the demographic position, because francophones represent 22% of the country's population. This is explained by the fact that the average salary is lower in Quebec than in Canada. Since there are more francophones in Quebec, that aspect is weaker. However, region by region, the francophone contribution tends to be greater than the contribution of the rest of the population.

The contribution to the overall GDP is about \$252 billion. It is important to note that the economic contribution of francophones goes beyond the community. With Statistics Canada's help, we used the supply chain. That is not conventional but we wanted to see what the economic impact would be outside the francophone community. We found a multiplier that is quite significant. The economic contribution of the francophone community generates \$130 billion in additional activity outside that community.

Let us quickly talk about the challenges.

We see that the francophone population is older than the national average. We already knew that for Quebec. However, a significant part of Quebec's population is under 25 years of age, representing 30% of the total population. That means that 30% of the population is still young, even though we know that Quebec is an aging province. This is still much better than the francophone population outside Quebec. If we look at youth outside Quebec, we see that Ontario has the youngest demographic, but 22% of the francophone population is under 24. In New Brunswick, the figure is 25%. Put another way, the other communities are aging a lot.

That goes some way to explain why the growth of the francophone population outside Quebec has been so weak. In fact, according to the 2001 and 2006 censuses, the francophone population outside Quebec has essentially remained stable; there has been no growth. Outside Quebec, the proportion of francophones has fallen from 4.2% to 4% of the total population. We must not forget that the vast majority of francophones live in Quebec and francophones represent 22% of the total population.

• (0850)

The second study that we submitted to you does not necessarily deal with the population in general, but with francophone and Acadian communities in minority situations outside Quebec. There again, there is quite a significant decline.

As a whole, the population of Canada grew by about 5.4% between the 2001 and 2006 censuses. It is important to observe, not only the total francophone population, but also the influence of communities that are principally francophone. The total population growth was only 1.7% in the 75 communities that were studied.

Employment growth is also weaker in communities located in the rest of Canada. Between the two censuses, we see a general growth of 9% in employment. But that percentage was only 6% for francophone and Acadian communities. In relative terms, therefore, that is a decline.

At the Conference Board, as well as personally, we recognize the importance of French. Its economic contribution goes beyond the borders of the francophone community. French also contributes to our cultural and national identity.

We believe that it is important that an effort be made to stabilize the influence of those francophone communities and the francophone population, especially outside Quebec.

Thank you.

**The Chair:** Thank you.

We now move to Ms. Hébert, from the Conseil économique du Nouveau-Brunswick.

**Ms. Anne Hébert (Director General, Conseil économique du Nouveau-Brunswick):** Good morning.

My thanks to the committee for inviting our council to provide information about our province and our community.

The Conseil économique du Nouveau-Brunswick speaks for the francophone business community in New Brunswick. We have about 1000 members from all regions, in all sectors and of all sizes. We advocate for the interests of francophone companies in New Brunswick, recognizing their uniqueness and the challenges they face. The reason why the francophone business community needs its own voice is precisely the subject of your study: it is unique and it has unique challenges. We are there to remind various arms of government of that.

We also head the RDÉE Nouveau-Brunswick.

Francophone companies in New Brunswick are two and three generations old. In New Brunswick, francophone companies that have survived for three generations are old companies. We have no

dynasties, no equivalents of the McCains or the Irvings in the anglophone community who can give back to the community through institutions supporting young entrepreneurs and leaders.

Our francophone entrepreneurs work mostly in traditional economies. Before becoming entrepreneurs, we had jobs in companies belonging to anglophone interests, if we were lucky enough to have jobs at all. Our entrepreneurs worked in sectors like fishing, agriculture and forestry. Today, our scope is broader, but we still began in those sectors and a large part of our population continues to work in them.

Our companies are required to change because of the knowledge economy and globalization. Today, everything is done differently. That requires a greater change for those in traditional occupations, which used to require less education. Today, it can be said that those people need to be as educated as those working in more technological areas.

Our institutions are relatively young. Compared to the University of New Brunswick, for example, which is the one of the oldest universities in North America, the French-language university, l'Université de Moncton, is only 50 years old in its present form. That had consequences. My parents studied using books written in English. Until not so long ago, higher education was seen to be the preserve of the elite. The francophone population did not have full access to it.

Our political power and our financial power are quite young. We are fortunate in New Brunswick in that our francophone population is concentrated. This allows us to elect francophones. However, up until 20 years ago, those elected representatives operated in an anglophone world. If I can give an analogy, it was like a woman pushing her way into an old boys club: we may have had our elected representatives, but the positions and the departments with the most influence and the most spending power were still controlled by anglophones. In the last 20 years, we have seen many more francophone ministers responsible for portfolios like finance, economic development and transportation. Twenty years ago, that was quite rare. Departments run by francophones were more likely to be social than economic in mandate. Basically, policy was more likely to be set by anglophones, who did not always understand our realities.

The francophone community is largely rural. In New Brunswick, most francophones live in rural areas while most anglophones live in urban areas. That poses challenges for our businesses and our people, because there is less infrastructure. High-speed Internet, for example, came last to the north of the province, where most francophones live. They still do not have natural gas. Limited access highways are much less common in the north of the province than in the south. Access to labour and to services is more difficult. Specialized services are more limited in the north of the province. These are additional challenges that our companies have to face, challenges that translate into higher costs. To an extent, our companies lag behind those in major centres.

•(0855)

The level of education of rural francophones is lower than that of francophones in the major urban centres. In addition, 20% of francophones 15 years of age and older have no diploma, whereas that figure among anglophones is 16%.

In literacy, the gap is even wider. Seventy percent of Francophones do not reach Level 3 literacy, the level needed for post-secondary education in college or university. For anglophones, that figure is 51%.

Rural areas are seeing a greater exodus. It is certainly true that the exodus is not as great today as it was 50 or 100 years ago, nor is it always greater than in urban areas. However, urban areas succeed in attracting people whereas our rural areas attract fewer people. As a result, the population is decreasing. Given that more francophones live in rural areas, this is a challenge that affects our population more than the anglophone population.

Let us talk about education levels in the urban areas of New Brunswick, meaning Moncton, Fredericton and Saint John. The city of Moncton has most francophones. Our graduation rates are higher than for anglophones. So in urban areas, we are achieving a lot of success.

The same goes for incomes. In urban areas, incomes for francophones are higher than for anglophones. However, given that most of our population lives in rural areas, when you consider the provincial average, our salaries are lower, just like our education levels. Let me give you an example of that reality. Francophones in Fredericton earn on average \$8,000 more than anglophones, but, given the small number of francophones who live in urban areas, the effect is not felt provincially.

This creates inequalities in the development of francophone communities. Often, programs that are constructed equally across the country and even across the province do not meet the real challenges with which the francophone community of New Brunswick is faced. We have our own unique challenges. So the programs have to be flexible and sensitive to those challenges and that uniqueness.

The RDÉE Nouveau-Brunswick is an example. Its initiatives are sensitive to the needs of the community. They are established according to those needs. That means that a program may exist for the minority francophone community although it does not exist for the anglophone community.

Thank you.

•(0900)

**The Chair:** Thank you.

We now move to Mr. Chiasson, from MC Consultants enr.

**Mr. Maurice Chiasson (Consultant, MC Consultants enr.):** I first want to thank you for having invited me to share my thoughts with your committee.

Like Anne, I am from New Brunswick. I grew up in an official language minority community. However, I sometimes felt that it was more an official language majority community, because I lived in the northeast of New Brunswick, with its significant francophone population.

That said, over the last 20 years, I have worked with communities all over Canada.

You have in your hands the text I prepared. I will start by reading it to you and by adding comments about some parts of the text. Basically, I am going to deal with three themes: the diverse nature of the francophonie, the entrepreneurial culture, and the competence of the labour force. In recent years, I have observed that those three themes are increasingly important in allowing our minority official language communities to develop and prosper.

Let us begin by talking about the diverse nature of the francophonie.

Basically, the minority francophone environment in our country is made up of approximately one million native French speakers. However, we feel that that francophone space is not limited only to native French speakers, but should also include other French speakers. According to data from the 2011 census, there are more than 1.6 million of these other French speakers in the provinces and territories outside Quebec.

These other French speakers, or francophiles, are immigrants from Europe or Africa in particular. Their first official language is French, but they have another mother tongue aside from French. These individuals may also have learned French or improved their French-language skills as part of an interlinguistic couple, commonly known as exogamous couples. In some regions of the country, these couples represent up to 70% of families in minority communities. We estimate nevertheless that the impact of immersion schools throughout the country has been the main factor that has expanded this francophone space over the years.

In short, as I mentioned, if we include the other users of French, there are 2.6 million citizens in francophone minority communities.

This demographic evolution means that the francophone culture in minority communities is bound to change. However, we feel that the French language constitutes the main component of identity. In order to ensure its long-term survival in minority communities, we maintain that French must be fostered in a broader environment, not only in schools and in the home. The French language must be used in an environment that includes the other French users, that is to say the anglophones who speak French, as well as these new francophone Canadians with their particular history and respective cultural traits. Most of them want to contribute and enrich the francophone space in our country. We must welcome them.

I acknowledge that I have had unique experiences in some areas, particularly in Atlantic Canada. I am thinking about Prince Edward Island, as one example. I felt that trying to get first-language francophones and francophiles to work together was sometimes a challenge. It is not that francophones object to it, but they have a little difficulty, perhaps because of their history, in opening up to this new francophonie. That is what I have noticed. However, as the previous witness mentioned, our minority francophone population is aging and we have to open ourselves to this new francophonie.

Take Prince Edward Island. According to the data in the 2011 census, there are 5,600 people whose first language is French. However, there are probably more than 11,500 francophiles, meaning anglophones or allophones who, in the last census, replied that they could carry on a conversation in French. So we see that the island's francophone space goes from 5,600 people whose first language is French to more than 17,000 francophiles who can use French.

We find the same scenario in other provinces and territories. Take Ontario, for example; it has more than 561,000 people whose first language is French. However, in the last census, more than 850,000 Ontarians replied that they could carry on a conversation in French. The francophone space can therefore be calculated at 1.4 million people who can use French in Ontario.

The last example is Newfoundland and Labrador. Between 2006 and 2011, statistics show an increase in the number of people whose first language is French. The province's economic boom is probably a contributing factor. We have gone from about 2,200 or 2,300 people whose first language is French to 3,000. However, according to Statistics Canada, there are probably more than 23,000 French users in Newfoundland and Labrador.

So you can see that, when we talk about the diverse nature of the francophonie, we are not just counting people whose first language is French, but others in the community who can speak French. Like it or not, it all has economic repercussions.

● (0905)

From an economic perspective, these other French speakers are essential in terms of entrepreneurial new blood and the labour force. They can also build bridges between various markets in Canada and abroad. Because of their origins, we believe that these other French speakers can create links among multiple markets, without being limited only to those of our national francophonie and the international one.

For all of those reasons, we submit that government action in minority environments must foster the integration of these other French speakers.

That is the first point I wanted to highlight for you. At the end of my presentation, I will provide you with three recommendations, on of which comes back to this point.

Now I would like to talk about entrepreneurial culture.

I have been in business for more than 20 years. For 10 or so years, I was an employee of RDÉE Canada, but, at the same time, I always had my own businesses. I noticed certain things, including in my own family. Some of my cousins or uncles were in business. Over

the years, I realized that fewer and fewer of them wanted to start a company. I believe that entrepreneurship is needed for a community to develop, whether the language is English or French.

I came across a Business Development Bank of Canada report, released in 2012, that revealed a gradual decline in entrepreneurial performance in Canada. In short, the entrepreneurship rate has been stagnating or in decline in our country since 2005. Minority francophone communities are not immune to that trend. The stagnation, and particularly the fact that Canadians are less interested in going into business, seems to me to be somewhat of a concern.

Consequently, it seems essential to us that additional efforts be deployed over the coming years to give young people, and those less young, a taste for going into business. Baby boomer entrepreneurs are gradually retiring, leaving businesses in their wake that are closing their doors for lack of someone to take them over. The situation is making certain communities even more fragile. In the west of Canada, and in the east, I have seen businesses with no one to take them over. If they are taken over, it is by anglophones or immigrants. If they are not, they simply shut their doors. That has a significant effect on our communities. It is a reality that we need to consider.

In addition, we believe that the self-employment enterprise model must be reinforced and supported. Whether in Gravelbourg, Saskatchewan, Pointe-de-l'Église, Nova Scotia, Casselman in eastern Ontario or Iqaluit in Nunavut, technology provides access to markets, and potential clients throughout the world. That business model allows for flexible schedules and a work-family balance that is increasingly sought after. Of course, you have to have a taste for the entrepreneurial adventure: you have to dive in and be persistent.

At one point, I came across some interesting statistics about Quebec. According to those statistics, 500,000 Quebecers are self-employed. I am one of them, and I can tell you that, in my opinion, it is important for the government to support this form of entrepreneurship.

Moreover, the organizations in minority environments play a major role in the development of our communities. Whether they are active in the cultural arena, in education, health, or economic development, they all, in their particular areas, have an impact on the communities' economy. Cultural organizations or enterprises showcase our talents and cultural specificity, thus enriching our tourist sector. Those who work in education train the workers of tomorrow. A labour force that is healthy and well will better meet the needs of the workplace.

In that spirit, we believe that we must better support the creativity of community leaders by giving them the tools not only to diversify their funding sources for their respective organizations, but also to optimize their impact in our communities. Just like private entrepreneurs, the contribution of these community leaders is essential to the economic development of the communities.

The competence of the labour force is the third topic I would like to discuss with you.

The challenge of the labour shortage in Canada is not only about a physical lack of employees. It also means that a certain part of the population cannot access the labour market, and thus meet the needs of employers, because of the significant lack of basic skills.

Employment and Social Development Canada has determined that a worker must have nine fundamental skills to integrate the labour market and contribute to it adequately. These skills, or knowledge, that are at the basis for learning all of the other skills, include reading, writing, knowing how to consult documents, and so on.

To these basic skills must be added some generic skills, or self-management skills, and some specialized or technical skills, or know-how. An employee should have 22 generic skills. In a job offer, these are also often described as “required qualifications” or “other professional skills”. As for specialized or technical skills, there are many, and they vary according to the job.

● (0910)

In addition, the way in which young people see the labour market and their expectations vis-à-vis employers are also responsible for an evolution in the organization of work. We believe that a certain category of employer needs support in order to learn new ways of doing things and new labour market practices and to adapt to them, whether they are flexible schedules, for instance, or ways of guiding and supporting their employees. That adaptation is all the more necessary in the context of a labour shortage. I find that this aspect is very important. At the moment, we have people in the labour market who do not have the same concept of work as older generations did. Something special needs to be done in that situation; we need to provide entrepreneurs with support so that the influx of young workers into the job market is properly integrated.

Let me conclude by telling you that my three recommendations are in the document. In a nutshell, they deal with an openness to a diverse francophonie, with an entrepreneurial culture, and with the competence of the workforce, an area where there is a need to assist employers more, including when integrating employees into the company.

**The Chair:** Thank you, Mr. Chiasson.

You will be able to talk to the committee about your three recommendations in the hour we have set aside for questions and comments.

**Mr. Maurice Chiasson:** Fine, thank you.

**The Chair:** We now move to Mr. Allen, from the Economic Development Council for Manitoba Bilingual Municipalities.

**Mr. Louis Allain (Director General, Economic Development Council for Manitoba Bilingual Municipalities):** Thank you very much, Mr. Chair.

To make you feel better, I would like to tell you that it will be 28 degrees in Manitoba today. That is plus 28, not minus 28.

I had prepared a text, but, given the limited time I have, I am going to wing it, in order to explain the situation in Manitoba, in western Canada.

First, I will give you a bit of history about the Economic Development Council for Manitoba Bilingual Municipalities, the CDEM.

Our organization is part of Canada's great RDÉE family. We have been working in bilingual municipalities since 1996. To fully understand the concept of bilingual municipalities, you have to understand that our territory has been quite well defined in all the regions of Manitoba where francophone populations are to be found. Luckily for us, our population is quite concentrated geographically, with a critical mass close to the city of Winnipeg. I myself come from St. Laurent, a small French-speaking Metis community on Lake Manitoba that was flooded in 2011. It is also awaiting the return of its exhibition, now in the Smithsonian in Washington. They have been putting off returning our artifacts for two years; it is the most popular exhibition in the museum that Mr. Cardinal built.

Aside from the economic issues, we have the whole question of the economic viability of our communities and our OLMCs. I am going to deal with that in my presentation because sometimes, in a climate of prosperity, it has an impact and can make for surprises in development terms.

I often compare the CDEM to an organization like the Franciscans. We exist to serve and to help. We count on the support from 14 community business development corporation (CDCs) working in 17 bilingual municipalities. Those who know Manitoba reasonably well know that the Red River rises in the United States and flows into Lake Winnipeg. Thirty per cent of the francophone population lives in that corridor. Fifty per cent of the francophone population lives in Winnipeg, but not all in St. Norbert, St. Vital and Saint Boniface. Some also live on the other side of the river.

There are also areas that are a little more remote, like St-Georges and Powerview-Pine Falls. The latter is a resource area that lost its paper mill ten years ago or so; its economic development is fragile. In St. Laurent, the quite unique Metis community I mentioned earlier, the climate is pretty ideal. It is cottage country, with fishing in the lake, agriculture and a meat packing plant. St. Lazare, near the border with Saskatchewan, has the advantage of its proximity to Rocanville, where there is a large potash mine and a red-hot economy from the oil in the Bakken. The growth there looks a lot like the resource regions of Saskatchewan and Alberta. It is a real boom situation, with full employment.

Aside from the geography and the CDCs at work in the communities, we need to remember that, from the standpoint of growth and sustainable development, the topic of your study, the CDEM model is very interesting. It has even been used in Africa, in the form of a five-year project with Mali and Burkina Faso. Those countries have copied the CDEM model, pure and simple. In Mali, they have a CADEL and in Burkina Faso, they have a CDEL, as well as CDCs. They have economic development support cells in each of their communities. It all started with a cross-border project.

Not only did our model give rise to an RDÉE, but it has also become a model internationally. One of the model's great strengths is that CDCs are able to keep their assets. They go back to the people, though they are not in competition with the private sector, and they are aware of their environment. That is the strength of the model.

● (0915)

At the moment, the CDEM is in accommodation provided by the Entreprises Riel Corporation, which owns a number of real estate projects. It has a wonderful tourist program for the city of Winnipeg and a lot of programs for its communities.

The same thing is true in rural areas. I come from St. Laurent, the community that probably had the fewest means. You will find a corporation there that has recently burned the mortgage on the health centre it owns, meaning that it is now celebrating over \$1 million in assets. That is equally true for several other communities that, in some cases, have several million dollars in assets. That is important to bear in mind, given that we are talking about sustainable development and the ability to determine our long-term growth.

Our analysis of the situation is built on three realities, which I am going to present to you. One is urban, the second is periurban and the third is rural. That is the situation we are seeing more and more in Manitoba. We are facing more or less the same phenomenon as the world is facing: massive urbanization that has a lot of impact in the periurban zones. That clearly leaves the rural world with very few avenues for development, at least those in its own control. That is why I will tell you later about the structures we have put in place in order to ensure the viability and vitality of those communities.

There is strong urban growth. Winnipeg is a bit like Regina and Saskatoon. It is home to very catalytic projects, like CentrePort. It is a phenomenal situation. You may know that, in 2013, we had an average unemployment rate of 5.3%, ranking Winnipeg third in Canada. That is a sign that, in terms of employment, we are at a very favourable point in our situation. As I said earlier, some places have full employment. In that context, the challenges are different.

A lot of our francophone communities are located in the periurban zone. They are also experiencing a demographic boom, with significant population increases, though their francophone nature is somewhat in peril. Proportionally, francophones are becoming more and more the minority. In some places, they can represent 10% to 15% of the municipality.

Of course, that requires a lot of vigilance on our part to keep the ground we have gained. There again, it is because of the structure that links economic development and the territory. The notion of designated territory was developed in Manitoba in the Chartier report and was something borrowed from the Australians. It is the same idea as bike paths: protected areas for our communities.

In rural areas, one challenge is important to point out. Unless they are able to do something about it, the areas further from the first two zones I described just now are much more vulnerable. It is really in their interests to do something about their situations with their economic development corporations, and also with all other groups involved.

In Manitoba, we are trying to work more and more with all the organizations on the ground to guarantee that rural development is effective and efficient. I will talk more about that later. There are still a lot of challenges in terms of material and human resources. The further you are from the centre, the harder it becomes.

You are probably wondering what happens with the francophones who are not fortunate enough to be included in the designated territory. We are trying more and more to make sure that we can provide services to all those groups, especially in terms of entrepreneurship.

● (0920)

**The Chair:** Thank you, Mr. Allain. You had 10 minutes.

We will now move on to Mr. Godin for questions and comments.

We only have one hour to discuss the testimonies we have heard.

**Mr. Louis Allain:** Okay.

**The Chair:** Mr. Godin, you have the floor.

**Mr. Yvon Godin:** Thank you, Mr. Chair.

I would like to welcome all the witnesses.

Mr. Allain is not with us in this room, but we met with him not long ago. It is always a pleasure to speak to you again.

The same is true for you, Ms. Hébert, and for you, Mr. Antunes and Mr. Chiasson.

My first question is for Ms. Hébert of the Conseil économique du Nouveau-Brunswick.

You spoke briefly in your presentation about the Réseau de développement économique et d'employabilité du Canada. Could you tell us how the RDEE supports you in your mission to develop New Brunswick's francophone business community?

● (0925)

**Ms. Anne Hébert:** There is an RDEE in every Canadian province, as well as in the three territories. This federal program is fairly flexible, in that each RDEE coordinator works with players on the ground to determine the needs and put in place programs or activities that work for the community.

The minority language communities in each Canadian province have their own specific challenges. For example, New Brunswick is officially bilingual. Services in French to businesses are provided by the provincial government. Our organization does not need to.

The situation is different for Prince Edward Island and Nova Scotia. The government is not required to provide services in French to businesses. The RDEE does this job in part.

As I mentioned earlier, the exodus in our rural regions is a problem. We have put in place initiatives that enable us to find young people from our area who are working in other provinces and put them in contact with companies in their region, in New Brunswick. That lets them return to their province.

We have launched other initiatives. For example, we have brought in cruise ships to the northern part of the province. An entrepreneur in the province would not launch initiatives like this.

**Mr. Yvon Godin:** What more could the government do to help the rural regions?



You know New Brunswick well, just like Mr. Chiasson does. Everyone here knows what is going on. You spoke about the problems in the province's northeast. You said that 66% of the population is illiterate. Those people cannot even attain a post-secondary level. It's distressing.

Mr. Antunes, you said that French speakers are the best paid. If I remember correctly, the figure you mentioned was 19.5%.

**Mr. Pedro Antunes:** Indeed, I said that in almost every province, economic contribution of the francophonie, that is, people whose mother tongue is French, their wages are higher than the provincial average. However, there are some exceptions, and New Brunswick is one of them.

**Mr. Yvon Godin:** There has to be because in northern New Brunswick where I'm from, people were working for minimum wage in the forestry and fishing industries. It's shameful to say this, but some people even had to pay to get a job. I'm not telling you a very happy story, but it's the reality.

As if that wasn't enough, the government made cuts to the employment insurance program, which affects seasonal fishing jobs in northeastern New Brunswick. We did not choose to live there; it was where we were born. It's our region, our community. To the people who enjoy lobster, cod and scallops: those things come from my region and you can't fish for them in the winter. There is a lack of respect for the seasonal industry.

Ms. Hébert, I would like to hear what you have to say about this. It's as if the government thought that making cuts to the employment insurance program wasn't serious. However, that isn't what employers in our regions are saying. They are starting to have difficulty in recruiting employees because people are leaving the region. Our unemployment rate is 16%, and there is talk of bringing in immigrants on a temporary basis to fill these jobs. I find that curious. You might say that something there isn't working.

**Ms. Anne Hébert:** It goes back to the fact that, most of the time, federal programs are implemented laterally. The same thing is true in every province. You gave the perfect example of this. The employment insurance program is insurance in case someone loses his or her job. The situation is completely different for seasonal jobs. There should be a different program that deals with the problem of seasonal work. We have put this problem under the employment insurance program when we know that it is not an issue that comes under that program. Individuals know that their job will end at the end of the season. It happens every year. It's as if we were making a claim to our auto insurance company every year. We should implement a different program to address this problem. We had another program that had adverse effects.

If the employment insurance program had not existed, some companies would still have harvested lobster, crab and shrimp.

• (0930)

**Mr. Yvon Godin:** But it would be done by immigrants, people from outside Canada. That's what's happening in Bouctouche.

Isn't that right, Ms. Hébert? There are foreign workers in Bouctouche, as well as on...

[English]

**Mr. John Williamson (New Brunswick Southwest, CPC):** Deer Island.

[Translation]

**Mr. Yvon Godin:** Yes, that is also the case on Deer Island. These people are bringing in immigrants and making them work. They spend two months without work, but they are fed and given a place to stay. They are not paid. Is that the economy and seasonal work?

**Ms. Anne Hébert:** In fact, there were other employment options.

In the fishing sector, a number of businesses in the southern part of the province are open year-round. These people found ways to diversify so they could keep their employees longer. Since the employment insurance program was used to keep jobs in the northern part of the province and since there weren't many other job opportunities, the business did not have to diversify. So the program has had a negative impact on businesses and workers.

I agree with you when you say that making changes quickly to the program had a huge impact. We have seen this quite recently. Businesses were not ready for that. When a program is used over the years to support a seasonal industry, the rules cannot be changed overnight. Businesses can't adapt to changes like this and neither can workers.

**The Chair:** Thank you, Ms. Hébert.

Mr. Gourde, you have the floor.

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chair.

I would like to thank the witnesses for being here this morning.

With our study, we are trying to determine which characteristics of some minority situation communities allow them to be more successful than others. We would like to find a way to help the less fortunate communities reach a certain standard of living.

Mr. Antunes, you told us that incomes in Quebec are not as high. Are you talking about gross income or net available income? Perhaps it is a bit easier to compare the net available income from province to province, since the tax rates aren't the same.

**Mr. Pedro Antunes:** In that case, I was talking about gross salaries, which are generally higher for the francophonie in each province than the gross salaries for the rest of the province.

The problem is that Quebec comprises a large part of the francophonie. On average, salaries are lower in Quebec than they are nationally, unless we are comparing them to salaries in Ontario and certain other regions. The total economic weight, outside Quebec, is generally stronger than the contribution of the population.

**Mr. Jacques Gourde:** Mr. Chiasson, you spoke about the entrepreneurial culture and the idea of work, including the work-family balance and so on.

Could you please elaborate on that?

In my region, Chaudière-Appalaches, there is a very strong entrepreneurial spirit. Beauce is at the centre, and there is a periphery. It's as if we invented entrepreneurship. If you can't find it anywhere else in Canada, come and see us. There are examples on every street corner.

Tell me about this concept.

**Mr. Maurice Chiasson:** It's interesting that you mention Beauce, which is known for its dynamic entrepreneurship. However, even so, I've seen that fewer and fewer young people are inclined to start their own business.

Earlier I spoke about self-employed workers. Self-employed workers are not valued very much by society. However, we are starting to realize that more and more people are choosing this path, be it out of frustration or by choice.

As for government measures, I think entrepreneurship should be showcased more, not just for large companies with a lot of employees. Self-employed workers work from home. We are talking about the fact that a lot of people leave rural areas for a variety of reasons and settle in urban centres. Yet if we encouraged the entrepreneurial culture, especially the status of self-employed workers, the young and not-so-young would remain in rural areas to work. I myself have worked from home for years. Whether I am out west or in a very remote region up north, I can continue to do my work.

I had observed certain things, but the BDC studies I read showed me that my observations were founded. There really has been a drop in the culture and the enthusiasm toward starting your own business.

Once again, this isn't just about promoting the entrepreneurial culture, but also promoting formulas that help people run a business just as easily in an urban centre as in a rural area.

• (0935)

**Mr. Jacques Gourde:** In the region, entrepreneurs who have a lot of experience and have been successful provide the community with a mentoring service. For example, an entrepreneur will support a dozen new businesses in their first three years of operation by providing advice and guidance. Entrepreneurs pass on their experience so they are likely to avoid problems. As a result, they increase the success rate of these young entrepreneurs because start-up businesses do not all manage to make it past five years. By increasing the success rate, we increase the number of businesses that survive. Do you have this in your region?

**Mr. Maurice Chiasson:** We do.

As I've already said, I worked for the RDEE for a few years. I saw that there were initiatives like this in some provinces and territories.

For example, I see Louis Allain, and I think of the community of La Broquerie, Manitoba. I find that quite interesting. Correct me if I'm wrong, Louis, but not only did the Economic Development Council for Manitoba Bilingual Municipalities encourage these pairings between people with business experience and young people in the community, but I saw that in some communities, such as La Broquerie, encouraging this inter-generational connection between entrepreneurs who had been successful and who wanted to share their knowledge and experience was sort of in their genes.

Increasingly, we are seeing this kind of formula in all the provinces and territories, but we need to provide more support and follow-up in this area.

**Mr. Jacques Gourde:** My last question is for all the witnesses.

College and post-secondary education gives young Canadians more advantages. Maybe even Canadians up to age 40. It gives them the opportunity to gain additional knowledge enabling them to do specialized work. I'm not necessarily talking about bachelor's and master's degrees. It could include training to become an industrial mechanic or something along those lines. This is the kind of work we need in Canada.

Perhaps Ms. Hébert could respond to this observation.

**Ms. Anne Hébert:** I would add that statistics show what you just said. Salaries are higher as soon as you have a post-secondary diploma, regardless of the sector.

In New Brunswick, this challenge must be taken on by a large portion of the population, especially the francophone population, which does not have the tools needed for post-secondary education. The population does not have the literacy level required.

There is not much mentoring in New Brunswick's francophone community. The anglophone community in the private sector places great importance on this. A little earlier, I gave you the example of the Wallace McCain Institute. Some groups have really taken this issue to heart, and they are from the private sector. We don't have these kinds of tools in the francophone community. When we submit requests to government authorities, they responded that mentoring was not an original or innovative idea. So we are hesitant.

**Mr. Jacques Gourde:** To wrap up, I would like to go back to what you said about there not being tools for post-secondary education. What section of the population does that affect? I would hope that young people in your region would have the same tools as others for post-secondary education, or at least I hope they do. Perhaps you were talking about people aged 35 to 50. Could you please clarify that?

**Ms. Anne Hébert:** I was talking about all age groups.

We thought that the literacy-related problems would decrease or disappear as the population ages. We thought that it concerned older people who had not finished high school. However, that is not at all the case. Young people are finishing secondary school, but they don't have the reading skills necessary to go on to post-secondary education. The figures are a little lower than for the oldest age group, but it is still a problem among young people.

**The Chair:** Thank you, Mr. Gourde and Ms. Hébert.

Ms. St-Denis, you have the floor.

**Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.):** Thank you, Mr. Chair.

My question is for Mr. Antunes.

Can the economic delay of francophone communities be attributed to political reasons? To go back to Mr. Godin's question, what is the federal government's role or responsibility in that respect?

**Mr. Pedro Antunes:** That's a good question.

I don't think it's necessarily related to politics.

We spoke about education-related skills. I would like to say that I fully agree with that.

I think we have a labour market that generally favours employment but that it is getting tighter. We've missed the opportunity to fully integrate youth into the workforce.

When we look at Canada's economic performance, it's important to point out that it varies greatly from region to region. If we look at the two main provinces where there is a high francophone minority population—Ontario and New Brunswick—we see that those are the provinces where the economy was generally much weaker. I think that the francophonie is at a bit of a disadvantage because of the general evolution of the economy in those two regions. Now, what can we do? That is a difficult question.

I would just like to quickly come back to a point that I raised previously. The demographics do not necessarily favour entrepreneurship. Regions with high francophone populations have been hard hit. It's difficult for the federal government to balance this kind of platform. Changes were made to Canada's employment insurance program, and we don't necessarily disagree with them. However, those changes have affected how generous the system is toward seasonal jobs, which have felt the impact as a result.

So these are difficult questions. How can we fix the problem? I think it is mainly the federal government's responsibility.

• (0940)

**Ms. Lise St-Denis:** Mr. Chiasson, would you consider creating an annual guide exclusively about francophone tourism in Canada? It would be like the one that was done for aboriginals.

**Mr. Maurice Chiasson:** Your question is very interesting.

I think that what makes a community interested in francophone tourism is the cultural reality. What the tourist is really looking for is a specific experience. We're talking about experiential tourism and to feel like they're in a different country.

When we look at new trends in tourism, we can see that what today's tourists are looking for is to have an experience. I think that yes, we could consider a guide or something to nicely present this cultural reality.

We're talking about a guide, and I know that there are several provinces and territories that are indeed trying to present this cultural reality in an effort to attract tourists. Additional effort could be made in this respect.

**Ms. Lise St-Denis:** Perhaps there is another way of working. Could we reconcile the historical experience of francophone communities with the large museums? In other words, do any of the museums in any of the provinces talk about the reality of francophones across Canada and the difficulties they have encountered and still do? Could that be explored?

**Mr. Maurice Chiasson:** Being from the Atlantic region, I can say that the Acadian culture is certainly talked about a great deal. I think it is part of our tourism product.

I think that Louis could comment further on the situation in the west. Still, there is work being done there to educate people about

the Métis and francophone cultures. That could be presented as a tourism product in itself.

As for whether we are doing enough, that's a question we have to ask ourselves.

**Ms. Lise St-Denis:** Does this exist in the museums?

It exists in Acadia, but does it exist in other Canadian provinces or even in the Canadian Museum of History?

**Mr. Maurice Chiasson:** I'm sorry, but I don't have an answer for that question. Is it presented as much in other Canadian provinces as it is in the Maritimes? I couldn't tell you.

In the Maritimes, I think it is still presented in a positive way.

**Ms. Lise St-Denis:** Mr. Allain, is it wishful thinking to believe that francophone institutions in minority communities will survive?

**Mr. Louis Allain:** Are you asking me?

**Ms. Lise St-Denis:** Yes, the question is for you, Mr. Allain.

**Mr. Louis Allain:** The survival and vitality of our communities really depends on four pillars. The two major ones are education and health. The third is culture, which concerns all of our institutions and has a daily impact. The last pillar is the economy. It is very important that these four pillars can work together on the ground. It's this synergy that is here, in Manitoba, because of an exercise we did in 2008 to ensure that our organizations work together. It's no different from what I've seen elsewhere, even on an international level. People often tend to work in a vacuum, to protect their own little territory and to forget that they are there as beneficiaries to ensure the full growth and development of our communities.

We saw this in St. Laurent, for example. I was a school principal for 16 years and taught for nine years in communities where the ethno-linguistic vitality was fading. The community took charge through an educational program, which made sure that people developed new cultural references. They re-emerged in the socio-institutional communities, including recreation facilities and major festivals. That is why that community now has the Festival Manipogo and one of its exhibitions is in Washington.

After being beaten down for 100 years, people regained their pride. We mustn't forget either that this happened to the Métis twice at the hands of the anglophone majority and even of the French-Canadian communities. Today, francophones can be found in health centres and schools that are part of the large family of the Franco-Manitoban School Division and the network of 631 francophone schools in Canada, outside Quebec. It's an about-turn that no one expected. It's because of taking charge and leadership from the community that this could happen.

So hopes are high, but the four pillars need to work hand in hand.

• (0945)

**The Chair:** Thank you, Mr. Allain.

Mr. Williamson, you have the floor.

**Mr. John Williamson:** Thank you, Mr. Chair.

I would like to thank the witnesses for being here today.

Mr. Antunes, you gave us a number of figures on the current situation of minority communities in Canada. I am increasingly convinced that, in Canada, minority communities are doing just as well as majority communities in regions where economic growth is good and where the economy is strong. However, they are not faring as well when there are no jobs or economic growth. Some minority groups, such as aboriginal peoples, are not participating in their community's economy, but that is not the case in official language minority communities.

Do your figures support that observation?

**Mr. Pedro Antunes:** It is important to mention that the figures I gave you were taken from the 2006 census. We would like to do the study again with new data, but it's a lot of work and our resources are limited, as everyone can understand.

Based on the demographic data, it is true that in regions where growth has been strong, there has been an increase in the francophone population. It is certainly also related to the situation of the francophone communities. There needs to be stronger growth in Alberta, Saskatchewan and even Newfoundland than in the other regions we spoke about, particularly Ontario and New Brunswick, which are facing significant challenges.

Basically, people whose mother tongue is French are not favoured because of demographics. I mentioned that in Quebec, about 30% of the population is under the age of 25. We know that the average age in Quebec is higher than the rest of Canada. In the other francophone communities outside Quebec, it's half that, in some cases. In Alberta and some other regions, only 15% or 11% of the population is under 25 years of age. There are some fundamental problems that are very difficult to fix when it comes to demographics, potential growth and future contributions.

**Mr. John Williamson:** I imagine that you agree with the fact that governments can't do much to encourage families to have more children.

**Mr. Pedro Antunes:** It's difficult, but I think that Mr. Chiasson...  
● (0950)

**Mr. John Williamson:** It hasn't helped Quebec.

**Mr. Pedro Antunes:** We spoke about the importance of other francophones whose mother tongue is not French. That's important. Teachers of French as a second language are in demand. I think that promoting the francophonie outside Quebec makes an important contribution. Canada as a whole is facing a challenge with respect to economic growth. In particular, there was the baby boom. I think you spoke about it. Those challenges will be overcome in large part through immigration. We could also look at that for the francophonie.

**Mr. John Williamson:** Ms. Hébert, could you please tell us about the situation in Moncton, where economic growth is strong, the unemployment rate is lower and the participation rate is higher than the Canadian average?

I think it's a positive situation for francophones in New Brunswick. It shows that positive things are happening in our region.

**Ms. Anne Hébert:** Yes, absolutely.

Moncton has a very diversified economy. So, if things go badly in a given sector, it does not affect the economy of the entire region. That's its first asset. Bilingualism is its other asset. In fact, the Moncton population is the most bilingual in the country. The two communities have learned to work together and use it as an advantage. If francophones have higher salaries in urban areas, it's because it is mostly francophones who are bilingual. This type of advantage really encourages the promotion of bilingualism. Moncton used the advantages of bilingualism and managed to attract outside companies because of its bilingual status.

Moreover, the entire artistic side—Maurice spoke about it earlier—which is significantly rooted in the francophone community, makes Moncton an interesting city. Many factors are at the heart of this prosperity.

**Mr. John Williamson:** Mr. Nicholls, could you tell us a bit about the situation of anglophones who work in arts and culture in Montreal?

**The Chair:** Mr. Williamson, you have one minute left.

**Mr. John Williamson:** I'll come back to this later.

**The Chair:** Mr. Chisu, you have the floor.

**Mr. Corneliu Chisu (Pickering—Scarborough East, CPC):** Thank you, Mr. Chair.

I would like to thank the witnesses here for their presentations.

I will ask my question in English.

[English]

This is a question for all.

Is it possible to measure the economic contribution of official language minority communities to the Canadian economy?

[Translation]

**Mr. Louis Allain:** Is the question for everyone?

**The Chair:** Yes.

Mr. Allain, you have the floor.

**Mr. Louis Allain:** I think that Mr. Antunes, from the Conference Board, is in a better position to answer that question. In fact, the last Conference Board of Canada study, which was published recently, shows very clearly that each dollar invested in the francophonie is worth \$1.54.

I'll turn it over to Mr. Antunes.

**The Chair:** Mr. Antunes, you have the floor.

[English]

**Mr. Pedro Antunes:** Yes, in fact there was a study we've offered to the committee that looks exactly at the economic impact of the francophone community and the economic contribution. I think the important piece from that is not only is the direct contribution quite large—about 19.5% of total GDP from workers, essentially, that are maternal French—but also there is an impact on the rest of the economy.

It's a little bit of a supply chain impact that we looked at. It's a little unusual to look at supply chains from a community rather than an industry aspect, but we did that exercise with StatsCan. We found there is a multiplier of above 1.5. In other words, we also contribute, and there's a positive impact outside the francophone community that we shouldn't forget about, as well.

• (0955)

**Mr. Corneliu Chisu:** This economic potential is undervalued.... Can it be improved? What tools are necessary, eventually, to further capitalize on this development?

**Mr. Pedro Antunes:** Maybe I could just touch on the undervalued. In fact, I think for the most part, the francophone community within and outside Quebec makes a greater contribution than the average population, with the exception of New Brunswick, as we discussed. I'll leave the solutions to my colleagues here.

**Mr. Corneliu Chisu:** Thank you.

**Ms. Anne Hébert:** Undervalued

[*Translation*]

...is a key word, I think.

The anglophone community tends to think that the francophone community is asking for handouts. Knowing that the francophonie and bilingualism are economic advantages is already a big step toward a solution. In New Brunswick, we have commissioned studies from consultants to determine the economic contribution of the francophone community in certain regions that are mainly anglophone, but that have a large francophone population, such as Miramichi, Fredericton and Saint John.

We published the results of the study, which showed that more anglophone entrepreneurs in the Miramichi region had started providing services in French because they recognized that a large part of their business was coming from the francophone community. Therefore it is important to know that in order to create positive effects and change the communities' perception or one another.

**Mr. Maurice Chiasson:** I would like to add something because I am also from New Brunswick.

Anne spoke a little earlier about the situation in Moncton. I think that it's a good example of a region in New Brunswick that has focused on bilingualism and, over the years, has managed to develop a flourishing economy. Of course, there were some stakeholders from the linguistic majority, but the minority of francophones and Acadians played a major role in the community's development.

If I may, I would also like to talk about another example, this time from Manitoba. I am thinking of Saint Boniface and Winnipeg, where an event like Centrallia took place a few years ago. This event brought together businesspeople from around the world and took place in three languages: English, French and Spanish. It was under the leadership of the francophone community that this kind of initiative and networking event for businesspeople from around the world was made possible.

We sometimes have the impression that the francophone community is begging. I don't think we see its economic impact. However, we are seeing it more and more. One indicator makes me think that the francophonie and wanting to speak French are

advantages, particularly when we look at the actual number of Canadians from the majority who can now speak or hold a conversation in French. So there is a cultural advantage for an individual who can speak two or three languages and there is also an economic advantage in our communities.

As Mr. Antunes mentioned, one dollar invested in the francophonie by the federal government basically has a return of \$1.05. That is an interesting quantitative indicator. In the context of globalization, I think that every country should capitalize on its diverse cultural realities in an increasingly competitive world.

**The Chair:** Thank you.

Mr. Nicholls.

[*English*]

**Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP):** Thank you, Mr. Chair.

Mr. Antunes, you talked about data and data analysis, saying that the data you've been using was from 2001 to 2006. Is the data from 2011 and the analysis that could be done on it really sufficient, given that the census form has changed? Would it cause difficulties for analysts?

**Mr. Pedro Antunes:** Yes, frankly, we have had some issues with a lot of the data we use on a regular basis in terms of compatibility and making sure the data looks the same.

In terms of the population data, we'd be okay, but to get a sense of...especially the community study we did and how that has evolved from 2006 to 2011, that might be a little tougher, because it drills down a little more.

As I mentioned, we haven't had a chance or the resources to pull the data and have a look at it, so it's hard for me to comment specifically, but there may be some difficulties, for sure.

• (1000)

[*Translation*]

**Mr. Jamie Nicholls:** Mr. Allain, you talked about the importance of supporting the development of a green economy. Clearly, your organization is enthusiastically supporting the emergence of this sector. I entirely agree with you in terms of the importance of developing this major economic sector.

However, the Conservative government is slow to move toward a green economy. If the federal government had a strategy for developing the green economy, would it not be easier for your organization to support this emerging sector?

**Mr. Louis Allain:** That is a very good question. Clearly, I am in no position to make announcements because it is not up to me to do so.

Right now, we have the wind in our sails. We took this turn five years ago. At the beginning of my presentation, I said that, in 1996, prosperity was the watchword in Manitoba. The idea was to encourage our communities to take charge of their lives, especially in terms of the economy that was very focused on the primary sector, in order to further develop the secondary and tertiary sectors.

For the past five years, we have been developing a more sustainable model that hinges on the environment and the social sector in addition to the economy. This has allowed us to have a firsthand experience at the provincial level in doing the greenhouse gas inventory and helping our communities develop structuring and mobilizing projects.

Under the previous building Canada plan, we contributed to 14 projects. In some cases, projects amounted to about \$8.6 million in 2008. If we look at the leverage effects, the return is between 1% and 14%.

The green economy is now in the same place as the Internet was in the 1980s. We do not want to miss this turn. Today, we have become almost the only show in town in Manitoba to support rural municipalities in particular. These municipalities had been forgotten and were not part of this major movement or trend, which is often very urban or suburban in nature. In this way, we are able to bring innovation to the market and to support our entrepreneurs by placing them in a strong position. We can also allow our municipalities to develop projects that can be used as models elsewhere. Projects may include the co-generation of electricity by using geothermal energy or biomass in the central heating systems of universities, and so on.

All our communities have projects based on these opportunities, especially for the treatment of sewage, compost and waste. They are economic champions compared to other communities. We are now the leaders in this field in Manitoba.

The project that will be supported by the federal government through the Western Economic Diversification program will affect four western provinces, but I am not able to make announcements. That is not my job.

**Mr. Jamie Nicholls:** Thank you.

Do I still have time, Mr. Chair?

**The Chair:** Go ahead, quickly.

**Mr. Jamie Nicholls:** Okay.

I have a question for all the witnesses about the emerging sectors, particularly the green economy and the creative economy.

Does the federal government have a role to play in promoting those sectors? Do minority communities have something to gain from getting involved in emerging sectors, given that this is the economy of the future?

**Mr. Louis Allain:** I would like to answer and then give the floor to Mr. Antunes, Maurice and Anne.

This major turn is not to be missed. RDEE Canada has a working group that is looking into the issue. This is the Green Economy working group. RDEE already has a lot of expertise and an entire information-sharing system. We are working with leading partners, including the Federation of Canadian Municipalities, which is sort in charge of the greenhouse gas inventory, in order to ensure consistency across the country.

In addition, RDEE is well positioned, thanks to this group that works with very good partners from outside, people like the ones here. ICLEI's head office is in Winnipeg. We have people who work abroad and here, locally. I am referring to Green Manitoba, from the

province of Manitoba, and Western Economic Diversification Canada.

Systemically speaking, this issue of a green economy is really very complex, but this expertise ensures that francophones are now able to play a leading role, not only in their own communities but also in their neighbouring communities because many of these projects are regional in scope.

When we talk about bringing innovation to the market, we are securing a good position for the entrepreneurs and the young people of La Broquerie, for example, the people Maurice referred to. In fact, they have signed major agreements because of Centralia. We are also thinking of La Coop fédérée du Québec and that is all linked together.

I think development really means to be able to establish good structures to support our regions and our municipalities and to be able to play with the big guys.

● (1005)

**The Chair:** Thank you.

[English]

Mr. Daniel.

**Mr. Joe Daniel (Don Valley East, CPC):** Thank you, Chair.

Thank you, witnesses, for being here.

My first question is for Madame Hébert.

You noted, in May 2012, in the *Telegraph-Journal*, that 70% of your members had listed the skilled worker shortage as the biggest obstacle to economic development in New Brunswick.

You also said:

We're in an economy right now where we have to move away from a seasonal economy. I'm not saying we should move away from natural resources, but we have to be more innovative and try to come up with ways to move to a year-round workforce.

My question is, given that there is such a high level of illiteracy in New Brunswick, what is your strategy to bridge between the current situation and the future one that you're looking for?

Hopefully the others can intervene on that after you have answered.

[Translation]

**Ms. Anne Hébert:** This is done on a number of levels. New Brunswick currently has a number of initiatives.

One of the great advantages is that we have been able to convince the government that there was a problem with access to the workforce. Actually, for a long time, New Brunswick was considered a province where the unemployment rate was the greatest challenge. It took us a while, a decade, to convince the governments that access to the workforce was a challenge. Studies showed that the level of education was making it difficult for people to access existing jobs. This has finally made people understand that the issue was twofold. EI recipients want jobs and companies are looking for people, but the people available are not suited for the jobs available. That is why there are a number of provincial initiatives, such as a collective project where we want to educate people on the importance of lifelong learning from cradle to grave. The department has taken initiatives on post-secondary education, training and employment, and we are putting initiatives in place to deal with specific problems.

Federal initiatives are problematic. The federal government has put in place a program—I don't remember the name—to train employees and it is sort of the same across Canada. However, at provincial level, our initiatives have been tailored. The purpose of our initiatives is not only to help companies provide training to people without jobs, but also to provide training to people with jobs to make them more qualified to increase the productivity of the company, to contribute to modernization, and so on. So we are working at various levels.

We are aware of the problem. It is rather complex, but all the departments are working toward the same goal.

[English]

**Mr. Joe Daniel:** Thank you.

Mr. Allain, is that the same in your community? It's illiteracy and lack of education, and the skills levels of the francophone community, or the minority community, that is preventing them from getting some of the better jobs and the better opportunities.

• (1010)

[Translation]

**Mr. Louis Allain:** We are rather fortunate with the situation in Manitoba. In fact, we drew inspiration from New Brunswick under Mr. McKenna's government. When CDEM was born, we saw bilingualism as added value.

I am very familiar with the situation in schools and I can assure you that our young people are highly coveted by the province and the federal government, which is the largest employer. The level of educational attainment is very high, according to the local results to the PISA tests.

Once again, we used New Brunswick's model and the research of Mr. Landry and Mr. Allard. Generally, the our young people, both in English and in French, are just as successful as their unilingual anglophone counterparts, if not more successful. Based on my personal experience, I can say that there have even been cohorts in our schools with elite international students from South America and Europe in particular. So Manitoba's education is doing pretty well.

The literacy we are most interested in is economic literacy. We have played a leading role in this area by helping our schools bring forward entrepreneurship. We have actually talked about this earlier.

In Manitoba, we start that at a young age, in co-operation with the Franco-Manitoban school division and increasingly with immersion schools. There is strategic preparation for entrepreneurship when the kids are at a formative age, in grades 5, 6, and 7. We develop micro-business projects. Later, as they continue on to high school, we make sure to have entrepreneurship projects for professionals. Often, we make those projects fun, so that young people are well prepared to meet the challenge of becoming the next generation of entrepreneurs.

It is very important that communities take charge of these issues.

**The Chair:** Thank you.

Mr. Godin.

**Mr. Yvon Godin:** Thank you, Mr. Chair.

Whenever we talk about the economy of northern New Brunswick and employment insurance, it bothers me a little. I think people know how I feel about this.

Moncton did not succeed just because Dieppe, Moncton and Riverview learned how to work together. Frank McKenna encouraged call centres to set up shop in Moncton. We know that he favoured Moncton. He encouraged the call centres of companies like Xerox and Royal Bank to establish themselves in Moncton. Former premier of New Brunswick, Bernard Lord, prompted CIBC to come to Fredericton. Frank McKenna encouraged Air Canada to come to Saint John, New Brunswick. The company was looking for francophones in the northern part of the province to take them to work in these cities. It was recruiting our people. That is what happened in the southern part of the province, which is known as the "golden triangle" and includes the cities of Fredericton, Saint John and Moncton.

If northern New Brunswick had a francophone hospital and university, the way Moncton does, and if it had an airport, things would be different. Northern New Brunswick does not even have a real airport. We are still fighting to get an airport.

Mr. Williamson says that it is not the government's responsibility to do this work. New Brunswick has done a very good job in the southern part of the province compared to what it has done in the northern part. This region has been forgotten. In addition, the federal government has reduced the employment insurance benefits for seasonal employees, which has led them to move to the southern part of the province.

That is the reality of the economy in New Brunswick. A nice little boost is good, but there was no boost for northern New Brunswick. The government pushes people to settle in the southern part of the province, and the rest of Canada tells us that, if any people are left, they should take the plane and go work in Fort McMurray, Alberta. We have many hard-working people in my region.

I come back to the same question. What could we do to fix the situation in northern New Brunswick? There are people who finished high school and have to go work elsewhere. The screws have been so tightened in northeastern New Brunswick that the region has been suffocated.

The committee members are wondering how we can help people in those regions instead of just asking them to take charge of their lives. Yes, they can take charge of their lives, but they need the tools to do so.

How do you feel about all this? If you don't agree with me, please feel free to let me know.

• (1015)

**Mr. Maurice Chiasson:** I actually come from northern New Brunswick. In fact, I grew up in your riding. You talked—

**Mr. Yvon Godin:** Before we go any further, I would like to point out that our good leaders, people like Mr. Losier and Aldéa Landry, also moved to Moncton. They did not stay in our region to contribute to its development.

I will now give you the floor back.

**Mr. Maurice Chiasson:** I agree that there is an impact when a government supports the establishment of big businesses in certain regions. Just think of what happened in the southeastern part of the province, in the Moncton-Fredericton-Saint John triangle. This reality cannot be denied.

I might repeat myself, but I think that, generally, in communities—and I think this is also true for the northern part of the province—we must maintain the entrepreneurial culture and entice people to start a business.

**Mr. Yvon Godin:** I agree.

**Mr. Maurice Chiasson:** I see that there are some fine projects in the Acadian peninsula, in Shippagan, Tracadie, Caraquet and Lamèque, among others. Young people have started businesses and, with the Internet, they can remain in the northeastern part of the province, and make a living.

I also want to talk about a rather interesting trend that I have noticed in a number of communities over the past few years. I am talking about activities that encourage young people living in urban centres to come back to their communities. I am specifically thinking about initiatives such as “Je reviens! J'y reste!”, in New Brunswick.

**Mr. Yvon Godin:** “Je reviens, j'y reste”, or I leave.

**Mr. Maurice Chiasson:** Those kinds of initiatives make it possible to get the young people. Young people who want to pursue post-secondary education may well find themselves in an urban centre, whether it be in the southern part of the province or in large cities such as Montreal and Toronto. That is the reality. We then have to bring those people back to their communities.

A number of initiatives have been taken in Quebec—I forget the name of the program, in Quebec, that makes it possible to bring young people back to their communities—and the models that have been developed have been picked up by some provinces and territories. The goal is for communities to get back the young people who left their regions a few years ago and to show them that they can live comfortably there, economically speaking, which means that they can find jobs there. Once again, let me stress the need to make people realize that they can start their own businesses.

In terms of your comment, you are right. When the government takes measures to support the establishment of major businesses in the communities, whether we like it or not, that attracts people. I

agree with you on that. That being said, measures could be taken to help individuals create their own jobs in rural areas.

**The Chair:** Thank you.

[English]

Mr. Williamson.

[Translation]

**Mr. John Williamson:** Mr. Godin, I would like to remind you that Moncton, Saint John and Fredericton are not the only places in the southern part of the province. I am a member for the New Brunswick Southwest riding. My main town in my riding is St. Stephen, which has 6,000 people. In the north, there is Hanwell, which has 6,000 people, and Grand Bay-Westfield, which also has 6,000 people. My riding also includes Sussex.

The southern part of the province is not just the golden triangle. Those three cities are doing very well, but there are problems in the rest of the province. The same is true for francophones and anglophones. The unemployment rate is high. In the southern part of the province, the roads are not paved in gold. The population is facing challenges.

Ms. Hébert, could you tell us a bit about the employment insurance system?

When they receive employment insurance, the people of Moncton are entitled to it for a shorter period than those in rural regions. What is the impact of this difference on the willingness to participate in the economy? What term did you use earlier to describe this, Mr. Chiasson?

**Mr. Yvon Godin:** He used the term entrepreneurship.

**Mr. John Williamson:** Exactly.

Ms. Hébert, what is the impact of that system?

• (1020)

**Ms. Anne Hébert:** In the southern part of the province....

**Mr. John Williamson:** No, don't tell me about the southern part of the province.

Things are going very well in Moncton. However, the employment insurance system is not the same across the province. In Moncton, it is fairly different.

**Ms. Anne Hébert:** In Moncton, if someone wants to work full time year-round, they are more likely to find a job. Basically, there is a cultural shift toward year-round work.

In the northern part of the province, there are many seasonal jobs. We know a lot of people who have those types of jobs.

You talked about anglophone rural regions, which are located much closer to large centres than northern regions, for instance. In Moncton—or close to the Moncton area—a company involved in a seasonal industry will have a different experience than a company from the province's north because their employees can find another job. Essentially, if they are not happy with their seasonal job, they will go elsewhere. That has forced companies to diversify and find other ways of doing things because they couldn't keep their seasonal employees. It may not be generalized, but this phenomenon applies to most of the companies.



In the northern part of the province, however, the employee often has no other option. The system becomes sort of a crutch for companies, as they don't need to diversify their operations. They know they will keep their employees because they need to work a certain number of weeks. The system is also something of a crutch for those workers, since they know they don't have to find another job.

So this definitely creates some particular situations. Earlier, companies from outside the province were discussed.

Lets take for example a company that has set up shop in the northern part of the province and wants to provide year-round jobs, but cannot find skilled workers. At some point, the government changes....

**Mr. John Williamson:** Why can't the company find skilled workers?

**Ms. Anne Hébert:** The people want to work during....

**Mr. John Williamson:** Some people who live there are unemployed. You are saying that a company may set up shop and provide jobs.

**Ms. Anne Hébert:** I am giving you an example of a business that set up in the northern part of the province and decided to make permanent jobs available. Fifty per cent of the workers refused those jobs. Some of them say that they want to continue working in the same way. A few months later, the federal government changed the Employment Insurance Act, and the issue was resolved.

We have an entity in our province called Invest New Brunswick. That organization seeks out companies from the outside and encourages them to come set up in our province. The organization's biggest challenge is to find employees for the companies.

I can talk to you about another company from the call centre sector, which is a fairly strong industry in New Brunswick. It had offices in Bathurst and Fredericton. The company had to close its Bathurst office because it never managed to have the number of employees it needed.

That's a problem. This also brings us to the issue of training. Unemployed individuals don't necessarily have the training required to access those jobs.

**The Chair:** Thank you, Ms. Hébert.

The floor now belongs to Mr. Nicholls.

[English]

**Mr. Jamie Nicholls:** I want to continue on the emerging sectors of the economy that I was mentioning and give a chance to the other witnesses to answer this question.

I know that, Mr. Antunes, the Conference Board came up with an excellent report in 2008 called "Valuing Culture: Measuring and Understanding Canada's Creative Economy". The green economy and the creative economy are both emerging worldwide and proving to improve the competitiveness of nations around the world, but we have had witnesses who work with the cultural sector, the ecological sector, and minority communities who say they don't have the means and the stability in terms of funding.

Given the leveraging that has been mentioned of these sectors and of the minority community itself and the bilingualism in this country, would you not recommend moving perhaps to a more stable funding model, maybe a three-year funding model, rather than a one-year model, and augmentation of funds given to organizations supporting emerging sectors of the economy in our minority communities?

• (1025)

**Mr. Pedro Antunes:** I'll start really quickly. I wanted to make that point. I think we often still hear very much about the good jobs in our economy being labour-intensive manufacturing. The truth is that we have suffered a huge restructuring in manufacturing, and it's very difficult for us to compete, especially with the openness that we're looking at towards other markets in labour-intensive manufacturing. We have a European agreement coming in. We have agreements with South Korea and other emerging markets. We need to think elsewhere. Just on that point, I think it's very important that we look to some of these perhaps non-traditional and emerging sectors where we can compete because they tend to be high-tech, highly educated workers.

We have problems with innovation, entrepreneurship, and commercialization. These are topics that we often talk about that I think, if we focus on those and leveraged some of the funds that we do have, because they're all limited towards some of these industries, we would have a greater payoff in the long run than sticking with the old model of funding manufacturing.

I will just leave it at that, but I think it's a very good point.

[Translation]

**Ms. Anne Hébert:** Letting the government decide which sectors will be prioritized is always a dangerous move.

**Mr. Jamie Nicholls:** Ms. Hébert, according to reports on competition, innovation is an area of weakness, and that hurts the competitiveness of Canada's economy. If the market is unable to resolve the issue, the government must do something.

In the world's most competitive economies—such as that of Switzerland—the government gets involved with the industry in order to promote innovation. So I think the government does have a role to play in that area.

**Ms. Anne Hébert:** Absolutely.

You are talking about innovation, but you are not focusing on a specific sector. We may be talking about innovation in the sectors of forestry, agriculture or fisheries. We may also be talking about innovation in manufacturing or in new economies.

That is exactly the point I was driving. The environmental sector, for instance, is related to forestry. We have to take into account the economy of those regions and not set aside what already exists.

Regarding your question about a three-year funding model, I fully agree with you. The constant need to request funding slows down development.

**Mr. Jamie Nicholls:** Mr. Chiasson, do you have anything to add on the issue?

**Mr. Maurice Chiasson:** We are talking about emerging economies or emerging sectors. Earlier, you asked what the government could do. As a businessman, I would simply say that the government's approach should not be reactive, but rather proactive.

I talked about entrepreneurial culture, and I use that term a lot. Community members and organizations must develop that culture. Governments should also embrace some elements of the entrepreneurial culture. Instead of being reactive, the government should be proactive when dealing with some specific situations. It should not wait for the ship to have sailed before deciding to jump aboard.

**Mr. Jamie Nicholls:** Some witnesses have told us that they have adopted an entrepreneurial culture in their organization. The problem is that, owing to the one-year funding model, they expend large amounts of energy on raising funds, instead of providing services. Every year, they have to fill out a lot of paperwork to obtain financial assistance. A three-year funding model would give them stability and enable them to promote and develop an entrepreneurial culture. At the same time, they would be able to provide services to their clients.

Do you agree with me in this regard?

**Mr. Maurice Chiasson:** I totally agree with you. Organizations do spend a huge amount of time on managing their funding every year. I understand that they have to properly manage the money allocated to them, but, at the same time, they expend a lot of energy on managing that money annually instead of investing their efforts in other areas, including service delivery to their clientele.

**The Chair:** Thank you.

We will suspend the sitting for five minutes. However, before we do that, I want to thank our guests for their testimony before us today.

• (1030)

[*English*]

The meeting is suspended for five minutes.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- \_\_\_\_\_

[*Proceedings continue in camera*]

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