

of target group members at all levels and in all segments of the company's work force where deficiencies exist. The affirmative action plan must include a statistical analysis of the composition of the work force, estimates on the availability of minority and female workers having requisite skills, a utilization analysis and an evaluation of the company's employment practices. Violation of the contract's equal opportunity clause may result in the cancellation or termination of the contract, or disbarment from seeking future federal contracts.

**Significant:** Expansion of employment opportunities for minority groups is reported as a result of contract compliance in the United States. The United States Department of Labor released in 1983 results of a study of 77,000 factories, offices and work sites representing a total in excess of 20 million employees:

**20% Growth:** The findings showed that between 1974 and 1980, minority employment grew at a rate of 20 per cent among those companies holding federal contracts compared with only 12 per cent for businesses not bound by contract compliance.

**Upward Mobility:** Minority workers also posted significantly greater upward mobility where affirmative action was enforced. Large numbers of Blacks and Hispanic people moved from service and low-skilled blue collar work to skilled production, craft and white collar jobs.

**RECOMMENDATION:**

**The Federal Government should introduce contract compliance legislation requiring contractors and sub-contractors with Federal Government departments, agencies and Crown corporations to implement affirmative action programs for visible minorities. All other governments are urged to do the same.**

RECOMMENDATION

15



**DEVELOP AN OUTREACH PROGRAM FOR VISIBLE MINORITY BUSINESSES**

**Decisive Factor:** Organizations and individuals appearing before the Committee stressed the importance of supporting minority business development. Such enterprises enable visible minority individuals to control their economic futures, as well as to be valuable contributors to the general economy. Attention was drawn to the fact that business success for earlier immigrants from Europe was decisive in their achieving upward occupational mobility and in avoiding discrimination.

**Difficulties:** Minority-owned businesses experience difficulties that range from securing financing to establishing, maintaining, and expanding sales markets.

**Scrutinized:** A 1982 study by Darla Rhyne, York University, of visible minority businesses in Metropolitan Toronto indicated that visible minority business owners found difficulty in obtaining capital. In comparison to the other businesses surveyed, the visible minority respondents perceived that their applications were scrutinized more closely and that they were required to provide more collateral. Some suspected a smaller amount of financing was forthcoming and higher rates of interest were charged.