

Economic Study

Only Work Works

(227) The recommendations of this report (paras. 155 to 182) were made after lengthy consultations on how these recommendations fit within the economic framework of the country, in which unemployment today is more than twice what it was 20 years ago.

(228) As we heard in testimony during our Canadian hearings and in Europe, on-the-job training is one of the best forms for training and re-training. "Work is the best training," said the Director General, Ministry of Education, Federal Republic of Germany (Allert and Braun, para. 17). We also heard that on-the-job training exists to a small extent in Canada through apprenticeship, education and other programs.

(229) Training is for change. It gives us the skills to work effectively and successfully and to dislocate from constant technological change, here and abroad. Technically, all this is called labour market adjustment and allocation, or, in plain English, who has the skills to work at what, where, how long it takes to acquire those skills, and who tries to do so.

(230) The Economic Council of Canada says that the process of labour market adjustment and allocation can be helped by equity measures.

"...of those, training is the most obvious example. Our analysis suggests, very simply, that some problems could be addressed by training and others by job creation. In some cases, a combination of the two might be the best way to help... the work has value in itself... it would offer Canadians a chance to gain work experience... From the longer-term strategic point of view there socio-psychological benefits (albeit non-quantifiable) could well be of overwhelming importance to those for whom the welfare-dependency cycle was broken... While training programs may give people new skills and mobility programs may move them, these measures will be useless if jobs do not exist."

(231) And according to the Ontario Service Sector?

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"...it would be absurd to expect workers to adjust to the new situation of labour displacement, whatever it is, by a mere shift of an accept attitude. Job changes must be made and the fact remains that society will enjoy that adjustment to a degree that depends on their needs if they become displaced."

"...the European, the British and moving to where there is a demand for their skills. Many people and is... by employment."

"...Further says that... which does is high... government will steadily intervene... to even up the incidence of such unemployment."

(234) Such government intervention may place restrictions on employers, if only by giving fiscal incentives for capital investment to some employers' competitors. Classical economists and business people argue against such restrictions (which have been ineffective, as we shall see); but the prospects for reducing government restrictions on employers "...would surely be much greater in an environment where there are few jobs and few new ones..." says Professor G.N. Blanford of McGill and L.H. Thompson of Harvard.

(235) Release of government restrictions, combined with real choice for workers or contract, as they choose. While growing, they may need new or better-trained staff. If so, they will be more anxious to train their staff and to support government training programs, especially if policies are put in place which reduce the costs of using and training labour. (However, there is a possibility that, relieved of government restrictions, employers might seek to shrink their workforce and be less anxious to invest in training under certain economic conditions).

(236) There is another aspect that is touched upon by Professor Lester C. Thurow of MIT.

Carried out for the Sub-Committee on Training and Employment

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