



COMPETING FOR TOMORROW

A Strategy for Postsecondary Education and Skills Training in Canada

JULY 2006



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VISION

Premiers from every province and territory agree that people across Canada must have opportunities to build brighter futures for themselves and for society in the 21st Century. The Council of the Federation agrees that:

- Canadians should have high quality, publicly-funded postsecondary education and skills training systems so that individuals and Canadian businesses can compete and succeed in the global economy;
- Canadians should have access to lifelong learning opportunities in postsecondary education and skills training to develop to their full potential; and
- Canadians should no longer face unfair barriers to postsecondary education, skills training and rewarding employment opportunities. Many of Canada's immigrants, Aboriginal peoples, youth, persons with disabilities, social assistance recipients, women and older workers currently face these unfair barriers.

CANADA AT THE CROSSROADS

Canada has reached a critical juncture. We have an aging workforce. We are not fully capitalizing on the skills and education of new immigrants, Aboriginal people and young people and others. At the same time, new competitors including emerging economies such as India, Brazil and China are making unprecedented investments in the skills of their people. Rapidly changing technology is also changing how our industries work — and workers are struggling to keep pace. Canada risks falling behind in training, in research and development, and in the number of researchers we produce. While our economy faces severe competition from around the world, internally individual provinces and territories face regional and local challenges in meeting demands for skilled labour.

Decisive action and investment in these areas will help to ensure that Canadians have the highest quality of life possible. The Council wants to ensure that all Canadians have their horizons defined by the strength of their talent and their capacity for hard work.

The following document outlines five key priorities for education and skills training in Canada. They are: improve access, enhance quality, increase participation in the labour force, develop workplace skills and expand research and innovation. The strategy concludes with an outline of investments needed in postsecondary education and skills training.

ACTION NOW

The critical need to improve postsecondary education and skills training in Canada is driven by both global competition and local challenges. To remain prosperous in the face of this competition, Canada needs a workforce that is qualified, flexible, adaptable, and innovative.

Canadians understand that when we invest in postsecondary education and skills training today, we build jobs and prosperity for tomorrow. The brains and know-how of the skilled work force are the competitive edge in the 21st Century.

The provinces and territories and the federal government each have roles to play in ensuring Canada's future prosperity. Provinces and territories have exclusive jurisdiction over the design, planning and delivery of their postsecondary education and skills training systems. Provinces and territories work in partnership with students, colleges, universities, skills training delivery partners, business, labour organizations and other groups to ensure successful planning and delivery of programs. In addition, each province and territory is responsible for working with its partners to measure and report to its own citizens on the effectiveness of postsecondary education and skills training programs.

The fiscal imbalance between revenue sources and spending responsibilities between the federal government and provincial-territorial governments makes it increasingly difficult to maintain and improve postsecondary education and skills training.

Canadians expect premiers and the Prime Minister to build a new and successful partnership that will help Canadians and Canada to lead the world when it comes to our shared progress and prosperity.

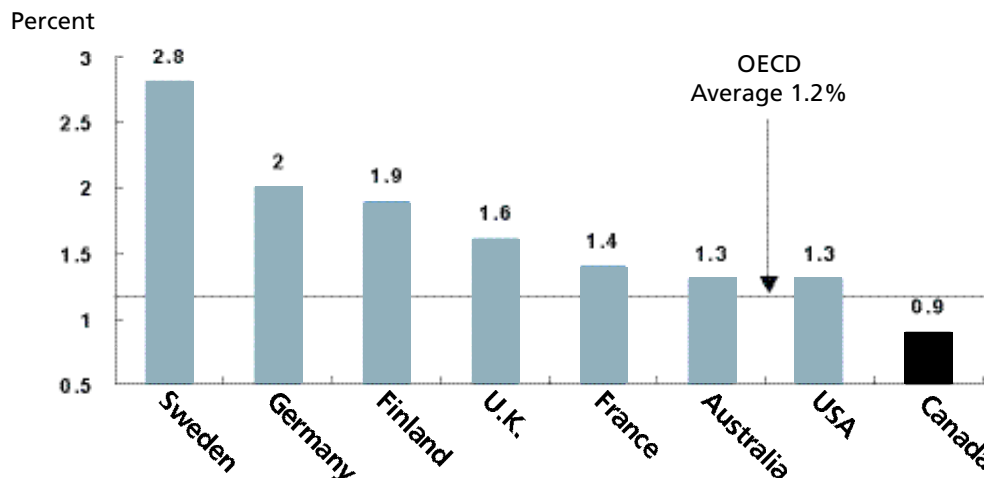
KEY INDICATORS

While Canada ranks high in terms of the share of adults with postsecondary education, Canada lags significantly behind world leaders in some critical areas for future productivity, including the portion of the population with graduate degrees, the amount employers spend on workplace training, and investment in research and development. One important indicator of competitiveness is the share of a country's population with graduate degrees. There is a lack of comparable data at the international level to show how Canada is doing in terms of the percentage of population with Master's degrees.

What is clear, however, is that the percentage of Canada's population with doctoral degrees is well below the OECD average. This is an indicator of significant future impediments to the country's ability to innovate and compete. Improving our ability to produce doctoral degree holders will help Canada prepare the next generation of professors, researchers and innovators.

Share of Populations with Doctoral Degrees

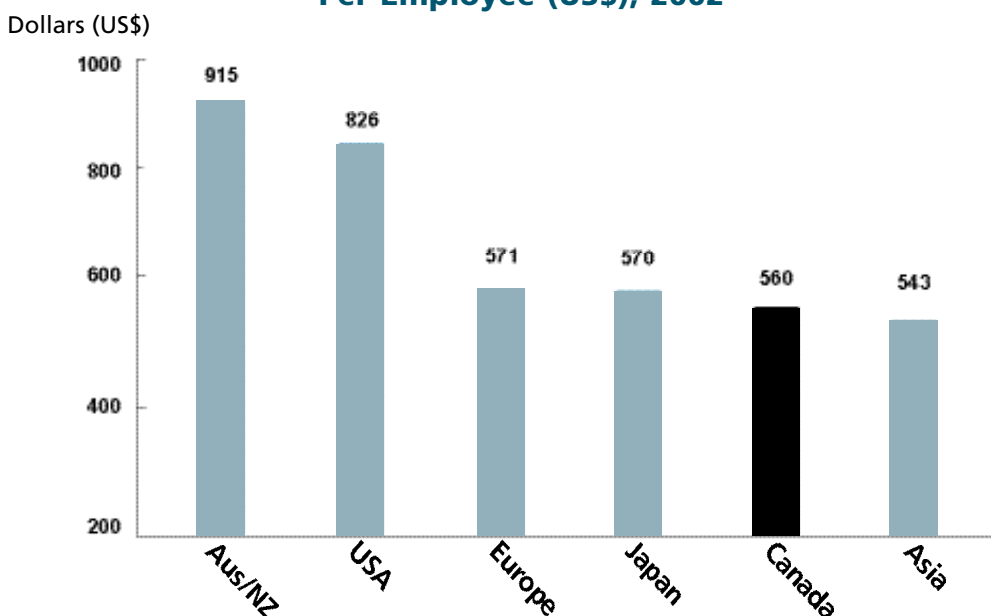
Percentage of individuals with a doctoral degree as a share of population at typical age of graduation.



Source: OECD; Education at a Glance, 2004, special compilation; Statistics Canada, special compilation

Employers in Canada spend about US\$560 per employee annually on workplace training according to the American Society for Training and Development. As the following chart indicates, this is considerably less than other OECD countries including the United States, Japan and European countries.

International Comparison of Training Expenditures Per Employee (US\$), 2002

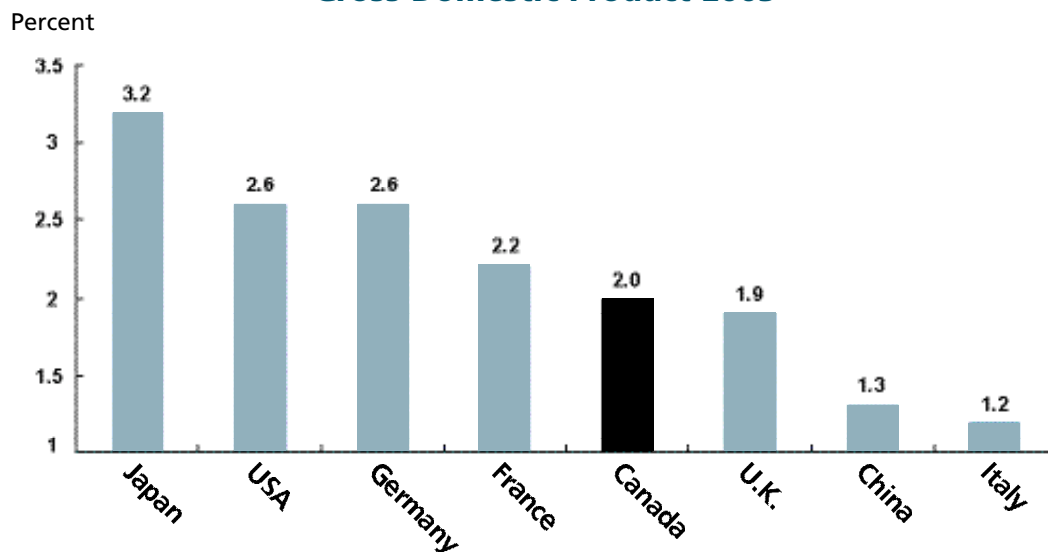


Asia: Brunei Darussalam, India, Indonesia, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan
 Europe: Andora, Austria, Bulgaria, Czech Republic, Finland, Germany, Hungary, Ireland, Netherlands, Portugal, Romania, Slovak Republic, Slovenia, Spain, United Kingdom

Source: American Society of Training and Development, 2003 State of the Industry Report

Investment in research and development is vital to Canada's long-term competitiveness and economic growth, yet, as the following chart indicates, Canada's expenditure on research and development is currently lower than most of our key competitors.

Gross Expenditure on Research & Development as a Share of Gross Domestic Product 2003



Source: OECD main S&T indicators, and Statistics Canada

A PROVINCIAL-TERRITORIAL PROCESS TO DEVELOP A STRATEGY

[August, 2005](#): At the annual meeting of the Council of the Federation (COF), premiers renewed their commitment to ensure that provincial and territorial skills training and postsecondary education systems are able to meet new challenges and ensure Canada remains competitive in a global economy.

[October 2005](#): The COF brought together ministers responsible for advanced education, labour market, and finance from all provinces and territories to discuss challenges, issues and funding related to postsecondary education and skills training.

[Winter 2005–06](#): Premiers worked with their postsecondary education and skills training ministers to consider the challenges, strategies and costs of implementing a Canada-wide strategy on postsecondary education and skills.

[February 2006](#): Close to 300 leaders from student, college, university, business and labour organizations, and representatives from under-represented groups including, Aboriginal persons, immigrants and persons with disabilities participated in the COF *Competing for Tomorrow* summit on Postsecondary Education and Skills to share ideas on the challenges and strategies needed to improve postsecondary education and skills training.

As a result of working with their ministers and with stakeholders, premiers have agreed on five critical priorities and strategies to achieve their vision.

PRIORITIES AND STRATEGIES

1. IMPROVE ACCESS

Provinces' and Territories' Challenges:

The labour force of the 21st Century must have highly educated and trained workers – no one can be left behind. Canada's economy needs more new apprentices and more committed employers to produce a professional and skilled workforce in the trades and to help ensure employers have access to the skill supply they need. Access must be improved for the many Canadians who have been traditionally disadvantaged and under-represented in both postsecondary education and employment.

Key strategies could include the following:

- Provide better access to relevant labour market information to help Canadians make informed career decisions.
- Increase operating funding to enable institutions to continue to be competitive at an international level.
- Substantially increase participation in postsecondary education and skills training programs.
- Develop strategies to encourage greater participation in postsecondary education and skills programs by Aboriginal peoples, persons with disabilities and students from low-income families.
- Encourage the employed and the under-employed, including the working poor, to pursue postsecondary education and skills training.
- Improve student assistance in order to promote higher participation rates in postsecondary education and skills training programs and to provide stronger support for graduate students.
- Increase the number of qualified workers certified annually.
- Develop lifelong learning, literacy and basic skills initiatives for Canadians, including students at risk and the unemployed.
- Provide seamless access to a range of education and training services that foster rapid re-employment.
- Broaden the use of information technology and other accommodations to help educate and train people, including those who live and work in northern and rural areas.
- Encourage the participation of individuals in workplace-based training.

Premiers agree on the importance of increasing the level of postsecondary education and skills of the next generation so that they may successfully compete with the best in the world. Premiers also agree that each province and territory will undertake methods for measuring its success in improving access.

2. ENHANCE QUALITY

Provinces' and Territories' Challenges:

Continual improvement of postsecondary education and of skills training is crucial to maintaining world-level standards. New investment in teaching, faculty and capital is critical to maintaining and improving the quality of the education and skills training Canadians receive.

Key strategies could include the following:

- Increase operating funding to enable institutions to continue to be competitive at an international level.
- Hire new faculty to replace retirements, reduce faculty-to-student ratios and improve the overall quality of student educational experience.
- Make adequate investments to ensure that students and faculty have the buildings, tools and facilities they need to achieve success.
- Support research and development in order to encourage more graduate school recruitment and encourage the innovations and ideas that fuel the economy.
- Support the internationalisation of training and research.
- Make the most effective use of new technologies for delivering postsecondary education and skills training programs.
- Facilitate transitions from postsecondary education and skills training to work.
- Facilitate transitions from high school to postsecondary education and skills training programs.
- Support excellence in trades training, including new efforts to improve teaching and technical skills of instructors for training in skilled trades.

Premiers agree that Canadian postsecondary education institutions and apprenticeship qualifications must be among the best in the world. Premiers also agree that each province and territory will undertake methods for measuring its success in enhancing quality.

3. INCREASE PARTICIPATION IN THE SKILLED LABOUR FORCE

Provinces' and Territories' Challenges:

Many immigrants to Canada face unfair barriers when they are looking for a job to match their skills. Aboriginal peoples, women, persons with disabilities, social assistance recipients, older workers and youth also face serious barriers to employment. In order for Canada to succeed, everyone who is able to must have the opportunity to participate in a thriving economy.

Key strategies could include the following:

- Reduce the earnings gap between immigrants and their Canada-born counterparts with equivalent levels of education and work experience by providing adequate recognition of skills and training interventions for immigrants and those who require skills upgrading.
- Increase the percentage of working-age adults who have the literacy skills required to work in the knowledge economy by supporting more literacy training.
- Develop specific strategies to help people in each under-represented group to increase opportunities for sustainable employment.

Premiers agree on the importance of breaking down barriers to postsecondary education, skills training and rewarding employment opportunities. Premiers also agree that each province and territory will undertake methods for measuring its success to increase participation in the skilled labour force.

4. SKILLS FOR THE 21ST CENTURY WORKPLACE

Provinces' and Territories' Challenges:

Employer partnership and investment in training must increase from current levels in order to strengthen workplace skills, especially as technology and global markets continue to evolve. In addition, publicly-funded skills training must adapt to meet emerging needs.

Key strategies to increase skills training could include the following:

- Increase employer investments in training Canada-wide by encouraging the participation of employers in workplace-based training.
- Encourage the participation of individuals in workplace-based training.
- Continue improving the relevance of publicly-funded skills training to meet emerging employer and labour market needs.
- Build on partnerships with sectors, employers and occupational regulators to ensure that Canada can take advantage of the skills of employed workers.

- Increase flexibility of programs and services to ensure they are accessible to both rural and urban businesses, and responsive to the needs of both workers and employers.
- Assist and encourage up-skilling for the working poor and the under-employed to address skills shortages.

Premiers agree on the importance of harnessing the potential of Canadians who are already in the workforce. Premiers also agree on the importance of encouraging and establishing effective government / industry partnerships, and investment along with individual participation and success in training in developing skilled and certified workers. Premiers also agree that each province and territory will undertake methods for measuring its success in enhancing workplace-based skills.

5. EXPAND RESEARCH AND INNOVATION

Provinces' and Territories' Challenges:

Productivity growth is lagging in Canada. Research and innovation create opportunity and help raise output per worker. In addition to improving economic competitiveness, research investments boost postsecondary education and innovation, and provide benefits to society as a whole.

Key strategies could include the following:

- Increase investments in research and innovation to foster increases in graduate enrolment, to recruit more international students and to hire needed faculty.
- Ensure that businesses have the appropriate information and incentives to invest in research and development to increase productivity.
- Encourage investments in research and development in postsecondary institutions, including the creation of additional capacity for more graduate students.
- Stimulate collaboration between universities and business to generate spin-off networks.

Premiers agree on the importance of improving Canada's ability to compete in the knowledge economy. Premiers also agree that each province and territory will undertake methods for measuring its success to expand research and innovation.

INVESTING IN POSTSECONDARY EDUCATION AND SKILLS TRAINING

The objectives outlined in this Strategy require additional investments to those made by provinces and territories. Provincial-Territorial ministers have worked under the direction of premiers to estimate the additional investments needed to implement this Strategy.

As examples, ministers of the Council of Ministers of Education, Canada (CMEC) identified many areas in which investments are important, notably in faculty training and recruitment, renewal of physical infrastructure, better access to under represented groups, research, graduate education and ensuring up-to-date equipment and technology.

Ministers of the Provincial-Territorial Forum of Labour Market Ministers (FLMM) also identified fields that will need more investments in the years ahead, notably in quality apprenticeship programs, literacy, increased access to labour market for immigrants or groups facing barriers to employment and increased workplace training.

During the recent COF *Competing for Tomorrow* summit, stakeholders noted the importance of investing in these fields and promoting the value of postsecondary education and skills training so that it becomes a national priority.

In their work, ministers noted that federal transfers to provinces and territories for postsecondary education and skills training had been reduced.

Both groups of ministers agreed that additional long-term funding will be needed for postsecondary education and skills training to keep pace with need and to ensure Canada and Canadians remain competitive.

CONCLUSION

Premiers would like to acknowledge and honour the valuable time and dedication invested by knowledgeable stakeholders and ministers from across Canada which contributed significantly to the development of this Strategy.

Premiers will now engage the federal government to ensure that provinces and territories can meet the needs of Canada's postsecondary education and skills training systems for the benefit of all Canadians.

The collaborative approach of premiers — working with leaders from student, college, university, business and labour organizations, and representatives from under-represented groups in the labour market such as Aboriginal persons, immigrants and persons with disabilities — is an important signal of the critical importance of postsecondary education and skills training. It is a new way of doing the business of Canada.