Labour Education and Training Research Network

A Labour Agenda on Training Funding

by

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Introduction*

Training funding has become a hot issue over the last few years in Canada. But this subject has always concerned unions. At a general level, labour has viewed training as a part of education, as a social program that should be guaranteed and provided for by the state. In other words, training is a right of all citizens, and the education system should provide training for workers at no cost or at low cost.

As for training in the workplace, labour has argued that it should be provided on company time. Providing training outside of regular work hours would penalize all workers in terms of costs and lost time even if the employer pays. And, in particular, it would penalize women workers, who, in many cases, still have to deal with the double workday.

Labour has consistently lobbied for employer-funded training, noting that workers should not have to pay for the cost of their own training. This is why labour has demanded a training tax on payroll or a grant/levy system to fund training. This is also why many unions have negotiated employer contributions to training as part of their collective agreements.

Labour has consistently pushed for some kind of control over funding as the content and goals of training are, of course, accessed by funding. At the very least, winning some form of co-determination (or joint control with business over the training dollar) has been a labour policy for many years. Labour has argued for more general rather than simply job specific training. It has wanted training to be directed at the existing workforce rather than aimed only at new workers.

Today, the sources of funding for training are rapidly changing, as the federal government withdraws from the funding arena. As well as this change in who funds training, the amounts allocated to training are drying up, as cutbacks to funding or freezes have been widespread. How then, in these troubled times, do we, as a labour movement and as a society, guarantee some kind of continued funding for training?

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Part One: Trends in Training Funding
Scarce Training Dollars Chasing Scarcer Jobs

Before we examine how labour can intervene in the funding debate and how different labour approaches to training funding are working, let us look at the importance of training and its funding.

As the title of an Ontario Federation of Labour book *Training for What?* indicates, there are too few jobs on the market to solve the unemployment crisis simply by new or improved training policies or by throwing more dollars at training. In the last decade or so training became waved as a kind of magic wand which would solve unemployment. However, the Centre for the Study of Living Standards has pointed out that 80% of current unemployment can be related to a lack of jobs, while only 20% of unemployment is due to a skills mismatch. In the same study, it was shown that only 4% of manufacturers felt that a skills shortage hindered their production. This does not mean that there are not severe skills shortages in some industries or that unions should not be concerned with training, but rather that training must be put in perspective. In the final analysis, only job creation programs and a major structural change to the economy can cure the deep levels of unemployment in our society.

As well, union members must realize that they are in a favourable situation compared to other groups in the workforce. Unionized workers will tend to benefit from receiving more training dollars than non-unionized and unemployed workers, as employers are a major provider of training, and strong unions can bargain for training dollars.

What, then, are some of the current trends in training funding?

**Deregulation and Cutbacks to Training**

First of all, there is the trend towards cutbacks and deregulation of training funding. We are in a period of globalization of economies and rapid growth of new technology. In this situation, training funding assumes a crucial importance. Management wants to use training to produce a more flexible and malleable workforce to compete on a global scale or with the plant down the street. This interest in producing a workforce on stand by has little or nothing to do with a desire to protect employment levels or create jobs. Rather, companies want a reserve army of skilled workers ready to step in when there is work, and then ready to be cast aside when the work is finished. Management often wants workers who are “multi-skilled,” that is able to do a little of a number of jobs, rather than skilled in a trade or thoroughly trained in all the complexities of the work at hand.

On the other hand, unions realize that workers have to keep up with the latest in technological change in their trade or job or else they will be left behind, in danger of losing their jobs or if displaced, unable to find a new job. The number of jobs that the average worker will hold in a lifetime has now changed from under two to over six.
In the Keynesian era (roughly 1945-1975), training did not have the same priority for business or labour, as unskilled jobs were plentiful and immigration served to bring in skilled trades. When training was needed, governments were willing to spend money to expand public sector institutions to provide training opportunities.

However, in the post-Keynesian era (since about 1975), governments have retreated from providing funding for training. They have used the excuse of increasing budget deficits to promote the growth of labour market deregulation. More and more then, the trend in Canada, and elsewhere, is for governments to change the way training is provided by commercializing it or by getting out of training altogether and handing it over to business or by opening up immigration for skilled workers.

For example, the federal government has opened training to competitive tendering by for profit providers. The federal government is also ceasing to fund most workplace training. Business groups have been recently pushing the federal government to fast track skilled computer professionals into the country rather than putting the emphasis on training Canadian unemployed to fill the more than 20,000 jobs the computer industry claims are going begging.

Privatization and Commercialization of Training

Second, there is the trend towards the privatization of training delivery and of the bodies that oversee training. For example, in the past, governments of all stripes viewed public institutions, such as community colleges, as the obvious delivery sources for training. But business groups have pushed government to allow for the private delivery of training by for-profit providers. Cutbacks of the community college budgets have also made them less able to be effective in providing up-to-date and relevant training programs. Where the community college is still delivering training, it is pressured to be run more like the private sector and be more commercial and for profit in its operations.

Devolution of Funding and the Quebec National Question

Third, in Canada, the trend of rollbacks to training funding has become tangled with the issue of devolution of training dollars to the provinces. Since May 1996, the federal government has attempted to give over most of the funding of training to the provinces. The federal government interest in getting out of funding training, and moving to a government that is less and less concerned with the delivery of programs, has fitted nicely with the constitutional goals of the Liberal government. One of these goals has been that of devolution of power to the provinces.

Devolution of funding has also fitted in with the federal government’s attempt to solve the Quebec part of the constitutional crisis in Canada. Federal control of training had become a stumbling block to Quebec’s vision of the division of powers between governments. Many provinces have long argued that, under the British North America Act, training is part of the provincial responsibility of education. However, in Quebec, governments of all stripes have been particularly concerned with control of training funding because of Quebec’s distinctive culture. In order to
placate Quebec, the Chrétien government finally agreed to give Quebec control over training, but couched it in the terms of devolution of this power to all provinces. Quebec governments have sought power over training to develop a comprehensive Quebec system. Already Quebec, with its own training “tax” law is further ahead than any other province as far as guaranteeing some form of workplace training. The same cannot be said of all the other provinces. Did they seek control over training “to praise or to bury it”? This question remains to be answered in full.

The problem with devolution of training in Canada outside of Quebec is that it tends to further increase de-regulation. The possibility of national planning or even regional planning where more than one province is involved, is made exceedingly difficult.

**Decentralization of Training Funding**

A further addition to the deregulation model has been the moves by the federal and provincial governments to decentralize the planning and delivery of training down to the local level. Funding is now delivered at the regional level and, in the case of Ontario, training is to be planned out by local, regional adjustment boards with no central overview. For example, Human Resources Development Canada now funds programs in Metro Toronto on the basis of catchment zones centred around HRDC offices rather than on a metro-wide basis.

The problem with this approach is that the more programs are morseled out and split up, the more it becomes difficult for governments to use any overall planning tools; the more then business, and in particular big business, which remains organized on a national or even global basis, is able to dominate and control the agenda. Only labour (which is also organized on an national and continental level) can hope to provide a suitable antidote to this decentralization of training funding.

**Fundamental Differences over Training Funding**

These trends in training funding have operated against a backdrop of some fundamental differences between labour and business over training policy.

In 1991, business and labour had to issue separate reports in the Canadian Labour Market Productivity Centre (CLMPC) study of training needs. Business wanted no new taxes for training and no regulation of training needs. On the funding format, business wanted separate RRSP type training accounts with tax breaks for each worker so as to make workers save and pay for their own training on an individual basis. Labour, on the other hand, wanted national institutions funded by a tax on payroll to support training.³

Most governments and businesses have recently generally agreed on a new view of a deregulated labour market where decisions are left mainly to the private sector. Employers want training to be linked directly to jobs — job specific training rather than apprenticeships or in depth programs. Many are worried about the portability of training, afraid that, once trained, labour will then move
on to different workplaces. This is the so-called “free-rider” problem in training that does not seem to worry business so much in most other countries, but is always raised by some Canadian business leaders to justify not increasing workplace training or apprenticeship programs.

Labour has wanted a greater role for the public sector and greater quality of training that would go beyond the narrow confines of a particular job and would include the union view on issues raised by training. Labour has wanted control or, at the very least, co-determination of the training dollar, while business has assumed that it alone should be administering the programs. Labour has wanted training linked to the creation of good industrial or service jobs and to planning in the economy. When there are high levels of unemployment and few jobs available, “training for what?” has always been a major labour concern.

**How Can Labour Deal with this Situation?**

It is in this atmosphere of evolution and rapid change to training funding that labour is forced to consider how to develop its own position on this issue. Labour has often no choice but to deal with the results of these trends. Labour has to attempt to simultaneously protect and rebuild the public sector agenda on training while using the tool of collective bargaining to guarantee training that would otherwise not be delivered by governments.

**Why is Funding Important?**

As the CLMPC put it in its 1991 training survey (released in 1993), 52% of all employers that were unable to provide all their training needs, cited a lack of funds as the primary reason for this failure. Lack of time was mentioned in 51% of all cases, but this is a cause that is often directly linked to a lack of funding.⁴

**Is Canada Lagging Behind?**

In a recent study of funding for training and education, Canada ranks at the top of the G7 countries, just below Germany and France, but above the USA, Britain, and Japan. Canada is known to be one of the top spending countries when it comes to education and training. However, money totals are not the real key indicator in the training story. The questions are rather, what kind of training are we talking about, what is the quality of training, where is the training money spent, and who controls training?

Canada, as Noah Meltz has pointed out, has a large and thriving (at least until recently!) public education system. In 1992, Canada’s expenditure, of some 7% of GDP on education, was the highest in the G7.⁵ It is the money that is spent on all levels of public education, including universities, that gives Canada a high rating compared to other countries when education and training are combined.

But, for example, when it comes to workplace training alone, Canada ranks nineteenth out of 20 countries in the Organization for Economic Cooperation and Development (OECD) countries.⁶
Wayne Simpson and David Stambrook found that, as a percentage of GDP, Canada spends only 40% of what the US spends on training. The OECD found only 31% of Canadian companies reported some training activity as compared to 55% of companies in France, 73.8% in Japan, and 80% in Great Britain.\footnote{7}

**Who Gets Training?**

Recent studies have shown that it is still the employed who are getting most of the training. Some 28% of the total population received some form of training. This was made up of 38% of the employed workforce, including 39% of those who were full-time and 33% of part-time workers. Only 23% of unemployed working people and only 13% of those not in the labour force received any form of adult education or training.\footnote{8}

**Which Industries Get Training?**

There is a great deal of variation across different industries as to who gets training. While overall, some 21% of workers participated in employer-sponsored job-related training, this amounted to only 18% of those in the goods producing industry, and 22% of workers in the service industry. Private sector workers have only a 16% participation rate, while in the public sector there was a 32% rate. In the private sector, 18% of men and 15% of women received training, while in the public sector, 34% of men and 31% of women obtained training. In both cases, women received less training than men.\footnote{9}

**Who Benefits from Training?**

A study of the results of direct purchase of training conducted in 1994 found that incomes for workers after training were better for older (over 45) trainees than for younger trainees. Older female trainees received the most significant increases in wages. For example, women aged 45-55 received a 56% increase in their wages after training compared to a 34.7% increase for non-trainees. However, the study also indicated that employment programs that are not targeted at specific groups tend to fail.\footnote{10}

**How Does Funding Break Down?**

A study published this year by Statscan indicated that in 1994 there were some 9.4 million training activities, with some 5.8 million people taking part. Educational institutions provided 34% of all activities, commercial suppliers offered 20%, employers 21%, and 25% were provided by other groups such as unions and professional associations.\footnote{11} (See table 1 below.)
Table 1: Providers of Adult Education and Training Activities by Province, 1993

<table>
<thead>
<tr>
<th>Province</th>
<th>Educational Institutions (%)</th>
<th>Total (%)</th>
<th>Non-educational Institutions</th>
<th>Commercial Suppliers (%)</th>
<th>Employers (%)</th>
<th>Others (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>34</td>
<td>66</td>
<td>20</td>
<td>21</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Newfoundland</td>
<td>44</td>
<td>56</td>
<td>16</td>
<td>18</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>29</td>
<td>71</td>
<td>23</td>
<td>19</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>37</td>
<td>63</td>
<td>15</td>
<td>18</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>New Brunswick</td>
<td>28</td>
<td>72</td>
<td>17</td>
<td>21</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Quebec</td>
<td>36</td>
<td>64</td>
<td>14</td>
<td>19</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>35</td>
<td>65</td>
<td>21</td>
<td>22</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Manitoba</td>
<td>36</td>
<td>64</td>
<td>22</td>
<td>19</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>33</td>
<td>67</td>
<td>19</td>
<td>23</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Alberta</td>
<td>32</td>
<td>69</td>
<td>23</td>
<td>20</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>British Columbia</td>
<td>31</td>
<td>68</td>
<td>24</td>
<td>20</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

Source: 1994 Adult Education and Training Survey
Statistics Canada, 1997

Employers sponsored 78% of courses pursued for job related reasons, and only 44% of the programs that were not job related. Personal interest activities were only sponsored by employers in 12% of cases. This means that the bulk of the cost of these programs was borne by individuals. Employers were involved in some 61% of male training activities, but only 45% of female activities.¹²

Recently, the federal government attempted to measure what it calls the “cost effectiveness” of training. What it meant by this is — does training offer “value for money”? I would disagree with this line of questioning because it looks at training strictly in terms of cost/benefits measured in dollars. However, the figures are worth looking at to see the major differences in spending by region as well as the differing results in job creation. The federal government’s Auditor General’s Report of 1995 showed that the costs of government-funded training varied from region to region from a cost high of nearly $9,805 per person in Newfoundland to a low of only $5,374 in Prince Edward Island. (See table 2 below.)

The percentage of workers who received training-related jobs after training ranged from some 50.4% of the unemployed in British Columbia to only 23.9% in Newfoundland. What these figures show is that the cost of training is generally much greater where there are fewer jobs available. In other words, training is relatively ineffective if not coupled with active job creation measures.
Table 2: Cost by Participant Who Found Training-Related Employment  
1992-93 (1) to 1993-94  
(1) Project-based training and purchase of training

<table>
<thead>
<tr>
<th>Region</th>
<th>New Participants</th>
<th>Cost by Participant ($)</th>
<th>Participants who found Training Related Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Percentage</td>
</tr>
<tr>
<td>Newfoundland</td>
<td>28286</td>
<td>9805</td>
<td>23.9</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>6783</td>
<td>5374</td>
<td>38.3</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>22790</td>
<td>7533</td>
<td>37.5</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>33832</td>
<td>6028</td>
<td>42.4</td>
</tr>
<tr>
<td>Quebec</td>
<td>119847</td>
<td>8974</td>
<td>44.5</td>
</tr>
<tr>
<td>Ontario</td>
<td>186140</td>
<td>6341</td>
<td>42.2</td>
</tr>
<tr>
<td>Manitoba</td>
<td>20305</td>
<td>8067</td>
<td>42.2</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>17287</td>
<td>8034</td>
<td>44.2</td>
</tr>
<tr>
<td>Alberta &amp; NWT</td>
<td>27818</td>
<td>5950</td>
<td>44.1</td>
</tr>
<tr>
<td>British Columbia &amp; Yukon</td>
<td>73209</td>
<td>7029</td>
<td>50.4</td>
</tr>
<tr>
<td><strong>TOTAL/WEIGHTED AVERAGE</strong></td>
<td><strong>566297</strong></td>
<td><strong>7252</strong></td>
<td><strong>43.8</strong></td>
</tr>
</tbody>
</table>

Source: HRDC three-month follow-up survey results and year-end final expenditures.
Part Two: The Role of the Public Sector in Training

Without the public sector education and training system, training will most likely go to those with money or those in the strongest, best organized, and most skilled unions. Members of less powerful unions, workers in weaker sectors of the economy, those in unskilled or non-unionized jobs, women, and immigrant workers, for example, will have far greater problems accessing training funding when there is a weaker public sector.

Today, the policies of cutbacks in funding, privatization, devolution to the provinces, decentralization of delivery, and decision-making are increasingly dominant. To make matters worse, these trends have been combined with an interim situation of confusion in some provinces as to which level of government funds what.

Even some of the major public sector tools, such as sectoral councils, which the federal government has reserved for itself on this issue, are, to a certain extent, tools which the government sees as being used to enhance the overall atmosphere of deregulation and decentralization of training. It is up to labour to fight to ensure that these mechanisms rather contribute to a more effective and planned training agenda.

We will look at five of the present government-funded and directed mechanisms for the delivery of training. As you will note, some are directly the responsibility of government, such as community colleges, while others, such as sectoral councils, are administered by business and labour, but established and funded to an important degree by government.

1. The Financing of Training Delivery Programs by Government
2. The Sectoral Councils
3. The Labour Development Boards
4. The Community College System
5. Taxes for Training

1. Federal Training Funding Policy: Cutback, Decentralize, Devolve, and Privatize

In December 1995, the federal government moved to replace the existing Unemployment Insurance system with a new Employment Insurance Act. This Act announced the complete withdrawal of the federal government from the direct purchase of training (DPO) and stated that the vast majority of funds for training would now come out of Employment Insurance (EI) premiums instead of out of general revenues. Trade unions have always opposed training funds being taken from EI contributions as this allows governments to justify cuts in EI and reductions in training budgets.

These latest moves have added to the already severe impact on training of cuts in the new combined federal Canada Health and Social Transfer (CHST) to the provinces. The cuts to transfers have already meant, in most cases, the downsizing of provincial education spending.
In May 1996, the federal government proceeded to make an offer to the provinces to download training initiatives. This offer was called, “Getting Canadians Back to Work: An Approach to Provinces and Territories for a New Partnership in the Labour Market,” as if devolution of training would create jobs!

Under this proposed plan, the federal government would divest about $2 billion in EI funding for training to the provinces. This money would only go to EI eligible workers; that is to say to those on EI or having been on EI for the last three to five years, depending on circumstances. Some provinces would receive much more per unemployed person than others. For example, Ontario would receive about $900 per unemployed person for training, while Newfoundland would get about $1,500. The federal government would still deliver some programs to non-EI eligible workers, such as those still on-the-job, but the total amount would only be some $250 million dollars.

The problem with this method of funding is that, in the past, some 65% of Ontarians who were unemployed were receiving EI; now that figure is down to some 35% of all unemployed. The figures are roughly similar elsewhere. So, in the future, the funds the provinces will receive for training are set to decline because they are based on the number of people receiving EI at any one time. As less and less unemployed people will be EI eligible, the provinces will receive less money for training.

At the present time, a number of provinces have signed deals with Ottawa to receive training funding, and others are in the process of negotiating agreements (all except Saskatchewan and Ontario have signed or soon will). What this means is that, within the next three years, just about all of the funding will be turned over to the provinces. In the deal with Quebec, not only funding, but also the jobs of over 1,000 civil servants were turned over to the province. While the amount of funding the provinces receive is guaranteed by Ottawa for the next three years, who checks to see how it is used and what happens to Ottawa’s contribution after the elapsed time is anyone’s guess. Ottawa continues to retain the right to spend money on training for youth and aboriginal people and national projects.

The federal government continues to administer training for now in some areas of the country, such as Ontario. In these areas, the federal government has practised a major devolution of its administrative structure and many programs such as the old IAS (Industrial Assistance Program) — which funds adjustment programs in Ontario, are now administered from some 30 regional offices; so that a union that needs funding for a shop closing must now approach the regional office of HRDC.

Now deliverers of programs must negotiate with the local offices of HRDC to obtain contracts for delivery in a particular area. This means any overall planning is eliminated or made extremely difficult. (For example, large cities, such as Toronto, are divided into different catchment areas for training purposes). This decentralization has been coupled with a much greater provision of training by private providers.
As training is devolved to provincial levels, the role of provincial labour federations, in developing common strategies, will become all the more important. But if labour is to maintain some kind of overall Canadian vision and purpose, as well as sharing lessons about training, the Canadian Labour Congress and national unions will have to work hard to assure that channels of co-ordination across provinces on this issue are maintained.

2. Sectoral Councils

In the late eighties, the federal government attempted to develop a program for the planning and the delivery of training that included the creation of labour boards and sectoral councils. Perhaps someone in government at the time had a centralized vision of effective training delivery involving these mechanisms; what, in fact, occurred was very different. Let us look at sector councils.

While they were to be part of a wider strategy, the sectoral councils are one of the few tools now left to the federal government. While, as I will show, labour boards have been hit hard in recent years, sector councils have, so far, continued to receive support from government. Sector councils are bipartite bodies composed of the representatives of the unions and the companies involved in a certain industrial or service sector. Sector councils arose out of an attempt by the federal government in its 1989 “Labour Force Development Strategy” to leverage funding for training from the private sector. ¹³ HRDC has been the main government department carrying out the task of establishing and funding the councils.

Originally the government wanted to set up some 55 councils, but this target has been reduced and there are now some 19 fully functioning ones with three others in development stages. Part of the sector councils’ role is that the councils are to be used to develop some form of planning or co-ordination of training on a sector by sector basis; but equally important has been the idea of using these mechanisms to devolve training down to the sector level or as it occurs in delivery, in most cases, down to the level of the plant or workplace. With the recent changes in policy, the federal government will no longer fund direct training by the councils, but only infrastructure and development projects.

It is hard to make an overall evaluation of these councils. The results are dramatically different from sector to sector. These differences arise from the nature of the industries involved, the nature of the employer groups and their stance towards unions, and the number and strength of unions involved at the council level.

The sectoral council system is hampered by the fact that there has been no clear reason for having councils in some sectors and not in others. Some sectors, such as steel, are natural ones, others such as engineers or horticulture do not seem as important to merit funding. Many major private industrial or commercial sectors still do not have a council and there are no councils in most public sector areas. Some employer groups are not interested in participating in a sector. Today, only some 30 to 40% of the total workforce is covered by sectoral councils. One council does not cover a sector as such. WITT- Women in Trades and Technology (founded in 1988) plays an
important role in helping women entering into blue collar trades by providing training and by working with relevant sectors and organizations.

Sectoral councils were supposed to bring together business and labour in a co-determined functioning. This is not always the case. There has been no clear commitment by government to include unions in all councils. Some five of 22 councils surveyed still have no union representation.

Table 3:  HRDC Contribution to Sector Councils with union representation by Program Element* Study commissioned for this paper

<table>
<thead>
<tr>
<th>Council</th>
<th>Infrastructure</th>
<th>National Projects</th>
<th>Occupational Standards</th>
<th>Skills Upgrading</th>
<th>Sectoral Youth Internship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles Human Resources Council</td>
<td>258,140</td>
<td>107,000</td>
<td></td>
<td>4,000,722</td>
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<tr>
<td>Environment Human Resources Council</td>
<td>87,294</td>
<td></td>
<td>778,292</td>
<td></td>
<td>4,000,722</td>
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<tr>
<td>Canadian Trucking Human Resources Council</td>
<td>27,493</td>
<td></td>
<td></td>
<td>216,000</td>
<td></td>
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<tr>
<td>Canadian Tourism Human Resources Council</td>
<td>158,242</td>
<td></td>
<td>2,094,413</td>
<td>2,953,889</td>
<td></td>
</tr>
<tr>
<td>Women in Trades and Technology National Network</td>
<td>425,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining Industry Training and Adjustment Council (developmental phase)</td>
<td>56,093</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Mining Industry Training and Adjustment Council (operational phase)</td>
<td>263,336</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Canadian Electronic and Appliance Service Industry</td>
<td>181,150</td>
<td>29,250</td>
<td></td>
<td>27,900</td>
<td></td>
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<tr>
<td>Canadian Council of Professional Fish Harvesters</td>
<td>524,300</td>
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<td></td>
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<tr>
<td>Canadian Grocery Producers Council</td>
<td>310,732</td>
<td>125,000</td>
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<tr>
<td>National Seafood Sector Council</td>
<td>430,000</td>
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<td>40,000</td>
<td></td>
<td>2,950e+11</td>
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<tr>
<td>Forum for International Trade Training</td>
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<tr>
<td>Sectoral Skills Council of the Electric/Electronic Manufacturing Industry</td>
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<td></td>
<td>2,252,429</td>
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Funding for the councils apart from the more developed councils, such as the Canadian Steel Trade and Employment Council (CSTEC), and the Sectoral Skills Council (SSC) has come basically from the federal government. The amount of money received from the federal government has varied from council to council. (See table 3 above)

The councils are today at very different levels of development. Some, like CSTEC, can be considered to be quite advanced, while others, like the Mining Industry Training and Adjustment Council (MITEC), are only just beginning. There has also been one notable failure: that of the Autoparts Sectoral Council (APSTEC) that collapsed in 1992 when the employers' group withdrew, leaving the CAW alone.

The failure of APSTEC has shown that when unions develop training agendas that challenge the employer group’s notion of education, some employer groups are ready to withdraw in spite of any sectoral benefits.

The federal government is now phasing out all training funds it provides to the sectoral councils just as it turns training funding over to the provinces. The question then is: can the sectoral councils continue to buy and deliver training now that it has been devolved to the provinces? This will depend exactly on what kind of deal is negotiated with the provinces around these issues. But at the present time, the councils will have to look to employer sources for major funding.

Let us examine two of the more developed councils.

**CSTEC: From Trade to Layoffs to Skills Training**

The Canadian Steel Trade and Employment Council was formed by the joint input of the steel companies and the United Steelworkers of America. CSTEC started out devoted to trade policy. It was formally set up in 1986. In 1987, CSTEC moved on, from concern strictly with trade, to dealing with the issue of permanent layoffs and employment. It has now gone on to deal primarily with on-the-job training, while not abandoning its initial concerns. When it was set up, CSTEC was not at all connected with the community colleges. It has now become fully integrated with that educational system. CSTEC courses now receive full college credit recognition.

Funding for CSTEC has come from government, industry, and the union. The core administrative funding costs are split equally between the USWA and the employers. When CSTEC began to retrain laid off steelworkers for jobs outside the steel industry, funding came from the federal government in the form of dollars for training that would have been administered in the past by the government. Some 13,000 workers now have gone through CSTEC programs as a result of permanent layoffs while over 33,000 in basic steel have gone through training programs for those still employed. CSTEC now reaches beyond basic steel and serves workers in industries upstream and downstream from steel production.

CSTEC training has to be additional to that offered by individual companies; it also has to be non-job specific and, thus, portable and transferable from company to company. Funds flow from
CSTEC to joint union-company training committees in each workplace that administer the training programs. Dofasco is the lone non-unionized employer in CSTEC.

CSTEC has developed some 29 courses together with various community colleges across the country. Courses are now being offered at community colleges in steel towns in six provinces. CSTEC will be affected by the federal cutbacks to training and, as a result, is planning to revamp its fee structure. But already some 75% of the costs of training are now being borne by the industry. CSTEC is also trying to sell its services to other unions and other workplaces outside of the steel industry.

**Sectoral Skills Council**

One of the other more developed councils is the Electrical and Electronic Sectoral Skills Council (SSC). The SSC deals with an industry that exists across Canada, but is centred in Ontario. The Joint Human Resource Council of the electrical and electronic industry was originally established in 1987. Its name was changed in 1989 to the Sectoral Skills Council. The concerns of the SSC have been mainly with the area of human resources and the delivery of training at the plant level. However, the SSC has also provided help for areas such as union education for education and technology stewards. The council has been funded until recently with large grants from the federal and provincial government matched by equal amounts from industry. With the switch in funding allocations from the federal to provincial governments, the future of even this council’s programs is not clear.

The council has some seven unions (CEP, CAW, USWA, IBEW, IAM, IFPTE, LIU) and over 156 companies with some 194 work sites. Some 52,349 employees are covered by this council. Some 40,389 employees undertook a SSC-sponsored training program of some sort last year. Professional and technical upgrading were the most important kinds of activities. Each participating workplace contributes 1% of its wage bill to the fund. This amounts to some 50% of the total, while federal and Ontario funds supplied another 50% (25% each).

**3. The Labour Force Development Boards**

The Canadian Labour Force Development Board was created in 1991 as the main federal labour market institution. This followed a 1990 Canadian Labour Market Productivity Centre report that recommended the setting up of a National Training Board. The Labour Force Development Boards were proposed to be created in each province and at a local level across Canada. They were seen by some as being modelled on European experiences, such as the Swedish system, where employers and unions would co-determine the content and delivery of training as part of a full employment strategy.

However, the process in Canada was never designed to reach this goal. It was, from the start, part of a much more limited vision of labour market policy. Also, from the beginning, the process was bogged down in constitutional controversy, as Quebec and some other provinces wanted provincial control over training and did not want important new federal structures.
At the same time, various provinces proceeded to establish some kind of labour market board structure without any overall plan. In Ontario, parallel but separate developments around the Premier’s Council in 1988-1990 had led to recommendations for the setting up of similar bodies in Ontario from the early nineties onward, and the Ontario Training and Adjustment Board was established in 1993 with little connection to the CFLDB.

Rather than being a part of an overall active labour market strategy for job creation, the Canadian project started and ended with boards and sectoral councils. In Canada, the idea was that governments could do little else than help to improve training of the work force to fulfill existing jobs and to attract new investment. There was to be no direct role in job creation. Now most governments are withdrawing from funding most forms of workplace training and are now going to fund primarily training of unemployed workers.

Today, this scheme, which was never fully activated, has been reduced to a federal board, the Canadian Labour Force Development Board, and only three provincial boards in Quebec, Saskatchewan, and New Brunswick. All the other provinces have either closed their boards, such as happened in Ontario, Nova Scotia, and British Columbia or never did establish them. Quebec is a special case, as it now uses its own board, the Societe quebecoise de developpement de la main d’oeuvre to administer the new training tax law.\(^\text{15}\)

The federal, Saskatchewan, and New Brunswick boards have been left with relatively weak mandates as well as little funding. Their roles are to advise governments on training policy and to “provide labour market partners with opportunities to conduct meaningful dialogue and build consensus.” The boards are still administered in a multipartite fashion. The federal board has 22 voting members, eight representatives each from business and labour, two from the education and training community, and one from each of four equity groups. Staffing and funding for the boards are limited. The New Brunswick board, for example, has a staff of two and a budget of $270,000!

The Ontario Conservative government, which closed down the provincial board, OTAB, is continuing to put into place a system of local boards. This system will number some 23 when all are established (as of today, there are some 13). These organizations have a multipartite administrative board composed of eight business representatives, eight from labour, and four community representatives. The local boards have the role of assessing local labour market needs and developing training plans. But they have funding for only two staff each and labour members will not be paid for attending meetings. As of today, they have no mandate to deliver training and the future of this issue is up in the air as it depends on what agreement is struck between Ontario and Ottawa, and what role Ontario sees for the boards. Unions will have to develop common strategies for intervention in these boards or else local boards could go very separate ways on the issue of training. Another major question is whether or not the federal board will survive once training has been completely devolved to the provinces.
4. Community Colleges

There are over 175 community colleges across Canada. In the past, community colleges were the main channel for the training dollars from the federal government. For example, in 1988 Ontario community colleges received $174 million from the federal government for direct purchases of training. As of 1999, this sum will be reduced to zero as the provinces assume complete control over training. Colleges have provided some 75% of all adult training programs in Ontario. Some 60% of the present Ontario student body is not directly from the secondary system, but rather from the workplace or the home.

On the provincial side, in Ontario, the portrait is no rosier. Enrollment has increased 35% since 1990, but provincial funding has decreased 40%. Only two provinces: British Columbia and New Brunswick, have expanded post-secondary education funding.

Community colleges have begun to operate more and more with private sector values and tools. Community colleges want individuals to pay for at least part of apprenticeship training. Private enterprises, such as Chrysler, Bell and Inco, have formed so-called productive partnerships with Ontario’s colleges, including programming and staff exchange. Will the private sector be able, in the future, to directly dictate Ontario’s training needs? Will community colleges receive the same funding from the provinces? Can labour secure a greater role in influencing college agendas? These are questions that remain to be answered.

5. The Training Taxes in Quebec and British Columbia

Since 1982, at least, the Canadian Labour Congress has supported the idea of a levy/grant system for funding training. This would mean having a law that would force all employers to contribute to a payroll tax that would then be put into a fund to be used to support training. Unions have seen this as the fairest and most equitable manner to raise training funds and to ensure that all businesses provide training. Employers’ groups have generally opposed this idea remarking that payroll taxes are taxes on employers’ direct costs.

However, there are already two examples in Canada of taxes on employers that are already being used to fund training. In Quebec, the first province-wide experiment began in 1996 with the introduction of Bill 90, and in British Columbia, the Forest Renewal program also levies a tax on employers.

A. The Quebec Experience

In Quebec, the Law Promoting Training has been in force since January 1996. This law makes it obligatory for any employer with a budget over $250,000 for wages (by 1998) to invest the equivalent of 1% of payroll in training costs. This is not a tax per se, but rather a law that makes employers invest in training or if they refuse, to pay a tax towards a central fund. The central fund would then be used to fund training in those workplaces where employers were not prepared to provide it. The law came in after a hard look at past Quebec training provisions. These
authorized companies to receive tax credits if the companies were spending on training. However, studies showed that only 5% of companies decided to spend on training in order to receive tax credits. The carrot of tax credits was not enough! The union movement in Quebec, then, effectively lobbied the government to bring in a tax on training. The new law, while forcing all companies to invest in training, allows a wide latitude for companies to meet the 1% of payroll goal. Companies can reach the goal by:

I) Developing training programs inside or outside the firm
   ii) Allowing employees to work as trainers or by lending equipment for training.
   iii) Allowing apprentices paid holidays to finish schooling
   iv) Training apprentices.
   v) Welcoming in co-op students or teachers in training.
   vi) Contributing funds to a sectoral association or a regional association, a joint council or a community organization in order to set up an approved training program.

The law has not been around long enough to be fully evaluated; however, the 1% model seems to have both positive and negative aspects to it. In a positive manner, it guarantees at least some training in unionized firms where the union can watch what the company is doing. But, there is no guarantee that the company will spend the 1% of payroll on the unionized workforce. The company could spend its funds on training its managerial component and, thus, meet the technical provisions of the law. This is where the power of collective bargaining comes in, and the union must decide what are its goals as far as training is concerned and attempt to put them in the collective agreement.

There is also no real immediate mechanism to ensure that training will be done at all in non-unionized firms. Also, the 1% of payroll remains a very small amount. Many firms are already spending far more on training. For example, in the textile industry, companies spend already 3.3% on training and 4.2% of payroll is the average spent in the manufacturing industry.19

A tripartite board (six union, six employers, and six representatives of other communities) oversees the whole process for the Société québécoise de développement de la main-d’œuvre, the provincial training and adjustment board. This body is planning a major evaluation of the effectiveness of the law in three years. The Fédération des travailleurs et travailleuses du Québec has published a guide Called “Training at Work: You have to bargain it!”20

B. Forest Renewal BC

In 1994, the government of British Columbia negotiated a program with the forestry companies called Forest Renewal. The program combines research into ways to renew our forests with training for the work force. The employment side of the forestry sector in British Columbia is made up of some 56,000 workers in the wood sector, mostly in the Industrial Wood and Allied Workers Union and of some 16,000 workers in the pulp mill sector mostly from the Communications Energy and Paperworkers union and the Pulp and Paper Workers of Canada.
The renewal program established a crown corporation with revenues from a tax on the forestry companies from royalties and stumpage fees — a tax that will amount to some $400 million per annum. Of this figure, some $80 million a year is to be devoted to training schemes through a program called Workforce Investment. This has been described as a form of “rifkinism” (after the author Jeremy Rifkin) by Phil Legg of the British Columbia Federation of Labour. In a period of high productivity combined with technological downsizing and high profits, the forest industry is forced to re-distribute part of its profits back to the workforce. The training program is co-determined by joint union management committees at the workplace level. In the pulp sector, the program is called JUMP and there is an overall committee that looks at the entire process.

These programs aim first at re-introducing workers to training readiness, moving to a Grade 12 certification through prior learning assessment, and then looking at more specialized forms of training in the forest field. Emphasis is placed on the delivery of basic skills programs by peer teachers.
Part Three: Training Gains through Collective Bargaining

In hard economic times, with cutbacks to training at the federal level and in most provinces, unions must develop means of securing training funding on their own. Unions can unfortunately no longer rely on governments alone to deal with training. Unions can be pro-active in developing a training strategy. To make this approach work, collective bargaining remains one of labour’s surest and strongest weapons. However, it is important to see collective bargaining as part of an overall union strategy on training which must continue to include: 1) co-ordination at the national and provincial federation level, 2) co-ordination at the sectoral level, 3) co-ordination at the national union levels, and 4) as well as continued political action and pressure.

Most unions do not get training in their collective agreements

Do many unions now receive funding for training through collective bargaining? Surprisingly, as an April 1997 country-wide study done for this project shows, most large contracts with over 500 workers, have no provision for training! (See table 4 below) Only some 480 of 1,108 contracts, as of April 1997, have paid training provisions at all, and that is for on-the-job training. When it comes to providing outside-of-work training courses, the figure drops to some 336 contracts out of 1108, representing only 36.2% of all workers surveyed. As this survey includes, only the largest unionized workplaces where there is more likely to be training, the overall figure for who receives training in the workplace as a result of collective bargaining is probably much lower. When it comes to apprenticeship programs, some 70% of contracts have no provisions for apprenticeship training! This is a far cry from the German experience which we will outline later.

Collective Bargaining: Not Limited

Collective bargaining is a tool that remains available to most unions as a means of exerting pressure on the training agenda. This can be done by winning demands around issues such as:

- the establishment of a joint co-determined training and education committee in each plant;
- forcing the employers to contribute to a fund which then supports training through training centres or community colleges;
- establishing a certain number of training hours per employee paid for by the employer;
- in the public (but also in the private sector) establishing programs to contract back in jobs and then train workers to take up those positions;
- establishing a fund with employer contributions that would allow the training and hiring of new employees;
- establishing provisions for paid educational leave;
- establishing programs for union education;
- gaining programs that pay or reimburse tuition at universities and colleges and/or grant leave to study.
Let us examine some examples of training programs that unions have won as a result of collective bargaining. These programs have been chosen because they all have something new or important to say about how to fund training.

A. Building Trades Unions: Training Trust Funds and Training Centres

Craft unions, and construction unions in general, have had a long tradition of developing training programs through negotiations with employers. Craft unions have been in a position where the skills needed at work are frequently complex and job specific and often have to be updated for new work to proceed. Thus, craft unions have long seen controlling training as a way of securing the future employment of their members and of controlling access to particular trades. In this sense, training and upgrading, as well as entry into the profession, have been key strategic components of preserving jobs from non-union workers. As well, since craft workers tend to work for a variety

Table 4: Training Provisions in Collective Agreements, April 1997

<table>
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<tr>
<th>Provision</th>
<th>AGREEMENTS</th>
<th>EMPLOYEES</th>
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<tr>
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<td>Number</td>
<td>Per cent</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>100</strong></td>
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<td>TRAINING (OUTSIDE COURSES)</td>
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<tr>
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<td><strong>TOTAL</strong></td>
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<td>TRAINING APPRENTICESHIP</td>
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Source: Workplace Information, HRDC commissioned for this paper
of employers, the portability and state of the art content of the skills in a particular trade are key issues.

Over the years, unions have developed somewhat different mechanisms around training. What construction unions usually have in common on training is that generally: 1) they establish a negotiated hourly contribution per worker; 2) this money from the employer is placed in a trust fund usually jointly trustee'd with management; 3) the fund establishes a training centre where workers go to receive upgrades or new skills, and 4) generally, training is decentralized and run by locals across the country.

**LIUNA: Trust Funds Through Collective Bargaining**

The Labourers have one of the most developed training programs in the industry. In the appendix, I am enclosing an example of a model clause in one of the Labourers’ contracts dealing with the contribution to training. Various Labourers’ locals have negotiated trust funds set up with the construction employers’ association in the area. Amounts contributed by employers range from 15¢ to 46¢ plus per hour. Here we are dealing with large composite locals organized on a regional basis. A trust document is drawn up stating the policy for the functioning of the fund. Trust Funds usually each have a well-equipped training centre that delivers programs on everything from basic literacy, core skills, and even, in some cases, apprenticeship.

In addition, there is a National Labourers Trifund financed by contributions from the locals. This fund is about seven to eight years old. This fund is concerned with national issues such as curriculum, lobbying and research into health and safety, training, and labour-management co-operation. Funding for special projects is negotiated with the federal government. The fund is administered by the union alone, unlike the joint administration of the local funds.

**IBEW: When A Union Runs the Training Centre**

Another model of training has been developed by the IBEW Local 353 in the Toronto area. This International Brotherhood of Electrical Workers local has negotiated a model of training where it alone controls and operates the training centre and its programs. Employers continue to participate with the union in overseeing the apprenticeship program, but leave upgrading of electricians to the union. The training centre courses are financed through a negotiated hourly levy of $.12.

**B. CUPW: Contracting Back in Work and Apprenticeship Programs**

The Canadian Union of Postal Workers has succeeded in negotiating important training provisions in recent collective agreements. Part of the provisions are contained in the Appendix T — Service Expansion and Workplace Development Committee. (See appendix) The mandate of this committee is to generate additional business opportunities and increase the customer base by helping to develop new work, retain work in the post office, establish pilot projects, bring back work now contracted out, and develop skills through training. From 1992 to 1994, $4.12 million
were devoted to this fund and some 52 new jobs were created and 258 members trained. An example of the use of this fund occurred in Edmonton where the parcel plant maintenance project was re-contracted into CUPW as a result of this project. Some 19 new positions were created by union workers taking back the jobs from a private contractor after the workers received extensive training.

This is a co-determined initiative administered by a steering committee with equal management and labour representation. This model could be applied to many other public and broader public sector workplaces which have been hit hard by privatizations and contracting out; the model could also be useful for many private sector workplaces which have similar problems of contracting out. CUPW believes that these programs are only a start. It would like there to be a greater commitment on the part of the employer to fund new apprenticeships and more Appendix T starts.

C. CAW: Training Hours per Employee in the Big Three

In 1996, the Canadian Autoworkers negotiated breakthrough training provisions with the big three auto companies: General Motors, Ford, and Chrysler. The CAW has negotiated a Training Fund and Training Review Committees. These provisions expand the opportunity for training and learning and recognize the union’s role in the development and implementation of training. The training fund is for programs over and above what the big three auto companies currently do in workplace specific training programs.

At the company level, the training committee has the mandate for investigating, developing, and implementing “new and or expanded training programs,” “standards for the implementation of the various programs,” “methods and techniques for selecting candidates for training on the basis of aptitude, interest and other qualifications” and the “instructional methods to be used in such training.” In the first year of the agreement, the three companies have made available $2 million for start up costs, including administration and program development. In the second and third year of the agreement, the companies will finance the Training Fund by a total of 16 hours per employee. The programs to be developed will be determined by the Training Review Committee in conjunction with local training committees.

Initial programs earmarked for the training committee follow-up include new member orientation, ergonomics training, skills upgrading in technology for women production workers, anti-harassment training, and substance abuse training.

D. UFCW: An Integrated Approach Through National and Local Training Trust Funds

Since the late eighties, the United Food and Commercial Workers Union has encouraged local unions to negotiate training and education funds through a cents per hour per member contribution. Approximately 70,000 retail food store workers are now covered by such agreements; many other sectors are similarly covered. The funds are collected by the local union for occupational training and union education. In some cases, the local union uses a portion of the funding to establish a jointly controlled fund with employers. The most well known of these joint
agreements is between Local 1977 and the Zehr’s supermarket chain (a division of National
Grocers) in southwestern Ontario. The joint fund pays for a training centre, all instructional costs,
and the lost wages for trainees. It is estimated that this fund alone provides for training to more
than 1,000 full and part time retail workers annually.

In 1991, the national office began collecting one cent per hour per member from each local
agreement. The National Training Fund supports two full time directors who assist local unions
with policy, program, and administrative support. Contributing locals are also eligible for financial
assistance from the fund to purchase or build a training centre. There are training centres in
Halifax, Cambridge, Mississauga, Saskatoon, and Edmonton that have received assistance through
the National Training Fund.

The National Training Fund is intended to develop the capacity of local unions to develop their
own training and education programs. Support is provided in three broad areas: basic skill
programs, labour adjustment, and occupational training. Most local union training centres now
offer, or plan to offer, one or more of these types of programs.

While UFCW has received government funding for both sectoral initiatives as well as union only
projects, its long term strategy is to bargain training agreements at the national (sectoral) level as
well as continuing to negotiate local training funds. By doing so, the union hopes to achieve
permanent, broad coverage for its diverse membership in the area of training and labour
adjustment.

E. CEP Cyanamid Niagara: Transferable Credits for Training

In 1991, the Communications Energy and Paperworkers Union negotiated a unique clause as far as
layoffs and training are concerned. Cyanamid was radically downsizing (moving from 340 to 14
workers). The new agreement had special provisions that applied to permanently laid off workers
who secured employment at a new job. The contract stated that the former employer should
provide any new employer with two weeks of income to train the newly hired employee at the new
company. The money for this project was contained in a Re-Employment Assistance Plan Fund.
While this provision has only been used by a handful of employees, it does provide an added
incentive for a company to hire a newly laid off worker.

F. HSTAP: Training for Laid of Workers and Help to Find New Jobs

The Health Services Training and Adjustment Program (HSTAP) originally came out of
negotiations between the Ontario Hospital Association and the Canadian Union of Public
Employees. It now includes, on the union side, the Ontario Public Service Employees Union, the
Service Employees International Union, the Ontario Nurses Association, as well as CUPE.

The program provides for adjustment counselling, training, and education assistance as well as
relocation assistance and the maintenance of a jobs' registry of hospital positions available across
the province. As well, the service provides workshops on voluntary retirement and early retirement. From 1994 to 1996, some 8,201 workers passed through HSTAP programs.

The program allows for spending on each worker of an average of $5,000 on training or $500 on counselling. The fund will also provide up to $5,000 for relocation expenses. A major problem with HSTAP has been the lack of guaranteed funding since the Harris government came to power. The program was originally funded with a $30 million sum from the provincial government, but this is virtually exhausted.

G. Healthcare Labour Adjustment Agency

The Healthcare Labour Adjustment Agency was established in 1993 by the NDP government of British Columbia. It was set up to provide support to displaced health workers through offering programs around job placement, training, counselling, early retirement, and job sharing, as well as peer counselling. The employment security and labour force development programs are included in the collective agreements between the Health Employer’s Association of British Columbia and the Hospital Employees Union, British Columbia Nurses’ Union, Health Services Association, British Columbia Government Employees Union, and the International Union of Operating Engineers.

The HLAA is governed by a Board composed of equal union and employer organization representatives as well as a non-affiliated chair. The Board members are appointed by the British Columbia government.

All healthcare organizations must establish a Health Reform/Labour Adjustment Committees (HR/LAC) composed of the same number of representatives of labour and management. These committees help administer the HLAA programs in the workplace.

The training provisions include 26 weeks at 100% of wages for displaced workers and 50% of wages and benefits for other applicants if the employer agrees also to contribute 50%.
Part Four: Using Labour Resources on a Regional Level

Labour resources can also be used on a regional level as two examples from Ontario show. In an era of increased government attempts to decentralize and push everything back to the workplace, tools such as these can be powerful means of combatting this trend from a labour viewpoint.

Metro Labour Education Centre

The Metro Labour Education Centre was established in 1987 as a creation of the Metro Toronto Labour Council. MLEC was set up to offer educational services to both employed and unemployed workers. It was initially funded from a grant from the Innovations Program of the federal government. MLEC offers labour adjustment programs for laid off workers as well as adult education programs, and English in the Workplace and Labour Certificate programs. The Labour Certificate programs are credited by George Brown College. MLEC also acts as an Action Link with the HSTAP program as well as equality programs around anti-racism and employment equity. MLEC has some 38 full time staff and over 70 part-time employees. In the past, MLEC received funding in almost equal amounts from both provincial and federal governments. Today, the provincial government has reduced its funding to some 20% of the total, while some 80% of the funding now comes from the federal government.

MLEC now receives money for Metro wide services to unemployed workers in the MLEC catchment area and also acts as a service provider to unionized workers in the Metro area. Rather than being recognized as the provider of choice for training services for unionized workers, MLEC has recently had to fight to be recognized as having anything more than a local responsibility for training in one part of Metro Toronto. From three to 5,000 workers a year pass through MLEC programs.

BEST

Basic Education for Skills Training is a labour education project of the Ontario Federation of Labour set up in 1988. BEST operates to assist workers in improving skills in reading, writing, math, and communications in both English and French. BEST also delivers both English and French as a Second Language programs. BEST programs are offered across Ontario in all types of Industries except in Toronto and Hamilton where the Labour Council programs are offered. The delivery in BEST is done by instructors drawn from the workforce itself. Since BEST’s start, some 7,200 participants have passed through its programs and some 800 instructors have been trained. Over 500 workplaces have had BEST programs.

BEST has been funded mainly from the Ontario Ministry of Education, but now funding is in danger of being cut-off. BEST also receives in-kind funding from the labour movement as well as some support for special projects from the National Literacy Secretariat of the Department of the Secretary of State. Employers also contribute to BEST by providing facilities and equipment for the training sessions and time-off for the employees. Some employers fund the whole, typically four hours per week per participant; others pay half of the time. In kind, funding from labour and
employers amounts to some $2 million per year. BEST is now seeking alternate means of funding in order to continue its work.
Part Five: International Models

European Models of training have been more entrenched as far as funding is concerned. We will look at two of the most developed examples.

A. The Swedish Model

The Swedish Model of training involves the establishment of joint labour-management boards. The Swedish model, developed by two trade union economists, Rudolf Meidner and Gustav Rehn, was aimed at creating an active labour market policy that would deliver full employment.

The Swedish system included a strong social democratic government and strong union movement, a centralized bargaining process, national solidaristic (equalized) wages negotiated across industries, a social safety net, a strong public education system, including free higher education, and a number of specific training institutions. In this brief look at the Swedish model, I will concentrate on examining the training institutions, but it is important to note that the Swedish system (which is now under attack from within) could never have worked in the past without the other parts of the system that I mentioned at the start. It also worked in the past because of the inward looking industrial policies that have since been replaced with the embrace of the European Union by the social democrats and moves towards the integration of the Swedish economy into Europe by big business. Thus, while Sweden’s programs are more developed and better funded than the Canadian experience, they have not prevented Sweden’s unemployment rate from reaching near Canadian levels. Sweden’s unemployment rate that remained low in the post war period now approaches 8.3%.

The Swedish system consists of a National Labour Market Board administered in a bipartite fashion, 24 county labour market boards, and a National Board of Employment Training and Technical Education Board that has 100 centres across the country. Some 90% of the courses are purchased by the labour market boards from the National Training Board. These institutions are managed by boards composed of labour, business, and government representatives appointed by the government but nominated by their respective groups.

The supply oriented programs of mobility assistance and vocational training increase the supply of trained workers by 100,000 per year. Sweden also has some very innovative programs such as the replacement scheme where unemployed workers can replace regularly employed workers who are on leave for training or education purposes. Sweden is now set by 1998 to eliminate state funding for workplace training of older workers. However, since 1985, training in the workplace has been stimulated by the Renewal Funds which force companies above a certain level of profitability to place 10% of their profits into a fund which is dedicated to re-training as well as research. Unions and employers have to approve of the activities before the money can be spent.
B. The German Model

The German model of workplace training is known for its entry level training programs. Germany has what is termed a dual system. It is composed of on-the-job training combined with attendance at a recognized vocational college. Usually students train in the workplace for three to four days a week and attend school for one to two days. In Germany, some 60% of school leavers enter this system. In Canada, some 40% of the workforce either drops out of high school or does not go on to any form of higher education.

The funding costs are split, with the states carrying the costs of the school funding and the firms covering the expenses of on-the-job training. What is particularly interesting for Canada is that Germany is also a federal system and, yet, Germany had managed to develop a plan where the federal government sets overall standards and state governments administer the system. The private sector firms are organized into various chambers — one for industry and commerce, one for agriculture, one for crafts, etc. These chambers administer the occupational and sectoral aspects of the program.

But even with this system, not all firms fund training. The largest employers, amounting to some 25% of all firms in the Chambers of Industry, do fund training. These firms employ some 60 to 80% of the total workforce. By law, trade unions in Germany must be equally represented with employers on all committees concerned with training. On the down side, apprentices receive between 20 to 53% of a full craftsperson’s salary. While this system worked well in an era of near full employment, it works less well today as Germany is experiencing high levels of joblessness. As well, as students can choose the trade they will train in, there are some trades that have become oversubscribed.
Part Six: Conclusions

Can we balance public sector needs, union initiatives, and collective bargaining?

In a period of continued cutbacks and slashing of public spending in most parts of Canada, existing sources of funding for training have and will be drying up over the next years. Unions have to develop a long term and a short term agenda to deal with this issue.

In the medium and longer term, the solutions to training funding have to do with combining training plans with massive job creation and the development of a new set of rights around training and education. Unions should attempt to force governments to recognize in law the right to training as part of the right to education. Training entitlement could be set at a minimum of 40 hours per worker per year. The Quebec and B.C. training “tax” models show that we can pass laws to regulate employers’ contributions to training funding. We also need new structures such as, at a minimum, truly co-determined training boards at the local, provincial, and federal levels to oversee and co-ordinate training. These goals can only be carried out at the political level.

In the short term, there is no simple answer to the training funding issue. The immediate program around training, I would argue, has to be pluralistic in nature. The battle for training funding, as I have emphasized, has to be waged both at the level of the public sector and at the level of collective bargaining. Unions have to fight to maintain and strengthen existing publicly funded education and training.

This brief survey of public training programs and those initiated by unions shows that there is a lot out there to examine and from which to choose. But not all is smooth sailing when it comes to unions and training.

First, unions have to think seriously if their initiatives around training are going to strengthen or weaken the public sector, public sector unions, and jobs in the community college system. This is not simply an issue of where training is done. There are those who would like nothing better than to attempt to privatize training delivery by pushing training out of the public domain.

But, in order to keep an important part of training in the public sector, community colleges and public sector unions must be able to show the flexibility needed to accommodate the rapidly changing training needs of union members who want input into the process.

As I have tried to show, it is possible to satisfy both these, at first, perhaps seemingly different needs — for preservation of public sector jobs in training and for a flexible union controlled training system. CSTEC and MITEC are showing that joint trusteed funds can be used to help strengthen community colleges and give workers access to community college degrees and programs. Union members also have to become more involved in the boards of community colleges and as school trustees to ensure that their needs are served by the programs offered.
Second, unions should support regional or provincial union controlled institutions where these exist and have or can play an important role. In a world where training is being devolved more and more to the private sector, unions can have their own training institutions to promote a progressive training agenda.

Third, unions have to look seriously about how, in tough economic times, initiatives which grant more training dollars to organized workers are perceived by unorganized and unemployed workers who are suffering from the same cuts that labour is trying to rectify. But there are also ways to deal with this issue. Why not try to negotiate new jobs or a new shift as was done at Chrysler or new apprenticeships as was done in the Post Office and demand that the new workers be drawn from the unemployed? Why not demand that companies put part of the training money into literacy or education programs such as scholarships for training that can help those not in the union?

Fourth, unions have to fight to ensure that their vision of training is present in the courses and programs that are offered. Training should not be separated from education. As much as unions have a duty to their members to fight for training for job skills, they also have the mandate to expand the education of their members. Does a labour perspective on the topic at hand come through in the course or does the perspective offered represent only that of the employer? Unions have to fight to ensure that the role of the union and union education is present in jointly designed programs as well as in our schools and training centres. If we limit education to the teaching of purely technical job skills, we are forgetting that unions are in a constant battle for survival in a North American climate that is generally hostile to unions and working people’s issues.

Fifth, unions have to realize that being forced into negotiating training through collective bargaining is also part of the strategy of governments and businesses to push the training issue out of the political arena, and into the business arena. Then once training is in the business arena, their strategy is to force training from the sectoral level down to the workplace unit. This is all part of the divide and rule, and let the market rule, strategy of business. While fighting for all we can get at the level of collective bargaining, unions have to realize that on this issue they can coordinate their efforts beyond the workplace. This co-ordination is necessary to break out of the workplace mould and the strictly regional perspectives into which business would like to see training slotted. Labour has to continue fighting on the level of the political arena for a reintegration of training funding as a major government concern.

It is only by unions lobbying for political changes such as securing the future of public education from daycare to kindergarten to community college and university or lobbying for demands such as a week of training included in all jobs covered by the Employment Standards Acts that training, as a whole, will be guaranteed.
Endnotes

1 CFLDB Matters Jan. 1997  p. 5

2 Interview with George Nakitsas CSTEC  April 1997

3 CLMPC

4 Canadian Labour Market Productivity Centre Training Study 1991 p. 55

5 Noah Meltz, “Human Capital and Infrastructure”, in Infrastructure and Competitiveness, ed. Jack Mintz and Ross Preston, John Deutsch Institute for the Study of Economic Policy, Queen’s University 1993


7 Statistics from Osvaldo Nunez House Standing Committee on Citizenship and Immigration April 10, 1997

8 Adult Education and Training in Canada 1997  p. 15

9 Adult Education and Training in Canada 1997 p. 41

10 Summary of the Training Outcomes Study

11 Adult Education and Training in Canada, 1997 p. 63

12 Adult Education and Training in Canada, 1997 p. 68-70

13 CSLS Sector Councils in Canada

14 The only book on this subject will be published in June 1997 by the Centre of the Study of Living Standards, Caledon Institute of Social Policy and the School of Policy Studies at Queen’s University


16 Post-Secondary Education in the Knowledge Economy: The College Connection

17 Education and Training Re-structuring: Does it deserve a Passing Grade? NUPGE 1997


20 La formation en emploi: ça se négocie!, FTQ 1996

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Appendices

Appendix 1

The Network of Sector Councils

- Canadian Aquaculture Industry Alliance Sector Council (Developmental Phase)
- Canadian Automotive Repair and Service Council (CARS)
- Canadian Automotive Repair and Service Institute
- Canadian Automotive Repair and Service Knowledge Network
- Canadian Aviation Maintenance Council
- Canadian Council of Consulting Engineers
- Canadian Council of Professional Engineers
- Canadian Council for Human Resources in the Environment Industry
- Canadian Council of Professional Fish Harvesters
- Canadian Grocery Producers Council
- Canadian Professional Logistics Institute
- Canadian Steel Trade and Employment Congress
- Canadian Technology Human Resources Committee
- Canadian Tourism Human Resource Council
- Canadian Trucking Human Resources Council
- Cultural Human Resource Council
- Electric/Electronic Sectoral Skills Council
- Forum for International Trade Training (FITT)
- Horticultural Human Resource Council
- Human Resource Sector Council for the Electronic & Appliance Service Industry
- Graphic Arts Training Council Training and Adjustment-Impression 2000
- National Seafood Sector Council
- Software Human Resource Council
- Textiles Human Resources Council
- The Mining Industry Training and Adjustment Council (MITAC) (Developmental Phase)
- WITT National Network
Appendix 2

Labourers Collective Agreement
Between Construction Management Bureau Limited and The Labourers’ International Union of North America, Local Union 615.

Article 29 — Labourers 615 Industry Improvement & Training Fund

29.01 All Employers must contribute and remit each month in one (1) cheque, by the fifteenth (15th) day of the following month, to the Labourers 615 Industry Improvement & Training Funds an amount of Forty-Six (46¢) Cents for each hour worked effective November 27, 1995. The hours worked are those hours worked in that month by any employee covered by this Agreement. The employer must complete a remittance form provided to the employer by the Administrator and return it to the Administrator. The contribution shall be made payable to the “Labourers 615 Industry Improvement & Training Funds” and remitted to the following address:

5450 Cornwallis Street, Suite 200
Halifax, Nova Scotia
B3K 1A9

29.02 The Labourers 615 Industry Improvement & Training Funds shall be administered according to the terms of an Administration Agreement made between the parties to this Collective Agreement dated this 5th day of February, 1996.

29.03 Employers and employees both recognize the need and benefits derived from training and promotion, and particularly from training in new construction techniques. It is, therefore, imperative that a program of training be provided for all members of Local 615.

Subject to the approval of the Labourers 615 Training Trust Fund Trustees, direct costs upgrading the safety training of union members described in Article 2.01 of this Agreement in Occupational Health and Safety courses required by Nova Scotia law, shall be paid by the Fund.
Appendix 3

Agreement between Canada Post Corporation and the Canadian Union of Postal Workers (Expires: July 31, 1997).

Appendix “T”
SERVICE EXPANSION AND WORKPLACE DEVELOPMENT COMMITTEE

The Mandate

A. The Corporation and the Union recognize that job creation depends upon the Corporation’s success in satisfying its customer base and in generating additional business opportunities and the impact of new initiatives to expand services. The parties further recognize that the efforts of employees and management are an important aspect of meeting customer service requirements. The parties agree to work together to identify ways of enhancing customer satisfaction, business growth and opportunities to create additional positions.

B. The Corporation and the Union also recognize that new opportunities may have new or enhanced skills requirements.

C. The Corporation and the Union therefore agree to the establishment of a Service Expansion and Workplace Development Committee (the “Committee”) with a mandate:

(1) to identify initiatives which will create additional positions;

(2) to establish pilot projects which will test the viability of the initiatives identified;

(3) to evaluate the pilot projects to determine whether the initiative(s) can continue on a self-sustaining basis;

(4) to support skills enhancement initiatives;

(5) to identify ways of enhancing customer satisfaction, expanding present services and generating new business opportunities;

(6) to identify growth potential in current functions represented by the bargaining agent;

(7) to identify initiatives of contracting in work currently not performed by employees of the Corporation;

(8) to identify initiatives which will result in service improvement and revenue enhancement;

(9) to project the number of positions which could be necessary as a result of the initiatives identified above;
(10) to investigate revenue and service implications of proposed job creation endeavours;

(11) to describe, establish and monitor pilot projects which will test the viability of the initiatives identifies above and the quality of service enhancement and confirm or modify the number of positions which are necessary for such projects;

(12) to evaluate the pilot projects to determine whether the initiatives can continue on a self-sustaining basis. In order to do this, the Committee, at the request of any member, shall select an independent evaluator who shall evaluate the above pilot projects to determine whether the positions associated with the initiatives identified and tested would be self-sustaining, i.e. that they would generate sufficient additional revenue to cover the cost of the positions, including total labour costs and any net additional costs.
Appendix 4

Excerpts from the Agreement between Chrysler Canada Ltd. and the CAW / TCA, Canada. Production and Maintenance, September 15, 1996.

Training

Letter (16.1) Chrysler-CAW National Training Committee

During the current negotiations, the Company and the Union indicated their mutual interest in advancing the learning of employees through education and training. The parties agreed that employee training has positive effects on product quality and productivity and should provide opportunities for employees to expand their knowledge and improve their sense of accomplishment.

The parties indicated that many aspects of employee education and training require the cooperation and commitment of both the Company and the Union.

Accordingly, the parties have agreed to establish the Chrysler-CAW National Training Committee consisting of five representatives of the National Union and five representatives of the Corporation, to be appointed respectively by the CAW President of the National Union and the Vice President, Human Resources, of the Corporation. The members of this Committee shall include at least one person who is familiar with the training needs and related problems of employees in each of the following areas: (I) office and clerical employees; (ii) engineering employees; (iii) skilled trades employees, but excluding apprentices covered by the Supplemental Agreement relating to apprentices, and (iv) all production and maintenance employees.

The Chrysler-CAW National Training Committee shall have responsibility for investigating, developing and implementing:

a) New and/or expanded training programs that will be in the best interest of both the employees and the Corporation;

b) Standards for the implementation of the various programs;

c) Methods and techniques for selecting candidates for training on the basis of aptitude, interest and other qualifications; and

d) The instructional methods to be used in such training programs.

In addition, the Chrysler-CAW National Training Committee may conduct other activities that will support employees in the advancement of their learning.
Each Local Union shall (i) encourage its members to enroll and to continue to participate in
training programs; (ii) counsel and advise them on the availability of training programs and as to the
appropriateness for them of the various programs, having in mind their experience, aptitudes,
education and other qualifications; (iii) advise the Chrysler-CAW National Training Committee as to
the needs among its members for training programs.

During these negotiations, the parties discussed the following programs, among others, for
Chrysler-CAW National Committee follow-up:

- MIPP or other ergonomics training programs
- Anti-harassment
- Skills Upgrading in Technology for Women Production Workers
- New Hire Orientation
- Substance Abuse

Letter (16.2)   Training Fund
National Training Committee

During the current negotiations the parties focused on the importance of training and the role
played by the National Training Committee. In reaffirming its commitment to training, the parties
agreed to establish a Training Fund as a means of funding the development and implementation of
employee skills and training activities. The Fund will come under the direction of the National
Training Committee.

In this regard it was agreed the Company will make available up to a maximum $7,414,554
(representing the value of up to 16 hours training per active employee as of the effective date of this
agreement) for use by the National Training Committee over the term of this collective agreement to
fund the development and implementation of training programs approved by the committee. In
addition, the Company agrees to make available to the N.T.C. up to a maximum of $500,000 to be
used for start-up costs associated with administration and program development. All monies will be
recovered from the Special Contingency Fund.
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