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Mr. Ed Komarnicki

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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● (0845)

[*English*]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): Good morning, everyone. Thank you for attending.

We have three presenters this morning.

We have Mr. Andrew Sharpe, executive director of the Centre for the Study of Living Standards, and from Carleton University's Department of Economics, Dr. Patrick Coe, and Christopher Worswick, Professor.

Gentlemen, we'll have each of you present, and there will be questions from each of the committee members. We will be hearing the first panel for the first hour.

We'll start with Mr. Sharpe.

Dr. Andrew Sharpe (Executive Director, Centre for the Study of Living Standards): Thank you very much. It's a great pleasure to be here today.

I've been a student of the apprenticeship system for about 25 years, on and off. Certainly it's not my major area of research, but we've done quite a bit of work in that area, so I'm very pleased to give you my comments today.

First I thought I'd just give you an overview of the current status of the system and then list a number of challenges that are facing the system.

Twenty-five years ago I really wouldn't have believed the current state of the situation. It is really very strong actually. I'll just give you some data. There are two basic bits of information on apprenticeship systems that are important. One is the number of registrations; the other is the number of completions.

Fortunately, Statistics Canada produces excellent up-to-date data from 1991 to 2010 on these variables for the registered apprenticeship system.

In Canada currently there are 430,000 registered apprentices. That is up from about 200,000 in the year 2000. That is an increase of 116%. Basically registrations in apprenticeship systems are booming. In contrast, total employment is up by less than 15% over that 2000-2010 period. Why has that happened? There are a number of factors at play, some linked to the construction boom, because many trades are in construction. There are also some linked to public policy, which has been very supportive of the apprenticeship system in recent years.

Another factor is that there doesn't seem to be as much cyclicality. In the past, an apprentice needed an employer to register. Now, of course, it is still the case, but in the past, when there was a recession, there were no positions for apprentices. There's still a little bit of that. New registrations went down in the recession of 2009, but not as much as they had historically.

There are four trades that account for about half of apprentices. Three of them are in construction: carpenters, electricians, and plumbers and pipefitters. All three of those trades have experienced extremely above average growth in the 2000s, again linked to the very strong employment growth in the construction trades.

Completions are also up a lot. The number of apprenticeship completions in Canada in 2010 was 36,000. In 2000 it was 18,000. So basically there has been a 100% increase. There are double the number of completions.

However, there has been a lot of increased registration, so obviously if there are more people in the system, then there are more people leaving. But if you look at the ratio of completions to total registrations, which is not really a true completion rate, but it gives you a proxy of how many people every year are finishing the program compared to the overall stock, that's only about 8.4%. It's quite low. The good news is that it's up from 6.4% in 2006, even though it is down from 9.2%. So there has actually been a decline in the ratio of completions to total registrations since 2000.

There are two aspects of the apprenticeship system that I think are very important. One is the gender balance. The other is the provincial balance. In the past, women have not been very involved in the apprenticeship system, but I am pleased to report that is changing. There are currently 58,000 women registered as apprentices, and that's actually up from 17,000 in 2000. Basically, 13.4% of apprentices are women. It was only 4.3% in 1991 and 8.8% in 2000, so we are making progress in the number of women.

The women are largely concentrated in certain trades, like food services, childhood education, hair styling, and support technicians. There are not as many in the trades. Even in the trades, the traditional construction trades, the number of women is increasing, but it's still very small. I'll just give you a few examples. For electricians, it is now 3.2% and it used to be 1.1%. The number is around 3% or 4% in many of the trades, but that's up from 0.5% two decades ago. So there is some progress there, but many people argue that there's not enough progress. We need more women in the trades.

The final dimension of the apprenticeship system is the provincial dimension. We really don't have an apprenticeship system in Canada. We have 13 apprenticeship systems, because apprenticeship is under provincial jurisdiction. There are large variations in how the system is performing from province to province.

● (0850)

In recent years, where has the growth been? Well, not too surprisingly, it has been a lot in western Canada, because that's where there are a large number of construction projects. But Ontario has also had a very large increase in the number of apprentices in the last decade. On the other hand, Atlantic Canada has not done as well. Some provinces have a very slow rate, such as New Brunswick and Nova Scotia.

It's also interesting to look at the completion rate across provinces, which varies more than the completion rate across trades. Basically, the territories and western Canada are doing a little bit better than average. It is about a 10% ratio of completions to total registrations. Ontario is doing extremely badly; there is only a 5.7% ratio of completions to total registrations. There is a lot of variation across provinces. Certain provinces approach the apprenticeship system in a different manner.

What challenges do I recommend the committee investigate in its research? First off, there's the question of female representation. I mentioned that there was good news there, but maybe not enough. We want more women registered, particularly in the traditional trades. That's a key issue.

The other one is the low completion rate. It's still low, and there are a variety of reasons for that. I think one of my colleagues will be addressing that issue. It has been a source of concern for the government for decades. If you look at a true cohort analysis, it's well less than 50%. A lot of people drop out. In many cases, you don't need to complete to work in the trade, so there's less of an incentive.

The third key point I make is that there's a lot to learn by looking at the provincial variation. For example, why has Alberta done so well? It has about 20% of the apprentices in the country, even though it has only around 12% of the population. On the other hand, Nova Scotia has done extremely poorly. It has big construction projects coming up in shipbuilding, yet its apprenticeship system is not increasing the number of graduates.

There are two other issues. One is the link with community colleges. I think it's very important that there be greater integration between community colleges and the apprenticeship system. Many apprentices take their training in a community college, but they don't get a certificate. Often, if you don't finish the apprenticeship system, you really don't have anything formal in terms of qualifications, whereas if you had been going to community college and had a joint program, you'd actually get a diploma at the end. I think there's great potential to have the systems work more closely together.

The final point is the level of the apprentices. One reason many apprentices don't graduate is that they can't meet the formal requirements. The national apprenticeship survey that was run a few years ago found that many apprentices actually don't have high school. It's extremely hard, often, to pass those tests if you don't have the basic skills from high school. To the degree that the high school completion rate goes up, that will mean there will be more people with that training. That's an important area. We have to increase the basic skills of many in the apprenticeship program.

Mr. Chair, I think I'll stop there. I think my seven minutes are up.

Thank you.

● (0855)

The Chair: Thanks for raising some very interesting challenges. In questioning, some may ask you perhaps for potential solutions or maybe opportunities to meet those challenges.

In any event, we'll now move to Mr. Coe. Please go ahead.

Dr. Patrick Coe (Associate Professor of Economics, Carleton University): Thank you.

I'm going to look at something that's much more specific. I'm interested in seeing if I can explain some of the variation in completion rates across provinces and trades over a period of around about 15 years.

The problem is motivated by a fair bit of media attention over the last 10 years about a perception that there's a shortage of skilled trades, often in construction.

Andrew mentioned quite a bit of this. Registrations are up. My numbers are a little bit more out of date than Andrew's, but the number of new registrations in apprenticeship programs went from 30,000 in the early 1990s to 80,000 in 2007. If you then look at completions, you just don't see increases of the same order of magnitude. So the obvious implication is that the completion rate has declined over that period. I have a number here from a paper of Andrew's in 2005 that talks about a fall from 64% in 1982 to 39% in 2002, although there has been some increase over the last few years, as Andrew mentioned.

When you look at the data at a less aggregate level, you see quite a bit of variation across trades and provinces. In the handout, I gave you some numbers for bricklayers in 2002: in Alberta the completion rate is around 50%; in B.C. the completion rate is around 14%. The number I'm looking at there is not completions over total registrations, but completions over new registrations, say four years previously when the program would have begun.

If you look at the requirements for apprenticeship programs across provinces and across trades, you also see variation. Again looking at bricklayers in 1999, to start an apprenticeship as a bricklayer in Alberta you would have needed a grade 9 education and then you would have been required to do about 5,500 hours of work experience; to enter the same program in B.C. would require a grade 12 education and then about 5,000 hours of work experience. There are similar variations in the amount of training you have to do and the format of that training across provinces for the same trades, and obviously, of course, there are differences in competencies across trades.

What I'm aiming to do is exploit that variation in the apprenticeship programs across provinces, to see if that's related to the variation in completion rates across provinces and to see if that will tell us something about an optimal way to design these apprenticeship programs in order to raise completion rates.

The ways in which these programs differ is whether or not certification is mandatory to work in a trade; the length of the work experience term, as I mentioned; the amount of formal training; the method of delivery of that training; and the level of education required to enter the program. So those are the features of the program I'm looking at.

I also look at the population of apprentices in these trades and provinces: the age structure of apprentices in each trade and province, and also the sex composition as well. I am asking whether those are related to completion rates.

Finally, it is often argued that employment instability is an important factor in apprenticeship completion rates, so I also look at unemployment rates across provinces and by aggregated trade indicators.

The data comes from a bunch of different sources, and I won't bore you with where the data is from. It is in the paper, if you are interested.

As a summary of results, the presence of mandatory certification is associated with about a 10% higher completion rate than in trades without mandatory certification. This is probably not surprising. If you need to complete the program to work in a trade, the incentive to complete the program is obviously much greater, and we would expect to see apprentices complete more often.

Does that mean that mandatory certification is the right policy? It may not be the case. If the issue is that there is a shortage of people working in this trade and non-certified workers are reasonable substitutes for certified workers, then mandatory certification may not help alleviate a trade shortage.

Looking at the length of programs, there is really no evidence that the length of program is related to completion rates at all. It's not the case that longer programs have lower completion rates, as you might expect. There are a number of reasons why that might be the case. Apprentices who choose those programs may be different from apprentices who do not choose those programs. So again, we're not randomly assigning length of programs to individuals. It may be that those who choose these programs understand fully that these are long programs.

● (0900)

The one thing my results don't speak to is whether this is a barrier to entry. It could be that long programs act as a barrier to entry. If you know it's going to take you five years to qualify as an electrician, you may never enter the program in the first place. So my results don't speak to that. It could be that shortening programs may have a positive effect. But again, the trade-off is that if you shorten the program, there's less training for the individual, and then whether or not they gain the competencies that the labour market requires could be an issue.

It's often argued that having technical training delivered by block release is a barrier to completion. I find no evidence of that at all. The provinces and trades with training delivered by block release have no lower completion rates than others.

There's a negative effect of average age on completion rates. Apprenticeship programs with younger apprentices typically have higher completion rates. We might expect that younger apprentices are less likely to have family commitments that are going to cause them to drop out of programs and so forth. This effect is fairly small, and similarly, a positive effect of the “percentage female” on completion rates again is a fairly modest size.

The one thing that does show up as important is unemployment rates. Trades for which there's a high unemployment rate over the period for which the apprentice will be taking the program typically have lower completion rates. We would expect that if you are having difficulty keeping a job, then you're not able to accumulate the hours of work experience you need to complete, so the completion rate is lower when there is a higher unemployment rate in that trade and province.

Thank you. I hope I didn't go over too much.

The Chair: Thank you very much, Mr. Coe.

We'll now move to Mr. Worswick. Go ahead.

Prof. Christopher Worswick (Professor, Department of Economics, Carleton University): Thank you.

I'm going to talk a bit about the main results from a paper I completed with Ted McDonald, who is an economist at the University of New Brunswick. It was part of a major project done by the Canadian Labour Market and Skills Researcher Network funded by the federal government.

The title of our paper was "Intergenerational Effects of Immigration Policy on the Education Distribution: Apprenticeship Training in Canada". Our background as labour economists is more in the area of immigration. The approach we took to this particular paper was to ask the question, what have past immigration policy and recent immigration policy done in terms of shaping the attitudes that young, Canadian-born individuals have towards different educational pathways—the skilled trades in general, apprenticeship in particular, versus different types of post-secondary education such as university degrees? There are two main policy changes related to our immigration policy that we wanted to explore.

First was the idea that there have been profound changes in source country in our immigrant intake over the past 40 years, movements away from northern European countries in particular and towards Asia, Africa, and Latin America. We were curious to see, just in a simple way, whether those movements led the children of immigrants, those born in Canada with immigrant fathers in particular, who may or may not have worked in the skilled trades or had an apprenticeship from their home country...whether that was associated with higher or lower probabilities of completing apprenticeships.

The other thing we were interested in looking at was the fact that, as you may well know, in the 1990s there was a big movement towards selecting immigrants based on university education, primarily, a big increase in educational requirements in general. We were curious to see whether there was really sort of an intergenerational echo, or intergenerational relationships, between the educational outcomes of the immigrants coming in and the educational choices and outcomes of their children.

In a nutshell, we find pretty strong evidence that these two changes in immigration are likely to have and are having effects on the next generation in terms of their attitudes towards working in the skilled trades in general and entering and completing an apprenticeship program in particular. The analysis is based on the master file, the confidential files of the 2006 Canadian census, where, for the first time, there was a specific question asked related to apprenticeship completion. We were able to look at the average characteristics of that variable—completing an apprenticeship—for immigrants themselves, those who arrived here as adults and those who arrived as children, and we also have detailed information on the place of birth of the parents. We focused on the father—trying to get relationships between young men and young women doing apprenticeships based on whether their fathers had done apprenticeships in the previous generation.

So in a nutshell, we do see big differences. For example, just in general, immigrant men are 11% more likely to have a higher university degree than either second-generation men, which are those with an immigrant parent, at 6%, or third-generation men, those with a Canadian-born parent, at 4%. We see big differences by source country. Even when we focus on Canadian-born men and women separately, we find that the source country of their immigrant parents, if they have an immigrant parent, matters. So first-generation Canadian-born men with a parent, with a father, born in the U.K., Ireland, Australia, or New Zealand have relatively high rates of apprenticeship credentials in Canada. These are again the Canadian-born outcomes.

In contrast, for Canadian-born men whose fathers were born in Asia in general, different regions of Asia, we see very low rates of completion of apprenticeship and much higher rates of going to university.

● (0905)

We're not saying this is a bad thing, by any stretch; higher educational attainment is a good thing. But it has implications, if we're planning ahead and trying to ensure that we have individuals who are going to take up employment in the skilled trades. If our immigration policy is pushing both the immigrants themselves towards university education and, through intergenerational mechanisms, pushing their children towards university education, then we see that as a challenge for public policy. Mainly, our paper is identifying the magnitude of those effects.

Maybe I'll stop here.

The Chair: Thank you very much. We'll start with the first round of questioning.

Ms. Charlton, go ahead.

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you very much, Chair.

Thank you very much for being here this morning. All three were interesting presentations.

We focus a lot in this committee, at least to date, on the barriers that employers face in offering more apprenticeship positions. I find it refreshing to think about it from the other perspective, to look at barriers for potential journeymen as well. I want to focus a little on that.

I think I'll just ramble all my questions out at once and then look to you for reply, because unfortunately I only have five minutes.

I was interested in all of your comments about the under-representation of women. I didn't hear you say very much about the under-representation of first nations, among whom unemployment is particularly high. I wonder whether there's a different lens through which we should look at our recommendations for that particular population. I would appreciate some comments on that.

I'm also interested in the discrepancy between the number of apprentices and the number of completions. I think both Mr. Sharpe and Mr. Coe spoke to that. Often we focus on tax credits for employers as the solution to all of these things, but it strikes me that there's a whole menu of things that, although we need to stay within federal jurisdiction, we might want to give some thought to. I'm going to list a few and would appreciate your comments, in terms of what you think might be effective and in particular what might be most effective.

It seems to me that changes to the EI system, for example, have become a disincentive, because the processing times are so long that people now don't get their EI money during their apprenticeship program, while they're not in the workplace anymore.

You mentioned basic skills training in your presentations as something on which we need to do much more work to get people ready for apprenticeships.

I would mention support for travel and accommodation for apprentices who, particularly in the building and construction trades, often have to travel a significant distance to the job site.

Employment stability is something I think you mentioned, Mr. Coe. It strikes me, when we have just gone through a period of having large infrastructure spending, that those were very limited timeframe investments. Some of those building projects had to be completed within 24 months, while the apprenticeship program is much longer than that. What happens to apprentices when the government support for infrastructure is constrained by time in that way?

Another thing I'm interested in is accurate labour market information to predict where the labour market shortages will actually be, not just currently, but a few years down the road. Sectoral committees used to play a really important role in that regard, and yet the government has cancelled its support for such committees. I wonder whether you have thoughts about what we need to do to get accurate labour market information.

I think that might be enough as a start. Thanks.

● (0910)

The Chair: You have less than two and a half minutes. I'm not sure how you're going to approach this, but go ahead, give it your best try.

Mr. Sharpe, go ahead.

Dr. Andrew Sharpe: There were quite a few points raised.

Regarding the first nations, you're absolutely right. I don't have any up-to-date data on registrations by first nations. I don't think they code for that, at least not at the level that's publicly available.

There's a great fit there, because often first nations are in resource-based areas where there's demand for apprenticeship trades. A lot of work has been done in that area. I'm not an expert on the work, but there is an obvious fit between the two communities. I think that's an avenue for progress. While there has been a lot of work done, I really can't give you anything up to date on the situation.

You're right about the different incentives to get people into apprenticeship trades, but as I mentioned, in the year 2008, which was the cyclical peak, we had 98,000 new apprentices in Canada. Obviously the markets just aren't working in attracting people to these trades. Many of the trades are well-paying, so there's an incentive to get into the trades.

Certainly all those areas you mentioned are important: basic skills, the links to EI.

I want to mention, concerning the labour market projections, that it's extremely difficult to project where the demand will be by occupation. There is technological change going on all the time, and changes in wages, changes in major projects—it's very hard. We have the Canadian occupational projection system, which is done by Human Resources Canada; that's a starting point. But many people don't feel that it is very accurate, because it's so hard to predict the future. The Construction Sector Council did a lot of work on predicting demand for skilled trades in Alberta in the oil sands, and that was a really good project.

It is true that, as you point out, the government has cut back on sector councils. I think many of them will survive and hopefully will be more market-oriented and will be using the resources from the labour and business sectors to fund their activities more. That's the hope, but we will see what happens in that area.

I'll stop there.

The Chair: Mr. Coe or Mr. Worswick, go ahead.

Prof. Christopher Worswick: I'll make a quick comment related to the first nations question.

We did a separate control, in a fairly basic way, in our analysis among Canadian-born first nations men and women. Within the context of our overall statistical analysis, there are many controls. For first nations men, we're finding a 13% to 16% lower probability of completing an apprenticeship, after we control for family background and parental education. For women, we're not seeing that. It's sort of a zero or very small difference.

That's a little bit of information.

● (0915)

The Chair: Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and thank you to the witnesses for being here today.

One of the comments that I picked up on was the fact that apprentice outcomes in Alberta are much better than the example of Nova Scotia. Do you think that's a reflection of the vibrant economy and the continuum of construction projects in that province?

In saying that, our government spends a lot of money providing scholarships for those who are going to university, to help them attain their education and degrees. What approach do you think there might be for the government to support trades, as far as helping either the employers financially, assisting trades training on the job, or assisting those who are in the trades, the apprentices themselves?

We had a witness here last week who said we always look at the big five apprenticeships. Actually, there are 72 skilled trades. I don't think we're doing a good enough job educating those young people about the opportunities in other various trades than those big five. Could you just comment on those two issues?

Dr. Andrew Sharpe: In terms of Alberta, you're right. Alberta is a model in many ways, and that's because of a number of factors. One is that there's a great demand for apprentices there. So the government is taking it seriously. I think the government programs are very effective in that area. Also, business and labour are working together, because for trades you want the labour market partners to work together, and they've been working effectively in Alberta, compared to other provinces.

On the incentives for apprentices, as we've already seen, there's been a massive number of increased registrations in recent years. I think these incentives are second order issues, though. Really, it's fundamentally the economy that's driving the apprenticeship system.

Now we have incentives for employers to hire apprentices. We have incentives for completion, but they're a thousand dollars here or there. I think it's just on the margin. I don't really think the government can really control the registrations into the apprenticeship system that closely. You're right—

Mr. Colin Mayes: I'll cut you off and maybe ask Mr. Coe—so I get a good cross-section.

Dr. Patrick Coe: One of the things that I think people have argued that would maybe be useful is going to the high schools. Some of the people argue that apprentices are maybe not an attractive option to the kids. They talk about high school guidance counsellors who have all been to university, and therefore they kind of have this natural bias toward recommending that to their students, particularly those who are the most capable. Maybe there's some argument for having people from trades visit high schools.

I'm guessing it's a fairly cheap way and a way to explain that these options exist. It is a way of promoting them by giving students some of the numbers as to what they might expect to earn in this profession versus what they might expect to earn with a university degree. Then let students make an informed choice, rather than naturally seeming to gravitate toward university.

As a university professor, I'm not sure how much I want to push that, but certainly making students aware.... I think markets work best when the individuals in those markets have as much information as possible. I think that would be a natural thing to do.

Mr. Colin Mayes: Do you have something to add, Mr. Worswick?

Prof. Christopher Worswick: I don't really have a lot to add. In general, we know that often access to credit is a major issue for people in educational programs. I'm not saying that's a big issue for apprenticeship, but a detailed look at what potential barriers there are for people might be something worth considering, and whether individuals feel they're giving up something by entering into the apprenticeship program. That might be a margin that the government could look at, but beyond that I don't have anything else to add.

Mr. Colin Mayes: How do you see the opportunity we might have as a federal government of trying to bring the provinces together on some common ground, as far as apprenticeships are concerned, and taking a leadership role to make sure there's labour mobility among the provinces and the same opportunities in each province?

Getting back a little bit to the question, my issue, as far as incentives go, is that in some provinces they get started in apprenticeships, but because of the cyclical swing of the economy, there may be fewer jobs in housing, or construction, or whatever. Is there some way we can bridge that so that there would be an incentive for the employer to keep an apprentice, to get those hours they need to finish their apprenticeship?

● (0920)

The Chair: Who wishes to respond to that?

Mr. Sharpe.

Dr. Andrew Sharpe: I think the federal government has done quite a bit in recent years on apprenticeships. It created the Canadian Apprenticeship Forum, which you will probably be having a representative from. They were under the sector council program, so I'm not quite sure of their future.

Of course, the Red Seal program is very important, and that's for mobility across provinces. There are a very large number of apprentices who take the Red Seal exam.

In terms of basically having an employer not lay off an apprentice when there's a downturn, well, I guess the best thing would be to try to minimize the downturns through appropriate fiscal and monetary policy. I guess you could have some work-sharing types of agreements. We already have that in Canada. There are programs so that employers can keep their employees or their apprentices during the downturn. Maybe they should be expanded.

As I pointed out earlier, though, luckily, the last two recessions we've had in Canada have been a lot shallower than the large recession we had in the early 1980s and early 1990s, so that's been a very positive development. That explains why there hasn't been as much of a downturn in the apprenticeship registrations.

The Chair: Mr. Coe, do you have a short comment?

Dr. Patrick Coe: No. I agree with Andrew on the Red Seal.

The Chair: We'll move to Mr. Cleary.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you, Mr. Chair. Thank you to the witnesses.

I have a number of questions, so I'm going to look for short answers because I only have five minutes.

Mr. Worswick, I found some of the things you had to say, some of your research, fascinating, especially in terms of your work with the census data from 2006. You talk about how there are more Canadian-born men with fathers, for example, from England, Ireland, and New Zealand in apprenticeship programs, as opposed to Canadian-born men whose fathers come from Asia, for example, who have lower apprenticeship numbers.

My question doesn't have to do with the research, which I find fascinating, and I'm sure it can help us in terms of addressing the apprenticeship shortages, but what impact are the changes to the census program, to the long-form census, going to have on your future research?

Prof. Christopher Worswick: It's going to be a challenge for future research. The main issue is in the past, when the long form was mandatory. We were fairly confident that we were getting a representative sample of the population and for these subgroups. Obviously, if individuals are refusing to complete the long form, and if that's not random, then we're going to have to try to account for that statistical bias, or any statistical biases that could come into it.

To be fair, that doesn't affect our results, and you certainly haven't implied that, but it will be a challenge going forward, yes.

Mr. Ryan Cleary: I'm looking for a quick answer here, I'm sorry —if it's even possible to give me one. What does it tell you, the fact that where a Canadian comes from, where their parent comes from, and the likelihood of their going into an apprenticeship program...? How will that help us, moving forward, in terms of addressing apprenticeship shortages?

Prof. Christopher Worswick: I guess one way to think about it is that it's reflecting the underlying preferences we all have for certain lifestyles, in a sense the non-pecuniary aspects of educational pathways. Any kind of model that's trying to predict demand going forward—these kinds of effects could be modelled into simulations. In a nutshell, I think to be fair, some of the recent proposed immigration changes move in the opposite direction, like the proposed federal skilled trades program by CIC. To be fair, I'm not saying this trend is continuing, but the trend over the previous few decades was pushing people, in a sense, away from apprenticeship preferences as they're formulated in childhood and in family homes.

Mr. Ryan Cleary: Thank you.

Mr. Coe, I have a question for you. You talked about how we don't have one apprenticeship system in Canada; we have 13. You talked about how, for example, in terms of qualifying for a bricklaying program you need grade 9, and in B.C. you need grade 12. My question is short and simple. Instead of 13 apprenticeship programs in Canada, should there only be one?

Dr. Patrick Coe: To be fair, I was focusing on completion rates. The different structure didn't seem to matter as much as I thought it would have a priori, so if there are good reasons for that regional variation, it doesn't seem there's too much cost in terms of completions. Certainly, my results don't speak to saying we should move to a single system.

Red Seal is in place, as Andrew said, so that does allow somebody who qualifies, say, in Nova Scotia, to then go further and get the qualification that allows them to move throughout Canada. Presumably, a single program would do that in one step, in some sense, but I don't think the Red Seal is a particularly large cost on individuals. Again, if there are differences in regional economies that would suggest differences in programs, then moving to a single program could be costly.

● (0925)

Mr. Ryan Cleary: Mr. Sharpe, I have a question for you. Right off the bat in your presentation, the first presentation this morning, you talked about the ratio of completion rates to total registration. I believe the number you used was 8.4%.

Dr. Andrew Sharpe: Right.

Mr. Ryan Cleary: In other testimony we've had before this committee, we were told that the average age of an apprentice across Canada—correct me if I'm wrong—is 25, to start.

Dr. Andrew Sharpe: Right.

Mr. Ryan Cleary: I was shocked when you said the ratio of completion rates to total registration was 8.4%, given the mature starting age of apprentices. Why is it so low?

Dr. Andrew Sharpe: Again, remember it's not the completion rate; it's the ratio of completions to total registration. That's not the same thing. The completion rates may be up to 50%. It's taking the total stock, as was said, taking the number of 430,000 people and comparing it with the number of completions every year, 36,000 in 2010. I don't know if there's a link there with the age. Many apprentices are in their late 20s and 30s because they often don't know if they want to go into that; they don't know where they want to go. They try a few jobs, then they find a trade they want to do and they go into it.

I don't think there's any necessary link between the average age of the apprentice and this overall ratio. I don't know if there's necessarily any relationship there.

The Chair: Thank you for that exchange.

We'll move to Mr. Daniel. Go ahead.

Mr. Joe Daniel (Don Valley East, CPC): Thank you, Chair. Thank you, witnesses, for being here.

I'm very interested in all the statistics, and the way you've sliced it up and diced it up, and so on, but really, has anybody actually talked to the apprentices who didn't complete to find out why they really didn't complete them, so we actually have some idea as to what are the hard points? You mentioned availability of credit and a couple of other things, but has anybody actually done any surveys with the dropouts from the apprenticeship programs?

Dr. Patrick Coe: I think there is a survey among apprentices that does exactly that. I think Rick Mueller did a study that looked at completions using that survey, which I think also gives apprentices the option to say why they dropped out.

Survey evidence can be informative, but of course the reasons someone gives you may not be the reason they do drop out. People often talk about how periods of employment instability are important. Employers talk quite a bit about math and literacy skills of the apprentices, that they're not up to what's needed in order to get through the program. Yes, there are studies that do exist.

Dr. Andrew Sharpe: This was a very important issue for the government about eight years ago. They actually allocated a lot of money, around $15 million, to a national apprenticeship survey that was run in 2007-08. There had been past apprenticeship surveys, but they took this very seriously.

After that they commissioned a number of studies exactly on this issue. I was involved in that as a member of a technical committee. All sorts of possible reasons were asked about, in terms of whether there's an incentive to complete and so on. Often the wages of people who complete are not massively different from those who don't complete. Remember, you have a job if you're an apprentice and you can simply stay there.

There's quite a bit of literature on that issue. I don't think there's any one silver bullet that says this is the reason people are quitting. There's a wide variety of reasons why people are not finishing.

● (0930)

Mr. Joe Daniel: We talked a little bit about the other question about the statistics in the long form. Can you be a little bit more specific about what would be in the long form that would actually give you any information on this? From what I've seen, almost everything you would actually need is already in the short form.

Prof. Christopher Worswick: It's a good question.

Off the top of my head, I don't believe the father's place of birth is in the short form; I believe it's in the long form. Earnings are in the long form. Occupation, we control for; it's in the long form.

I'd have to check on the other variables, but I'm quite sure that we could not do our analysis with the short form.

Mr. Joe Daniel: One of the things that has come up many times is that there aren't enough positions for apprenticeships. My question is, what can the federal government do to actually help in terms of encouraging employers and small to medium companies to actually open up more positions and be able to go through the whole process so that the apprentices can complete their programs?

Dr. Patrick Coe: I think it's difficult, in the sense that if there aren't positions for apprentices, maybe that says something about whether the demand is really there for the occupation. If this is an important occupation, then you would expect the positions to be there. There's a bit of a challenge in terms of subsidizing people to work in the tasks they're then doing, because if there's no real work for them to do that's related to their trade, they're not getting the training they need.

Mr. Joe Daniel: Typically, if an employer has a program for an apprenticeship, it's usually for some work that they actually have.

Dr. Patrick Coe: Exactly.

Mr. Joe Daniel: How do we encourage employers to actually open up these situations to allow this to happen? There is a cost associated with an apprenticeship program.

Dr. Patrick Coe: There are ways. You can subsidize the wage, but again, whether or not that's something you want to do is I think a question. People will always hire more workers if they're cheaper.

The Chair: Thank you, Mr. Daniel.

Did somebody else have a quick, short comment?

Go ahead, Mr. Sharpe, and then we'll move to Ms. Murray.

Dr. Andrew Sharpe: I think the statistics belie this idea that there are not enough positions there. In 2008, as I mentioned, there were 100,000 new registrations in apprentices, so there are lots of positions. Employers need to produce more and then they'll hire workers, and they could, as part of those workers, hire an apprentice. If the economy is strong, I think the positions will be there.

The Chair: Thank you.

Ms. Murray, do you have some questions?

Ms. Joyce Murray (Vancouver Quadra, Lib.): Thank you very much for being here to help us understand this important issue.

My questions are in three zones. One builds on—I think it was Mr. Mayes' question—the federal role. It seems that there are different ways of tracking, and there are different counts of completion rates, and so on. Is the area of measurement an area that the federal government could potentially take a role in, stabilizing apprenticeship success and completion rates, and I guess successfully getting a job, stabilizing how that is tracked, or is that already tracked by the federal government? Is there a proper system in place to track it nationally, and if not, why not, and could that be a role for government? Were we to do that nationally, there would be more of a sense of in which trades the registration rates are low and where the completion rates are low, and there would be more comparability. I guess it's what you measure. You can improve that idea. That's one I'd like you to talk to.

Second, there has been a huge increase in women in trade apprenticeships. What accounted for that increase? What kinds of things were successful, or is there data on that? What do we need to do to have more women enter traditional trades?

Third, what are the best practices internationally? What would be three best practices that might be helpful in terms of the Canadian context that could be utilized here in Canada to make progress on the apprenticeship front?

Thank you.

● (0935)

Dr. Patrick Coe: The registered apprenticeship information system tracks each apprentice and gives you, at the beginning of the year, whether this is a new registration or a continuing registration. Then at the end of the year it tells you if this is somebody who has completed, dropped out, or is continuing on to the next year. The set-up is there I think for this data to exist.

There are other characteristics of apprentices that are reported there, and they're not all reported that well. Quite often there is missing data, and in some variables there's not enough data to do anything with because it's not reported for so many apprentices.

A way of encouraging employers to actually complete this thing I think would be useful. Maybe some credit if you actually send in the form with all of the boxes completed would be useful. Then, across apprentices, we could look at how some of the variations in their characteristics are related to their progress through the program, because we could link individuals to see how they do.

If we have an individual and we know his age, sex, race, and so forth, we can track. We know because of where they are what their requirements are, because we know the provincial requirements and how long they were employed for. This information would allow us to track individuals through, and I think do a much better job of trying to explain why some individuals complete and some don't.

At the moment, the survey is there. I just don't think it's completed well enough. Maybe adding a few more variables and questions to that survey that employers have to fill in would be a big start.

Prof. Christopher Worswick: I could make a couple of comments. While there has been progress for women in moving into skilled trades and apprenticeships, we still see fairly low rates. I think there's a parallel to what we looked at in our study in terms of immigrants, whether they be male or female, from non-traditional source countries and attitudes towards doing an apprenticeship.

One of the issues is that we have just seen university attendance and completion rates go up so much for that group. We've also seen that for women, where the universities in Canada, on average, at the undergraduate level are overrepresented in terms of women as undergraduate students. That's a good thing.

I think this is a policy challenge. We see these individuals achieving very high levels of education, and yet we wonder whether some of them might be happier or have better labour market outcomes down the road if they go into skilled trades. I think that's an important factor.

I think also, potentially, discrimination is a factor, where for some women entering into traditional skilled trades, they may be entering into a male-dominated environment and it may not be that easy.

I think there's a challenge there in separating those two things out. I think that's an area for future research. There may be some policies designed to help women break into male-dominated skilled trades that could be looked at.

The Chair: Thank you, Ms. Murray. Your time is up.

I'd like to thank the witnesses for presenting and for answering the questions.

We're going to have to squeeze our time together, so without suspending, I'd ask witnesses who presented to leave and the new witnesses to come to the table. We'll continue without taking a break. We may have to bridge your time. We want to be sure we hear the second panel and at least get some rounds of questioning in if we can.

We thank you once again, and we invite the new panel to come forward.

Thank you very much for that quick exchange in coming to the table.

We will hear from Mr. Benoit Dostie, associate professor and director at the Institute of Applied Economics; Robert Crocker, principal, Atlantic Evaluation and Research Consultants Inc.; and John Meredith from the University of British Columbia.

I'm not sure which of you intend to proceed first.

Mr. Dostie, go ahead.

● (0940)

Dr. Benoit Dostie (Associate Professor and Director, Institute of Applied Economics, HEC Montréal): I've been asked to keep my comments short, and I'm much faster in French than in English, so I will switch to French right now.

[*Translation*]

I worked on a study on the differences between apprentices who complete their program and those who abandon it. You heard a little bit about the context previously. There is a considerable increase in the number of registrations in apprenticeship programs. However, a large number of these apprentices do not complete the program. We see dropout rates in the order of 50% and 60%.

The first finding was that the groups who drop out are generally speaking similar to those who abandon their studies in the traditional school system. They are the apprentices who have a physical handicap, are immigrants or have younger children. They are all more inclined to abandon the program than the others.

Another very important factor is the level of education of the students before they undertake the apprenticeship program. Those who have a higher level of schooling, who have a high school diploma, for instance, are much more likely to complete the program.

Age is also a factor. Earlier, we were saying that 25 is the average age of those who begin apprenticeship programs. I would like to add one thing. Over half of apprentices begin before the age of 25, but several are older when they begin. And so the average is 25, but the majority of them begin at a younger age. The younger they are, the more likely they are to complete the apprenticeship program. And so we would like to see them start at a younger age, but not too young. Indeed, the number of years of schooling they have before they begin their program is important.

When we examine the length of the program, that is to say the time they spend in the apprenticeship program, we see that there are a lot of dropouts in the fourth and fifth years. A lot of them finish the fifth year but afterwards, there is a considerable increase in the number of those who leave the program. It is important to keep the programs relatively short if we want to promote their completion.

We also examined the importance of support networks. We did not find that having parents or other family members in the same trades had a notable influence. However, if the apprentice does his program with a few other colleagues at the same time, he is much more likely to complete his program.

We see that the apprenticeship programs that have technical components also have higher success levels.

Finally, the apprentices who do their practical training period in a medium or large business are more likely to complete their program than those who do their practical training in small businesses.

Thank you very much.

[*English*]

The Chair: Thank you for that.

Mr. Crocker, go ahead.

Mr. Robert Crocker (Principal, Atlantic Evaluation and Research Consultants Inc.): Thank you.

Some of the things in my initial comments have already been said, so that will help shorten things a bit. I have a few quick comments on the trade labour force itself.

I think you all know that it's around 11% to 12% of the total labour force. What's less clear perhaps is that it's stable and perhaps marginally declining. It's not a growth part of the labour force. It's important to note that only about a third of those working in trade occupations actually have any form of certification. Most other people are either apprentices or are just uncertified. They're working without having been certified.

For all levels of formal education, however, with the exception of university graduation, those in the trades tend to have higher average earnings than those in other occupations. On the other hand, on average, trade occupations have higher unemployment rates. I think you can recognize how that may relate to the seasonal and sporadic nature of some of the trade occupations.

It's already been mentioned that apprenticeship is a late-entry career path, with an average age of registration of about 26 years and of completion of about 31 years. Most apprentices have had previous work or post-secondary experience before registering. That suggests that apprenticeship is kind of a second choice, or perhaps lower than that. It takes about a decade for half of any single registration cohort to complete. After that, almost nobody completes. They either drop out or they continue with careers as apprentices without ever having any plans to complete. According to the national apprenticeship survey, lack of work is the main reason given by apprentices for not completing.

A more obscure aspect of apprenticeship and trades is that historically about 40% of those certified in the trades have become certified without ever taking an apprenticeship. These people are known as “trade qualifiers”. They simply document their work experience and challenge the final exam. Trade qualification is in fact the only route, other than apprenticeship, to certification in the trades in Canada. There are other routes available in other countries.

On the question of appeal of apprenticeship to Canadian youth—one of your important topics, I think—only about 4% of high school students aspire to the trades as a career. However, 10 years later, about 10% of these people actually find themselves working in the trades. That's consistent with the idea of late entry, and it's also consistent with the notion that perhaps it's second or third choice as a career.

In contrast with the case in some other countries, high school education in Canada is deliberately intended to be generic, keeping students' post-secondary and career options open as long as possible. In countries where specific vocational tracks exist, these effectively lock students into a path that precludes entry to post-secondary education and careers requiring higher education. I'll say a word more about that in a minute. I would argue, therefore, that it's inappropriate to focus on creating a specific route to apprenticeship for high school students.

On the question of labour market supply and demand, conventional wisdom holds that there is a labour shortage in the trades. However, most of the recent projections that I've seen with real numbers on them suggest that the supply of completing apprentices—which is increasing fairly dramatically, by the way—will be sufficient to meet the projected demand over about the next decade in a number of major trades. That seems to fly in the face of everything we hear. The unanswered question, of course, is whether there's a shortage of tradespersons in general or whether the shortage is more specifically of certified people, and particularly of people with the Red Seal endorsements.

There's some evidence that a regional imbalance is a significant issue, with shortages in some regions and surpluses in others. If you have spot shortages, that can create the illusion of general shortages, because of course it's the shortages you hear about; you don't hear about the surpluses.

On the question of improving certification completion rates, the trades are unique among skilled occupations in continuing to demand a lengthy period of on-the-job training while minimizing the role of in-school training. Most other occupations have long ago moved to more formal education and less work experience as the basis for certification.

The largest single issue in apprenticeship at the moment is not recruitment, but completion and certification of those who are already in the system. In the Red Seal trades, the Red Seal exams have been adopted as the certification exams in most jurisdictions. Any improvement in certification rates will also, apparently, yield a parallel increase in Red Seals.

Finally, let me summarize by making a few comments on possible directions the committee might consider.

First of all, as I've said, focus more on completion than on recruitment. In my view, one of the most cost-effective ways to increase the number of certified tradespersons would be to have policies designed to encourage more uncertified workers to become certified as trade qualifiers.

● (0945)

Consider the possibility of replacing subsidies to employers to take on apprenticeships, which has become fairly common, with incentives to make the work experience period shorter and more intensive, treating it more as training and less as low-paid work.

Consider the possibility of new programs, with increased emphasis on in-school training and less on work experience.

Finally, by all means, find ways to encourage high school students to acquire more exposure to the trades, but don't attempt to streamline high school students into specialized trade or vocational programs, because these are typically dead-end programs in high schools.

Thank you.

● (0950)

The Chair: Thank you very much.

Mr. Meredith, go ahead.

Dr. John Meredith (Adjunct Professor, Department of Educational Studies, University of British Columbia): Good morning, ladies and gentlemen, and thank you for inviting me to address this committee.

My name is John Meredith. I'm a consultant on skills policy and an adjunct professor in the Department of Educational Studies at the University of British Columbia. I'm also a past apprentice, Red Seal tradesman, and vocational educator.

For the last couple of decades, discussions of apprenticeship policy in Canada have been couched in terms of crisis and guided by a few key propositions.

First, it's understood that apprenticeship is a vitally important institution and the principal conduit of labour to trades occupations.

Secondly, the apprenticeship system's output is apparently not keeping up with labour market demand, which is a pattern that will result in destructive skill shortages if not corrected. Not enough young people enter trades apprenticeships, and, with a 60% dropout rate, not enough complete their training. At the same time, not enough employers are offering training places that apprentices need.

Since it's understood that trades jobs are good jobs, and trades labour is in high demand, this lack of engagement by both sides of the labour market poses an interesting puzzle for policy analysts and has led to some further propositions about the causes of the apprenticeship crisis. Apparently, potential participants are simply unaware of the benefits that apprenticeship and Red Seal certification could bring them, and they're also deterred by the direct costs of participation.

Accordingly, federal policies have placed a priority on raising esteem for trades and apprenticeship through public relations efforts and on offsetting the costs of participation by means of direct subsidies, including the apprenticeship incentive grant, the tool tax credit, and the apprenticeship job creation tax credit.

Let's quickly examine some of these claims in the light of recent research.

First of all, is apprenticeship actually the main source of skill supply to trades occupations? Until quite recently, we didn't actually know; however, the 2006 census offers a huge advance, since it lists apprenticeship certification as one of its educational categories. The census shows that apprenticeship training accounts for a surprisingly small proportion of the trades labour force, as Bob mentioned.

Overall, about 37% of Canadians employed in apprenticeable occupations actually hold trade certification as their highest educational credential. Considering that about one third of those certificates were issued to trade qualifiers, we can estimate that the apprenticeship process contributes closer to 25% of the labour supply in the skilled trades. At that level, apprenticeship completers are significantly outnumbered by workers with a high school education or less, who make up about 38% of the trades labour force.

Next, what about the value of trade certification? We're told that there is very high demand for the Red Seal, but a variety of barriers prevent people from attaining it.

Here again, some recent research is illuminating. In 2011 the CCDA commissioned a survey of over 3,000 employers of tradespersons to assess their esteem for the Red Seal.

The first finding was that 51% of private sector employers didn't even know that the Red Seal existed—hardly a sign of its vital economic importance. But among those employers who did know about it, the views are also telling. On the one hand, the majority said that the Red Seal is an indicator of skill and, given the choice, they'd hire someone with a Red Seal before someone without one. But would they actually pay for that difference? Asked whether the Red Seal is useful to their organization, employers who said "no" outnumbered those who said "yes" by 33% to 29%.

Finally, how effective have direct subsidies been in promoting apprenticeship participation? According to the limited evidence, not very.

In 2009, HRSDC commissioned a formative evaluation of the apprenticeship incentive grant. Two thousand apprentices who had applied for the AIG were asked how the grant had affected their decision to persist with their apprenticeship. To quote the report: "Almost all applicants"—98%—"indicated that they would have continued with their apprenticeship if they had not received the grant. Similarly, [88.9%] of applicants who did not receive the grant still continued with their apprenticeship training."

It would be difficult to find a purer example of what economists call a "dead weight" subsidy than the AIG.

Apprenticeship processes can be highly effective, not only in generating skill and preparing young people for successful careers, but also in mobilizing private investment and fostering industrial innovation. For proof, we need only look to some of Canada's most advanced competitors, such as Germany and Japan, or even to occupations at home that use variants of vocational apprenticeship, such as law, medicine, and engineering.

These examples remind us that the key to promoting investment in skills by both learners and employers does not lie in public relations campaigns or indiscriminate subsidies. It lies in ensuring that those who invest in skills can count on reaping a greater reward than those who do not.

Thank you very much.

● (0955)

The Chair: Thank you. Those were some interesting comments, for sure.

We'll start with Madame Boutin-Sweet.

[*Translation*]

Ms. Marjolaine Boutin-Sweet: Thank you, Mr. Chair.

Gentlemen, thank you for being here today.

My first question is for Mr. Dostie.

You mentioned that certain groups were less likely to complete their apprenticeship programs, in particular immigrants, handicapped persons, aboriginal persons, and students who have children of less than 18 years of age.

We have been given a lot of information, of statistics and observations illustrating the situation, but we have not heard many reasons explaining why things are the way they are. I would like some more explanations. What are the obstacles these groups face? In my opinion, it is easier for students who have children under 18, but perhaps a little harder for the others.

What are the obstacles these groups encounter? Do you see any possible solutions to overcome them?

Dr. Benoit Dostie: We did not examine the obstacles that apprentices face as such, or the reasons they mention, but we did ask them that question in the National Apprenticeship Survey. Previously we mentioned that many abandoned their studies because of the lack of jobs.

I think one of the reasons many apprentices register in the program when they are older is that the information about these programs is not accurate. I first became aware of what plumbers earn when I called one to fix a leak in my bathroom. The information regarding the advantages of these programs should be disseminated to the client groups concerned.

Ms. Marjolaine Boutin-Sweet: The job shortage is going to have an adverse effect on everybody, and not just aboriginal persons and the other groups concerned.

Mr. Crocker also referred to a job shortage.

You mentioned that the apprenticeship programs should perhaps be shortened, since people abandon the program when they are in the fourth or fifth year. You also mentioned that people drop out of the program because there aren't enough jobs. What can we do to solve that problem?

Dr. Benoit Dostie: In the previous session, we mentioned that the length of the program had no influence on whether or not people completed it, but here we are basing our information on the official length of the program. A lot of apprentices do not respect the official program deadlines and fall behind. I don't know exactly what we can do to motivate them to complete their program more quickly.

Some say that we should offer them some advantages such as increased support from employment insurance, for instance. Some negative reinforcement might also be in order. For instance, masters students at the HEC in Montreal who have not completed their thesis in five years have to start their studies all over again. We observe that when the buffer period is increased, the level of diplomacy increases as well. I don't think there is such an incentive system in the apprenticeship programs.

Ms. Marjolaine Boutin-Sweet: If the problem is that they cannot continue because there aren't enough employers hiring them, that isn't exactly the same situation.

You also mentioned that their prior level of education was a factor in whether or not students completed their programs.

Earlier, my colleague asked some questions about the federal level. Basic education seems to be a recurring theme, because it has been raised by several witnesses. I would like an answer in that regard from one of the witnesses.

● (1000)

Dr. Benoit Dostie: Several apprenticeship programs have a final exam at the end which the apprentice must pass. If the apprentice has a good basic education in addition to the official qualifications for the apprenticeship program, this helps him to pass that exam.

On the one hand, we want to encourage mobility by having certification programs, but on the other hand, certification programs require that apprentices have better basic skill levels. So there is a balance to be found between those two elements.

Ms. Marjolaine Boutin-Sweet: I have a brief question for one or the other of the witnesses.

Do you think we should include basic training in the apprenticeship programs? Would that be a solution for the federal level?

[*English*]

The Chair: Whoever wishes to take that may do so.

Mr. Crocker, go ahead.

Mr. Robert Crocker: My sense is that it's less of a problem now than it was in the past. As others have said, a large number of people in the trades have high school or less. Right now, however, almost everyone graduates from high school. Going forward, my sense is that lack of high school education is likely to be far less of a problem than it was historically, when people found their way into the trades after dropping out of high school, say.

I would comment and agree that having a high school education—and there is good evidence of this—contributes to the ability to pass the exams. The exams have a fairly substantial literacy component in them, and we've discovered, particularly in the carpentry exams, that a large part is basic high school mathematics. If you don't have high school mathematics, you will struggle with that exam. That's true for trade qualifiers.

Apprentices have much less of a problem. My sense is that going forward, as I said, that problem is likely to largely resolve itself.

The Chair: Thank you very much.

As we see, the bells for the House opening are ringing. After the House opens, there may be another set of bells for a vote. In that case, I would ask unanimous consent of the committee to proceed for an additional 15 minutes. Until that happens, we will go to Mr. McColeman for five minutes.

Go ahead.

Mr. Phil McColeman (Brant, CPC): Thank you for being here, gentlemen.

I want to give a bit of context to my comments. Yesterday we had a reception of the board members of the chamber of commerce, as well as Senator Ogilvie, who is a former scientist, a university president for 13 years. Among the comments that were made, first of all, was that the chamber of commerce treats skills shortages as its number one issue this year and next year, so this is exactly its single focus. Senator Ogilvie commented that the curriculum as it stands right now at universities would be just about the worst way to develop skill sets for being employable. It was quite a bold comment.

I want to boil my question down to this: How do we make apprenticeship, trades, skill development—meaning that when they graduate, students are employable in a particular field—a first choice for students?

I go back to the years when I took tech in grade 7 and 8 as an entry and an introduction to technical things, working with my hands, doing things. It was mandatory in the curriculum of Ontario at the time. I watched my high school that I attended in Ontario absolutely abandon a whole wing that was tech-related.

I think Dr. Crocker hit the nail on the head in a couple of ways. I believe we've completely removed it out of the primary and secondary school education facilities, in many ways, and we've said let's graduate people in general arts and liberal arts—which is fine; there's nothing wrong with that.

The Chair: I will interrupt for a moment to say that the motion was moved in the House to move to orders of the day. There will be 30-minute bells and a vote at 10:33. I would suggest, with consent, that we proceed until about 10:17 and then break for the vote. Is that acceptable?

Some hon. members: Agreed.

The Chair: All right. If you want to put your question—

Mr. Phil McColeman: Can you restart my time?

I heard two very interesting—and I think contradictory—comments here from two of the panellists and I want to drill down to that. Again, focusing on your comments coming back, how do we make it a first choice?

Dr. Dostie said that the earlier you start, but not too young, a familiarization with it...and we look at countries like Germany, Austria, and others who actually use tech training as their sole focus. You are in the elite when you are in tech training, maths, and sciences. We should start to re-introduce it back to the curriculum of elementary and high schools.

But then I heard Mr. Crocker say it's a dead-end program in high schools and it's inappropriate to stream.

And we heard it in the previous panel, that academia seems to have shifted away from all this tech training, and now we're wondering why we're in this situation that we hear about now, where there's a lack of skills and the low graduation rates. There are people going in, but it's much later, after they realize they've graduated and they really don't have a lot of employable skill sets.

Do any of you have comments?

Mr. Meredith.

● (1005)

The Chair: Go ahead, Mr. Meredith, and then Mr. Crocker.

Dr. John Meredith: The first question you asked I think is the key one: How do we attract people into these occupations? I think the answer is that it's the same way we attract people into any occupation; that is, the occupations are seen to be and are reliably rewarding for the people who enter them. To the extent the trades occupations are seen to be consistently rewarding and to pay off people's educational investments, I think they will attract people to them in the way that medicine and dentistry and law and accounting and all kinds of other professions attract people to them.

The problem I see is that when we have two-thirds of the labour force in the skilled trades who are not certified and people are being encouraged to go and invest in training and then go out and compete for jobs that non-certified people can get, there's very little incentive to invest in that education. That education, in many cases, doesn't pay off for the people who do invest in it.

I think one of the key reasons that we see the very high dropout rates that we see from apprenticeship is that apprentices discover—often after they've invested a considerable amount of time and effort in their training—that persisting with their training isn't going to get them any greater job security. It's not going to get them any greater wages than they currently get as an apprentice. I think that's the key issue. The economics of the training system need to reward those who invest more than those who do not invest.

The Chair: Thank you, Mr. Meredith.

Mr. Crocker, a short response, please.

Mr. Robert Crocker: I have a couple of brief comments.

Acknowledging what John has just said, the reality is that in most trades there is substantial financial payoff to certification, and that can be demonstrated. It's not clear that's obvious to people, and it's not true in some trades, by the way. An apprentice hairstylist, for example, does just as well as a certified hairstylist in that respect, but that's not true in other trades.

Going back to the main point about schools, my comments should not be construed as being that we shouldn't expose people to the trades and technologies in schools. Indeed, programs of that nature are quite important.

What I would argue against in particular is emulating the German model, just as the Germans are beginning to reconsider it themselves. The effect of a model like the German model is to stream people very early into programs that they can't get out of. In other words, if you want to go to university at age 14 in Germany and you find yourself in the trades—the dual system—you're precluded from doing so. The Germans themselves are rethinking that on the grounds that their overall performance in international programs in high school are mediocre at best, and their concern is that they put too much emphasis on the trade side.

So I would argue for exposure to the trades by all means, but not explicit streaming in that direction.

The Chair: Thank you for that, Mr. Crocker. We'll probably hear from that source a little later in our study.

Monsieur Lapointe, we'll probably conclude with your round of questioning.

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): Okay, but we do have five minutes?

The Chair: Oh, yes.

Mr. François Lapointe: I'm going to be sharing my time with Mr. Cleary.

The Chair: Okay.

Mr. François Lapointe: Thank you, Mr. Chair.

[*Translation*]

Good morning, sir.

I thank all of the witnesses for being here this morning. Their comments are very relevant.

Mr. Dostie, in your presentation, just like several previous witnesses, you mentioned a direct correlation between a lower level of education, or a lack of basic skills, and a low level of success in the apprenticeship programs.

In Scotland, when someone begins to receive employment insurance benefits, they have to take a literacy test, and if they have a low score, they have to sign up for a literacy program while they receive the benefits. Do we not need to deal with the basic skills issue if we want the apprentices to get better results in their programs?

● (1010)

Dr. Benoit Dostie: I agree with you. That is very sensible. Statistical analyses show that basic skills are essential to future success in the apprenticeship programs.

Mr. François Lapointe: We must also consider the high level of illiteracy among the 25- to 55-year age group in Canada; it is close to 20%. We should also deal with that problem. The problem is not only in high schools. Is there some key way to improve our results?

Dr. Benoit Dostie: No. The two key factors I see that really came to light in the results of my work are the education level students have before they register in these programs, and the actual length of the programs themselves. As for increasing registrations, the information has to be made more accessible.

Mr. François Lapointe: Very well.

Do we have some idea why the failure rate goes up when the practical training period takes place in small businesses rather than in medium or large businesses? Everyone has said that that happens. How do you explain it?

Dr. Benoit Dostie: It seems related to the fact that other apprentices take part in the same training period. Being the only apprentice in a business is not the same thing as being part of a little group of people who can help each other out.

Mr. François Lapointe: Perhaps it is not as motivating to be alone in an apprenticeship program.

Dr. Benoit Dostie: That would seem to be the case.

Mr. François Lapointe: Thank you very much.

Mr. Crocker, you may make some comments. I will then give the floor to Mr. Cleary.

[*English*]

Mr. Robert Crocker: I think the point that's been made is quite important. With the literacy skills, particularly on the part of trade qualifiers, for example, we found in some studies that trade qualifiers do much worse on the Red Seal exams than apprentices. The success rate for apprentices is relatively high on the Red Seal exams. The success rate for trade qualifiers is much lower, and trade qualifiers, generally, are older and less educated. The notion of having some kind of program that might improve the basic literacy skills, for example, of those who are challenging the exams would be consistent with what I said earlier about emphasis on trade qualifiers.

How to do that is a bit of a trick, particularly at the federal level. Basic literacy and high school education and all that sort of thing is a matter of provincial and not federal jurisdiction. I'm not sure what the federal government could do in that area. I've made an argument that modest programs to help trade qualifiers challenge and succeed in the exams would be useful, and basic skills could well be part of these modest programs.

The Chair: Thank you.

Mr. Cleary, you could perhaps have one question.

Mr. Ryan Cleary: Mr. Crocker, I found a lot of things that you had to say this morning very interesting. It kind of went against the grain of some other testimony we've heard here.

You talked about how the trades make up 11% or 12% of the labour force. Is that number correct?

Mr. Robert Crocker: That's correct, yes.

Mr. Ryan Cleary: You also said that the trades are not a growth part of the labour force. Where are you getting your information from when you say that? It seems to me, again from other testimony, that we've been hearing the opposite.

Mr. Robert Crocker: We can trace the labour force in great detail using the labour force survey over at least 20 years. The trades have been a stable, and modestly declining, if anything, part of that labour force for at least 20 years. The statistics are readily available from the labour force survey and from tables published by Statistics Canada.

That's not to say that there's not a shortage; that's a different matter. But the trades are not the main growth industry in the labour force these days.

I might note that this and other comments I made can all be documented by various kinds of statistics that are readily available. I didn't cite them this morning because obviously we don't have time. It is correct to say that the trades labour force is a relatively small part, and not a growing part.

The Chair: Thank you very much, Mr. Crocker.

Thank you very much for appearing before us.

With that, I will adjourn these hearings.

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