Issues in Education and Lifelong Learning:
Spending, Learning Recognition, Immigrants and Visible Minorities

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The Conference Board of Canada
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Toronto, June 21, 2005
A Society’s Goal: A High and Sustainable Quality of Life

- Economy
- Innovation
- Health
- Society
- Environment
- Education and Skills

these are the fundamental underpinnings

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Education Statistics

• Spending - time series
• Comparison with Health Spending
• Performance Outcomes – education and health
Education Spending by Provinces, annual, by type ($ millions)
Education and Health Spending as Share of Total Provincial Spending, annual (per cent)
# Canada’s Socio-economic and Environmental Performance, by Category

(number of gold-, silver-, and bronze-level rankings)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Canada’s overall performance level</th>
<th>Gold</th>
<th>Silver</th>
<th>Bronze</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
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Source: The Conference Board of Canada.
# Education and Skills Indicators

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Gold</th>
<th>Silver</th>
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Source: The Conference Board of Canada.
## Health Indicators

<table>
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<th>Silver</th>
<th>Bronze</th>
<th>Weighted count</th>
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<td>11</td>
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<td>Netherlands</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: The Conference Board of Canada.
Post-secondary Completion, 2001
(per cent; share of population aged 25–64 that has attained post-secondary education)

Sources: The Conference Board of Canada; OECD.
Participation in All Continuing Education and Training, 2001*
(per cent, share of population aged 25–64)

*Or most recent year of available data.

Sources: The Conference Board of Canada; OECD.
Relative Labour Productivity Levels in Canadian Industries, 2001
(per cent, share of U.S. level)

1. Primary metals
2. Non-metallic mineral products
3. Wood products
4. Construction
5. Other transportation equipment
6. Printing and publishing
7. Paper
8. Chemicals
9. Transportation
10. Motor vehicles
11. Food, beverage and tobacco
12. Mining
13. Other services
14. Business services
15. Agriculture
16. Retail trade
17. Plastic and rubber products
18. Utilities
19. Furniture and related products
20. Wholesale trade
21. Machinery
22. Textile and clothing
23. Petroleum and coal products
24. Information and cultural industries
25. Electrical equipment
26. Miscellaneous manufacturing
27. Finance, insurance and real estate
28. Fabricated metal products
29. Computer and electronics

GDP Per Capita, 2002
(U.S. $ at purchasing power parity)

Sources: The Conference Board of Canada; OECD.
## Immigration, by Top 10 Source Countries, 2002
(principal applicants and dependents)

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of immigrants</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>33,231</td>
<td>14.5</td>
</tr>
<tr>
<td>India</td>
<td>29,915</td>
<td>12.5</td>
</tr>
<tr>
<td>Pakistan</td>
<td>14,164</td>
<td>6.2</td>
</tr>
<tr>
<td>Philippines</td>
<td>11,000</td>
<td>4.8</td>
</tr>
<tr>
<td>Iran</td>
<td>7,742</td>
<td>3.4</td>
</tr>
<tr>
<td>Korea</td>
<td>7,326</td>
<td>3.2</td>
</tr>
<tr>
<td>Romania</td>
<td>5,692</td>
<td>2.5</td>
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<tr>
<td>United States</td>
<td>5,288</td>
<td>2.3</td>
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<tr>
<td>Sri Lanka</td>
<td>4,961</td>
<td>2.2</td>
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<tr>
<td>United Kingdom</td>
<td>4,720</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Immigrant Landings, by Category, Canada, 1997–2002

(number)


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(number)

Strong Population Growth
(annual average increase 1996–2003)

Source: Statistics Canada.
Challenges & Opportunities for Visible Minorities in Canadian Workplaces:
Linking Education and Skills to Jobs

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Big Picture - The Challenge/Opportunity

• Visible minorities (VMs) are key to quality of life and economic well-being of Canada
• *Attracting, integrating, employing and retaining* educated, skilled VMs is crucial to growth
• Yet individuals face many challenges.
• Includes large numbers of immigrants
Key Facts About VMs

• 2004: 3.9 million VM population = 13.4 per cent of total population

• 1992 - 2001:
  – VM pop. grew at 5 per cent annually
  – Overall pop. Growth under 1 per cent.

• 2016: 6.6 million VM population = 19 per cent of total population
(Total population age 15-64) (millions)

Source: Statistics Canada, The Conference Board of Canada
Key Facts about VMs

• Immigration main driver of VM growth
  – 80 per cent of VMs are immigrants
  – 14 per cent are 2nd generation
  – 2 per cent are 3rd generation or more

• 55 per cent of new immigrants enter in economic category as skilled workers or entrepreneurs

• Top six countries today: China, India, Pakistan, Korea, Philippines, Taiwan
Importance of VMs

• Immigrants bring skills and strong desire to succeed
• Also enrich the culture by adding to it
• Their choice of emigrating shows courage and stamina - help them to success in Canada
• Skills shortages indicate a continuing economic importance for immigrants - mostly VMs
Impact of Immigration

- Immigration is responsible for net growth in workforce in Sask., Man., N.S., Toronto and Montreal
  - Canadian Labour and Business Centre
- Immigration compensates for large annual outflow of Canadians to U.S. jobs - ‘temporarily’ lost to us
  - The Conference Board of Canada
Loss of Qualified People to the U.S., 1986–96

Economic Contribution: Potential Output

• Measures highest level of economic activity an economy can obtain without inflation

• Results from full, efficient employment of factors of production:
  • capital and labour

• 1992-2001: 1/9 of annual growth in potential output came from VMs
  • due to growth in labour quantity
Economic Contribution: VM Earnings

• Earnings = no. employed x average wage

• 1992 - 2001:
  – No. employed increased 4.7 per cent yearly
  – Wages were 14.5 per cent lower than the Canadian average.

• Net impact: VMs contributed 0.3 per cent annually to real GDP growth
# Contributions of VMs to GDP 1992 - 2016 (in 1997 dollars)

<table>
<thead>
<tr>
<th>GDP GROWTH</th>
<th>1992 - 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>$795 billion</td>
</tr>
<tr>
<td>Due to:</td>
<td></td>
</tr>
<tr>
<td>Gains in VM labour force</td>
<td>$ 81 billion</td>
</tr>
<tr>
<td>Gains in other labour force</td>
<td>$170 billion</td>
</tr>
<tr>
<td>Growth in Capital Stock</td>
<td>$302 billion</td>
</tr>
<tr>
<td>Gains in technical efficiency</td>
<td>$241 billion</td>
</tr>
</tbody>
</table>
Strategic Significance

• Economic impact is huge - especially in largest cities, Sask., N.S., Man.
• Must build on skills and talents of an increasingly diverse workforce to support growth - and give people equal opportunity
• Must be ‘win-win’
Challenge: Wage Gap Widens

• 1991 wage gap between VMs and rest of Canadians was 11 per cent
• 2002 wage gap is now 14.5 per cent
• Immigrants in general are not ‘catching up’ with native-born Canadians - even after 20 years!
• VMs especially Why?
Reasons for Wage Gap

• Many factors have been considered -- but few concrete answers obtained
• Possible factors examined: average age; urban vs. rural; educational attainment; cognitive skills; work experience; race; gender
• Definite factor: recognition of foreign credentials
Current Reality: Recognition is a Problem for Individuals

• Some Canadians hold valuable skills & knowledge that are underused because they are not formally recognized & credentialed by credential-granting organizations and employers.

• Since credentials are key to labour market success, these people earn less & experience other costs due to non-recognition.
Financial Gains Come by Eliminating Learning Recognition Gap

• Major financial gains will come by eliminating the *gap* between:
  – the amount of learning that *is* recognized, credentialed, and rewarded at work
  *and*
  – the amount that *could be.*
Three Groups Would Gain the Most

- **Immigrants** - 340,000
- **Prior learners/experiential learners**
  - People with prior learning gained through work and training - 230,000
- **Inter-provincial transferees in licensed occupations & transferees between PSE institutions** - 73,000
  - Note: some overlaps
Brain Gain = Financial Gains

- $4.1 - 5.9 billion in annual income would be gained by Canadians if Canada’s learning recognition gap was eliminated.
- 540,000 + Canadians stand to benefit
- $8 - 12,000 average annual personal gain
- Calculating *multiplier effect* would increase the figures - due to spin-offs of spending increases from more income
Brain Gain = Financial Gains for Immigrants

- $3.0 - 4.0 billion in annual income would be gained by immigrants if Canada’s learning recognition gap was eliminated.
- 340,000 + immigrants stand to benefit
- $9 - 12,000 average annual personal gain
- Calculating multiplier effect would increase the figures - due to spin-offs of spending increases from more income
Characteristics of the Unrecognized

- Hold PSE Credentials 95%
- High Self-Confidence 91%
- 30 & Over 84%
- Immigrant 74%
- Non-Eng 1st Lang. 58%
- Visible Minority 47%

<table>
<thead>
<tr>
<th>Specific type of learning</th>
<th>Per cent responding</th>
</tr>
</thead>
<tbody>
<tr>
<td>University degree</td>
<td>31</td>
</tr>
<tr>
<td>Experiential learning</td>
<td>24</td>
</tr>
<tr>
<td>College diploma</td>
<td>10</td>
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<tr>
<td>High-school diploma</td>
<td>2</td>
</tr>
<tr>
<td>Not indicated (mostly PSE)</td>
<td>34</td>
</tr>
</tbody>
</table>

Major ‘Costs’

• Earn less
• More likely to be unemployed
• More likely to be underemployed - limited career options
• Lack mobility across provincial boundaries to pursue work opportunities
• Waste time and money on unnecessary duplication of learning
8 Obstacles to Recognition that Discourage Recognition Seekers

1. Time-consuming processes
2. Risk own money with no guarantee of credential
3. Repeat too much learning
4. Employers often unaware & not very helpful
8 Obstacles to Recognition that Discourage Recognition Seekers

5. Institutions do not make it easy to gain recognition - focused elsewhere
6. Lack of institutional awareness of need and investment in servicing seekers
7. Institutions sometimes have interest in controlling supply of qualified people
8. Shortage of institutional and personal resources
Options for Action

• Improve Functioning of *Existing Institutions & Systems*
  – Increase number and scale of institutions that recognize immigrants’ credentials and experiential learning
  – Improve interprov. transfer mechanisms
  – Improve institutional links in Canada - PSE and prof./trade bodies
  – Improve institutional links internationally
Options for Action

• Establish a Pan-Canadian Learning Recognition System
  – *Common Framework for Valuing Learning*
    – authenticity, currency, relevancy
    – quality, trustworthiness, transferability
  – Articulation agreements
  – Tools for employers & PSE to evaluate and recognize prior learning
Options for Action

• Certification of Workplace Training
  • Create an independently-administered system for granting credentials certifying the quality and standards of *workplace training programs*.
  • Individuals completing them would gain more easily transferred credentials

• National Credit Review Service Pilot Project
  • Conference Board of Canada & Campus Canada - turning workplace training into PS credits, credentials
Gains from Better Learning Recognition

• Improving learning recognition:
  – Enhances individuals’ skills and learning
  – Individuals earn more, have more satisfying jobs and careers
  – Improves organizational performance and profitability
  – Increase Canada’s capacity for innovation and productivity
Conclusion

• VMs face major challenges and obstacles
• Economic value of VMs is enormous, growing
• Trends are clear: VMs steadily more important to Canada - workplaces, public and private
• Plus: equity, fairness, rights, entitlements require action
• Policy and program solutions needed
• Governments and businesses
Conclusion

• VMs are very important to Canada
• They are key to growth in the future - too important to ignore.
• Awareness is growing rapidly among government and business leaders.
• Public awareness still lags (changing).
• Educators need to play a more prominent, proactive role in assisting immigrants & other VMs.