

HERE'S A U.S. POLICY WE SHOULD ADOPT



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Now that the sound and fury of the health care debate has subsided, it is time to turn our attention to other pressing policy issues that will require the attention of decision-makers. While there are many priorities that might qualify for a similar meeting to the one we observed at the Conference Centre last week, there is one issue that is gaining traction in the U.S. presidential election that could have significant consequences for Canada.

A Sept. 2 article in *The New York Times* reported that, in the first two days of the Democratic Party convention, speakers used the word "jobs" at least five times more often than "September 11" or "Bush." What John Kerry and his advisers have concluded is that President George W. Bush's administration is vulnerable on its record of job creation and job preservation. In a typical year, the U.S. economy generates two million new jobs. However, this job

increase occurs through the creation of 32 million jobs and the disappearance of 30 million others. As a result, while the job-creation numbers are notable, what is more important is the considerable dislocation and angst among white- and blue-collar workers due to the churning in the marketplace.

It is useful to point out that in Canada we are witnessing the same workplace changes as our neighbours to the south. Our economy continues to grow, but there is also considerable churning in the workplace. As well, evidence suggests that employment growth is as much a mystery as a miracle and that the jobs of the future are not foreseeable. We also know that structural change is cyclical and our economy, like all others, is undergoing a transformation due to technological innovation and globalization. Given the nature of 21st-century innovation, the current cycle of change appears to be happening more quickly than previous ones.

The secret to ensuring job creation and stability is a flexible and adaptable workforce that is prepared for the unknown through formal education and retraining programs. We know that as long as workers receive decent educations, they will be able to adapt to opportunities as they become available. Formal school-based education and re-

training are key elements in Canada's bid to maintain its competitive position in the world.

Within this context, the U.S. Department of Labor has embarked on a very ambitious program called the High Growth Job Training Initiative that is designed to provide on-the-job training combined with classroom learning to ensure a pipeline of skilled workers in high-growth industries and occupations. One important characteristic of this \$23-billion-per-year job training and employment assistance program is that it will be targeted at 12 sectors that, among other things, are projected to add substantial numbers of new jobs to the economy; are being transformed by technology requiring new skills sets for workers, or are new businesses with identified growth potential. Examples of these include construction, automotive, health care, hospitality and transportation.

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The High Growth Training Initiative recognizes that recent higher rates of job turnover offer potential long-term advantages for both workers and employers. It has also acknowledged that, in the short term, transitioning from one job to the next may be a difficult process for a worker. As a consequence, this program offers temporary financial

support and job training for those individuals looking to find new work. At its core, the program recognizes the importance of human capital and the need for public investment in skills acquisition.

For Canadian policymakers, this program provides an example of what is possible and, more important, what works. At a minimum, we are being challenged to find a Canadian-made response to this ambitious agenda since our workforce will have to match or exceed the skills being developed in the United States. Anything less and we will simply lose out on the productivity and innovation front.

Only a few years ago, Canada launched its innovation agenda to great fanfare and high expectations. Since then, some new industry sector councils have been created while others have been rejuvenated. While this is a positive development, the recent U.S. initiative should push Canada's skills development higher up the government's policy agenda. While skills development is not likely to replace health care waiting time as our highest policy priority, we must recognize the need for the federal government, the provinces and municipalities to work together on this equally important issue. A government cannot create good times, but it can set the conditions. Investing in a flexible and adaptable workforce would be doing just that.

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