



Colleges and Institutes Canada
Collèges et instituts Canada

Skills and Innovation for Inclusive Economic Growth and Competitiveness

Submission to the House of Commons Standing Committee on Finance – Pre-budget Consultations – Budget 2019

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Recommendations

- 1.** Amplify the impact of college and institute applied research offices in the innovation ecosystem with a new annual investment of \$40M in research support funding.
- 2.** Prepare youth for the jobs of tomorrow by expanding federal investments in work-integrated learning (WIL).
- 3.** Improve labour market outcomes of Indigenous peoples and support economic development in Indigenous communities through increased financial support for learners, tailored programs and wraparound supports.
- 4.** Develop a national skills and lifelong learning strategy for working Canadians and employers to deal with disruption and capitalize on new opportunities.
- 5.** Make campuses greener, more energy efficient and better suited to current and future learning needs by investing in the Post-secondary Institutions Strategic Investment Fund.
- 6.** Ensure Canada's global competitiveness by increasing opportunities for student mobility, both domestic and international.

Introduction

“[W]e must ensure that citizens have the tools they need to succeed in the jobs of today and tomorrow. All G7 countries have made significant progress in recent decades in raising levels of education, which helped spur economic growth and encourage greater innovation. This includes a wide range of education and training opportunities, including vocational learning and apprenticeship, and various forms of college and university learning. Closing gaps in access to learning among under-represented groups is promoting a real and fair chance at success for all.”¹

As the voice of Canada’s publicly-supported colleges, institutes, cegeps and polytechnics, we fully agree. Canada faces great uncertainty as rapidly evolving technology disrupts societal and economic assumptions. This presents both challenges and opportunities -- to respond in ways that make Canada more inclusive and more successful in a competitive global marketplace.

Colleges and institutes add over \$190B annually to Canada’s economy and contribute to inclusive growth by working with employers to offer more than 10,000 programs in urban, rural, remote and northern communities. Program design addresses the needs of the labour market, equips graduates with skills that increase resiliency in periods of uncertainty and disruption and provides retraining for adults facing job dislocation and unemployment. Colleges and institutes are highly-attuned to regional economies and provide applied research services that meet business and community needs. Their facilities and the expertise of their faculty and students help the private, public and not-for-profit sectors solve real-world problems.

With 95% of the population living within 50km of a campus or learning centre, colleges and institutes are perfectly positioned to assist governments in delivering equitable economic growth for Canadians. They stimulate innovation, drive productivity, and contribute to global competitiveness.

A More Inclusive, Collaborative Innovation Ecosystem

Recommendation 1: Amplify the impact of college and institute applied research offices in the innovation ecosystem with a new annual investment of \$40M in research support funding.

Budget 2018’s historic investment in the College and Community Innovation Program signals full recognition of the distinct role that colleges and institutes play in the innovation ecosystem. This funding supports applied research partnerships that benefit businesses, community organizations and students. To fully capitalize on colleges and institutes’ ability to accelerate growth and competitiveness, the essential next step is providing predictable, stable research support funding for applied research offices. This will enhance their ability to draw new entrants into regional innovation systems, particularly SMEs, young entrepreneurs and start-ups, and facilitate commercialization connections to other research performers including universities and government labs. Research support funding will also yield benefits associated with increased faculty and student engagement, programs to achieve equity, diversity and inclusion and excellence in research administration, reporting, and the maintenance of research labs and facilities.

¹ Canada’s 2018 G7 Report: <https://www.scribd.com/document/381266413/Achieving-Growth-that-Works-for-Everyone>

Expanded, Inclusive Work-Integrated Learning Opportunities

Recommendation 2: Prepare youth for the jobs of tomorrow by expanding federal investments in WIL through:

- **Increased support for a matching platform – a single point of access for employers, students and postsecondary education (PSE) institutions;**
- **Increased funding to:**
 - **provide employers with flexible incentives to offer meaningful placements and streamline the pathway into apprenticeship and improve completion rates;**
 - **target specific WIL opportunities for vulnerable groups and build wrap-around supports for successful workplace transitions;**
 - **expand to SMEs and not-for-profit organizations;**
 - **ensure the full range of WIL opportunities are available and expand eligibility to non-STEM disciplines and international students;**
- **Increase the number of public sector WIL placements, use federal programs and initiatives, including the Superclusters, Economic Sector Strategy Tables and procurement to reward companies participating in WIL.**

WIL is a core element of virtually all career-oriented programs at colleges and institutes. Training is characterised by a competency-based approach that reinforces the link with the labour force. Program competencies are developed, assessed and updated by faculty with industry experience and employers participating on Program Advisory Committees (PACs). A study completed for Employment and Social Development Canada found that PACs are important in supporting WIL.²

Although the majority of programs include strong WIL components, colleges and institutes report that securing placements is challenging and completion rates for third and fourth year apprentices remain low. There are also challenges ensuring vulnerable learners, including those in rural and remote regions, access WIL. McKinsey's study on *Youth in Transition*³ found that 56% of Canadian youth and 66% of employers believe that youth are not adequately prepared for the workforce. Through a Canadian Alliance of Student Associations poll, students identified paid placements related to field of study as the best form of experience to get a good job upon graduation.⁴ McKinsey's study also found the disconnect between education providers and employers is larger in Canada than elsewhere, and that employers who coordinate with educators have better results accessing talent.⁵

The federal government has increased WIL opportunities and strengthened employer-PSE partnerships. CIGan members appreciate the Budget 2017 MITACs announcement which increases applied research WIL opportunities for their students. Many are also benefiting from the Student Work Integrated Learning Program however demand is high and eligibility is limited to STEM and business students. With 56% of students in non-STEM and business programs⁶, there is room to strengthen PSE-to-work transitions, with more focus on vulnerable groups. CIGan supports the Business/Higher Education Roundtable's call for 100% of students to have access to WIL opportunities.

² Academic-Employer Connections in Colleges and Institutes: The Role of Colleges and Institutes, CIGan 2017

³ <https://www.mckinsey.com/featured-insights/americas/youth-in-transition>

⁴ <https://www.casa-acae.com>

⁵ [McKinsey Op.cit](#)

⁶ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710001801>

A Holistic Approach to PSE Access and Skills Upgrading for Indigenous Peoples

Recommendation 3: Improve labour market outcomes of Indigenous peoples and support economic development in Indigenous communities through:

- **Increased financial support for First Nations, Inuit and Métis learners to access PSE with flexibility to support students who need upgrading prior to transitioning to PSE;**
- **Support for institutions to offer tailored upgrading and PSE programs and wrap-around supports for learner success.**

For a more inclusive and competitive Canada it is vital that First Nations, Inuit and Métis people can fully participate in the economy and that the government invest in Indigenous communities. Increased access to education is essential. With 86% of the Indigenous population living within 50km of a campus or learning centre, colleges and institutes are the primary access point to upskilling and PSE. They work closely with communities and Indigenous institutes of higher learning to address needs and remove barriers to participation.

Colleges and institutes offer over 300 programs (certificates, diplomas, bachelor's degrees and postgrad certificates) tailored to the needs of Indigenous learners and communities. Indigenous people in PSE are on par with non-Indigenous people for attainment of a college/institute diploma, at 23 %.⁷ However, there is a persistent gap in high school attainment: 26% of Indigenous people aged 25-64 have no high school diploma, more than twice that of non-Indigenous (11%). Similarly, attainment for bachelor's degrees or higher is 11% for Indigenous people and 29% for non-Indigenous.⁸ As the main providers of adult education and upskilling, colleges and institutes are critical to Indigenous peoples gaining the skills and high school equivalency needed to transition to PSE.

CICan members contributed to the Comprehensive Review of Supports for Indigenous Postsecondary Education led by Indigenous Services Canada. Their priorities focus on increased financial student support, greater access and enhanced adult upgrading and PSE programs for Indigenous learners and communities, and wrap-around services that foster learner success.

Reskilling and Upskilling for the Changing Nature of Work

Recommendation 4: Develop a national skills and lifelong learning strategy for working Canadians and employers to deal with disruption and capitalize on new opportunities.

The Advisory Council on Economic Growth's Learning Nation report⁹ identified an urgent need for a skills plan for working Canadians coping with rapid technological change. Evolving trade relationships are compounding uncertainty in the labour market. While it is difficult to predict the adjustments that will be required, a skills training infrastructure that creates a culture of lifelong learning is needed to ensure the adaptability and resiliency that Canadians need to weather uncertainty. This skills plan must include measures to assist individuals and employers to prepare for job displacement and capitalize on opportunities that technology and new export markets bring. Most importantly, it must engage individuals, employers, educators and governments in fundamentally new approaches to skills training.

Colleges and institutes must have a lead role in designing and implementing the infrastructure required, a role rooted in their core mandate to offer training responsive to the needs of employers and the economy. Investments in past Budgets laid the groundwork and much of what the Advisory Council calls

⁷ Statistics Canada, Census 2016

⁸ Ibid.

⁹ <https://www.budget.gc.ca/aceg-ccce/home-accueil-en.html>

for already exists within colleges and institutes, ready to be scaled: competency-based frameworks; work-integrated learning; essential skills upgrading; flexible and part-time delivery options, online and workplace-based; short, modular courses; and a prior-learning assessment and recognition (PLAR) system that gives formal credit for skills gained in the workplace.

Colleges and institutes are committed to putting their experience and success to work as part of a national response to preserve Canada's economic and social stability and support continued growth through changing times.

Enhanced Skills and Innovation Infrastructure

Recommendation 5: Make campuses greener, more energy efficient and better suited to current and future learning needs by investing in the Postsecondary Institutions Strategic Investment Fund.

Colleges and institutes produce a highly-skilled and competitive workforce for Canada's employers. However, investments in skills and innovation infrastructure have not kept pace with changing needs and technology. A 2015 survey indicates that 60% of college and institute infrastructure has exceeded its 40-year lifecycle and institutions identified shovel-ready maintenance and construction projects valued at over \$7B.¹⁰ The \$675M that colleges and institutes received from the \$2B Post-secondary Institutions Strategic Investment Fund (PSIF) helped address some needs but there remains an acute need to address the ongoing deficit. New PSIF funding would enable colleges and institutes to upgrade their outdated infrastructure and provide greener, more energy efficient state-of-the-art facilities and laboratories.

Global Skills

Recommendation 6: Ensure Canada is globally competitive, by increasing opportunities for student mobility, both domestic and international.

Only 1% of Canadian college and institute students go abroad as part of their program of study.¹¹ To be more competitive in a global marketplace, this needs to increase to 25%. Canada lags comparator countries; the US, UK, Australia and the EU all have programs to increase the number of students who go abroad. Having the skills to compete and thrive internationally is imperative to economic success. Often perceived as accessible to a privileged few, studies of international mobility show that the benefits are strongest for those from less-advantaged backgrounds.¹² Opportunities to study or do a placement within Canada also broaden horizons, strengthen second language skills and encourage labour mobility. Employers seek graduates who not only possess academic credentials but also the intercultural, problem-solving and adaptability competencies needed for innovation.

Conclusion

CICan's recommendations focus on maximizing the contribution of colleges and institutes in addressing Canadians' skills development needs and building a more inclusive innovation system to drive economic growth and increase competitiveness. Our members look forward to working with all Canadians to achieve these goals.

¹⁰ CICan Survey of Institutional and Equipment Needs, 2015.

¹¹ https://cbie.ca/wp-content/uploads/2017/01/SpecialFeature_-_EducationAbroad-EN.pdf

¹² http://goglobalcanada.ca/media/2017/10/Global_Education_Nov2017.pdf