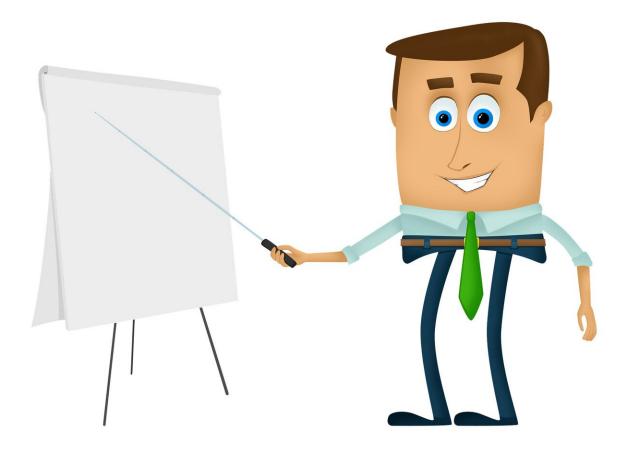


# Canada can better prepare to retrain workers displaced by disruptive technologies

January 21 2020, by Alix J. Jansen, Beth Martin, Elizabeth Dhuey, Linda A. White and Michal Perlman





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Canada must prepare for the growing need to retrain workers displaced by disruptive technologies. To do so, governments must have a thorough sense of the effectiveness of current employment retraining programs.

High-quality evaluations of employment <u>training</u> programs will help help <u>policy-makers</u> identify the best models to prepare workers for the future—and also help them avoid <u>deepening inequality</u>.

But right now in Canada, there is no central body that evaluates a vast array of employment training programs across the country. Instead, as a study we conducted revealed, <u>responsibility for many programs is</u> <u>divided across government levels</u>, and these programs are underresearched. A lack of co-ordination and data sharing to bolster <u>policy</u> <u>research</u> and development will become a major problem unless the <u>federal government</u> takes a stronger leadership role.

The federal government says it has the vision and political appetite to improve Canada's training infrastructure. Such an effort needs to be backed by investment in evaluating training programs organized and delivered by all levels of government in Canada.

# **Dramatic shift**

The global labor force is experiencing a dramatic shift as a result of rapidly changing technologies. A <u>McKinsey Global Institute</u> study from 2017 estimates that as many as 375 million workers globally (14 percent of the global workforce) will likely need to switch occupations and learn new skills.



A <u>recent analysis</u> of the potential effects of automation on Ontario's manufacturing and financial sectors suggest many of the province's occupations will be reshaped as these sectors adopt new, more efficient technologies. In financial services, demands for skills have already changed since 2013.

Technological innovations have provided incredible economic opportunities for some types of workers. The World Economic Forum's Future of Jobs report predicts strong growth not only in tech-heavy areas like robotics, but also in non-tech support positions like customer service and sales.

That said, individuals who have difficulty adapting to rapidly shifting work environments, or who don't have the time and capital to invest in new skills, will likely find themselves left behind.

## **Policy interventions needed**

Existing research indicates that, without concerted policy interventions, the Canadian labor market may become increasingly polarized, split between high-income cognitive-intensive jobs and low-income manual occupations.

Canada's current retraining programs for people who lose their jobs or struggle to find work tend to be targeted, focusing on a particular age group, educational or social background or employment history.

To find the right fit, individuals must navigate a range of federal, provincial or municipal organizations. Although this "many cooks" structure may allow for more responsiveness to local needs, the many options make it difficult for users to understand what assistance they're entitled to and who is responsible for it.



# **Future Skills initiative**

The current Liberal government seems poised to update Canada's workersupport infrastructure. Among its numerous planned investments in job training, <u>the 2019 federal budget</u> earmarked \$225 million for <u>Future</u> <u>Skills</u>, an initiative that aims to prepare Canadians for the future of work by "exploring major trends shaping the future and testing innovative approaches."

For a country that has historically <u>spent well below the OECD average</u> on job training programs, this proposed initiative signals a much-needed shift in the status quo.

The 2019 budget also suggested that the government will take a more active role in overseeing and evaluating current job training programs. It described the results of a 2018 <u>Horizontal Skills Review</u> that examined more 100 job training programs organized within four age-based categories. The budget stated that: " ...the Government believes targeted changes could be made to help Canadians more easily navigate the programs and supports they need, improve the way that programs reflect emerging skills needs in the labor market and improve how programs show results so that decision-makers can better identify and invest in 'what works.'"

The government also affirmed it will target emerging skills, simplify access to training programs and, importantly, publish data on the programs' effectiveness.

## Yet to share findings

Now is the time for the federal government to share the empirical findings of its skills review.



This is necessary so that industry groups, researchers, other levels of government and the public alike can make use of this data and analysis to inform decisions about training and ensure the federal government follows through on its commitments.

We need robust public data on program effectiveness to help the organizations –governmental, non-profit and for-profit—that deliver training ensure that it's effective and relevant in the context of rapid technological change.

## **Reorient training supports**

Existing research, including the <u>Public Policy Forum's Brave New Work</u> series, highlights key priorities. Canada needs training systems to emphasize foundational skills and address inequities in the labor market. These should be based on shared information about best practices and knowledge relevant to changing labor markets.

Canada is in a strong position to prepare for the future of work compared to many places. It has a well-developed bureaucracy and a federal <u>government</u> interested in improving existing programs in order to help more Canadians who face labor market disruption to secure decent work.

To fulfill this potential, researchers and all agencies or offices with a hand in evaluating and developing quality programs need public data about what programs exist and how effective they are. The beginning of 2020 is an excellent time for our provincial governments, as well, to advocate for this priority as they revisit their employment training contracts.

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