

Canadian government report opposes job training for unskilled

Our reporter
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A report prepared for Canada's federal Human Resources Ministry argues against governments investing in job training programs for so-called low-skilled workers, i.e., those without a vocational diploma or any post-secondary education.

The report, a copy of which was obtained by *Southam News*, argues that the low-skilled are faring well in the current job market. Flying in the face of a spate of studies that have documented a significant growth in wage differentials between low- and well-trained workers, a dramatic decline in the number of full-time jobs filled by those without a high school leaving certificate, and a significant growth in long-term joblessness, the report's authors concluded that "if anything," there has been "a slight improvement in the relative situation for the low-skilled."

The report's ostensible focus is the plight of the low-skilled worker. But its authors' real concern is the state of capital's labor market. They consider a pool of low-skilled, poorly paid workers from which big business can draw persons to perform a myriad of menial jobs, mainly in the service sector, as essential to ensuring the "competitiveness" of Canadian business.

The real agenda of the reports' authors is exemplified by their recommendations. Some, like the call for lower unemployment and welfare benefits, would reduce state expenditure; others, like a reduction in payroll taxes, would adversely impact on government balance sheets. But all would ensure the expansion of the number of low-skill, poorly paid workers at capital's beck and call.

"The most appropriate response to deterioration in labour market conditions for these groups," declares the report, "may be measures aimed at lowering the cost of hiring workers, such as decreasing payroll taxes, reducing minimum wages and the generosity of income-support programs, or by supplementing the wages of

low-income workers."

The report was prepared as part of a Human Resources Ministry review of its funding of job training. In its first mandate (1993-97), the Chretien Liberal government greatly increased the eligibility requirements for drawing Unemployment Insurance benefits, while sharply reducing the number of weeks most jobless workers can receive benefits. The government sought to mollify public opposition to these cuts by promising to invest some of the money saved in job training. Now many of these training programs are coming to an end.

Because of a drastic decline in the numbers of workers qualifying for UI benefits, hikes in UI premiums, and a slight easing of the jobless crisis, the UI program has recorded multi-billion-dollar surpluses in recent years. But big business and much of the government is bitterly opposed to continuing to fund most of the job training programs.

In a related development, the Canadian Labor Congress last week published a report, *Left Out in the Cold: the end of UI for Canadian workers*, demonstrating that in 1997 just 36 percent of unemployed Canadians drew jobless benefits, as compared with 74 percent in 1989. Youth have been especially hard hit by the changes, with just 15 percent of jobless youth 24 and under qualifying for UI in 1997. According to the CLC report, at any given time in 1997 some 900,000 jobless Canadians were not drawing UI, meaning they either had to survive on their savings or welfare.

The CLC and advocacy groups for the poor are calling for the federal government to use the UI surplus to restore jobless benefits, but Canada's business and political elite have made clear that they believe the changes to UI are a "success." Last fall Human

Resources Minister Pierre Pettigrew conceded that well over half of the jobless weren't qualifying for UI, but claimed this showed the program was working as designed, because UI was never meant to support the long-term jobless, those who quit work, or were fired "with just cause." For its part, the *Toronto Star*, the best-known voice of liberal opinion in English-speaking Canada, issued a lead editorial January 29 that declared, "Some tinkering with the [Unemployment Insurance] system may be needed. But that should not be the focus of Ottawa's efforts, nor the target of its funds."

Last week, the parliamentary opposition exposed that the Human Resources Ministry, in its zeal to deny the jobless benefits, not only established financial quotas as to how much money should be cut from UI. It told workers who work for the ministry that their jobs would be imperiled unless the quotas were met. A memo of the UI's Investigation and Control Department obtained by New Democratic Party leader Alexa McDonough boasts about being \$53.7 million "over its savings objective." As a result, the memo adds, the unit is "well-positioned to avoid the 150 'full-time job cuts,' to be imposed by Treasury Board if the target is not met."



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