

Labour market policies and programmes affecting youth in Canada

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Introduction

Canadian youth who are making the transition from initial education to full-time participation in the labour market encounter a number of barriers. Their rate of unemployment has been over 160 percent of the national rate for most of the 1990s, and those with jobs have been more likely than older adults to find only part-time or temporary work with low rates of pay and undesirable working conditions.

These difficulties appear to be due to a convergence of several interrelated factors: the recession of the early 1990s and the long period of “jobless recovery”; the restructuring of the Canadian economy due to increased global competition and entry into the North American Free Trade Agreement; the introduction of new computer-based technologies, reducing the need for workers in most sectors of the economy; changing employer practices, including widespread downsizing of core staff and the increasing use of contingent workers and outsourcing; the seniority principle in collective agreements and employers’ personnel policies, which gives preference to older workers; and the demand for higher levels of skill that require additional years of education and experience.

On the supply side of the labour market, this generation of youth lives in the shadow of the large baby boom generation, now aged from their late 30s to early 50s and still active in the labour market. Young women now aspire to have careers in the labour market throughout their working lives, further increasing the supply of workers. Some also argue that much better access is needed to good quality, relevant education and training that provides young people with skills appropriate to the requirements of today’s labour market. Education policies are a matter of intense debate across Canada.

Youth’s labour market difficulties vary a great deal by region, gender, social class, and education level, but there is general concern in Canada over the labour market conditions faced by youth. Polls have shown high levels of pessimism about the future prospects for this generation of youth, both among young people themselves and in the adult population. There is a consensus in Canada that action by governments on this issue should be a high priority.

This paper examines trends in the labour market policies and programmes of governments as they affect youth in Canada. It is intended to be complementary to other work which focuses on education and school-work transitions, which are not discussed here. Since it is not always possible to maintain this distinction in practice when speaking of young workers, the paper will cross the line in places, but its focus will be primarily on labour market programmes and policies. The following section presents a brief sketch of current changes in responsibility for labour market programmes and policies in Canada. The paper then examines four key trends in the evolution of labour market policy and practice affecting youth. The next section discusses several particular issues arising around labour market policy as it affects youth: the effectiveness of labour market training, workplace and employer-sponsored training, minimum wage policy, the use of tax incentives and wage subsidies, proposals for the redistribution of working time, and the accessibility of labour market information and career counseling. The paper concludes with a brief discussion of research needs.

Recent developments in labour market programming responsibility

The Canadian Constitution assigns responsibility for education and social policy to the provinces. Since the 1940s, however, the Federal Government has used its mandate to ensure “peace, order, and good government” to intervene in a wide variety of labour market and social policy areas. The federal Unemployment Insurance programme was introduced in 1941. At the time, the traumatic experience of the Great Depression persuaded all provincial governments to allow the Federal Government to implement such a plan. Over the years, Unemployment Insurance acquired multiple purposes, gradually extending its reach into areas of provincial responsibility. For example, it was originally designed strictly as an

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insurance plan, therefore excluding intermittent and seasonal occupations from participation. In time, however, it was extended to seasonal occupations, particularly in the primary sector, and quickly became an important income supplement for seasonal workers. It was also extended to cover maternity leave of 18 weeks, addressing another social goal beyond its insurance function. In 1965, at the urging of both internal and external voices, including the OECD, the Federal Government established a Department of Manpower and Immigration to provide it with the infrastructure to develop and implement a national manpower policy. In 1967, it passed the Adult Occupational Training Act to enable the new department to provide labour market training. With this mandate, the new Department established a network of Canada Manpower Centres across the country that provided the full range of services recommended by the ILO at that time for a national employment service: labour market information and analysis, employment counseling, training, and job placement. It justified these actions on the grounds that manpower development was economic policy, not social policy, and that employment was a matter of federal jurisdiction and responsibility.¹

In the 1980s and 1990s, as active labour market programmes were given greater priority, increasing shares of the Unemployment Insurance fund were used to finance federal labour-market training programmes, intruding further into a domain perceived by provinces to be their exclusive jurisdiction. The Federal Government justified this as necessary to carry out its mandate to promote Canada's economic competitiveness in a globalizing economy. These federal interventions became a source of increasing contention between the two orders of government. In 1996, the Federal Government addressed this issue by passing the Employment Insurance Act. Part II of the act provides a framework for the transfer of federal responsibilities to the provinces where this is desired. Under this act, the Federal Government has now negotiated Labour Market Development Agreements (LMDAs) with eight provinces as well as Yukon Territory. Four of these -- Alberta, Quebec, Manitoba, and New Brunswick -- have adopted the "transfer model" whereby responsibility for most federal programmes is to be devolved to the province. Newfoundland, Nova Scotia, Prince Edward Island, British Columbia, and the Yukon have opted for "co-management" models. Here, labour market programmes are managed in each province or territory by a joint federal-provincial management committee. This may be an interim measure in some cases. LMDAs with the other two provinces, Saskatchewan and Ontario, were still under negotiation at the time of writing.

The Employment Insurance fund (as it is now called) is financed by the premiums paid by workers and their employers across the country. The Federal Government will continue to control this fund and to pay out passive income support directly to unemployed claimants. Funds for active labour market programmes previously funded by the Federal Government from the Employment Insurance fund will be transferred to the provinces annually to allow them to take control of these programmes. Each province has been guaranteed funds for an initial five-year period. In principle, each province will be accountable for achieving verifiable results jointly defined by the federal and provincial governments, but it will take time to develop indicators and methods to manage this system.

The Federal Government plans to withdraw from all labour-market training activities over a three-year period, sooner where desired by a province. It will, however, retain responsibility for a number of "pan-Canadian activities", such as measures that enhance interprovincial labour mobility. One area defined by the Federal Government as a "pan-Canadian activity" is youth employment programming. Since each province also has programmes for youth in the areas of employment and school-work transition, there will continue to be a need for cooperation between the federal and provincial governments in this area.

For the most part, prospects for federal-provincial cooperation on youth employment strategy appear to be good. At a meeting of First Ministers in December, 1997, the Federal Government and all provinces except Québec agreed "that youth employment is a national priority requiring the involvement of both orders of government," and that governments must cooperate with the private sector and community groups to alleviate youth unemployment. Again with the exception of Québec, the First Ministers committed

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themselves to developing a youth employment action plan and asked their Labour Market Ministers to put into motion a four-point Agenda for Action which would set clear objectives in the following areas:

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- maintaining and improving access to education and skills;
- providing more work opportunities both for those making the school/work transition, and for those who may be “at risk”;
- helping youth adapt to an increasingly complex and changing labour market; and
- helping youth address the social and cultural barriers that prevent full labour market participation.

This plan is now in development; it is to be presented to the next First Ministers meeting in June 1998.

In the same communiqué, the Government of Québec, while sharing the same concerns, reaffirmed “its will to exercise fully its control over the development, planning and management of social policies in its territory, in full accordance with its exclusive jurisdiction in this field.” It remains unclear at the time of writing what implications this will have for the operation of federal youth employment programmes in Québec.

In summary, there are ten provincial and two territorial jurisdictions in addition to the federal working on youth employment strategies in Canada. While this situation might raise some concerns about coherence and duplication, it has positive aspects. It allows a healthy degree of local autonomy to develop approaches suited to the labour market conditions in each province or territory. It also allows the separate jurisdictions to learn from each other’s experience. The initiative of the provinces and territories apart from Québec to develop a common strategy with the Federal Government is a promising sign, and it is expected that Québec will also contribute to the sharing of information and analysis of lessons learned.

Key trends in youth labour market policies and programmes

There is evidence that governments have learned a number of lessons from their experience of the last ten to twenty years, and that this learning is being incorporated in the design of youth employment strategies. The following appear to be the key trends in the 1990s:

1. Decline in demand-side measures

Many demand-side labour-market measures that used to be central to government strategies -- for example, direct job creation, wage subsidies, and tax incentives to employers -- have declined in relation to measures designed to improve the skills and overall employability of workers. This is true for all age groups, but it is especially so in the case of youth. In their place, governments in Canada have increasingly favoured measures that encourage further formal education or that facilitate school-work transitions.

The evidence from Labour Market Surveys, the School Leavers’ Survey of 1991 and its follow-up in 1995², and other sources³, is unanimous: labour market success -- measured both in employment and incomes -- is correlated directly with the level of educational attainment. This trend has been increasing since the early 1980s. The prospects for those who leave school before achieving a secondary school diploma have been deteriorating. Those with only a secondary school diploma also have reduced chances in the labour market, but they are better off than early leavers and at least have the basis to qualify for post-secondary studies. Many of those with post-secondary degrees, diplomas, or certificates experience difficulty in making the school-work transition, but the evidence shows that within two years of graduating they have unemployment rates well below the national average and much higher incomes than those without a post-secondary qualification.⁴

The increasing importance of formal education in the labour market is of course a well-documented trend in the industrialised countries, as is the increased emphasis by governments on encouraging higher levels of educational attainment among youth. Canadian governments have developed a variety of programmes that encourage youth at risk of dropping out to stay in school, as well as school-work transition

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programmes such as co-operative education, internships, and youth apprenticeship programmes that allow students to complete secondary school while apprenticing. These are discussed in sub-section 4 below.

Supply-side emphasis has also permeated thinking about the design of labour market programmes. In the past, direct job creation was viewed as a form of unemployment relief, a temporary measure to provide work during a period of difficulty. Canada's Opportunities for Youth programme of the 1970s is a good example. It appeared as the crest of the baby boom generation was coming of age and entering the labour market. The programme funded initiatives proposed by individuals or groups of youth to carry out socially-useful tasks, everything from environmental clean-up to traveling theatre groups. This approach was criticized for "warehousing" unemployed youth without creating permanent jobs, thereby creating dependency on continuing government funding. It was closed before the end of the decade despite the increasing problem of youth unemployment at the time.

Although there are a few exceptions, most youth employment programmes are now designed with supply-side objectives in mind. Even programmes designed simply to generate summer jobs for students are justified on the grounds that they provide much-needed income in a period of rising education costs. Some summer employment programmes now offer payment in the form of credits against tuition fees at post-secondary institutions. Moreover, an increasing number of temporary job programmes for youth emphasize career-related placements that allow young workers to develop their skills and to begin building personal networks in their field. Here are a few examples:⁵

- Newfoundland's Graduate Employment Programme assists post-secondary graduates in obtaining employment related to their field of study. The programme offers employers 60% of the employee's wage up to a maximum subsidy of \$10,000 per position. The youth gain experience in a career-related field, and many stay on in permanent jobs with their employer. A recent evaluation indicates that 41% of participants in the period 1991-1994 were still working with the employer contracted under the programme.
- Saskatchewan's Job Start/Future Skills programme links youth to employers and provides on-the-job training for new full-time positions in the workplace. Programme funds cover up to 50% of approved training costs to a maximum of \$5,000 per trainee. Training must lead to full-time employment with the sponsoring employer and must be recognized by a public institution or industry sector to ensure worker mobility. An evaluation released in September 1996 found that 76% of work-based trainees were still employed at the time of the survey and 84% of employers surveyed indicated that they had not been able to find the workers they needed prior to getting involved in the programme. The programme has enabled the province to assist in developing skilled workers for a range of new industries as well as assisting small and rural businesses to hire and train the workers they need.
- British Columbia's Workplace Based Training (WBT) programme provides youth who would otherwise receive income assistance with full-time employment, enabling them to acquire portable work skills. The programme develops skills needed for long term employability while giving employers an incentive, in the form of training credits, to hire and train people on income assistance. Between 80% and 90% of clients remain employed following the 12-month contract. Of the approximately 4,000 clients in total, half are youth.

2. Targeted programming

Youth is not a homogeneous group. Young people vary by gender, social class, ethnicity and race, age, and education level. Across Canada, they also face a variety of local labour market conditions. Hence the needs of youth are quite varied. It is recognized increasingly that no particular type of programme can address all employment problems. Policy makers and programme designers must give careful attention to defining the group or groups they are to serve and identifying their particular needs. This involves not only analysis but also choices about the scope and depth of the response. A programme with a broad scope may provide a

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small amount of benefit to a large number of people, while a more focused programme may be very helpful to a relative few.

All jurisdictions in Canada now offer a range of programme responses to problems of youth employment. At the risk of oversimplification, we can identify two general types. The first addresses one particular youth employment problem, such as the need of post-secondary graduates for initial job experience, or the need of unemployed youth who wish to start up their own businesses for training and access to start-up capital. The second is a multi-faceted approach designed for more disadvantaged youth who face multiple barriers to employment. Typical problems are low levels of education, lack of employability skills, and lack of self-confidence. For this set of problems most jurisdictions have developed multi-faceted programmes that combine counseling and career information, job search assistance, work experience, on-the-job and classroom training, life skills training, support for returning to formal education, and various forms of wage subsidy to assist the transition from unemployment to full-time work. In some jurisdictions, this entire range of specific and multi-faceted programming is packaged within an overarching programme that aims to ensure coherence and coverage of the needs of all targeted groups.

Although multi-faceted programming is now the preferred approach for disadvantaged youth, there is not yet any evidence that it is effective for those facing multiple barriers to employment. There is not yet any example of a programme in Canada that has proven to be effective in meeting the employment needs of severely employment-disadvantaged youth.⁶

Examples of multi-faceted programmes are the following:

- Alberta's Youth Employment Services Centres are open to all youth in the areas where they are located. They offer a package of services tailored to the individual. These may include individual career and employment counseling, labour market information, group and individual job search service, financial assistance for training and education, training incentives for employers, and workshops designed to meet specific needs, such as life skills training.
- Youth Futures is a pilot programme in Prince Albert, Saskatchewan. It is a community initiative to assist young people dependent on social assistance to gain the skills and experience they need to be successful in the labour force and break the cycle of dependency. Community groups, employers, aboriginal groups, and government departments work together to offer counseling and employment services, provide opportunities for skill training, arrange community service and work experience, and encourage completion of high school. The community board includes five youth representatives.
- Newfoundland's Linkages programme offers 'at risk' youth aged 18 to 24 who have not completed post-secondary education the opportunity to engage in 26 weeks of career-related employment, participate in regular group career planning workshops, and earn a training incentive toward the cost of post-secondary education. Employers receive a wage subsidy of up to \$5,720 for a maximum of 26 weeks. Over half of the participants are social assistance recipients.

3. Self-employment assistance

There is an increased emphasis on entrepreneurship in youth employment programming across Canada. Most jurisdictions now offer entrepreneurial skills training as well as business start-up loans, loan guarantees, and grants. Training and capital assistance are sometimes combined in the same programme. Québec offers young people (up to the age of 40) training, access to credit, and capital grants to establish farms. Several provinces offer small loans to assist students to start up their own enterprises for summer employment.

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Self-employment seems to be an appropriate response in a time when large firms are shedding staff and outsourcing many of their functions. Most new net job creation in Canada is by small firms. There has not yet been much systematic study of the effectiveness of this approach, however. These programmes need to be evaluated for their costs and benefits. Where numbers of new businesses and jobs created are reported, they appear to be rather low. Moreover, it is not clear whether such initiatives really offer viable alternatives for youth, or if they are just another source of low-paying, insecure jobs.

Here are a few examples of programmes to support self-employment:

- Nova Scotia's Centre for Entrepreneurship Education and Development (CEED) acts as a catalyst in areas of entrepreneurship education, research and programme design, professional development, and community entrepreneurship. Programmes target youth under 30 years of age. Programmes run by CEED have resulted in 25% to 30% of participants starting businesses. In 1997, there were 110 new business starts creating 200 new jobs.
- British Columbia's Youth Business and Entrepreneurship Training Programme provides a three-stage training programme to help young people to prepare for and start up their own businesses. Stage 1 provides an overview of what it's like to be in business, and information on resources in the community. Stage 2 is a two-day workshop on turning an idea into a business opportunity. Stage 3 is a ten-day business plan development training series. Participants conduct market research, write a business plan and explore financing options. There is also an alternative two-day workshop exploring co-operative business opportunities, followed by a ten-day set of workshops that allow participants to conduct market research and prepare a business plan for their co-operative business venture. Under the Youth Mentorship Programme participants are matched with local business mentors. About 1,400 youth participated in the programme's first year, 1997.
- Québec's Youth Entrepreneurs programme helps young people aged 18 to 35 to start their first business through awards for project feasibility studies, start-up, and training. A project must create at least two full-time jobs within the first two years. The programme provides a grant of up to \$6,000. The parallel Youth Entrepreneurship Assistance programme provides consulting services for starting up and continuing a business.

4. Social partnership

Canada does not have the tradition of corporatism that, for example, provides Germany's dual system of occupational training with the active support of employers, unions, and the state. Over the past ten or fifteen years, this lack of social partnership has been recognized as one of the key weaknesses in Canada's arrangements for occupational training and school-work transitions. There is a gap between the education system and the labour market. Many new initiatives in labour-market measures for youth have attempted to bridge this gap with programmes that engage the active participation of employers, community-based organizations, educational institutions, and public agencies. Several of the examples already cited are evidence of this trend, for example the Youth Futures pilot programme in Prince Albert, B.C.'s Youth Mentorship Programme, and the many examples of employer-based training supported with wage subsidies. Three approaches deserve particular attention here: co-operative education, internships, and youth apprenticeships.

Co-operative education

Co-operative education programmes place students in real jobs with employers as one component of their formal course of studies. The work is jointly supervised by the employer and an academic adviser. Employers may be compensated through tax credits, wage subsidies, or simply by the free or low-cost labour provided by the student.

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The purpose of these programmes varies according to the level of education. At the secondary school level, a co-op placement is simply intended to give the student exposure to a chosen field of work. There is no formal training or certification involved. The experience may be part of a larger programme of career studies. Such programmes are now offered in several jurisdictions, particularly in western Canada. In other cases, however, there may be little or no follow-up, and the co-op job may be viewed by the student as merely an easy credit.

Co-operative education is on the secondary school curriculum in most jurisdictions in Canada, but less than 10% of secondary school students opt for it.⁷ There are several obstacles to the success of co-op programmes. Some students and parents doubt the value of co-operative education for college- or university-bound youth and tend to see it as a form of terminal vocational training. Employers, especially smaller businesses and organizations, may be reluctant to offer workplace opportunities to youth because of the extra management time and costs that would be incurred for supervising the youth. Co-workers may see youth in co-operative programmes as taking work opportunities away from other insiders. Outside of large metropolitan areas, the variety of workplace experiences in sectors that are likely to provide good career prospects is usually quite limited. For their part, schools often have weak links with employers. Co-operative education programmes may clash with the demands of traditional classroom learning, for example in class scheduling. Most postsecondary institutions do not recognize course credits earned through co-operative education programmes. Finally, labour laws sometimes excludes students from certain kinds of protection, such as workers compensation benefits for injuries that occur on the job.

An evaluation of cooperative education programmes at the secondary school level in Canada has found that students who participate in co-op programmes are less likely to go on to post-secondary education.⁸ It is not clear whether this is due to the impact of the programme or to the type of students who opt for co-op programmes, but anecdotal evidence suggests a straightforward explanation: co-op programmes do not provide credits towards admission to post-secondary education, and students intending to continue to post-secondary education are more likely to focus on accumulating the academic credits they require. The same evaluation also found that secondary school co-op programmes have no discernible impact on labour market success -- measured in time to find the first job, time employed, and earnings -- of those who do not continue to post-secondary education. Nor was there any significant difference in dropout rates between co-op and non co-op students. All of this suggests that there is not much value in co-op programmes at the secondary level, but these findings should not be accepted as conclusive, for two reasons. First, the problem may lie in design features and the problems noted in the preceding paragraph, not in the basic concept. Second, there has not yet been sufficient evaluation to draw firm conclusions; the one evaluation cited fails to demonstrate that those who participated in co-op programmes did not achieve better outcomes than if they had not participated.⁹

Co-operative education at the post-secondary level has a more positive record.¹⁰ The programmes are most developed for students in engineering, computer science, commerce, and economics, where the relevance is most obvious to employers in labour market segments with high demand. Programmes for students in the humanities present more of a challenge to programme organizers. Co-op education at the postsecondary level is comparable to the experience in internships, described below. Students work with an employer in a real job, learn through experience and on-the-job training, and begin to develop networks in their field that can help them to find jobs when they graduate. Typically one semester per year is spent in a co-op placement and two in formal studies. The main problem for students is the shortage of employers who are willing to take them on for the work terms. Many end up sitting out their work term at home, or pressing on with their studies and skipping work terms due to the shortage of employment opportunities. Nevertheless, one study¹¹ shows at least modest benefits in terms of enhanced employment prospects and higher incomes for university graduates who opt for a co-op programme in the fields of mathematics and science and commerce and economics. However, engineering graduates gained no significant advantage from co-op programmes. As with the findings for secondary level co-op programmes, the problem of

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selection bias has not been addressed in these studies; the apparent lack of success of secondary school co-op programmes, and the success of certain post-secondary programmes, could both be due to the characteristics of the students who choose them rather than to the programme impacts.

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Internships

Internships are placements of unemployed and underemployed high school, college, or university graduates with employers in their field, typically for periods from a few months to one year. During the 1990s, the Federal Government has launched and expanded several large internship programmes. Federal ministries and agencies, including Agriculture Canada, Environment Canada, the Department of Fisheries and Oceans, Foreign Affairs and International Trade, the Canadian International Development Agency, the National Research Council, and Industry Canada sponsor internships with private firms and non-profit organizations in their respective sectors. Human Resources Development Canada also supports a large-scale internship programme called Youth Internship Canada with an annual budget of \$89 million. One component of this programme is operated by the private sector through 18 industry sector councils, including for example the councils for the steel industry, tourism, electric and electronic manufacturing, and aquaculture. The financial and in-kind contributions by employers are estimated to exceed the federal government contributions. The objectives of internships are to provide the participating interns with work experience in a career-related field, further develop their skills through on-the-job training and mentoring, and give them the opportunity to begin developing networks in their field. In the particular case of sector council internships, the programmes lead to employer-recognized skill certification. All of these federal programmes taken together are currently supporting over 50,000 internships over a two-year period. The programmes are about to be evaluated at the time of writing, but interim assessments suggest that they are having a positive impact.

Another federal programme, Youth Service Canada, spends \$50 million annually to provide work experience and self-employment opportunities for 5,000 less well-educated youth who are unemployed and out of school. The programme works in partnership with community-based employers in the private, public, and not-for-profit sectors across the country to develop community service projects of various kinds. In addition to gaining work experience, participants receive a weekly stipend and a \$2,000 grant that may be claimed when they continue their education, start a business, enter the regular workforce, or pay off a student loan. Again, interim assessments appear to be positive, both in terms of subsequent employment rates and decisions to return to formal education.

There are also internship programmes at the provincial level. For example, Manitoba's Partners for Careers programme matches aboriginal high school, college and university graduates with entry-level career positions. It is a partnership involving business, aboriginal leaders, and the provincial and federal governments. Under the programme, aboriginal youth receive mentorship from industry leaders and are placed in new entry-level positions in the private sector. The principal objective is to develop working relationships between educational institutions, aboriginal organizations, and the business community.

The private sector has also developed a major internship programme, and the Federal Government has recently signed on as a "host organization" willing to take on interns. Career Edge was launched in 1996 with the support of some of Canada's largest corporations, and now has several hundred registered host organizations. Prospective interns must be university, college, or high school graduates willing to spend six, nine, or twelve months gaining career experience with a host organization. They approach host organizations directly through the Career Edge web site (<http://www.careeredge.org>). Career Edge acts as the intern's employer, thus eliminating host organizations' risks associated with severance. Host organizations pay Career Edge a fee to cover the \$15,000 annual stipend paid to the intern, payroll taxes, and an administrative fee. Host organizations are also able to place interns outside of their own organization, for example with customers and suppliers, or non-profit organizations. All host organizations and interns sign Career Edge's Code of Conduct and Workplace Practices. Career Edge stipulates that all internships should be both challenging and meaningful, allowing interns to gain general experience and develop specific career-related skills. The interns' jobs must be newly created positions and must not replace permanent positions or other education-sponsored programmes.

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Youth apprenticeships

Youth apprenticeship programmes provide youth with an option that allows them to get started on training in skilled trades without abandoning their secondary school studies. They aim to attract more youth, especially women, into apprenticeship programmes in order to alleviate skill shortages in specified trades and to correct age and gender balances.

Ontario was the first jurisdiction to develop this kind of programme. In the Ontario Youth Apprenticeship Programme (OYAP), students train as registered apprentices while enrolled in school. The student works to complete his or her secondary school diploma while also gaining apprenticeship training towards a Certificate of Qualification with journeyperson status in a skilled trade. Students who find they are not suited to the trade can return to a regular school programme after one semester with no penalty. Students earn a percentage of a journeyperson's wage during the on-the-job portion of the programme. The programme is open to students who are at least 16 years of age and have completed Grade 10. Students must complete a minimum of three in-school credits per year. Schools are required to monitor the programme offered in the workplace to ensure that it meets secondary school credit requirements. To receive their secondary school diploma, students must still complete all compulsory credits. For the apprenticeship requirements, students must be employed with a qualified employer and must fulfill all requirements of an apprenticeship programme. The students' progress is monitored by training consultants from the Ministry of Education and Training, to ensure that industry standards and training requirements are being met.

Youth apprenticeship programmes have now been established in five jurisdictions: Ontario, Alberta, Manitoba, British Columbia and the Northwest Territories. All follow essentially the same model, providing an alternative path into apprenticeable occupations at a younger age while allowing students to keep the option of attending college or university later. Regular apprenticeship programmes have been in decline in Canada for a number of reasons. Apprenticeable occupations are concentrated in the traditional trades -- manufacturing, construction, and traditional services -- where there has been weak job growth for more than a decade. Moreover, the cost of apprenticeship training is high, both for the employer and for the apprentice. The employer pays more than three times the amount an employer in Germany would pay because the term is longer and the minimum wage is higher. At the same time, the apprentice must stay in the programme longer and finds the wage low because, on average, the apprentice is much older than a German counterpart -- 26 years old, compared to an average of 16-17 in Germany.¹² Youth apprenticeship programmes address the latter problem by getting the apprentice started at an earlier age. If they are well planned, youth apprenticeship programmes can also focus on skills that are in demand in the local labour market and help to address both labour shortages and skill training needs. On the other hand, youth apprenticeship programmes are expensive and relatively few young people have registered in them to date. This may be due in part to the low status of such programmes in the secondary school culture. There has been little evaluation of these programmes.

Issues

There may be consensus in Canada on the urgency of the youth unemployment problem, but there are debates around a number of issues related to youth labour market programmes and policies. Some of these are public issues while others are confined to smaller groups of analysts and policy makers. This section briefly reviews the debates in six areas: labour-market training, workplace and employer-sponsored training, minimum wage legislation, tax incentives and wage subsidies, redistribution of working time, and access to good labour market information and counseling.

1. Training programmes for the young unemployed

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Labour-market training programmes are analogous to curative as opposed to preventive medicine. Their aim is to improve the employability of workers with weak or obsolete skills. Young people who have left the education system before completing a postsecondary degree, diploma, or certificate are the main clients of these programmes, as a high school diploma no longer provides a guaranteed means of access to the labour market.

Although a few labour-market training programmes for young unemployed workers have been mentioned in the previous section, most training of this kind in Canada is not segregated by age group. Some observers believe that labour-market training programmes work more effectively when participants of different age groups are mixed together (although there does not appear to be any formal evaluation on this point). The typical programme is designed for unemployed people with a low level of formal education and a lack of marketable skills. Youth account for a large portion of clients, but labour market restructuring has left many prime age workers in this situation as well. Women returning to the labour market after a period of absence for child-rearing also frequently need this kind of support. As mentioned earlier, multi-faceted programmes are now generally preferred in this situation, combining training with career counseling, labour market information, job search assistance, and subsidised work experience. This can make it difficult to separate out the training component of the programme for assessment.

NB WORKS is an interesting example of this kind of programme, and it brings out the range of current issues around labour-market training. It is a six-year "national demonstration project" begun in 1992 and supported jointly by the Government of New Brunswick and the Federal Government. Its purpose is "to ensure that the participants achieve a level of educational/skill proficiency and obtain relevant work experiences that will allow them the opportunity to achieve permanent labour force attachment." Eligible participants are people who have been receiving social assistance for at least six months, have not completed secondary school, have little previous job experience, and who have dependent children at home. Over 80% of the participants are women; about 15% are under 25 and 51% are aged 25 to 34. During each of the first three years of the programme, approximately 1000 participants have been selected from among social assistance recipients in New Brunswick. For each participant, the projected programme is to last for about three years. It begins with a two-week orientation that focuses on life skills such as budgeting, time management, and goal setting. Participants then enter a 20-week period of employment. It is claimed that this helps to improve the self image of the participants, establish links with others in a similar situation, and develop teamwork skills, but the primary purpose seems to be to allow them to qualify for Employment Insurance (EI). No claim is made for the career relevancy of the work at this stage. It includes clerical, maintenance, and general labour such as clearing brush from under power lines. Most of the work at this stage is provided by public sector employers. Once they complete 20 weeks of work, participants are eligible for up to 156 weeks of income assistance from EI for the subsequent training period. The next phase is academic upgrading, during which participants complete their secondary school diplomas. Since they have different starting points, this period varies by the individual. They work towards the Adult High School Diploma offered at colleges of the New Brunswick Community College system. When they complete this stage, they choose a skill training programme from among those offered by the community college system. They are assisted in their choice by career counseling consultants who help them with labour market information and assessment of their own aptitudes and preferences. Most of those who have reached this stage have opted for training in skilled paraprofessional occupations such as nursing assistants or in occupations at the intermediate skill level, such as general office technology. During their training, participants can seek out employers in their chosen field to arrange summer internships for themselves. When they are approaching the end of the skill training phase they receive further advice and assistance from career counselors on job search methods, resumé writing, and interviewing techniques. They may also undertake further career-related internships provided they do not exceed the overall total of 156 weeks for which they are eligible for support. They are then expected to find jobs. They may make use of another provincial government programme which provides employers with a temporary wage subsidy for new permanent positions created to employ them.

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Since it is a national demonstration project, NB WORKS is scheduled for extensive analysis. To date only an interim process evaluation has been completed, but it is already clear that there are several concerns. First, it has a very high rate of attrition. Over 70% of the first year's intake left the programme before completing it, and more than half of these returned to social assistance. Attrition rates have been somewhat lower for the subsequent years' intakes but still appear to be over 50%. This is in spite of tightened selection criteria aiming to ensure that participants have the motivation and aptitude for the programme. The experiences of participants explain this high dropout rate. The initial 20 weeks of employment received much criticism for poor planning, poor supervision, incidents of sexual harassment, and dangerous working conditions. The period allowed for academic upgrading was insufficient for many in the first intake, and this became another cause of dropout. It led to a tightening of criteria regarding prior academic achievement in the subsequent intakes, effectively excluding the more disadvantaged social assistance recipients from entry to the programme. Finally, although outcomes have not yet been surveyed, many participants were not optimistic about their chances of finding work after completing the programme. The unemployment rate in New Brunswick has been persistently above 10 percent throughout the 1990s, and many university and community college graduates already have difficulty finding work.

Critics of labour-market training programmes like NB WORKS point out that they do little or nothing to improve the demand side of the unemployment problem, and claim that at best they simply increase the competition for jobs and move unemployment around. Such programmes, they say, perform a "warehousing" function and little else, at great expense to taxpayers. The cost of NB WORKS, revised in light of the high attrition rate, will be \$134 million over the life of the six-year demonstration phase. This is a very high cost per participant; if those who dropped out and returned to social assistance are excluded, the cost amounts to over \$65,000 per participant.

Advocates argue that more trained workers attract new investment and, along with demand-side programmes and policies, help to create jobs. The New Brunswick Premier, Frank McKenna, defending the approach, said, "I have an absolutely dominating belief that in the chicken-and-egg conundrum of whether you should have jobs or training first, the answer is that you need the training first. If you have the training the jobs will take care of themselves." Advocates also point out that the gains both to individuals and society from training programmes accrue over long time periods and are hard to capture in cost-benefit analyses that extend only a year or two from the end of the programme.

Labour-market training in Canada has been evaluated more extensively than other approaches to youth employment problems, but much of the evaluation literature is limited by methodological shortcomings in earlier periods of evaluation practice.¹³ Nevertheless, there are some general conclusions that emerge from the body of research. There is evidence that the positive impacts of training for all age groups have increased in the past ten to fifteen years, possibly due to improved programme design and delivery, possibly to the underlying importance of skills and knowledge in the labour market, or perhaps only to improved methods of measurement and evaluation. There are, however, "period effects" at work. Labour market demand for young workers was stronger in the middle and late 1980s, so both young trainees and non-trainees with whom they were compared tended to do better than either group has done in the 1990s. Moreover, where labour-market training programmes have had a positive impact, the gains in employment and earnings tend to be stronger in the short-term and to dissipate over time.

The key success factor in labour market training programmes appears to be strong links to the local labour market. Programmes that give emphasis to on-the-job training with real employers, as opposed to classroom training unrelated to a particular workplace, appear to generate more successful outcomes. It has also been found, not surprisingly, that programmes are more effective when they train participants for skills that are in demand. This may seem obvious, but it is often difficult to project needs accurately because of constant economic change and differences from one local labour market to another. Good connections between training programmes and the local labour market can help to bridge this information gap. These findings have contributed to the trend noted earlier towards the promotion of greater social

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cooperation. Evidence from the United States suggests that a “work first” approach can be successful because of its strong connections to local demand. The approach is to begin by finding a job with a local employer and then to subsidise on-the-job training. The participant works in a real job that includes a subsidised on-the-job training component. Academic upgrading takes place at the same time as vocational training, and both are related to the context of the actual job. Alberta has recently begun testing this model (for workers of all ages) at four pilot Integrated Training Centres.¹⁴

As already noted, training programmes are most effective when combined with other services such as counseling, job search assistance, and subsidised work experience and on-the-job training. This suggests that the other factors may be the more useful elements of successful programmes. Shorter, intensive programmes seem to be more effective, largely because the attrition rates are lower. Those who face the greatest obstacles to labour market success benefit least from training programmes, however, while those with the greatest advantages tend to benefit even more from access to training opportunities. But even those who are designated “severely employment disadvantaged” do appear to achieve positive short-term advantages from training programmes.

A number of issues have arisen around availability of training programmes and access of young people to them. The Canadian Labour Force Development Board has identified a large set of problems relating to unstable funding for labour market training, including a general shortage of programmes, long waiting lists, lack of information about programmes, problems with eligibility for those who are not receiving Employment Insurance, and lack of necessary supports, such as income support and child care.¹⁵

2. Workplace and employer-sponsored training

As mentioned earlier, Canada lacks a tradition of corporatist training schemes or even of extensive formal entry-level workplace training for young recruits. It appears that there is a lower incidence of workplace training in Canada than in the United States, and that North America is surpassed by Europe and Japan in this regard. The ready supply of skilled immigrant workers since the mid-nineteenth century has taken the pressure off Canadian employers to train their own workforce in anything but job-specific skills. Training in portable skills is considered to be the responsibility of the individual and the state. Moreover, several studies show that most employer-sponsored training in Canada goes to prime age male workers and to those who already have higher levels of formal education.¹⁶

Some policy-makers have considered ways to increase the level of workplace training in general and to make it available to those who now have more limited access -- less well-educated workers, women, and the young. There has been discussion in some jurisdictions of introducing a training tax. In such a regime, employers would deduct their own training expenditures from their training tax, thus providing a stimulus to employer-sponsored training. The tax would also generate revenue to support state-sponsored training programmes.

The main problem with this approach is that it would penalize small and medium-sized firms, where virtually all net employment creation has taken place in Canada in the last decade, but where training is least developed. The research on this question to date suggests that small firms do less training than larger firms for a few basic reasons. First, their training cost per capita is higher than for large firms because training seems to involve higher fixed costs, expenses that large firms can recoup through economies of scale. Second, small firms experience greater disruption when their key employees must be absent for training. And third, small firms are less likely to be aware of training opportunities. For these reasons, the thinking on this issue is more supportive of positive measures that make training more feasible for small firms. One proposal is to promote training networks through community-based and sectoral training councils that bring together the business community, colleges, universities, and the local private-sector training community.¹⁷

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Of course, young workers have difficulty even getting jobs, the prerequisite to gaining access to workplace training. Those who have jobs are much more likely to be employed in part-time, temporary, or “just-in-time” jobs, where training is virtually non-existent. Even those who do have permanent, full-time jobs are less likely to have access to employer-sponsored training than older workers. In this environment, there is evidence that younger workers who have left full-time education are engaging in a high level of self-initiated, career-oriented formal education and training without support from employers. Most of this is intended to advance their careers by developing portable skills, not to improve their ability to do their current jobs. Some observers therefore suggest that it is as important to develop policies that support the efforts of individual young workers to develop their skills through self-initiated training as it is to promote employer-sponsored training.¹⁸

3. Minimum wage legislation

Minimum wages are legislated at the provincial level. Across Canada they range from a low of \$5.00 per hour in Alberta to a high of \$7.15 in British Columbia. Only two jurisdictions -- Ontario and Alberta -- have subminimum rates for youth, and in both cases they are specifically for students under the age of 18. In Alberta’s case the student minimum wage is \$4.50 per hour, or 90% of the adult rate; in Ontario the student minimum is \$6.40 per hour, 93% of the adult rate of \$6.85. All other jurisdictions have eliminated their subminimum wages for students, some attributing this to the Canadian Charter of Rights, adopted in 1982, which prohibits discrimination on the basis of age. Nova Scotia has a special minimum wage of \$5.00 per hour for inexperienced workers during the first three months of their employment, after which it rises to the regular minimum of \$5.50. Certain occupations in which youth tend to be employed -- especially food and beverage servers -- also have subminimum wages in Québec and Ontario, but this is because the workers earn a large part of their income from tips.

Even where they exist, subminimum wages for students are not an issue because they are rarely used by employers.¹⁹ This may explain why there has been no debate on the issue of “junior” rates for youth in Canada, nor any challenge to their legality under the Charter of Rights in Ontario and Alberta. There is, however, a major debate on the impact of the minimum wage on employment in general and youth employment in particular.

Opponents of the minimum wage argue from neoclassical economics the straightforward proposition that a minimum wage set above the equilibrium level reduces employment (as long as the labour demand curve slopes downward, which is a safe assumption). Since unemployment is highest among those with low levels of education and skill, and particularly among youth, the solution proposed is to expand the number of low-skill, low-wage jobs by reducing the minimum wage and other taxes on employment such as Employment Insurance premiums, Canada/Québec Pension Plan contributions, and other similar costs to employers. “Getting people into a job, any job,” say the editorial writers of *The Globe and Mail*, “is far more important to their self-respect and their economic prospects than forcing them either to wait for a more interesting and well-paid job that may never come or to take expensive but too-often-worthless job training. One becomes a worker by working. One’s value as a worker rises with the experience and skills acquired on the job.”²⁰

The main argument for minimum wage legislation is that it ensures a “living wage”. It is seen to be a pillar of social justice, and a basic method of reducing poverty. It also supports the wage levels of workers earning above the minimum wage; their wage position would be undercut by competitive pressures if the minimum wage were reduced at a time of high unemployment. For these reasons, reduction or elimination of the minimum wage would be politically unpopular in Canada, and no jurisdiction has attempted it to date. The Alberta government, which has pioneered many neoliberal measures in Canada, reviewed its policy on the minimum wage in 1997-98 with a view to reducing it from its level of \$5.00 per hour,

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already the lowest in Canada. The government, however, found in a survey that 86 per cent of the Alberta population favoured an increase and so reversed itself and raised the minimum wage to \$5.90 per hour.

Underlying the public debate is disagreement among economists about the real effects of minimum wage legislation on employment and incomes in general, and on youth in particular. A study by Card and Krueger in the United States has claimed to show that increases in the minimum wage do not have any disemployment effect.²¹ This challenges neoclassical orthodoxy and has sparked a debate among professionals in the U.S. and Canada on the question. The Canadian evidence is scanty, but the studies that have been conducted suggest that there is a disemployment effect related to increases in minimum wage rates, especially for groups “at risk”, that is, those whose earnings are at or near the minimum level before an increase. This “at risk” group is not large. The percentage of jobs paying the minimum wage is low: it ranges from 1.5% in Alberta to as high as 7.5% in Saskatchewan, with an average of 2.5 to 4% for Canada as a whole. Since about half of minimum wage jobs are part-time, the percentage of “full-time equivalent” minimum wage jobs is only about 1.6%.²² The percentage of youth working for the minimum wage is much higher, however, especially among teenagers. It is estimated at 15-20% of employed teenagers in Ontario and Quebec and up to 40% in the Atlantic provinces.²³ Three separate studies indicate that there are disemployment effects associated with minimum wage increases for young workers who are currently working for wages at or near the minimum wage, and these losses would probably surpass the “break-even” point -- that is, there would be a loss of income by the group as a whole despite the higher wages of those who retained their jobs.²⁴ By inference, it would be reasonable to expect that there would be employment gains for young workers, especially teenagers, by a decrease in the minimum wage level, and possibly a gain in earnings by the group as a whole despite lower wage rates for individuals.

What emerges from this analysis is a dilemma. A reduction in minimum wage levels could increase the employment opportunities for young workers significantly. Moreover, many of these young workers are not supporting themselves independently. Their earnings are supplementary to the household income, and their families include adult earners across the whole range of income levels. On the other hand, minimum wages support the income levels of those who do have jobs. One American study has shown that the decline in the real value of the minimum wage through the 1980s has contributed to increasing wage inequality in the U.S.²⁵ No doubt the same has happened in Canada; the real value of the minimum wage is significantly lower than it was in the late 1970s, in all provinces. The earnings of many prime age workers could be threatened by further decreases in the minimum wage level. Moreover, without parallel reductions in levels of social assistance to those who are out of work, the incentive to work would be undermined by further reductions in the minimum wage. These are the considerations that policy makers must weigh in dealing with the issue.

4. Tax incentives and wage subsidies

Tax incentives and wage subsidies are both used to varying degrees in Canadian jurisdictions as incentives to hire and train young workers. Of the two, tax incentives are the less preferred. The most recent national inventory of youth employment programmes indicates that only Ontario among the provinces offers employers tax incentives for hiring youth. It has two such programmes. The Co-operative Education Tax Credit offers businesses a credit equivalent to 10 percent (15 percent for small businesses) of the wages and benefits paid to post-secondary students in co-op placements, up to a maximum of \$4,000. The Graduate Transitions Tax Credit makes the same credit available for hiring unemployed and underemployed post-secondary graduates who have graduated within the past three years. (There is no age limit for either programme.) At the federal level, the government has recently announced the elimination of Employment Insurance premiums paid by employers on new jobs created for young Canadians aged 18 to 24.

As already mentioned in several earlier examples, wage subsidies are widely used as an incentive to employers involved in particular programmes for youth. Evaluations of federal training and work

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experience programmes suggest that wage subsidies can play a useful role in getting employers involved, and employer involvement in turn is a key factor in the success of such programmes.²⁶ Wage subsidies are therefore one of the key instruments for promoting social partnership.

Neither wage subsidies nor tax incentives appear to increase the absolute number of jobs available in the economy sufficiently to justify their cost. A study of the Canadian Employment Tax Credit in the 1980s found that only 20 percent of the jobs subsidised by this programme were real incremental gains in employment. That is, 80 percent of the jobs would have been created without the tax credit.²⁷ Targeted programmes, however, can address social goals if they have the effect of giving an advantage to a designated group of job seekers, such as young workers, co-op students, or recent graduates. The programme can redistribute available job opportunities in their favour. In such cases, however, it is important to identify those being displaced by the targeted group. If the displaced are also members of a disadvantaged group, social equity goals will not be served.

5. Redistribution of working time

Although redistribution of working time as a labour market policy has never been given the serious consideration it has received in some European countries, it has advocates in Canada. Some argue that growth is not the answer to the problem of structural unemployment and underemployment. The economy has grown by several times in the past five decades, but unemployment and underemployment persist, and indeed have increased with each turn of the business cycle since the late 1960s. The current wave of technological change is eliminating far more jobs than it will ever create, they claim. We should therefore look for ways to redistribute the work available in the economy to preserve some degree of social equity. Advocates of this argument generally subscribe to the “end of work” thesis popularized by Jeremy Rifkin.²⁸

Another line of argument arises from studies in Canada which show that much of the growing gap in earnings between younger and older workers arises from differences in the hours worked per week, not only from differences in hourly earnings.²⁹ The study cited here included only those who had jobs; factoring unemployed youth into the calculations would show an even greater gap. At the same time, a study by the Conference Board of Canada has found that about one-third of working Canadians would prefer to work less time, while a third would prefer to work more.³⁰ Those currently working too much could be creating value in other ways, by giving more attention to their families, friends, and communities. Those working too little, especially underemployed and unemployed youth, could step in to take up the slack, increase their incomes, and get a start on their career paths.

There are many straightforward ways of reducing work time -- shorter work days and work weeks, longer vacations, job sharing, education and parental leave, early retirement, and so on. The question of redistributing work from one group to another is a more difficult problem, however. Most work-sharing experiments in Canada have been designed to avoid layoffs rather than to expand employment and are not of particular benefit to youth. Most are situated in industries where employment levels are declining and are intended to preserve the interests of existing core workers, the insiders, rather than to expand opportunities for the outsiders.

A more interesting approach from the point of view of young workers could be to examine ways of redistributing work more appropriately among the different age groups across the whole life cycle. Young people could benefit from a more gradual transition from school to work in which classroom learning is combined with workplace training and experience, for example through arrangements like the co-operative education programmes and youth apprenticeships described earlier. Once they reach their early- to mid-twenties, however, it is reasonable for youth to want to invest their time and energy in career-path jobs that provide them with decent incomes and opportunities to develop their talents. At intervals through the prime of life, it is also useful to take time away from a career job to learn new skills, to apply skills in different settings, or to attend to family responsibilities. The latter may involve child care or care of aging parents.

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After passing through the prime of life, older workers may wish to phase in their retirement gradually, rather than end their careers abruptly. Some may wish to continue to work and make a contribution beyond the traditional retirement age of 65, but on a reduced basis, blending income from work with pension income.

There are several measures governments could use to facilitate these kinds of life-cycle changes. Governments could promote the ability of prime-age workers to take extended leaves of absence for purposes of attending to their family or education. They could do this, for example, by regulations that establish the right of workers to unpaid leave, by tax shelters that facilitate saving for education and training leave, by legislating a right to parental leave for both sexes and supporting it through tax provisions and employment insurance, and by supporting such leaves in their own employment practices. Governments could also promote the practice of voluntary phased-in retirement, through appropriate changes to the Canada Pension Plan and Old Age Security, and through their own practice as public sector employers.³¹

There are limitations to this approach, however. First, there is not a simple one-for-one trade-off in the work given up by older workers and the opportunities for youth. Older workers are more likely to be employed in mature and declining industries. The early retirement, or even the gradual phased-in retirement, of older workers may be used to cover the downsizing requirements of employers rather than to create new opportunities for youth. Finally, the cost to governments in tax benefits and pension payments may be higher than is politically acceptable.

6. Information and counseling

Effective education, career, and employment counseling is widely recognized as an important support to the transitions of individuals through school and work. In Canada as in other industrial countries, however, it is unevenly developed and unavailable to large numbers of people who need it.³²

There are several positive aspects to the state of education, career, and employment counseling in Canada. Materials produced by the federal department Human Resources Development Canada are generally regarded as excellent, as is the training it provides to its employment counselors. A good deal of energy has gone into creating on-line information that can be used by individuals and agencies across the country (<http://www.youth.gc.ca>). The quality and availability of guidance in schools is improving, and is of particularly high quality in Québec where career guidance counselors form a professional group with extensive formal preparation. In several provinces, notably Alberta and B.C., career education is an important part of the secondary school curriculum.

There are also several limitations, however. The counseling services of Canada Employment Centres are usually limited to those receiving Employment Insurance. Young workers who have left school and who are not eligible for Employment Insurance may have no access to career counseling apart from expensive private services. Except in Québec, counselors in schools usually have limited training for career and employment guidance and spend half or more of their time dealing with personal and social issues. Counselors in other social agencies are, on average, the least-well trained of all, and their mandate is normally limited to people receiving social assistance or other designated groups. Many schools and community agencies lack good resource materials with up-to-date information on the labour market and employment programmes at the federal, provincial, and municipal levels.

The international and Canadian literature emphasizes the importance of providing a coherent and comprehensive system of education, career, and employment counseling that is accessible to all who need it. Agencies and individual counselors may specialize in providing services to particular groups, but the system as a whole should be coordinated to provide the full range of education counseling, career education, and job-placement support that citizens require. Conger et. al. suggest a “one-start” service for

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individuals outside the education system, with a single point of entry where they can be directed to the appropriate counseling service. Finally, professional training and certification of counselors needs higher priority.

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Conclusion

This paper has focused on labour market programmes and policies affecting youth in Canada, and it is limited by that focus. A thorough analysis would require some consideration of the broader policy environment, including educational, industrial, social, and macroeconomic policies, for all of these affect both the supply and demand sides of the labour markets youth encounter.

Even within its specific area of focus, the paper is limited by the shortage of research material that assesses the impact of the policies and approaches described here. This is no reflection on the work that has been done. As the authors of Human Resources Development Canada's synthesis paper, *Lessons Learned: Effectiveness of Employment-Related Programs for Youth*³³ observe, Canada ranks very high in any international comparison of evaluation efforts. The problem, the authors point out, is that good research to determine policy effectiveness in this field is difficult. A reliable impact evaluation requires large quantities of time and money. Impacts may be expected for several years after a participant leaves a programme, or from the time a programme ends, but the resources and interest are rarely available to follow up on participants for the time required to make a full assessment of costs and benefits. Even if this were done, the impact of a particular programme design depends to a great extent on the time and place in which it is implemented, so a positive evaluation in one situation is no guarantee that it will work in another. This is especially so in Canada with its diverse set of local and regional labour markets.

The paper has noted research gaps in several areas. The largest appears to be the need for evaluation of the range of relatively new approaches to school-work transitions: co-operative education, internships, and youth apprenticeships. Further assessment of labour-market training models is also needed, especially in the growth area of entrepreneurship training for youth. Given the constraints just mentioned, policy makers will always be dealing with a degree of uncertainty when making decisions, but better assessments of what works and what does not would help enormously.

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Notes

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- ¹ See the analysis of this period in J. Stefan Dupré, David M. Cameron, Graeme H. McKechnie, and Theodore B. Rotenberg, *Federalism and Policy Development: the case of adult occupational training in Ontario*. Toronto: University of Toronto Press, 1973.
- ² A report on the school leavers' survey is contained in S. Gilbert, L. Barr, W. Clark, M. Blue, and D. Sunter *Leaving School: Results from a national survey comparing school leavers and high school graduates 18 to 20 years of age*. Ottawa: Statistics Canada and Human Resources and Labour Canada, 1993. Initial results of the School Leavers Follow-up Survey of 1995 are contained in J. Frank, *After High School: The First Years*. Ottawa: HRDC and Statistics Canada, 1996.
- ³ See for example H. Krahn and G. Lowe, "Transitions to work: findings from a longitudinal study of high-school and university graduates in three Canadian cities," in *Making Their Way: Education, Training, and the Labour Market in Canada and Britain*. Eds. David Ashton and Graham Lowe, Toronto: University of Toronto Press, 1991.
- ⁴ See S. Crompton, 'Employment prospects for high school graduates,' *Perspectives on Labour and Income*. Statistics Canada, Catalogue 75-001E, 7, No. 3, Autumn, 1991: 8-13.
- ⁵ Examples of particular provincial and federal programs in this section are derived from the *Inventory of Canada's Youth Employment Programs and Services* prepared by the Youth Programs Branch of the Manitoba Ministry of Education and Training, revised December 1997.
- ⁶ See Human Resources Development Canada, *Lessons Learned: Effectiveness of Employment-Related Programs for Youth*, Ottawa: HRDC, Evaluation and Data Development, 1997.
- ⁷ The estimate is based on Ontario experience. It is from S. Crysedale and H. MacKay, *Youth's Passage from School to Work: a comparative longitudinal study of Eastside, Canada*. Toronto: Thompson Educational Publishing, Inc., 1994.
- ⁸ Human Resources Development Canada, *Evaluation of the Co-operative Education Option*, Ottawa: HRDC, Evaluation and Data Development, 1994.
- ⁹ For a critique of the evaluation, see W. Craig Riddell, "Evidence on the Effectiveness of Youth Labour Market Programs in Canada: An Assessment," Ottawa: HRDC, Evaluation and Data Development, 1997.
- ¹⁰ HRDC, *Evaluation of the Co-operative Education Option*, op. cit.
- ¹¹ J. Darch, "Labour market outcomes for university co-op graduates," *Perspectives on Labour and Income*. Statistics Canada, Catalogue 75-001, 1995, pp. 20-24.
- ¹² See the discussion of apprenticeship in The Economic Council of Canada, *A Lot to Learn: Education and Training in Canada*. Ottawa: Department of Supply and Services, 1992.
- ¹³ See Human Resources Development Canada, *Lessons Learned* op. cit., as well as the main technical paper supporting this document: W. Craig Riddell, "Evidence on the Effectiveness of Youth Labour Market Programs in Canada: An Assessment," op. cit.
- ¹⁴ HRDC, *Lessons Learned: Effectiveness of Employment-Related Programs for Youth*, op. cit.
- ¹⁵ Canadian Labour Force Development Board, *Putting the Pieces Together: Toward a coherent transition system for Canada's labour force*. Ottawa: CLFDB, 1994, pp. 120-133.
- ¹⁶ G. Betcherman, N. Leckie, and K. McMullen, *Developing Skills in the Canadian Workplace*. Ottawa: Canadian Policy Research Networks, 1997.
- ¹⁷ See Betcherman et. al., op. cit., pp. 82-83.
- ¹⁸ See G. Lowe and H. Krahn, "Job-Related Education and Training among Younger Workers," *Canadian Public Policy*, XXI, No. 3, September 1995. It is interesting to note that Lowe and Krahn's study showed that younger male workers received more workplace training than older workers, a finding at odds with other surveys. This may now be true of well-educated young male workers in large firms.
- ¹⁹ See M. Baker, D. Benjamin, and S. Stanger, "The Highs and Lows of the Minimum Wage Effect: A Time Series-Cross Section Study of the Canadian Law," University of Toronto Working Paper, #9501. In an American study, Katz and Krueger find that the same is true in the United States: employers rarely make use of the subminimum wage. Cf. L. Katz and A. Krueger, "The Effect of the New Minimum Wage on the Fast Food Industry," *Industrial and Labour Relations Review*, No. 43, 1992, pp.254-265.
- ²⁰ "A frontal assault on unemployment (5)," Editorial in Toronto's *The Globe and Mail*, September 17, 1997.
- ²¹ See D. Card and A. Krueger, "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," *American Economic Review*, No. 84, 1994, pp. 772-793. The study is reported again in their book *Myth and Measurement: The New Economics of the Minimum Wage*. Princeton NJ: Princeton University Press, 1995.

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- ²² M. Shannon and C. Beach, "Distributional Employment Effects of Ontario Minimum Wage Proposals: A Microdata Approach," *Canadian Public Policy*, XXI, 1994: 284-303.
- ²³ Baker, Benjamin, and Stanger, op. cit.
- ²⁴ The three studies are J-M Cousineau, D. Tessier, and F. Vaillancourt, "The Impact of the Ontario Minimum Wage on the Unemployment of Women and the Young in Ontario," *Relations Industrielles* No. 47, 1992, pp. 559-566; T. Yuen, "The Effect of Minimum Wages on Youth Employment in Canada: Evidence from the Labour Market Activity Survey," Manuscript, University of Toronto; and Baker, Benjamin, and Stanger, op. cit.
- ²⁵ J. DiNardo, N. Fortin, and T. Lemieux, "Labor Market Institutions and the Distribution of Wages, 1973-1992: A Semiparametric Approach," NBER Working Paper #5093.
- ²⁶ HRDC, *Lessons Learned: Effectiveness of Employment-Related Programs for Youth*, op. cit., p. 12.
- ²⁷ S. Gera, *Creating Jobs in the Private Sector: Evidence from the Canadian Employment Tax Credit Program*. Ottawa: Economic Council of Canada, 1988.
- ²⁸ J. Rifkin, *The End of Work* New York: G. Putnam's Sons, 1996. One well-argued Canadian example is J. Swift's *Wheel of Fortune: Work and Life in the Age of Falling Expectations* Toronto: Between the Lines, 1995.
- ²⁹ R. Morissette, J. Myles, and G. Picot. 'Earnings Inequality and the Distribution of Working Time in Canada,' *Canadian Business Economics*. Vol 2, No 3, Spring, 1994.
- ³⁰ Cited in the *Report of the Advisory Group on Working Time and the Distribution of Work*. Ottawa: Human Resources Development Canada, 1994, and summarized in Appendix IX of that report.
- ³¹ See the *Report of the Advisory Group on Working Time and the Distribution of Work*. for a full discussion of various means of redistributing working time.
- ³² This is one area in which there is a good supply of research: see S. Conger, B. Hiebert and E. Hong-Farrell, *Career and Employment Counselling in Canada*. Ottawa: Canadian Labour Force Development Board, 1994, as well as Canadian Labour Force Development Board, *Putting the pieces together: Toward a coherent transition system for Canada's labour force*. Report of the Task Force on Transition into Employment to the Canadian Labour Force Development Board. Ottawa, 1994, and the OECD's *Mapping the Future: Young People and Career Guidance*. Paris: OECD, 1996.
- ³³ HRDC, *Lessons Learned*, op. cit.