

**Recommendations of the Board of Trade of Metropolitan Montreal as part
of consultations about Bill 70: *An Act to allow a better match between
training and jobs and to facilitate labour market entry***



February 2016

Preamble

The Board of Trade of Metropolitan Montreal (the Board of Trade) has over 7,000 members. Its mission is to be the voice of Montréal's business community and to promote the city's prosperity. The Board of Trade is involved in key areas of economic development, promoting a philosophy of action based on engagement, credibility, proactivity, collaboration and innovation. The Board of Trade is the largest private economic development organization in Quebec.

Background

On November 11, 2015, the Government of Quebec announced the tabling of Bill 70, which would provide a better match between training and jobs and facilitate labour market entry. The Board of Trade of Metropolitan Montreal supports this Bill, because it addresses a growing concern of the business community.

Access to talent is definitely a priority issue given an aging, knowledge-based economy like that of Greater Montréal. For the past few years, the Board of Trade has been stepping up initiatives and efforts to improve the fit between training and employment. Briefs submitted during consultations on immigration policy and law and on the future of higher education are examples of this.

This brief reiterates the Board of Trade's recommendations with respect to Bill 70.

Introduction

Having access to skilled labour compatible with the needs of the job market is a major concern for the Greater Montréal business community.

In fact, the aging of the population, increasingly rapid technological change and the emergence of new technologies leading to a fourth industrial revolution make talent one of the most important factors in the sustainability and competitiveness of businesses. Intense competition among companies and cities to attract workers is just one example among many of the importance of labour in supporting growth and economic development.

For all of these reasons, access to talent is a priority for the Board of Trade of Metropolitan Montreal. In addition to its role as the business community's representative with different levels of government, the Board of Trade has been working for many years to improve this access. Whether through its Interconnection program, the goal of which is to promote the integration of new immigrants to the work force, its francization program that offers companies and employers support in francization, or its Operation Back to School initiative, which encourages school retention, the Board of Trade works on many fronts to improve the match between available labour and the needs of companies.

As such, the Board of Trade applauds the tabling of Bill 70, intended to create a better match between training and employment and promote labour market entry. It sends a clear signal that a better fit between training and jobs has a direct impact on our economic success and should be a priority for the Government of Quebec. Specifically, as part of this Bill, the Board of Trade calls for:

1. Strengthening the role of the CPMT to create an ongoing, credible and consistent mechanism for analysis and dialogue to improve the fit between training and jobs;
2. The implementation of the Objectif Emploi program accompanied by the resources required to increase participation in the job market and an expanded scope for the Fonds de développement et de reconnaissance des compétences de la main-d'œuvre (FDRCMO) to include internships for immigrant workers to increase the fit between training and jobs;
3. The integration of Emploi-Québec services with those of Services Québec to increase the effectiveness and efficiency of employability service delivery.

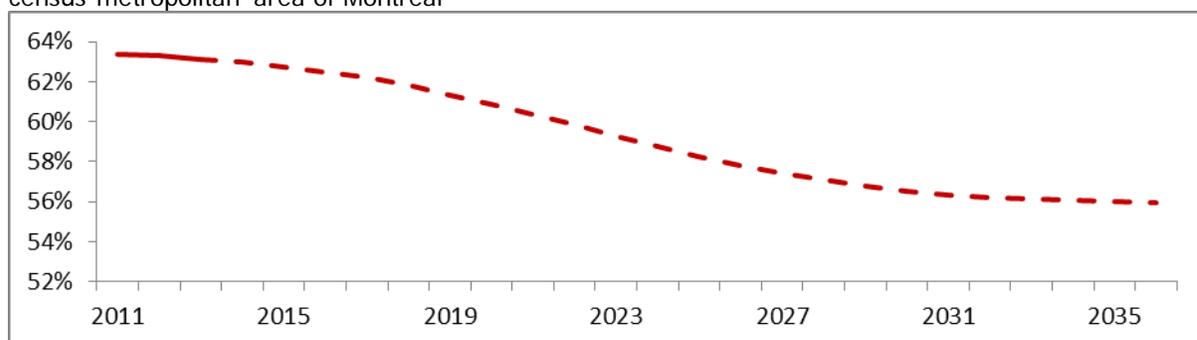
I. LABOUR CHALLENGES IN GREATER MONTRÉAL

Greater Montréal is the economic driver of Quebec. It represents close to half of the province's GDP, population and jobs. It is also the most diversified economy in the country, with nine industry clusters. To prosper, the city needs labour that meets the needs of businesses in terms of volume and skills. While we have access to skilled labour thanks to the presence of 11 universities, close to 58 colleges and major research centres, structural challenges make for a more limited fit. Here are a few of those challenges.

a. The relative decline in the working population

The aging of the population of Quebec and Montréal is both faster and more pronounced than elsewhere in Canada. This relative decline in the labour pool will have an impact on businesses in the city, which will have greater difficulty meeting their labour needs. This will limit our ability to create wealth. Furthermore, according to Emploi-Québec forecasts, from 2013 to 2017, 330,000 jobs will need to be filled in the census metropolitan area of Montréal, 68% (224,900) of them because of retirement. An aging population also means that the working population will be increasingly made up of young people and immigrants.

Graph 1: Percentage of the population age 20 to 64 compared with the total population of the census metropolitan area of Montréal



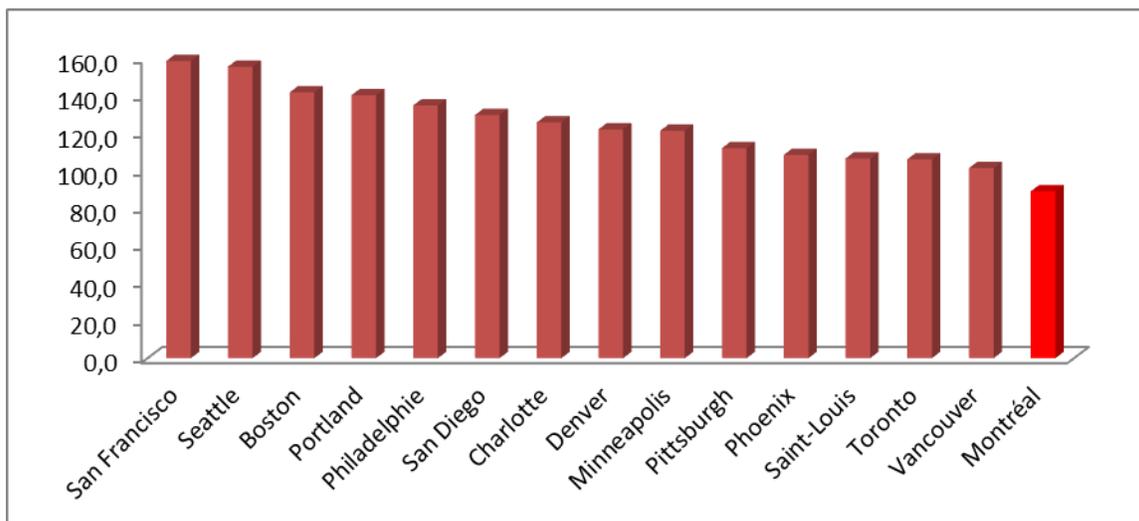
Source: Institut de la statistique du Québec

b. Persistently weak business productivity

In addition to the challenge of the aging population, there is the challenge of productivity. Since 1981, Quebec has had one of the lowest rates of average annual growth in workplace productivity. And according to a study published by the Institut du Québec, in cooperation with the Board of Trade of Metropolitan Montreal and Montréal International,¹ the census metropolitan area of Montréal trails the pack of 14 comparable major North American cities in terms of productivity. This low productivity is explained by a number of factors, including a low rate of investment in equipment, lags in terms of innovation, a low graduation rate and high rate of overqualification. This is why it is essential to improve the fit between training and jobs.

¹ *Montréal Compared: A Dashboard for the Greater Montréal Area*, November 2015.

Graph 2: Productivity of North American cities (GDP per job in thousands of Canadian dollars, in purchasing power parity terms, 2013)



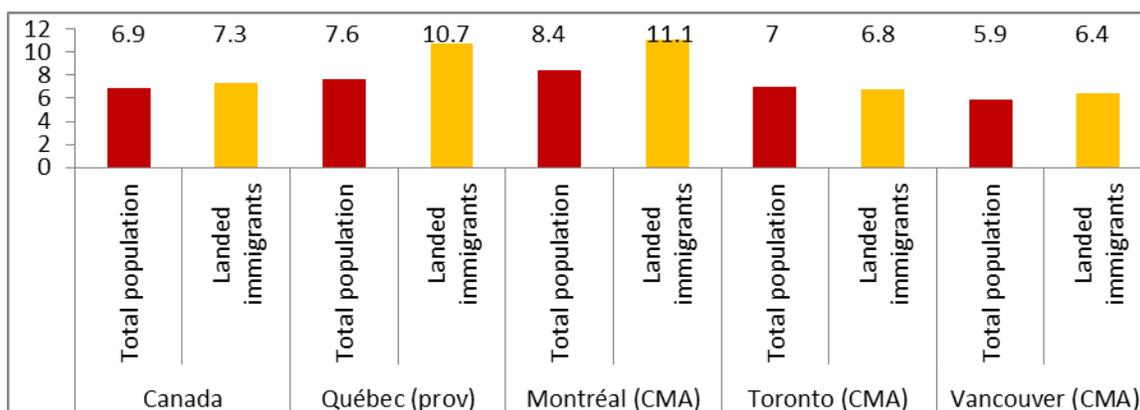
Source: *Montréal Compared: A Dashboard for the Greater Montréal Area study, 2015*

c. High unemployment

Despite the relative decline in the working age population and more positive outlook for economic growth in the city (compared with all of Canada), the unemployment rate in Greater Montréal remains high, particularly when compared to that of the province as a whole or other major Canadian cities. This is in part explained (as the graph below illustrates) by inadequate integration of immigrants to the job market. Factors that influence their integration include poor recognition of experience and skills, inadequate matching between skills and the needs of companies and limited local work experience.

Furthermore, a high unemployment rate often results in more long-term unemployment (or structural unemployment) and widens the gap between the skills of available labour and the needs of businesses. Excluded from the job market for months, even years, the long-term unemployed often see their experience and skills lose their value, particularly in the current context of accelerating technological change.

Graph 3: Unemployment rate, 2015 (%)



Source: Statistics Canada

d. A changing business environment

The environment businesses operate in is changing. Disruptive innovations and new business models have a major impact on the industrial structure and job market. The majority of jobs for which there is high demand did not exist ten years ago. The job of community manager is a good example. And according to a recent study by the World Economic Forum,² the fourth industrial revolution – characterized by digitization, 3D printing, etc. – will result in the loss of five million jobs, along with an increase of two million jobs in the fields of IT, mathematics, architecture and engineering. Furthermore, social skills, emotional intelligence and other cross-functional skills will be increasingly important.

All of these factors show the urgency of taking action so that companies can seize opportunities resulting from these changes, stay competitive and, most importantly, become leading edge. Therefore industry, high schools, colleges and universities, the business community and government must do everything possible to improve the fit between labour market needs and the skills of today's and tomorrow's labour. All stakeholders in Greater Montréal need to get mobilized.

From this perspective, Bill 70 is a good opportunity to better align the efforts of key players to promote a better fit between training and employment.

² WORLD ECONOMIC FORUM. January 2016. *The Future of Jobs*

II. THE BILL MUST CREATE AN ONGOING, CREDIBLE AND CONSISTENT MECHANISM FOR ANALYSIS AND DIALOGUE TO MEET NEEDS IN TERMS OF CURRENT AND FUTURE SKILLS

a. Strengthen the role of the CPMT in matching training to jobs

Bill 70 grants increased powers to the Commission des partenaires du marché du travail (CPMT) by giving it the mandate to inventory current and future labour needs, make recommendations and expect reports from the government departments concerned.

The Board of Trade supports increasing the CPMT's responsibilities and is pleased to see that it will also analyze future labour needs. Businesses generally make investment decisions and business plans in the long term, and labour availability is an important decision-making factor. If Quebec wants to maintain its international economic competitiveness, we have to anticipate labour needs. But such projections cannot be done solely on the basis of existing occupations and skills. An analysis of future job market needs must identify new skills and occupations. This sort of effort will improve long-term matching, reassure businesses and investors and put Quebec at the leading edge economically.

Recommendation no. 1

The Board of Trade supports the provisions of Bill 70 that strengthen the CPMT's role in matching training with jobs, particularly with respect to defining needs related to developing current and future labour and making recommendations to government departments.

b. The CPMT must allow for concerted, effective and seamless efforts from key stakeholders in matching training and jobs in the city

As part of the CPMT's analysis to define current and future labour skills needs, the Board of Trade reiterates the need to **focus on Greater Montréal**, which represents almost half of the province's jobs. As noted earlier, Greater Montréal is facing structural challenges that limit its ability to exploit the potential of its labour.

To help deal with these challenges, we need to perform an exhaustive analysis of labour supply and demand. Industries, industry clusters and businesses need to be consulted to understand their future needs in terms of skills and knowledge, and colleges and universities need to be consulted to ensure that education is in line with future demand. Of course, government departments and employability organizations also need to take part in consultations to ensure that action plans and policies fit with established objectives.

In this spirit, **the CPMT must ensure that key stakeholders in Greater Montréal (business community, unions, industry, industry clusters and high schools, colleges and universities) consult each other in a fluid, integrated process for matching training with jobs**, to make the best diagnosis possible. The Board of Trade therefore supports the proposal **to accept more colleges and universities as members of the CPMT.**

Furthermore, to be efficient, the analysis of needs compared with current and **future skills must be ongoing (every three years)** so that we can take into account all factors that will influence the business environment and labour needs.

Recommendation no. 2

The Bill should indicate that in its new role, the CPMT needs to:

- **Make Greater Montréal's labour needs a priority;**
- **Ensure that all key stakeholders in Greater Montréal (the business community, unions, industry, industry clusters and high schools, colleges and universities) consult one another in a fluid, integrated process to match training and jobs;**
- **Every three years, perform a needs analysis for developing labour.**

c. Tie any efforts to the policies of key players in labour

The Bill should better emphasize the importance of adopting a global, more consistent approach between programs that help match training with jobs and integrate people to the labour market. Once key stakeholders are brought together and the needs analysis done, there needs to be alignment in the efforts of government departments and organizations involved in:

- Developing high school, college, university and continuing education programs;
- Integrating and retaining young people, women, experienced workers, Aboriginal peoples and vulnerable people;
- Attracting, retaining and integrating immigrant workers;
- Initiatives to recognize experience and skills;
- Initiatives in innovation and technological progress.

A more integrated, consistent approach will better align needs with policies and initiatives for integrating labour. This approach will also ensure the organizations concerned buy in to the objectives. Furthermore, it will likely contribute to the success of the action plan that the Ministère de l'Emploi et de la Solidarité sociale will implement in partnership with the CPMT.

Recommendation no. 3

The Bill must emphasize the importance of adopting – particularly in the action plan to be developed by the Ministère de l'Emploi et de la Solidarité sociale – a global, consistent approach between policies of government departments and initiatives by organizations that play a role in matching training with jobs and integration to employment, to reap the most benefits of this action plan.

d. Promote clear, effective reporting

The Board of Trade is pleased that the Bill gives the CPMT the chance to make recommendations to government departments and encourage them to act on these recommendations or justify their decision not to. Players from the labour market and industry as well as schools are more familiar than anyone with labour challenges and are therefore in a better position to make recommendations to improve the fit between training and jobs. Plus, having government departments be accountable to the CPMT will increase credibility and efficiency in their efforts.

That said, accountability should not be limited to the departments in question. It should include anyone playing a role in the action plan to be implemented by the Ministère de l'Emploi et de la Solidarité sociale working with the CPMT. Furthermore, the Bill should outline parameters for this reporting. To be effective, the action plan must be accompanied by clear objectives and measurable results to facilitate the evaluation process. An appropriate monitoring mechanism should also be introduced and the results published for greater transparency.

Recommendation no. 4

The Bill must include anyone that plays a role in the action plan to be implemented by the Ministère de l'Emploi et de la Solidarité sociale in partnership with the CPMT as part of the reporting process. The Bill must also outline the parameters for this reporting to ensure it is effective and transparent.

III. RELY ON CONCRETE INITIATIVES TO IMPROVE THE MATCH BETWEEN TRAINING AND JOBS AND INTEGRATION TO THE LABOUR MARKET

a. Move ahead with the Objectif Emploi program

The Board of Trade supports the provisions of the Bill regarding the implementation of the Objectif Emploi program. It depends on reciprocity and introduces a personalized approach and support promoting the reintegration of new applicants for social assistance to the job market.

There are 142,935³ adults fit for employment who receive social assistance, against a backdrop of a demographic crunch. This program would foster greater participation in the job market, better social integration and a reduction in poverty.

But it is important to ensure that agents who support new applicants have the field expertise and access to the tools required to offer appropriate support. Employability organizations and the business community must also be included in efforts by the Objectif Emploi program to facilitate integration to employment.

³ MINISTÈRE DE L'EMPLOI ET DE LA SOLIDARITÉ SOCIALE. *Statistique sur la clientèle du Programme d'aide sociale*, February 2015.

Recommendation no. 5

Implement the Objectif Emploi program proposed in Bill 70. To ensure success:

- **agents who support new applicants must have field expertise and access to tools to offer appropriate support;**
- **employability organizations and the business community must also be included to promote integration to employment among people the program serves.**

b. Finance internships for immigrants as part of the Fonds de développement et de reconnaissance des compétences de la main-d'oeuvre

The Board of Trade supports the provisions of the law to amend *An Act to Promote Workforce Skills Development and Recognition to include future labour*. In other words, vocational or technical training programs as well as internship programs would have access to the Fonds de développement et de reconnaissance des compétences de la main-d'oeuvre. This is a positive initiative. Including internships fosters a closer connection between companies and potential workers. Providing access to vocational or technical training creates a better fit with employment demand.

However, the Board of Trade points out that one of the city's major challenges is its difficulty integrating immigrants, particularly the most recent arrivals to Quebec (five years or less). One of the best solutions to help integrate them to the work force is internships. Internships are a powerful tool for the professional integration of immigrants. They allow them to gain invaluable initial experience in Quebec, to build a network of local contacts and to validate their skills. But the Bill only includes internships as part of school programs. This measure does not encourage companies to offer internships to new immigrants, when the Board of Trade's Interconnection program has demonstrated the value of these internships and their impact on the professional integration of immigrants.

Recommendation no.: 6

Bill 70 must ensure that internships for immigrants are included in the Fonds de développement et de reconnaissance des compétences de la main-d'oeuvre without them having to be enrolled in school.

IV. ENSURE THAT THE INTEGRATION OF THE SERVICES OF EMPLOI-QUÉBEC WITH SERVICES QUÉBEC INCREASES THE EFFICIENCY OF EMPLOYABILITY SERVICE DELIVERY

a. Focus services on the client

The Board of Trade has noted the repeal of Chapter III of the law, the provisions of which create an independent administrative unit called “Emploi-Québec.”

This reform must guarantee services are maintained and provide the resources necessary to meet the needs of clients and improve the match between training and jobs. Furthermore, like all government programs, we must ensure that services are evaluated periodically and that they meet performance objectives.

Recommendation no. 7

The Board of Trade supports the provisions of the Bill intended to integrate the services of Emploi-Québec with Services Québec, provided this increases effectiveness and efficiency and maintains the services and resources necessary to meet the needs of clients and improve the fit between training and jobs.

b. Better align and rationalize employability programs

Integrating the services of Emploi-Québec with Services Québec should ensure greater consistency between government services and reduce paperwork and administrative red tape.

There are many organizations that promote labour employability and employment in Greater Montréal. Most of them are small. As a result there is a duplication of structures and dispersal of public funds. This is why we encourage the government to rationalize the employment assistance system and rely more on credible organizations that have proven their worth.

Recommendation no. 8

The Board of Trade calls on the government to rationalize the employment assistance system to ensure consistency and avoid duplication. It must rely more on credible organizations that have proven their worth.

c. Make programs more flexible

As noted earlier, the business environment and the needs of companies evolve quickly. To create better alignment between the skills acquired in training and the needs of companies, we need to foster better cooperation among schools and businesses and make training and employability programs more flexible. But there is a great deal of evidence of tremendous rigidity both on the

job market and in education programs. For example, it takes seven to eight years to change a college or university program, while economic and innovation cycles in leading-edge sectors such as video games are much shorter (around three years).

Recommendation no. 9

The Bill must allow training programs to become more flexible and ensure they can adapt quickly to the needs of industry and promote better cooperation between schools and businesses.

Conclusion

Better alignment between training and jobs and more efficient integration to employment are priority issues for the business community. The government needs to go ahead with Bill 70. It needs to ensure it brings together all those who play a role in training or employment to align their efforts and find the most realistic and comprehensive way to match current and future needs with experience and skills. It also needs to strengthen initiatives for greater participation in the labour market and match training with employment. Finally, it needs to ensure front-line employment services are maintained so that they meet the objectives of effectiveness and efficiency.

SUMMARY OF RECOMMENDATIONS OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL

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- agents who support new applicants must have field expertise and access to tools to offer appropriate support;
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