

SECURING OUR FUTURE: An Employment Strategy for Prince Edward Island

Employment Summit Panel

December 1998

EXECUTIVE SUMMARY

On October 22, 1998, the 1998 Employment Summit was announced as an all-party initiative of the Legislative Assembly, to seek solutions to the problem of unemployment in Prince Edward Island. Through a resolution in April 1998, the Assembly called for an Employment Summit in the fall of 1998, to bring together "government, business, labour, youth, and the unemployed into a working forum to develop the strategies and practices that will alleviate the unemployment crisis of the province." In fulfillment of the resolution, a five-member panel of volunteer members was established, with representation from the private, public, and community sectors, operating independently under the auspices of the Institute of Island Studies at the University of Prince Edward Island. The Summit Panel was asked to meet with Islanders and groups across the province, gather their views and advice on strategies and practices to improve the employment situation in PEI, and submit a final report to the Minister of Development, for tabling in the PEI Legislative Assembly.

Four public meetings and two focus group meetings were held, commencing November 19 and concluding on December 2. In total, the Panel heard 49 presentations, and received 12 briefs, representing a broad range of industry sectors, community groups, and individual presenters. As well, the Panel held several meetings to review background research and to discuss issues, findings, and recommendations.

The Panel submitted its report on December 11, 1998, as required by its mandate. The report describes the project's origins and methodology, then sets out an analysis of issues and priorities expressed by the public. Arising from this analysis, goals are proposed to focus the development and delivery of employment policies and strategies on PEI. The report then touches on the values and principles suggested by some presenters to guide the shaping and delivery of employment policies, programs, and services.

The body of the report sets out a synthesis of strategies proposed by presenters to improve the employment situation on PEI, as follows:

- The demand side is examined, looking at ways to improve the number and quality of jobs across PEI. This area represented the largest body of input to the Panel.

- Next, several aspects of the supply side, i.e., individual employability and job readiness, are considered:

- First, the critical and growing importance of education and skills is explored — the right level, and the right kind — an almost universal theme in submissions.

- Adequate supports for employment to address issues of family responsibilities, health, and transportation access were also called for in a number of submissions to the Panel, particularly those from disadvantaged groups of Islanders.

- The need for appropriate financial incentives to employment and self-employment, in lieu of present disincentives, was also widely conveyed to the Panel.

- The report then moves beyond issues related to jobs and individuals, to a review of macro level systemic issues affecting employment:

- The structural barriers and inequities of opportunity and access, posed by gaps, overlaps, and inconsistencies in government programs and services, are outlined, with regard to both employees and employers.

- The need for all members and institutions of society to develop supportive attitudes and to share responsibility for employment development is addressed.

The report then draws various suggestions into an integrated strategy, deemed by the Panel to be a coherent, workable approach to improving employment in PEI. While the strategy does not incorporate all perspectives, it seeks to strike a balance among the various views and ideas presented to the Panel, as well as those held by the Panelists themselves. Recommendations address the following key issues:

- adoption of the goals proposed in the report;

- development of a Statement of Principles to guide employment development in PEI;

- development of a long-term Employment Policy for PEI, with continued public input;

- integration of all provincial government programs and services related to employment and training into a single organization, serving all Islanders;

- development of a more integrated, coordinated, equitable approach to design and delivery of business supports and services;

- provincial action to take a leadership role as an equal opportunity employer;

- increased emphasis on developing and diversifying economic and employment opportunities in PEI's rural areas;

- measures to increase the availability of capital at the community level and to use the tax system more creatively to stimulate economic and employment growth;
- creation of a larger and more sustainable role for Island communities, founded on a review of the roles, resources, structures, and responsibilities of communities;
- increased emphasis on training, and on making training opportunities more accessible to all workers;
- increased commitment and investment in education at all levels of the educational system;
- measures to encourage Island youth to remain in or return to PEI and to attract newcomers to PEI.

The report concludes with an implementation plan for review of the Panel's work and further progress in this area.

Introduction

Prince Edward Island is in an era of rapid change, pervading every aspect of its society and economy. Globalization, technological advances, political uncertainty, financial instability -- these have become the daily fare of the news. To some Islanders, these changes offer opportunities for a better future than ever before. To others, they bring hardship and hopelessness. How can PEI best seize these opportunities and rise to these challenges?

To address this question, the 1998 Employment Summit was announced on October 22, 1998, as an all-party initiative to seek solutions to the problem of unemployment in Prince Edward Island. The Employment Summit project resulted from a resolution of the Legislative Assembly in April of 1998, moved by Dr. Herb Dickieson, Leader of the NDP, and supported by both the government and the Official Opposition Liberals. The resolution, contained in Appendix One, expressed concern about the depth and extent of unemployment, particularly among some sectors of society such as youth, and the negative social, economic, and community impacts of unemployment. It called for an Employment Summit in the fall of 1998, to bring together "government, business, labour, youth, and the unemployed into a working forum to develop the strategies and practices that will alleviate the unemployment crisis of the province."

In fulfillment of the resolution, a five-member panel of volunteer members was established, with representation from the private, public, and community sectors, operating independently under the auspices of the Institute of Island Studies at the University of Prince Edward Island. Biographies of the members are contained in Appendix Two. The Summit Panel was asked to meet with Islanders and groups across the province, gather their views and advice on strategies and practices to improve the employment situation in PEI, and submit a final report to the Minister of Development by December 11, 1998, for tabling in the PEI Legislative Assembly. The Panel expresses its thanks to the PEI Legislative Assembly for this opportunity to serve the public on such an important issue. Appreciation is also due to the PEI Department of

Development, Human Resources Development Canada, and PEI Executive Council Office for their financial and in-kind support for the project.

Methodology

The Panel commenced its work with an organizational meeting on October 26 to review its mandate and plan its work. A research director and coordinator were engaged by the Panel to provide support and assistance in the work. As directed by the Panel, staff prepared public information materials, media releases, and advertisements on the initiative to build public awareness and to provide maximum lead time to presenters to prepare their submissions. A targeted mailing list of over 300 organizations was prepared, and letters were sent in early November inviting input to the Summit. A Website was established for the project during the last week of October, and Islanders and groups were invited to submit their views by e-mail, as well as mail or telephone.

These public information materials posed the following five questions deemed key by the Panel:

What level and types of employment should PEI strive to develop?

What are the most pressing concerns about PEI's present situation?

What opportunities exist to strengthen employment in PEI?

What changes if any need to be made to current approaches?

What actions need to be taken to realize opportunities?

The Panel also requested that some background research be done to provide Panel members and the public with basic information on the employment situation in Prince Edward Island: patterns, trends, and issues. The Backgrounder arising from this work was widely distributed and is contained in Appendix Four. A number of excerpts from this Backgrounder were serialized in the Guardian during the second half of November. The Panel also held two more meetings in early November to hear briefings, meet with expert speakers, and review the issues involved in its work.

The Employment Summit Panel then held public meetings across the province as follows (a comprehensive list of presenters is contained in Appendix Two). In each instance, presenters were provided with thirty minutes to make their presentations, of which presenters were asked to allow ten to fifteen minutes for questions from the Panel and the audience. For the most part, the Panel was able to follow the meeting schedules it had planned. The Panel thanks presenters for their punctuality, their cooperation in working within the requested time limits, and their interest in remaining to hear the views of other presenters.

Thursday, November 19: St. Anthony's Hall, Bloomfield, Prince County

A total of fifteen presentations were made to the Panel. While an evening session had been planned by the Panel if necessary, some adjustments to the schedule accommodated presenters during the day.

Monday, November 23: Dutch Inn, North River, Queens County

A total of thirteen presentations were made to the Panel. As well, the Panel held a less formal evening meeting with a focus group of individuals who were employment disadvantaged and who had been or are currently clients of various employment-related programs and services.

Wednesday, November 25: Whim Inn, Poole's Corner, Kings County

A total of eleven presentations were made to the Panel. An evening focus group meeting was held here as well with employment-disadvantaged individuals.

The balance of this report seeks to provide a synthesis of the issues and suggestions presented to the Panel. In the following section, issues related to employment, unemployment, and underemployment, and equality of access and opportunity are identified, and some employment goals are suggested arising from these issues. Next, some principles are set out which presenters suggested should guide the design and implementation of employment strategies. The body of the report then focuses on strategies to improve the employment situation on PEI, as follows:

The demand side is examined, looking at ways to improve the number and quality of jobs across PEI. This area represented the largest body of input to the Panel.

Next, several aspects of the supply side, i.e., individual employability and job readiness, are considered:

-- First, the critical and growing importance of education and skills is explored -- the right level, and the right kind. Themes in this area were also almost universally present in submissions to the Panel.

-- Adequate supports for employment to address issues of family responsibilities, health, and transportation access were also called for in a number of submissions to the Panel, particularly those from employment-disadvantaged groups of Islanders.

-- The need for appropriate financial incentives to employment and self-employment, in lieu of present disincentives, was also conveyed to the Panel by many presenters.

The report then moves beyond issues related to jobs and individuals, to a review of macro level systemic issues affecting employment:

-- The structural barriers and inequities of opportunity and access posed by gaps, overlaps, and inconsistencies in government programs and services are outlined, and measures to overcome these are proposed.

-- The need for all members and institutions of society to develop supportive attitudes and to assume a share of responsibility for employment development is addressed.

In addition to the 49 presentations noted above, the Panel also received twelve written submissions from individuals and organizations who were unable to attend the public meetings in person. These are also listed in Appendix Two. In addition, the Panel undertook to provide opportunities for videoconferenced hearings to allow further input from all regions of PEI; however, the scheduled meetings proved sufficient to accommodate the public. All of those who wished to make presentations expressed a preference for a public meeting format, rather than a videoconferenced approach.

Summaries of each presentation and brief are contained in Appendix Three. The Panel expresses its gratitude to the individuals and organizations who gave of their time to prepare and present their views. The Panel was deeply impressed with the insights, vision, creativity, and most of all the sincere commitment to PEI manifest in all the presentations. While the preparation time available to presenters was limited, the Panel is satisfied that the submissions from the public represent a broad overview of the concerns, hopes, and ideas of Islanders. It is the hope of the Panel that this report and appendices do justice to the views and ideas presented by Islanders. Thanks are expressed to the media as well, for their thorough coverage of the Panel's work, and their role in building public awareness of and involvement in the Summit.

The balance of this report seeks to provide a synthesis of the issues and suggestions presented to the Panel. In the following section, issues related to employment, unemployment, and underemployment, and equality of access and opportunity are identified, and some employment goals are suggested arising from these issues. Next, some principles are set out which presenters suggested should guide the design and implementation of employment strategies. The body of the report then focuses on strategies to improve the employment situation on PEI, as follows:

The demand side is examined, looking at ways to improve the number and quality of jobs across PEI. This area represented the largest body of input to the Panel.

Next, several aspects of the supply side, i.e., individual employability and job readiness, are considered:

-- First, the critical and growing importance of education and skills is explored -- the right level, and the right kind. Themes in this area were also almost universally present in submissions to the Panel.

-- Adequate supports for employment to address issues of family responsibilities, health, and transportation access were also called for in a number of submissions to the Panel, particularly those from employment-disadvantaged groups of Islanders.

-- The need for appropriate financial incentives to employment and self-employment, in lieu of present disincentives, was also conveyed to the Panel by many presenters.

The report then moves beyond issues related to jobs and individuals, to a review of macro level systemic issues affecting employment:

-- The structural barriers and inequities of opportunity and access posed by gaps, overlaps, and inconsistencies in government programs and services are outlined, and measures to overcome these are proposed.

-- The need for all members and institutions of society to develop supportive attitudes and to assume a share of responsibility for employment development is addressed.

The report then draws various suggestions into an integrated strategy, deemed by the Panel to be a coherent, workable approach to improving employment in PEI. While the strategy does not incorporate all perspectives, it seeks to strike a balance among the various views and ideas presented to the Panel, as well as those held by the Panelists themselves. An implementation plan for the short and medium term is then set out, followed by some concluding observations.

Issues and Goals

The Panel sought to identify issues related to employment both through its research and, more importantly, through the input of the public. The Backgrounder prepared for the Panel provided some general statistical information as a starting point. The submissions from the public put a human face on these numbers, highlighted some significant gaps and weaknesses in the data requiring further research, and indicated the intensity of concern regarding various issues.

The first two questions posed in the Panel's public information materials were:

What level and types of employment should PEI strive to develop?

What are the most pressing concerns about PEI's present situation?

The Panel received more input on the second question than on the first. Although some presentations set out proactive goals and strategies for employment in PEI, the majority of submissions focused on identifying problems and suggesting remedies. The following section seeks to blend research and input, and to balance remedial and proactive approaches.

Employment, Unemployment, and Underemployment in PEI

"It was the best of times, it was the worst of times." (Dickens)

Starkly different perspectives exist regarding employment on PEI. Statistical data and many official pronouncements would suggest that things have never been better, and our future has never been brighter. In contrast, many perceive, as the Summit's founding resolution states, that there is an employment crisis in PEI. Evidence exists to support both perspectives: many indicators show growth and improvement, but at the same time others show deterioration. Moreover, the benefits and burdens of these changes fall very unevenly across PEI.

This section summarizes the gist of concerns raised by presenters to the Panel and identified through its research, and sets out employment goals in response to these concerns. While these goals were not explicitly stated in submissions from the public, the Panel believes, based on its input, that they are broadly reflective of the concerns and priorities of a majority of presenters. They are provided to give focus and direction to the strategies that follow in the body of the report.

Quantity of Jobs

Statistics indicate that PEI has achieved a large and growing number of employment opportunities for its citizens (more detailed information can be found in Appendix Four):

PEI's labour force participation rate is the highest in Canada, east of the Prairies. Compared to other provinces, participation rates and employment rates are particularly high among youth, women, and older workers.

During the past decade, PEI has experienced one of the fastest rates of job growth in Canada, exceeded only by Alberta and British Columbia. In 1978, PEI had 45,400 jobs; in 1988, 54,300 jobs; in September 1998, 61,100 jobs.

Between 1991 and 1996, the number of jobs in PEI requiring at least some post-secondary education increased by 33 per cent, or 8,200 jobs -- much faster than the national or Atlantic average. Jobs requiring high school or less, meanwhile, decreased by only 5 per cent or 1,400, a much smaller decline than elsewhere -- providing net job growth of almost 13 per cent over those five years.

Per capita personal income, and earned income as a proportion of total income, showed steady increases up to and including 1996, declining slightly in 1997 with the completion of Confederation Bridge construction.

Strong growth in labour force participation, however, has meant that unemployment has increased even more rapidly than employment. It more than doubled from its 1978 average of 4,900 unemployed to a 1993 peak of 12,000 unemployed or 18 per cent, and its 1997 average of 10,600 unemployed or 15 per cent. Some further improvement took place during 1998.

Unemployment is significantly more severe among some groups of the population, including non-student youth, rural Islanders, and Islanders with low education and skill levels.

Notwithstanding statistics on job levels and growth, submissions to the Panel indicated that most Islanders feel the province needs more jobs, to bring down an unemployment rate widely perceived as still far too high, and to provide all Islanders who wish to participate in the labour force with opportunities to do so. The need for employment growth was seen as particularly urgent in the western and eastern ends of the Island, and among disadvantaged groups. The Cooper Institute articulated this well, with its call for the PEI Legislature to "take leadership in setting a goal of, and strategies for, full and dignified employment for Islanders which protects the province's environment and culture."

Relatively little attention was given in public submissions to questions of what the participation rate and level of employment should be in PEI (although the Advisory Council on the Status of Women presented a well-researched brief on the need to acknowledge and value unpaid work, further addressed later in this report). It might be argued, for example, that high levels of educational participation among youth would be preferable to high levels of labour force participation. It might also be suggested that the social and familial contributions of parents, particularly single parents, and of older Islanders should be valued more fully, and that less financial and social pressure should be placed on these groups to participate in paid employment. It is noted that existing government programs, notably the Welfare Assistance Program, have placed increasing emphasis in recent years on labour force participation.

Quality of Jobs

Data on the nature and quality of employment on PEI paint a much less positive picture than data on quantity of jobs. Here too, however, things are improving:

Compared to the Canadian average, PEI still has a high proportion of its jobs in the primary and a fairly narrow range of food processing sectors. PEI continues to trail in the share of the economy accounted for by high-knowledge, high-value, high-wage sectors.

Over time, however, PEI's economy is moving closer to the Canadian norm.

Significant variations exist among Island counties in the structure of employment, with the Kings County economy heavily reliant on primary industry and fish processing, while Queens County features a service economy closer to the national average. The Prince County economy is midway between these two. Input from presentations, however, demonstrated a strong need for research at the sub-county level, in particular to identify variations between West Prince and East Prince County. Presentations suggested that the West Prince economy is even more narrowly based in primary and processing occupations than Kings County.

The changes that took place between the 1991 and 1996 Censuses saw the variations among counties in the structure of employment narrow slightly. Kings County reliance on primary and food processing sectors declined slightly, and both Kings and Prince Counties saw growth in the high-value, knowledge-based, dynamic service sectors. Again, however, presentations suggest that it is questionable whether West Prince participated fully in this improvement.

PEI has a highly seasonal economy: 26 per cent of its labour force is employed on a seasonal basis, compared to 17 per cent in the Maritimes, and 10.5 per cent in Canada. Within the Maritimes, only Northern New Brunswick is more seasonal. This seasonality is partly due to the major economic role of the resource-based industries, which account for 25 per cent of the employment but 44 per cent of seasonality. However, it permeates almost every aspect of PEI's economy: in 12 out of 14 economic sectors, the rate of seasonality is higher than the Maritime average.

This level of seasonality has a strong effect on the unemployment rate. Statistical data from income tax filings indicate that Employment Insurance makes up a greater proportion of income

in PEI than in most other parts of Canada. Reliance on EI is particularly widespread in Kings and Prince Counties, where, respectively, 62 per cent and 53 per cent of tax filers reporting employment income in 1992 also reported Employment Insurance income.

Compared to an HRDC representative sample of 13 other centres and regions across Canada, PEI had the lowest number of weeks worked on average prior to filing an EI claim. Despite some modest improvement, PEI slipped from third last place on this indicator in 1991, to last place in 1996.

In 1997, PEI had the lowest average wage in Canada, at \$441 a week, compared to a national average of \$614. Island workers in almost every industry make less, sometimes far less, than their counterparts in the rest of Canada.

Part-time and non-standard employment has also accounted for an increasing number and share of jobs in PEI as it has elsewhere in Canada. As one presenter quoted, "I keep hearing that 5,000 new jobs have been created. I guess so -- I have three of them myself!"

A review of these factors leads to the inescapable conclusion that PEI has a significant problem with regard to the quality of employment. Despite this, the Panel encountered a range of views among presenters regarding this issue.

On the one hand, the extent and number of low-level jobs was seen as offering opportunities to less skilled Islanders to participate in the labour force, at least on a seasonal basis. Some of the submissions called for a balance between high-tech and new economy priorities, and less skilled, more traditional sectors. This view holds that a major share of PEI's economy, especially in rural areas, is seasonal and will remain so to some degree. High levels of off-season employment are seen as an unavoidable consequence of that economic structure. Some presenters expressed concern as well about the perceived negative impacts of technology and mechanization on employment, in a few cases calling for continued use of manual and labour-intensive approaches.

A number of presenters, not confined to employer groups, called for fuller recognition of the importance and legitimacy of PEI's seasonal industries, not just to the provincial economy, but to Canada, as a supplier of inputs to high-quality jobs elsewhere. They called for workers in these sectors to be treated with dignity and fairness. Recent policy measures to change the policies and enforcement approaches of the Employment Insurance program were seen as demonstrating, at best, ignorance of the nature and value of seasonal industries; at worst, a victimization of the Island's most disadvantaged citizens.

The Panel also heard a number of presentations favouring a strong emphasis on new and knowledge-based sectors, citing forces of resource depletion, globalization, and technological change. Many of these presenters saw seasonality as the most serious issue facing employment in PEI. On balance, the Panel believes that this direction holds more promise of secure, stable, high-quality employment for Islanders than does continued reliance on seasonal commodity and mass market industries; however, a measure of balance, and a transitional strategy, are essential.

Sustainability of Jobs

A number of presentations to the Panel identified significant strengths and comparative advantages held by PEI, sometimes little recognized and often under utilized. These are explored more fully in the section on Strategies and Solutions. However, presentations also raised a number of issues related to the sustainability of the province's resource base, and the impacts of external trends and forces of change. Concern was expressed that traditional primary sectors are approaching their limits in terms of the capacity of the Island's soil and water resources, and that tourism, as well, has impacts on the province's culture and social fabric. The direction outlined in the recent Throne Speech, of a shift to value-added, high-quality, small-scale, dispersed production, and diversification into new crops and fishery sectors, received support from some presenters. Strong support was expressed as well by some presenters for the work of the Round Table on Resource Land Use, and for the full implementation of its recommendations.

Knowledge Base of Jobs

As previously noted, the importance of education, training, and lifelong learning constituted a near-universal theme in submissions to the Panel. Progress in these areas is not just desirable on social, cultural, and human grounds; it is also vital to PEI's future in an increasingly knowledge-based global economy. On the other hand, a number of presenters noted that not every Islander is able to or wishes to work in high-skill, high-tech jobs, and that employment development strategies must accommodate them as well. Moreover, the pace of technological change means that training and education are costly and ongoing investments, and that the bar is continually being raised. A number of presenters expressed frustration and dismay at the sharp increases in employer requirements for formal credentials in recent years. A question exists as to the ability of some Islanders ever to catch up with the increasing demands of the labour market, although learning has value for these individuals as well in terms of social and health benefits. Given the increasing cost of training, and the need for ongoing investment to keep up with the pace of change, it can be argued that investments in learning should be directed where they would have the most employment impact: generally, towards younger, better educated, and more job-ready Islanders.

On the other hand, research and presentations clearly indicated that low skill requirements and levels are strongly and increasingly associated with unemployment, poor pay and working conditions, and intensifying vulnerability. These impacts are evident in the unemployment patterns and impacts on adult Island workers. Deep concerns were expressed, as well, that many youth are receiving insufficient or inaccurate information about skill requirements of the labour market of the future and the steps they must take to ensure a place in that labour market, resulting in poor educational choices that put these youth at risk of chronic lifelong unemployment. Although major improvements were seen as having taken place in recent years in the availability and accessibility of adult education, an array of concerns remained about the adequacy and appropriateness of educational, training, and labour market programs and services. It was apparent that increased emphasis on education and learning, and equal access to learning opportunities, were fundamental and widely held priorities among presenters.

Community-Based Jobs

The Panel also heard a groundswell of support from presenters for community-based, community-driven approaches. It was acknowledged that businesses and employers based outside the province could play a valuable role in providing employment to Islanders. Likewise, federal and provincial government policies, programs, and supports were seen as vital elements of a successful employment development approach. Nonetheless, presentations suggested a need for a shift from externally or centrally driven strategies and initiatives to greater emphasis on grassroots and community approaches. The Panel was impressed and heartened to hear of the array of innovative and potentially very effective initiatives across PEI where communities are taking charge of their destiny working across sectors and with each other to build capacity and develop appropriate, sustainable employment. Linked to this, many presenters identified entrepreneurship through small business and self-employment -- building on local strengths to meet local needs -- as a key to improving PEI's employment picture.

Equality of Opportunity and Access

Both statistical data and presentations clearly indicated that the benefits of employment and burdens of unemployment are distributed very unevenly across PEI and among Islanders.

As noted above, statistics indicate that the eastern and western ends of the Island are heavily reliant on seasonal industries and off-season Employment Insurance. This economic structure results in income levels considerably lower than those in central PEI. These data were corroborated by an array of presenters from those areas, who voiced feelings ranging from resignation and even hopelessness, to frustration, to anger and a sense of victimization. Although the Panel received a number of constructive suggestions, generally fewer opportunities were perceived in these regions of PEI for economic growth and diversification. Profound concern was expressed about out migration, especially among youth, and fears were voiced of community stagnation and decline. As in the previous section, the county-based statistical research did not capture the extent of disparity in sub-county regions such as West Prince. Further research into community-level census data should be carried out to provide a fuller picture in this regard.

The Panel also heard a number of presentations from employment-disadvantaged groups of Islanders, including women; youth; persons with physical, mental, and intellectual disabilities; persons in poverty; and newcomers to PEI. The Panel was impressed by the strong desire expressed by these groups to participate in the workforce and contribute to their society, and was moved by the hardships and barriers experienced by those groups. It was clear from the data in the Backgrounder in Appendix Four, and even more so from the presentations, that these groups suffer most heavily from the changing structure of the economy and the labour market, bearing a disproportionate share of the growth in non-standard, insecure, and poorly paid work -- if employed at all. In addition to often severe material poverty and want, impacts of these barriers and trends include discrimination and lack of respect from the public at large; a loss of dignity and self-worth; and an array of health and social impacts. These impacts hurt not only the individuals affected, but also their communities and Island society as a whole. Moreover, the devaluation and underutilization of these individuals results in a waste and loss of human

resource capability. Later in this report, measures will be set out to address the barriers noted to the Panel.

A substantial minority of presentations raised another concern affecting equality of opportunity for Islanders: patronage. The distribution of provincial funds to employers and workers on a perceived basis of political allegiance was roundly condemned in a number of submissions to the Panel, notably youth and Islanders in poverty. Patronage was seen as fostering and perpetuating dependency and powerlessness; contributing to a sense among youth and others of lack of opportunity and inequity of opportunity; stifling Islanders' capacity to speak out on public policy issues of concern; dividing and weakening communities; and undermining genuine economic development. Current measures being undertaken with regard to classification and recall of seasonal jobs were seen by many as positive steps in principle. A number of presenters had concerns, however, about the implementation approach being taken, mirroring the debate under way in the Legislative Assembly at the time of writing of this report. Strong support was expressed for hiring and funding practices based solely on criteria of merit and need.

Several of the presentations to the Panel pointed out another disparity perceived to be increasing in severity: the disparity in power between employers and employees. The historically high levels of unemployment in PEI were seen by some as creating an employer's labour market, permitting exploitation and underpayment of staff, and heavy use of non-standard employment. Government was perceived by some as being part of these problems rather than a model employer. Recent changes to the Employment Insurance program were viewed as having contributed to a further shift in power towards employers, making it difficult for employees to refuse overtime or extra tasks, and penalizing employees for quitting in search of better employers. PEI's labour standards were portrayed as lax and under-enforced, particularly with regard to hours of work.

Concerns were also raised about the lack of employer flexibility in accommodating family needs. It was noted that women have always borne the majority of responsibility for meeting those needs, and that government changes and cutbacks to social programs have increased demands, particularly with regard to care of the ill and elderly. Leave provisions and flexible working hours were seen as inadequate in allowing workers, especially women, to meet those needs. The long-term impacts on women, in terms of earning disparity, pension impacts, and poverty, were noted.

Criticism was voiced of the economic development prospecting pitch selling PEI as a low-wage jurisdiction -- hardly a description that holds Island youth here or attracts skilled knowledge workers from elsewhere. A number of calls were voiced for increases in the minimum wage, which has fallen further and further short of providing a living wage over the past two decades. Some presenters acknowledged that many employers cannot afford to pay more than a minimum wage, given forces such as global competition, cost-price squeezes, and short-season tourism. Others queried whether minimum wage employers, only kept afloat by hidden subsidies to the "working poor" such as welfare assistance top-ups, child care subsidies, and off-season employment insurance benefits, were really worth having. In this respect, several presenters voiced criticism of government's emphasis on tourism development, and called for a shift of priorities towards sectors with higher-quality jobs.

The Panel notes that the presentations tended to focus directly on employment issues, needs, and opportunities, and on practical, often immediate measures to address these. This is understandable and indeed desirable given the mandate of the Summit to seek actions on strategies and practices to improve employment. There is a need, however, to consider the broader context within which employment policies are developed and implemented; in particular, the need for responsible management of the province's finances.

The Panel held mixed views on what this entailed, mirroring similarly diverse views among the public. On the one hand, support existed for a strategy of immediate debt reduction through additional payments on the public debt, viewing this as maximizing long-term benefits. On the other hand, the view was also held that investments in economic development and education would yield increased revenues and build PEI's capacity to retire debt in future. Consensus was not reached on this point; however, the Panel accepts that actions to enhance employment in PEI should take place in a context of fiscal responsibility.

Principles

Several presentations to the Panel suggested that a statement of principles, or "Charter of Employment Rights" was an important component of an employment strategy for PEI. It was noted that December 10, 1998, marked the 50th anniversary of the signing of the Declaration of Universal Human Rights. Article 23 of that Declaration is as relevant today, it was suggested, as the day it was written. It states:

- Everyone has the right to work, to free choice of employment, to just and favourable conditions of work, and to protection against unemployment.*
- Everyone, without any discrimination, has the right to equal pay for equal work.*
- Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.*
- Everyone has the right to form and to join trade unions for the protection of his interests.*

Principles, in some cases very similar to the above, were suggested as well by presenters to the Panel. They include:

- All Islanders should have equal access to human resource development opportunities.
- Every Islander has a right to meaningful work.
- All work is valuable to the Island economy.
- Pay equity is a fundamental condition of employment development.
- People deserve an adequate wage for their work.

- Everyone deserves to have their basic needs met.
- Strategies must be rooted in and developed by communities.
- All people have worth and dignity.
- Everyone has a right to self-determination and to make the best of their potential.
- Everyone deserves respect for their capabilities and acceptance of their limitations.
- Everyone has a right to live and work with dignity.

The Panel believes that a statement or charter of principles such as those set out above is a worthwhile component of an employment development strategy for PEI; this matter is addressed further in the recommendations set out in the section on "Putting It all Together."

Factors, Strategies, and Solutions

The 61 presentations and submissions to the Panel set out a wide array of concerns, issues, philosophies, and ideas. Some focused on specific groups, sectors, approaches, opportunities, or initiatives; others featured a comprehensive review of issues. Many were practical and concrete; others set out more abstract, analytical or philosophical perspectives. While the majority emphasized current issues and approaches, some looked to the longer term -- and virtually all spoke, at least in part, of hopes, dreams, and fears for the future of PEI's children and youth. These submissions represent a rich and diverse resource, initially for the Panel, and also for other policy initiatives and organizations in the longer term. This section seeks to capture, to the extent possible given limitations of space and time, the ideas and views of the public. Organizations and groups are identified by name; where names of individuals are cited below, in general they were presenting on their own account.

More Jobs, Better Jobs: Overcoming Labour Market Barriers

A significant share of PEI's unemployment problem can be characterized as "demand-deficiency", or, in simpler terms, not enough jobs for the people who want to work. The Panel heard numerous suggestions and ideas for increasing the quantity and improving the quality of jobs on PEI. The review of these ideas that follows borrows from a simple but engaging list of options to create employment, set out by one of the presenters to the Panel. As noted in the brief, all the options involve costs and trade-offs, as well as benefits. With thanks to Copthorne Macdonald, they are:

- Job creation in the private sector, with public support in the form of various incentives, tax expenditures, supports, and services.
- Job creation through the establishment of new business ventures, creating at least self-employment and potentially additional jobs.

- Job creation through upsizing of governments and corporations, rather than the waves of downsizing of recent years.
- Job creation through direct government expenditure on social employment and wage subsidies.
- Job creation by individual business enterprises, small and large, as an expression of family, social, and community responsibility and a means of training and launching young entrepreneurs and workers.
- Job creation through sharing of existing work, i.e., shorter work weeks, reductions in overtime, leaves, and part-time work.

As well, the Panel heard a more far-reaching option from another presenter, the Advisory Council on the Status of Women, to reframe the issue of employment by redefining work to include unpaid work in the home and the community. This was essential, it was suggested, to ensure comprehensive and effective policy measures and solutions, supportive of both economic and social betterment. To look only at paid employment, on the other hand, distorts the analysis and runs the risks of counterproductive approaches with unintended consequences. The first-time inclusion of questions on unpaid work in the 1996 Census enables this approach to be taken.

While the Panel heard suggestions ranging across the various options, some received the majority of attention. This section looks first at private sector prospects for employment development by sector, followed by issues related to business start-ups and new ventures. Public sector and government-supported employment is considered next, followed by community initiatives. The section closed with an examination of job-sharing.

Private-Sector Employment Prospects, Opportunities and Needs

The panel heard presentations or received submissions from most established and new industries and sectors in PEI, as well as some sectors seeking to establish themselves. Exceptions included the fishery, the food processing sector, the manufacturing sector, and several service sectors. Despite these gaps in input, the Panel is convinced that a number of opportunities exist in all parts of PEI to improve employment. The following sections address a range of goods-producing sectors before turning to the services sectors.

Agriculture and Agri-Food

The agricultural sector has long been considered the foundation of PEI's economy. Presentations from the agriculture sector, however, clearly showed that the industry faces major pressures and stresses, from both outside and within. External stresses included the vagaries and vulnerability of participation in global commodity markets, currently severely affected by the downturn in the Asian economies, and the unrelenting pressures to increase volume, scale, mechanization and capitalization simply to keep pace. Internal stresses included the perceived growing difficulties of carrying out modern agriculture in a densely settled rural province, and the sense of community and social backlash against necessary farming practices. Protection of the resource

base and environment also pose challenges. The agricultural sector has undergone major changes in response to these forces, in the direction of larger, more specialized operations.

The agricultural labour force, meanwhile, has also seen changes to "fewer jobs, better jobs," in contrast to the title of this section. Over the past two decades a steady shakeout of low-skilled jobs and an upskilling of remaining jobs has taken place, and continues today. Redistribution of employment within this sector is also taking place across regions of PEI. Concerns were expressed to the Panel that potato packing jobs were being lost in Kings and Prince County due to the centralization of potato processing and the export of raw product. It was noted that jobs such as these, offering winter employment and widely distributed throughout rural areas, are particularly important to those regions.

Recommendations from the Federation of Agriculture included a call for government and corporate policies to be more friendly to small businesses, of which PEI's farms are an important share. In particular, the Federation called for less red tape, a mentoring program for new entrepreneurs, and better access to private-sector insurance and benefit packages. In discussion, some potential was noted to address the latter need through partnerships with other small business organizations such as the Canadian Federation of Independent Businesses.

The essentially seasonal nature of agriculture was noted, and the importance of the EI program to the sector's workforce was emphasized. The discrepancy in treatment of farmers and fishers was identified, and it was recommended that government and industry work towards a means to provide farmers with parental leave and illness benefits similar to those provided by the EI program in other sectors. As well, tax incentives were recommended to create a better climate for entrepreneurship and new employment. It was noted that Island agriculture has suffered some competitive disadvantage with the inception of the Harmonized Sales Tax (HST) in the other Atlantic provinces, and the availability of input tax credits to farmers in those provinces. A need was seen to find ways to lower these costs and level the playing field.

A number of recommendations were heard from both the Federation of Agriculture and the PEI Agricultural Human Resources Development Council regarding education and training. These will be outlined in the following section of this report.

The Panel also heard a presentation from AVC Inc., a corporate arm of UPEI involved in knowledge-based enterprise development, which touched on a number of opportunities and needs in the agricultural sector. For example, the hog sector was discussed in some detail, as a forward-looking, cohesive sector with a number of young and well-educated producers and, like other agricultural sectors, a major source of spin-off economic activity, often highly skilled. Notwithstanding the current cyclical downturn, great potential was seen in this sector to produce a premium quality, internationally competitive product based on a focused, strategic effort by the sector, and the application of knowledge and technology to production techniques. Investments in research and development and a strong partnership between the industry and the Atlantic Veterinary College are under way to support this direction, and were seen as critical to its success.

Serious concerns were heard from another presenter in the hog sector, however, Lankshire Farms, regarding the increasing difficulty of conducting and expanding farming operations in the densely settled rural countryside. The increasing conflict between resource land uses and other land uses in rural PEI has already been considered in depth by the recent Round Table on Resource Land Use and Stewardship, and the Panel heard widespread support for its work and recommendations. Initiatives such as the Manure Management Guidelines and the *Farm Practices Act* have been undertaken to address some of the issues raised by the Round Table. The presenter, however, felt that substantial obstacles remain to farmers seeking to run their operations and that the industry is suffering from a lack of clearly defined, supportive public policy. He called for an all-party debate in the Legislative Assembly to address this concern and to define the role of agriculture in PEI.

The presenter called, as well, for government to articulate a meaningful and consistent role and structure for rural communities and their responsibility for economic development and job creation within their boundaries. Currently, he suggested "communities are broken ... they have all the amenities, but none of the responsibilities." As such, it was said, communities have little tax base reason to want developments, and can reap the employment and business benefits even if the proposal goes to the next community. In short, a necessity was seen for a thorough rethinking of the role and structure of local governments in PEI.

A substantial number of presenters not directly representing the agricultural industry called for increased diversification, production of alternative species and new crops (many of which are labour intensive), increased value-added for PEI's primary products, and export of knowledge-based services related to PEI's primary sectors. These were seen as offering major opportunities for growth in rural, high quality, and less seasonal jobs. The Cooper Institute, for example, made this one of the main themes in its presentation. Noting that government policies of the past three decades have favoured concentration and monoculture in the primary sector, with severe social and environmental consequences, they called for a shift away from the "bigger is better" model to the new philosophy and focus outlined above. Such a shift, they suggested, would require disincentives to concentration and specialization, and tangible rewards for sustainable initiatives. Another presenter, Kathy Kennedy, suggested that developments in the area of value-added would both strengthen the tourism sector, and provide the basis for a mail-order retail sector.

The long-term future for PEI's food sector was seen by many as highly promising. According to Copthorne Macdonald's presentation, for example, the world is likely to face a food crunch in the coming decades, as resources are depleted and world population increases. PEI's varied mix of food production and research activities, and the high level of food-related expertise that goes with these activities, was seen as putting the province in an ideal position to become one of the world's leading food knowledge centres. It was recommended that PEI pursue partnerships with food-related firms, and move beyond bringing food production facilities to PEI to attracting R&D, knowledge-creating aspects of their operations. Potential was seen for the recently established Belvedere Life Sciences Research Group to take on this role.

Fisheries and Aquaculture

Although no representations were received from fishermen's organizations or the seafood processing sector, the Panel did receive information from AVC Inc. regarding the Lobster Health Research Centre at the Atlantic Veterinary College. The brief notes that lobster is the largest single fisheries contributor to the Atlantic Canadian economy, and that PEI accounts for over one-fifth of the sector's export value. The lobster fishery provides fishing and processing jobs in coastal communities throughout the region. The industry is vulnerable, however, to health and quality threats and to post-harvest losses of up to 10-15 per cent of product. The Centre was established in 1996 to address the virtual absence of research on these and other issues vital to the lobster fishery. Strong demand for the Centre's services has created a need to secure and expand the Centre's capacity and resources. Funding has recently been secured from the industry, both levels of government, and the University to pursue this purpose.

The Panel also received an encouraging and highly positive presentation from the PEI Aquaculture Alliance. Through entrepreneurial and determined leadership, an effective partnership with government, and investment in research and development, the industry has grown in less than two decades to its current level of \$16 million farm gate value, \$28 million in exports, and 1,250 direct jobs, with a further 1,250 indirect jobs. PEI provides 90 per cent of Canada's mussels and half its shellfish. The industry is currently an international leader in through-the-ice mussel production, and is beginning to export that expertise. Strong global demand is predicted for this sector as wild fisheries continue to be depleted. It was suggested that the industry might reach a level of \$40-50 million in ten years.

Suitable sites for mussel production are mostly utilized, and attention is now shifting to value-added, and to enhancement of other aquaculture species. The industry is actively working with the Food Technology Centre and the Atlantic Veterinary College.

In general, the oyster and finfish sectors were portrayed as being where the mussel industry was in the mid-80s, some five years after its inception. Many other opportunities are at the pre-commercial stage and will be explored by the industry this winter through a strategic planning process. A submission from AVC Inc., meanwhile, highlighted the food and recreational potential of developing a striped bass freshwater aquaculture sector, a fish native to PEI waters and highly suited to its environment.

The success of the industry was attributed first and foremost to the vision and determination of the founding group of entrepreneurs (given, of course, the highly suitable marine and estuarine conditions for production). Strong praise was also expressed, however, for the supportive role played by government. Measures seen as particularly front-end investment, support for research and development, marketing, extension support, and the Youth Internship Program. A continuing challenge was noted of defining a place for the industry, it being almost literally neither fish nor fowl -- neither a wild species harvest fishery nor a farming operation, but somewhere between the two. This failure to fit established pigeonholes continues to hamper the industry in areas such as dealings with financial institutions -- a problem encountered by many if not most of the new and emerging sectors that met with the Panel.

To assist further the expansion of the industry, it was recommended that additional resources be invested in extension and research, both seen as critical to ensure quality and competitiveness. It was noted that the industry has surpassed the forestry sector in farm gate value and employment, yet the direct support to government's Aquaculture Branch is a quarter that of the Forestry Division. While acknowledging and supporting the Forestry Division's role in protecting and enhancing the forest resource, it was still felt that the aquaculture sector merited increased investment by government. Such an investment, it was suggested, would secure and accelerate the industry's growth.

A different aspect of the marine sector was presented to the panel in West Prince. The West Prince Women in Support of Fishing outlined the recent problems of the Irish Moss fishery, including the loss of some markets through competition from synthetic products; the fear of overfishing as people affected by EI changes increased their activity in this area; the sharp decline in stocks; and the lack of a knowledge base about the product. The Panel also heard of opportunities with this product, which provides income to some 600 West Prince people and is an important element of the area's heritage and culture. These opportunities include experiential tourism, nutraceuticals, cosmetics, and artifacts, as well as significant remaining niche markets for the raw product. These possibilities would seem to be in accord with the directions outlined in the recent Throne Speech regarding value-added and diversification in the primary sector. There was a sense, however, that the Irish Moss fishery was being left to its fate, and that it might eventually disappear altogether. "I can't understand why they don't care," the presenter observed. "So many people depend on it."

Forestry

A brief to the Panel from the PEI Forestry Trainers Association outlined major opportunities in the forestry sector. Some 50 per cent of PEI is covered by forests, providing opportunities for harvest, value-added, and eco-tourism, as well as enhancing PEI's scenic beauty and environmental quality. In 1997, the forestry sector provided 900 direct jobs and 500 indirect jobs, and contributed \$25 million to PEI's GDP. As well, \$1.6 million in provincial tax revenues was attributed to forest-centred "green tourism".

With proper management, it was indicated, the productivity and value of the forestry sector can be at least doubled, and potentially increased up to five-fold. Measures include planting of species in demand, pre-commercial thinning, and stand management. It was noted that a managed softwood stand provides over 22 weeks of employment per hectare, compared to six weeks for an unmanaged stand (including harvest, transport, and milling employment). Given these benefits, expansion of the forest management sector is recommended. In addition to training needs, addressed in the following section, measures to encourage expansion of the forestry sector include incentives to PEI's 16,000 woodlot owners to manage and enhance their forest stands, through "fair market value stumpage and property tax incentives"; support for value-added activity and further green tourism; and expansion into new forest crops, such as mushrooms, nuts, roots such as sarsparilla, berries, aromatics, and medicinal and herbal products.

Construction

The Panel heard several briefs from organizations in the construction sector, including the PEI Construction Association, the PEI Construction Training Centre, and the United Brotherhood of Carpenters. These briefs painted a picture of a highly diverse and wide-ranging sector which is largely comprised of small businesses, featuring relative ease of entry but also a substantial level of risk and volatility. Excluding construction of the Fixed Link, the industry has accounted for about \$300 million a year in economic activity in recent years. The sector provides Islanders with major opportunities for employment across the province, often highly skilled and relatively well-paid, albeit subject to some seasonality and vulnerable to economic downturns. These characteristics, and the project-based nature of the industry, mean that the only constant for PEI's construction workforce of 3,900 is a pattern of intermittent work featuring many breaks in employment.

Like other sectors -- perhaps more than most -- the sector is facing pressures of external competition, rapid technological change, and continuing demands for upskilling. Training measures were identified in all presentations as a priority way to deal with these forces -- indeed, they received more emphasis than by any other sector heard by the Panel. These issues are addressed in detail in the following section of the report.

In this section, it is noted that training and formalization of training is seen as vital to the industry, not only in terms of quality and productivity, but also to level the playing field or gain a comparative advantage over other provinces. It was noted that the Atlantic Procurement Agreement, while holding many advantages, has made it easier for off-Island firms to bid for projects in PEI. These larger firms sometimes will bid on a project at cost to fill time between other projects and hold their workforce, and Island firms cannot afford to compete. A number of examples were cited by the various presenters of the use of off-Island workers on local projects, some provincially funded. It was felt that out-of-province firms should bring in only key personnel, and hire other workers locally. Some presenters felt that safeguards should be established or strengthened to assure this. For example, it was suggested that out-of-province firms could be required to use only union labour. It was acknowledged that other factors played a part as well, including the reluctance of non-unionized contractors to hire unionized workers, and the difficulties experienced by out-of-province contractors in connecting with local non-unionized workers, many of whom seek work privately rather than using systems like Jobline.

It was also noted that Island firms do not enjoy comparable access to construction projects in other provinces because of the existence of non-tariff barriers in the form of training requirements. In Nova Scotia, for example, the Construction Trades Association requires any contractor working in the province to go through their safety training program at a cost of \$10-15,000 per firm. To date, few Island firms have done so. Similar requirements are in place in New Brunswick. It was felt that a similar program would be desirable in PEI, most importantly to enhance safety training but also to level the playing field. Such a measure would have to be endorsed by local contractors, however, who would have to support and participate in the system themselves. In Nova Scotia, the system is supported by a surcharge on Workers' Compensation levies, and by training fees for individual course participants.

The Panel also heard about current efforts to establish "construction labourer" as a designated trade. This initiative would standardize and enhance the required skills for construction labour work. Such a designation is in place in Alberta; Saskatchewan was reported to be using Alberta's system and B.C. is considering it. Labourers lacking a trade certificate face reduced opportunity to find work in those provinces. If PEI were to establish the designation, it would provide PEI firms with a similar comparative advantage in terms of local construction. If a third province were to follow suit, the trade could then go interprovincial with standard requirements nationwide, offering a further comparative advantage to Island firms and workers on projects outside the province. A detailed process exists to establish a designated trade and design its curriculum, and the Panel was told that this process is currently under way, with hopes for completion by March 1999.

Perhaps because of the greater amount of input from workers in this sector, the Panel received an impression of some tensions within the sector. Concerns were expressed regarding employer demands regarding hours of work perceived as excessive, and other infringements of labour standards, particularly with respect to non-union workers. Labour standards were seen as too permissive in the definition of overtime, and concern was expressed that employees are at risk of retaliation if they come forward with complaints. As well, changes to the EI system were viewed as reducing employees' ability to seek redress or to change employers. It was recommended that labour standards be strengthened, and that increased resources be invested in enforcement and investigations. It was noted that a normal work week would also promote hiring of Island workers by external contractors doing business in PEI, in that it would be less advantageous to bring in and house out-of-province workers for 40- or 44-hour weeks.

Concerns were also noted about wage disparities among workers, particularly along unionized and non-unionized lines, about the level of wages overall, and about the minimum wage, characterized as a "disgrace." The United Brotherhood of Carpenters called for a fair wage policy to close the wage gap in this area. With a living wage, the length of the work week could be reduced, increasing the number of jobs in the sector.

Tourism

A number of presentations to the Panel expressed views on tourism. Many saw the sector as holding major opportunities to expand employment on PEI. Support for growth in the tourism sector was particularly strong in West Prince, where many of the presenters felt that both the increase in visitation and the province's investments in tourism infrastructure were passing them by. Attention was drawn to the proposed expenditure of \$40 million for the Cornwall bypass, to accommodate the increased tourism traffic largely within the "Golden Triangle" -- itself perceived to result from a skewed allocation of marketing and development funds by government. A number of calls were voiced in West Prince submissions for governments to increase the level and share of tourism investment in the region, with emphasis on such areas as marketing and infrastructure and product development. The limits on support for roofed accommodation development were seen as geared to the situation in Charlottetown and Summerside, and not reflecting the circumstances of West Prince, where a need was noted for significant investment in mid-range, three-star accommodation. Some optimism, however, was

expressed in that the limited development to date has spared the region the commercial excesses of central PEI, and has maintained an unspoiled social and natural environment for visitors.

Other submissions were more critical of tourism as an option, expressing concern about the perceived low pay and seasonality of many of the jobs in the sector, and calling for a shift of emphasis to other sectors. With regard to tourism investment, strong and widespread support existed for increased emphasis on high-end eco-tourism, cultural tourism, and agri-tourism as ways to extend the season, strengthen tourism operators, and enhance the quality of employment in the sector. Don Wright suggested that PEI does not fully appreciate or exploit the inherent attractions it holds for big-city visitors, such as its outstanding fall foliage, its temperate climate, its family and community values, and its heritage. He called for a shift away from thinking of the spring and fall as "shoulder seasons" with the connotations of second-best, and to see all seasons of the year as holding potential for visitation. Kathy Kennedy suggested greater emphasis on festivals and learning vacations.

The Tourism Industry Association's brief to the Panel suggested that the industry is in fact pursuing some of the directions prescribed above. The Brief notes that the industry employs some 20,000 people in full-time and seasonal positions, fully one-third of PEI's employed workers. The sector was seen as holding continued strong potential for employment growth, both directly and in areas such as new construction, as well as generating tax revenues for the province. Training is vital to achieving this, as set out in the next section. Other proposed measures to fulfill the industry's potential include continued commitment to developing the infrastructure for shoulder season visitation, such as the Confederation Trail, especially in underdeveloped areas of the province; wage subsidies for shoulder season workers; maintained or increased investment in tourism marketing; and a climate conducive to private sector investment and employment growth, including a reduction in payroll taxes.

Information Technology

Strong optimism about future prospects was also evident in the submissions on the information technology or IT sector. The Information Technology Association of PEI, or ITAP, indicated that the sector, although relatively small compared to some of PEI's other industries described above, is experiencing extremely rapid growth, as is the case globally, and provides mainly full-time, full-year, highly skilled jobs. The key constraint to growth, on PEI as elsewhere, is the availability of trained workers. The Panel was informed that the sector currently employs 900 people, and that a Knowledge Worker Demand Survey carried out earlier this year identified demand for an additional 726 workers over the next three years. Demand is expected to be particularly strong in the highly skilled areas of software development and multimedia production. Skills shortages have already been encountered in the area, with regard to both highly trained graduates and experienced workers. The presenter outlined an array of industry and training measures and strategies to address these human resource needs, which will be outlined in the following section of this report.

Several presenters cited optimism about the potential of the IT sector for PEI or for their communities. The Société Éducative de l'Î.P.É. outlined the educational and economic development impacts of IT in the Evangéline area, suggesting that potential existed to do the

same in any rural community of PEI. Achievements include the delivery of off-Island post-secondary training in French, literacy and adult training, development of IT curriculum and delivery methods, and a range of IT enterprises. These achievements are bringing hope to the community and encouraging local youth to remain and build a future. It was noted that the federal government has recently received a report from its blue-ribbon panel on smart communities, and hope was expressed that PEI would be one of the communities selected to pilot the model. Strong praise was also accorded by the Société, as well as by ITAP and others, to Island Tel and to governments for the development of PEI's outstanding IT infrastructure, the Community Access Program with its 46 points of public access to the Internet across PEI, and other measures to support broad public access to IT. Several presenters emphasized, however, that it is time to shift the focus from hardware to the development of applications which will reap the potential of these infrastructure investments.

The Summerside Chamber of Commerce saw substantial potential in IT development, both within the sector and throughout existing industries. It noted, however, that the province needed to build a better public and corporate image inside and outside the province with regard to its IT potential.

Other presenters outlined a number of opportunities for development of cultural and electronic content, based on a global shift in consumption from tangible goods to intangible services and content. These are explored further below in the section on the cultural and film sector. As well, Copthorne Macdonald outlined a number of areas with potential, including Internet content development, teleconsulting, expertise brokering, distance education, coordination of worldwide amateur scientific research, electronic publishing, electronic art, and on-line personal and spiritual development workshops and counseling. The example of MEDIAfusion in Cape Breton was cited, a virtual corporation begun four years ago, now with 44 members ranging from individual creators, to small firms, to the area's post-secondary institutions, a workforce of over 100, and annual sales of \$6 million.

Another presenter, Don Wright, pointed to additional opportunity in the IT and communications sector, such as call centres, and overnight data processing and input for offshore customers. Other communities have achieved substantial increases in employment through developing these sectors, it was noted. These offer entry-level employment to Islanders and create a base for further development and upskilling of the industry. They also offer employment opportunities to workers in the arts and cultural industries, allowing them to support themselves while remaining available for cultural work when opportunities arise. Although call centres are perceived negatively by some, they were defended as providing safe, clean, environmentally friendly jobs paying significantly better than minimum wage. Further growth is expected in these sectors. PEI was seen as having advantages in these areas with regard to its "literate, socialized population", and the friendliness and courtesy of its people.

The Cultural Industries

The Panel heard that PEI's cultural industries, including the crafts and film sectors, hold major opportunities for growth, offering both economic and employment development, and social and cultural enrichment. It appeared, however, that these sectors have encountered some hurdles in

fulfilling this potential, in part due to falling outside the mainstream of sectors traditionally seen as part of "economic development" by government, and by other areas of the private sector.

The panel heard a very interesting submission by Cellar Door Productions regarding film industry opportunities in PEI. The film industry was characterized as the fastest-growing in the world, extremely labour-intensive, highly skilled, highly paid, export-oriented, and environmentally friendly. The pace and nature of technological and policy changes in the communications, IT, and cultural sectors have created an enormous and growing demand for distinctive, high quality content. As examples, the presenter described two of her recent productions, *The True Meaning of Crumbfest* and *The Inn Chef*, both of which are winning substantial export markets. The former production has given rise to a 13-episode series, currently under design. Another presenter from the arts sector, Don Wright, also pointed out the opportunities for high-quality productions based on indigenous PEI material.

Both presenters strongly felt that PEI is falling far short of achieving the employment potential of this sector. PEI-based productions by outside firms were said to use few Island workers, particularly in skilled jobs. This was attributed in part to a competitive motive to forestall the development of an industry in PEI, partly to the employment requirements placed by other provinces on their supports to their film sectors, and partly to the lack of comparable local incentives, such that enterprises are financially penalized for hiring locally. As well, local productions, such as those by Cellar Door, face shortages of some skill areas. Although the writing, voice-overs, and music for *Crumbfest* were done in PEI, it was noted, much of the actual animation was done by the partner firm in Toronto.

It was suggested that some significant measures must be taken if the industry is to establish itself in PEI. In addition to training a skilled workforce, these involve the establishment of an appropriate policy and regulatory climate, and of supports and incentives comparable to those of neighbouring provinces, notably requirements to hire locally, linked to tax credits related to levels of employment. While continued partnerships with out-of-province firms are desirable, more of the employment and other benefits should accrue to Islanders. The presenter indicated that she had invested substantial effort during the past two years in building awareness in government of the potential and needs of the film industry, including, for example, how to become an equity partner in film productions, and how to assess risk in the film sector. The aggressive measures of recent years taken in Nova Scotia, New Brunswick, and Newfoundland to encourage the film industry were described to the Panel, together with the subsequent rapid growth that has occurred in the sector.

Suggestions were also received that local infrastructure could be better used to support local artists. Subsidies to the Confederation Centre and Jubilee Theatre were noted, and the high cost and limited access to those facilities by local performing artists were criticized. It was suggested that the Confederation Centre could -- indeed should long have been -- the site of a school for the performing arts in the off-season.

The Panel also received a brief from the PEI Crafts Council, as well as representations by several presenters regarding the strong demand by visitors for authentic, made-in-PEI crafts, and opportunities in this area. Several concerns were, however, expressed by presenters. It was noted

that there were not enough artisans on PEI to meet peak demand. As a group, artisans are aging, and there are no recruitment, promotion, or training programs to encourage and assist young Islanders to enter the sector. In addition to training programs, addressed in the next section, the Crafts Council recommended tax incentives to encourage self-employment among artisans; business supports such as legal and accounting services; conversion of unused or underused public buildings into studio space; and establishment of a Design Institute to research, design, and develop new products that reflect PEI's heritage, environment, and culture. Another presenter, Kathy Kennedy, suggested a number of innovative measures, including the establishment of home-based mini-assembly lines where "one cuts, one glues, one paints, one packages"; increased summertime craft fairs; greater exploration of the corporate gift market; and development of new artisans through such community organizations as the Women's Institute.

While the Crafts Council indicated that demand was strong among retailers for made-in-PEI crafts, other presenters expressed concern that some retailers, including the Island Store at Gateway Village, purchase offshore products with cash up-front, benefitting from higher markups. Meanwhile, it was indicated, Island artisans are shut out of these market opportunities or only provided access on a consignment basis. The negative message sent to visitors by "made in Taiwan" PEI souvenirs was widely noted. These individual presenters outlined several barriers to the establishment and development of enterprises in the craft sector. In common with many small businesses outside the crafts sector, they cited issues of red tape and insufficient start-up capital, and decisions based on "who you know." They identified as a priority the need for working capital to enable the production of inventory in the off-season, as well as storage space for inventory and marketing alliances among small craft producers. As well, they perceived that their sector faced particular difficulties in being taken seriously as an economic development opportunity and in gaining access to developmental funding.

One presenter, the Laser Lady, indicated that she had attempted to organize a number of small craft producers to work together to add value to each other's products, and to market their products under her business name approved earlier in 1998, "The Official Prince Edward Island Gift Ware Line." She indicated that the province, which announced a "PEI Brand" strategy in the recent Throne Speech, is now opposed to her use of this name; however, she is continuing to pursue the concept. The concept of a PEI Brand would seem to hold some potential for a more supportive policy environment for the Island's craft producers, but it is apparent that some issues remain to be resolved. In this regard, it might be noted that the Crafts Council called, as well, for a Provincial Craft Industry Development Policy to be formulated and implemented.

Other Sectoral Opportunities

Opportunities were also identified to the Panel in a range of sectors, including recycling and processing of recyclables; retrofits of public buildings to enhance energy efficiency; small scale public transportation, particularly in rural regions and between rural areas and urban centres; and privately provided health services in such areas as rehabilitation and addictions treatment, and seniors' home care. As well, the Panel is of course aware of the significant and growing job opportunities in the manufacturing sector, including aerospace; however, these were not represented before the panel and were seldom mentioned by presenters.

Small Business and New Ventures

The Panel also heard a number of suggestions from business organizations and industry sectors, regarding measures needed in order to foster economic development and new enterprises generally in the private sector. Training figured prominently among these; other suggestions included the following:

Many presenters called for greater emphasis on small businesses as the main creator of sustainable, appropriate jobs in the economy; some presenters coupled this recommendation with a call for less emphasis on large and external corporations. This view was particularly prominent among labour and community presentations.

A variety of tax measures were suggested to overcome disincentives and to create a favourable climate for growth, new ventures, and employment expansion. These are further considered later in this report, in the section on Financial Barriers to Employment.

Scope was seen for greater government emphasis on local purchasing, use of local labour and services, and import substitution.

Adequate start-up capital was widely identified as a major need. Measures to address this are set out later in the section on financial barriers.

A need was identified by many to reduce the red tape and complexity of government regulations, programs, and services. These issues are further explored later in this report in the sections on structural and attitudinal barriers.

A number of presenters called for mentorship programs and other advisory measures to support start-up entrepreneurs and to strengthen their viability.

Several presenters focused or touched on another key issue: the need to connect business ideas and opportunities with the entrepreneurs who could develop them into enterprises. It was noted that the kind of people who come up with ideas are not always the kind of people who have the management skills and business mindset needed to bring them to fruition. In other cases, successful businesses come up with good ideas but lack the time to develop them or see them falling outside the business. A need was seen for some mechanism or institution to facilitate this process of connection.

Anthony Miller described to the Panel his efforts of many years to collect business ideas, which he has assembled into a book, excerpts of which were left with the Panel. He expressed concern that "we are training people to look for jobs, not make jobs," and noted that original ideas were key to success in the global marketplace. He felt that ideas were everywhere, all around us, as every product and service we use has scope for improvement. He suggested that the private sector could be approached to sponsor idea publication, with incentives such as awards to encourage people to submit their ideas.

Scotty Millar also spoke with conviction of the need to harness the brainpower and ideas of the "man on the street". He suggested an Island Idea Centre, open full-time and with a couple of staff, to receive ideas, screen them with the assistance of a business advisory panel, and launch enterprises with support from government sources and the guidance of the advisory panel. Through an equity share in these ventures, he suggested, the Idea Centre would become self-supporting in relatively short order.

John Morrison spoke of the need for an Employment Institute to encourage "thinking outside the box" and to give alternative ideas and approaches for employment an opportunity. It was acknowledged that the Business Projects at the University of PEI are a source of ideas and analysis; however, some perception existed that these tended to be mainstream in nature and to focus on existing ideas.

The Panel's research indicates that new knowledge-based ventures are founded on the successful coming together of three elements: the right people, the right idea, and the necessary resources. It was apparent that the presenters noted above have devoted substantial efforts to promoting this connection, and their suggestions merit consideration.

Public Sector Employment Prospects, Opportunities, and Needs

Public Services

Government is a major employer in PEI, accounting for 25 per cent of jobs according to the 1996 Census. Moreover government accounts for a disproportionate share of full-time, full-year, unionized, skilled jobs, especially in rural areas. Both federal and provincial governments have gone through downsizing processes in recent years, largely based on early retirement, voluntary separation, and attrition, in efforts to address deficit and debt concerns. These measures have reduced the level and share of public sector employment in PEI. Some presenters perceived that these impacts had fallen more harshly on some rural areas than on the centre. Declines in employment in the West Prince area were cited as an example. Concerns were expressed, as well, that government has had no better record than the private sector in terms of the growth of non-standard, part-time employment, although current government efforts to classify a substantial number of long-term casual jobs may modify this perception.

Despite the importance of public sector employment, the Panel heard relatively few prescriptions in this area, with the notable exception of the Canadian Union of Public Employees and the PEI Federation of Labour. These bodies called for increased public investment in health, social services, and education, not only as a means to create high-quality employment, but more importantly as the foundation for health, learning, and social justice. Other groups and individuals, such as the PEI Youth Council, and Bill Martin, called for public investments in such areas as kindergarten, universal daycare, and increased career guidance in schools; however, these recommendations were directed at addressing educational and support needs for employment. Again, the jobs directly created through such investments were seen as important but secondary benefits. Generally, suggestions were aimed at the province, although the federal government is also a major employer on PEI.

Somewhat surprisingly, few direct suggestions were made for further decentralization of provincial services to rural areas, or further decentralization of federal services to PEI, notwithstanding a number of successful initiatives in this regard, ranging from the Department of Veterans Affairs and the GST Centre, to the Regional Library Headquarters in Morell and other provincial examples across PEI. An exception was the presentation made by the West Prince Health Authority, which called for government to fulfill its statements in support of rural PEI through the commitment of resources and activity to those communities.

Government-Funded Social Employment

Substantial resources are invested by all levels of government in the creation of employment for disadvantaged individuals. Measures include placement in casual public-sector jobs, an approach particularly emphasized by the provincial and municipal levels of government; full or partial funding of jobs in the community sector of non-profit organizations, an approach extensively used by the province; and wage subsidies for temporary employment in the private sector, used by both the federal and provincial governments. While a number of presenters acknowledged that these measures help disadvantaged individuals, serious concerns were raised regarding their structures, functioning, and interrelationships. While these programs were seen as clearly part of the solution, it was apparent that at present they are part of the problem as well. These programs and the issues surrounding them are explored more fully later in this report in the section on structural barriers.

Community Initiatives

Some of the most encouraging submissions received by the Panel were those from community groups and organizations across PEI. A number of those represented community initiatives and partnerships to meet the social and learning needs of disadvantaged Islanders. These are considered further in the following sections of the report, while this section will focus on the economic and employment development directions proposed by these community groups. Whatever the focus, the Panel is convinced that these community-based efforts hold great promise to address the problems and develop the social and economic potential of their communities in a responsive and responsible way -- indeed, they are already doing so.

Examples were cited to the Panel of successful responses by communities to external threats, including Summerside's successful mobilization upon the air base closure, and the initiatives taken in Southern Kings in response to the impacts of the Confederation Bridge and the threats to the Wood Islands ferry. The challenge identified by presenters was how to achieve similar community effort and cohesion in the absence of crisis, or, as appears to be the case in some regions of PEI, in a situation of chronic decline. It was felt that the kind of initiatives described below held the key to successful, sustainable development over the long term.

Cooperatives

Individual presenters to the Panel, including John Morrison and Pat O'Neill, provided information on the remarkable achievements of the Mondragon region of Spain, in building a major advanced manufacturing sector in the post-war era through application of cooperative

principles and approaches. The Cooperative is currently owned and operated by its 20,000 workers, constitutes Spain's eleventh-largest corporation, outranks all others in profitability and competitiveness, and includes its own banking institution, training institutions, and social security programs.

While these achievements are indeed impressive, other presenters noted that PEI has reason as well to be proud of its cooperative heritage and current achievements -- ranging from the Farmers' Bank of Rustico to the Evangéline region co-ops of today, recognized across Canada, and the PEI Credit Union Central, a leader in the region. In all, PEI has 93 co-ops with 77,000 members, in the retail, manufacturing, service, and financial sectors. Co-ops employ over 1,300 people, including almost 400 full-time jobs, and have a payroll of over \$12 million. Sales are \$126 million a year, and assets total \$340 million, while the Credit Union Central serves PEI through ten credit unions in fourteen communities, with assets of \$23 million and a loan portfolio of some \$90 million. Indeed, it was indicated that PEI has led the country for the past six years in various indicators of co-op performance.

The Credit Union Central of PEI outlined to the Panel recent initiatives to meet the needs of their communities for investment capital (considered further below) and to strengthen their communities. This latter initiative, the Community Capacity Building Project, is a two-year pilot project, recently launched in PEI and supported by the Regional Cooperative Development Centre of the Atlantic Provinces. In their submission, the CU identified seven areas of particular importance to economic development and community capacity building:

- research and information brokering, exploring and disseminating the learnings from the successes and failures of the past, and exploring the opportunities for the future;

- investment and capital formation at the local level;

- co-operative networking, sharing services, products and resources across co-op sectors, across regions, and with other sectors in the community;

- focus on new markets and targets;

- exploring and developing opportunities in sectors new to the co-op movement;

- youth development through entrepreneurial co-ops;

- public education and involvement to build awareness and foster linkages.

Based on a recent PEI study, *The Way Ahead*, the co-op movement has concluded that the future success of co-ops and credit unions on PEI, as in the other three Atlantic Provinces, depends on moving towards a fully integrated, multifaceted community-based co-op system. In this regard, the Panel observes that networking and partnerships have been found to be key characteristics of successful enterprises in the new economy, and commends the co-op movement for continuing to maintain its place on the leading edge of change. The Community Capacity Building project, launched earlier this fall, will seek to implement this model in PEI on a pilot basis, for transfer

elsewhere in the region and beyond. Measures include development of an integration model and plan, exploration of new economic opportunities, and development of leadership and capacity in five selected communities across PEI.

Community-Led Development

The presentation from the Société Éducative de l'Î.P.É expressed a conviction that successful development could only come about on the basis of a partnership among the public, private, and community sectors. Indeed, the presenter suggested, the community or "third sector" was even more important today than in the past, given the need to move towards a knowledge-based society. He called for communities to be empowered, and to be given the tools to do the job, and for government to be confident that communities -- more than government -- had the capacity to meet the challenges of the 21st century. He saw the recent Throne Speech as offering hope in this regard. As well, the presenter called for more networking among communities. Suggesting that rivalries and jealousy among communities could not be afforded in such a small society, he urged that successes by communities should be made known as a basis for effective development by other communities.

The PEI Federation of Labour called as well for government to reaffirm its belief in local enterprises, and to give communities local control. To achieve this, the presenter suggested the establishment of Community Full Employment Councils, a new form of elected, representative local body to determine needs, priorities, and assets, and to develop strategies to meet them. This concept, which is more fully expounded in the Alternative Provincial Budget of April 1998, would involve representatives from all sectors, and a role of formulating local labour plans which take into account the existing labour force, and forecast local employment trends and skill needs, drawing on strong community participation. This approach, it is stated, would not duplicate the various bodies in existence, but rather would provide a formal means of generating community input that would avoid the problems that have plagued past ad hoc approaches.

The Cooper Institute also saw communities as the key to developing sustainable, appropriate employment. They stated, "We know from experience that communities, given the appropriate opportunities and the necessary resources, can develop achievable plans and actions for the creation of full and dignified employment in PEI ... there is no shortage of work in PEI ... there is merely a lack of will to redefine work and to make resources available to pay people for the valuable work they do." In addition to a shift in philosophy and approaches in the primary resource sector, outlined earlier in this report, the Institute called for an expansion in the role of the not-for-profit sector as a creative and largely untapped employment generator. Presenters noted the growing recognition in recent years of the essential social role played by the "third sector." These contributions are made with minimal contributions from the public and private sectors, which, it was asserted, often treat the third sector with condescension and disrespect. The Institute called on government and business to play a greater role in strengthening the third sector, suggesting that this would make it a more dynamic and effective force in generating employment.

The importance of investment in third-sector services was underlined by several other groups, many of whom cited the Community Action Program for Children (CAPC) with its family

resource centres across PEI as a vital force in enhancing social support, personal development, and economic opportunity for participants, as well as providing meaningful employment and learning opportunities to staff. As well, Paul Phillips of the Canadian Association for Community Living (CACL) noted that such opportunities can be a launching point for disadvantaged individuals. "The training and various experience that people get in an organization like ours can be used in many job places," stated Mr. Phillips, noting examples of five individuals who had formerly worked for the CACL and who were now in self-employment or a range of jobs.

An innovative suggestion, falling somewhere between the categories in this analysis, was heard from Cophthorne Macdonald. Noting that in 1996 there were 8,161 Islanders aged 75 and over, and 937 nursing care beds, he suggested that a growing need existed for simple services and supports to assist older Islanders to live independently in their homes. While home care programs address the most pressing health needs of these individuals, significant unmet needs remain with regard to ordinary domestic and home maintenance tasks, as well as loneliness. At the same time, students are struggling to obtain an education in the face of a difficult labour market and increasing costs. He suggested a program to link the two groups, where students would assist seniors with home tasks, cooking, and companionship, in exchange for some pay, or in some cases room and board. While some training in safety, community supports, and ethical issues might be desirable, he suggested that such a program requires common sense, a caring attitude, and basic life skills. Government might find it worthwhile to invest in such a program through earning supplements and perhaps program coordination, given the far greater cost of institutional alternatives.

The PEI Youth Council also called for an increase in public investment in the volunteer and charitable sector. "On PEI, we have no trouble finding work," their brief noted, "we have trouble finding wages. There is always work in the volunteer sector and among charitable service organizations, in communities, and in projects that are not yet self-sufficient, commercially viable, or able to raise enough funds to hire staff." Involvement of youth in these roles was seen as holding mutual benefit.

At a broader level, the Cooper Institute called on the PEI Legislature to:

- endorse the organization of a three-sector think tank to develop a plan for new models and practices of community development across PEI; and
- urge the provincial government to invest substantial resources in the coming year in the creation of a solid and made-in-PEI plan for community development.

This final issue, the establishment of a community development plan, can be linked to related points made in several other presentations.

The West Prince Health Authority called upon all levels of government to make a commitment to strong socio-economic policy that would maintain healthy rural communities and add opportunities, especially for youth. In fulfillment of this commitment, the presenters urged the development of a strategy promoting strong rural communities with access to entrepreneurial

investment capital, both public and private, backed by a meaningful level of public investment in services and infrastructure to stem further out migration.

As noted earlier in this report, a presenter from the agricultural sector called for a review of the role and functioning of rural communities, noting that they currently had "all the amenities but none of the responsibilities." This view would suggest that a rethink of local governance is an essential component of a community development strategy.

Several presenters, including the Western Development Corporation Professional Representative, the O'Leary Area Development Corporation, and West Prince Ventures Inc. suggested that entrepreneurs in rural communities faced greater obstacles to starting and succeeding in enterprises than in larger centres, and that government should establish rural policies and provide specialized supports and incentives, such as rural business advisors, to address this issue.

Another presenter, Alan MacPhee, suggested a strategic approach whereby communities across PEI could become centres of excellence in areas where they already have a core competency. In his area, Souris, for example, this would entail a focus on sectors and training programs linked to the sea. Such a measure would draw people to communities to do business and to train, promoting their long-term viability. Otherwise, he predicted bleakly, the Island runs the risk of becoming a province comprised of a city-state and a depopulated rural hinterland, which serves only as a summer destination for tourists.

Sharing of Existing Work

Several presenters identified sharing of existing work as an opportunity to expand the number of jobs in PEI. One submission, from Louise Polland, outlined the history of hours of work, indicating steady improvement throughout the first half of this century, then, since the 1960s, a polarization of work, with a growing number of people working overtime coupled with a growing number of people only able to find part-time employment. This trend was linked to the declining growth in productivity in the 1980s and 1990s. It might be noted, as well, that other commentators have attributed this trend in part to the level of payroll taxes. While these compare favourably to other countries such as the U.S., they are still held by some to be incentives to employers to seek longer hours from fewer staff.

The presenter noted that past opinion surveys have identified that some 20 to 30 per cent of workers would be prepared to work fewer hours and accept a reduction in earnings. In recent years, however, this proportion has declined; nevertheless, some proportion of the workforce still would be prepared to work fewer hours. Voluntary sharing of existing work through less overtime was identified as an option as well by some of the labour presentations to the Panel. This suggestion was accompanied, however, by the stipulation that adequate wages would have to be paid to make this feasible. This highlights the main issue facing this approach, given that PEI is a low-wage economy. The need to earn an adequate income, coupled with incentives within the EI program to maximize hours of work, and the peak demands of seasonal industries, suggest that this approach may have more applicability in full-time, full-year, higher-end employment than in seasonal and low-wage sectors. In selected sectors, however, notably the

public sector, it may hold considerable promise to distribute employment more broadly and to offer entry opportunities for youth.

Matching Capacity to Opportunity: Overcoming Skills Barriers

The importance of education, training, and lifelong learning constituted a near-universal theme in presentations to the Panel. Virtually every presenter identified measures in these areas as essential to maintaining and enhancing employment on PEI. Although the Panel did not receive any submissions from the educational system itself, or the private training sector, it did obtain a range of information from presenters on needs, concerns, and opportunities in the area of education and training. The Panel observes that the provincial government launched a Comprehensive Survey of Education and Training earlier this fall, to be carried out under the auspices of UPEI by Howard Jamieson. The presentations made to the Panel would indicate that this is a timely and valuable initiative. The section that follows seeks to provide support to the work of the Comprehensive Education Study, as well as a basis for the Panel's conclusions and recommendations:

-- First, core and essential training needs are noted, which must be met for all Island workers to enhance their employment future. In this regard, some promising initiatives and community-based programs are reviewed.

-- Next, sector-specific training needs are summarized, as identified by the various employer sectors that presented or submitted briefs to the Panel.

Turning to the longer term, the many issues and suggestions raised with respect to the education and training of PEI's children and youth are examined.

The section closes with an examination of issues related to the "how" of education, training, and adult learning, as opposed to the "what" issues examined in the first two points above.

Core and Essential Skills

The Panel received a holistic perspective of the core skills needed in our changing economy in a presentation by Bill Martin. He noted that high levels of unemployment have long been seen as endemic to the Atlantic region. These have been reinforced in recent times by a radical transformation of our economy from resource extraction to services and information, resulting in still higher levels of unemployment, industry restructuring, and government and corporate downsizing. These changes, he suggested, are affecting the type of work available, the structure of that work, including tasks and requisite skills, and the conditions and rewards associated -- an observation corroborated by the background research in Appendix Four. Indeed, he stated, " the types of work are changing in such a way that a whole new set of personal qualities, skills, attitudes, and even values are required on the part of workers if they are to make the necessary transformations as people, to not only survive, but to thrive under these new conditions and realities."

He suggested that individuals seeking to move from the old economy to the new will require new essential skills, including high self-esteem, a positive mental attitude, and well-developed skills in the areas of problem solving, human relations, teamwork, and communication skills, as well as a commitment to lifelong learning and personal development. He indicated these skills can be taught in adulthood, but only on the basis of three critical factors: first, that individuals accept that these skills have value, second, that they realize that they lack them, and third, that they believe they have the ability to learn and apply them. Too often instead, he suggested, individuals are governed by a set of self-limiting beliefs that manifest themselves in blaming, dependency, and a general attitude of "I'm not responsible." His prescriptions in this regard were directed to the longer term, including early childhood development and the school system, and will be outlined in that section below.

The PEI Youth Council also highlighted the importance of essential skills, noting, "In the 1990s, we need our public education system to prepare us with literacy, numeracy, and an ability to access and use information that will allow us to become lifelong learners. Knowing how to use one kind of software will not help us if the software becomes obsolete or is not used by the companies offering jobs. We need education that gives us a fundamental understanding of how things work, knowledge that can be transferred among different jobs and different applications." In support of this, they called for youth, through the Youth Council, to be consulted on education issues and for youth to have more direct input into curriculum and policy decisions.

The Panel heard a presentation as well from the Board of Workplace Education. The Board seeks to provide training in essential skills to employed workers, a group largely overlooked by current federal and provincial training supports and programs. This presenter echoed the views above regarding the need to upgrade essential skills as the economy shifts from a resource base to a knowledge base. The program focuses on core and essential skills, including critical thinking, communications, teamwork, and personal management, as well as literacy if necessary. In a memorable metaphor, the presenter characterized essential skills as "the Velcro that makes other training programs stick." The presenter noted a Conference Board of Canada report of May 1997, which showed benefits to both employers and employees from enhancement of essential skills. Delivery of training in essential skills to employed workers is highly advantageous because the new skills can be immediately applied in a work setting, rather than fading away through disuse.

The program was founded a year ago, modeled on a similar program in Nova Scotia which has been in existence for half a dozen years and is currently active in over 80 sites. The PEI program has three field officers, whose role is to contact employers, promote the program, and provide partial support by paying the cost of instructors. The employer contributes space and ideally some release time for employees, while the employees contribute their time as well. While the program was seen as having great promise, a need was identified to increase awareness and motivation among both employers and employees of the need for and benefits of essential skills training. The presenter indicated that a shift was needed from getting training only when forced to, to a lifelong commitment to learning and training.

The Panel also heard a presentation from the Cornwall Lions Club on the Community as Teacher program. The program is based on a community capacity building model, bringing together the

resources of government, the private sector, and the third sector to assist people to gain skills and workplace exposure, and to build networks. It was developed by Partners in Reading, piloted by the Montague Lions Club, has expanded to the Charlottetown area, and will be rolled out Island-wide in the coming months under the auspices of local Lions Clubs, the Island's largest service organization.

Under the program, the coordinator contacts area businesses, asking if they wish to participate, what skills they are prepared to teach, when they will take people, and how many placements they will take. This information is recorded on computer. Individuals also contact the program, identify their goals, and assess their employability skills, sometimes with the support of the computer program designed for the service -- SR1, or Self-Responsibility First. The coordinator then connects individuals to businesses. They meet, and if they wish to proceed, an agreement is signed, setting out mutual goals and expectations, and including such elements as a confidentiality clause and waiver of liability. The individual then works in the business for a period of two days to two weeks, gaining basic skills in areas such as communication team-building, and responsibility. The individual also has an opportunity to experience a particular type of work, and to form networks that may enhance his or her employment prospects. Since the work term is unpaid, individual participants are motivated. Meanwhile, the fact that individuals select the firm, as well as the short duration of the placement, ensures that the program does not displace existing or potential employees. The program also involves a 12-week training course for coordinators, which appears to have significant value in building their community development knowledge and skills. The Panel considers this community initiative to be innovative and highly commendable.

A number of presenters touched on the need, as well, for literacy and numeracy training for adult Islanders, seeing the current situation as a serious concern for the future of employment in PEI, as well as for the future of the individuals affected. It was apparent to the Panel that some progress has been made in recent years in meeting this need. Presenters praised the establishment of Opportunity Centres in West Prince, and Learning Centres throughout PEI. The potential of IT and distance education to address basic skills was also noted. In this regard, the Community Access Programs throughout PEI were seen as important in providing public access to learning and personal development opportunities. Workplace education has expanded as well, as noted above. Many saw a need for further efforts in this area, however, including further access at the community level to accommodate the lack of transportation options for many Islanders in need of these services.

Another presenter, John Morrison, told the Panel of his program to develop meaningful job creation through joint self-employment. The PRIDE program (People, Resourcefulness, Interdependence, Dignity, and Entrepreneurship) uses mutual help approaches with disadvantaged individuals, creating enterprises by using and pooling the inherent strengths of individuals. The model draws on the assistance and support of communities, and is based on and incorporates the principle of interdependence among people. It involves six months to a year of training, once the individual has attained an understanding of the changing social and economic order, and made a commitment to self-actualization through work. The process leads participants through 15 modules to help them move from the present to desired state. The presenter indicated that he had experienced some challenges in winning acceptance of this approach among potential

fundlers, who wanted assurances that it would succeed. Warning that a continuation of present approaches to development, narrowly focused on economic development and wealth creation, would lead to even higher unemployment, the presenter called on governments to "think outside the box" and extend support to innovative approaches such as this.

Generally, many presenters, while supportive of the remedial programs available to today's workers, were emphatic that greater efforts should be made in the elementary and secondary systems to provide students with these skills upon graduation. Their prescriptions are outlined later in this section.

Sectoral Training Needs

Agriculture

The presentation by the PEI Agricultural Human Resources Development Council painted a picture of a rapidly changing labour market in the agricultural sector. Established five years ago to assist in meeting the human resource needs of the industry, the Council noted that the farm workplace requires more technical and mechanical skills and knowledge even during that short period. Unskilled entry level farm workers are advertised less and less; rather, ads are seeking specific commodity knowledge, training certification, and work experience. The highly mechanized potato sector, for example, has very little employment for the unskilled labourer. On the other hand, graduates of the Nova Scotia Agricultural College are enjoying strong demand for their services; over 90 per cent of the Class of '97 found work or continued studies immediately following graduation. The Council expressed a need for greater awareness among Island youth of the opportunities in the agricultural sector, suggesting that courses in the secondary school system would help in this regard. It was indicated that some improvement has already taken place, with courses in agri-science in all of the province's high schools, up from three prior to the fall of 1997. (Input during one of the Panel's focus groups, however, suggests that the Council needs to place continued emphasis on convincing youth and their parents that these courses represent a viable career option.)

With regard to the labour market prospects of the sector, the Council noted that these were strongly linked to the marketplace, as many sectors of the industry compete globally. In response to these competitive forces, the industry encounters cyclical downturns as well as structural shifts, such as the shift of potato packing away from the east and west of the Island. Notwithstanding this, the Council indicated a clear link, at the level of the individual, between training and increased duration of employment. The Council submitted an evaluation as well on its Winter School of Agriculture program, indicating that the program was found to be effective in providing skill upgrading to the sector's seasonal workers, beneficial to participants, and responsive to the skill needs of the sector.

Both the Council and the Federation of Agriculture emphasized the need for training programs serving employed workers as well as the unemployed. A recent pilot project to train employed workers was perceived as highly successful.

Aquaculture

The labour market profile of the aquaculture sector is mixed. Production sites vary in size from 20 to 1,000 acres; many of the producers have switched out of other areas of the fishery, or added mussel production to their operations. About half the jobs are in marine husbandry, with a mix of owner-operators and helpers. Half the participants in the industry have less than Grade 12, 30 per cent have Grade 12, and 20 per cent have some post-secondary. Entry-level training tends to be on the job, with basic techniques modified for each operation. The Aquaculture Alliance is working with the national association to develop standardized skills and job categories, a process indicated to be half completed. Currently, the main training need of the industry was identified as further extension support from government, or, failing that, resources to the industry to enable them to obtain such training and advice from the private sector.

Forestry

The brief from the PEI Forestry Trainers Association identified a need for trained and skilled workers in all aspects of forest use, and recommended expansion of skilled training.

Construction

As previously noted, training was the key issue raised by the construction sector. In addition to a number of systemic concerns regarding the adequacy of funding for training and the adaptability and responsiveness of delivery systems, addressed further below, the Construction Association of PEI identified the following key issues:

There is a need to develop effective skills among workers in communication, problem-solving, and assembly and analysis of information. "It has been demonstrated," the brief notes, "that key employees, regardless of the trade, who can write clearly, concisely, and grammatically correct while possessing the ability to make effective oral presentations will be the work person most employers desire." To address this, the brief suggested cross-sectoral partnerships to jointly train workers in core skills.

A need exists, as well, to provide employed workers with continuing education to keep them aware of the latest technology developments, ensuring that they remain employable while still working. Rapid changes are taking place in the construction field in such areas as new materials, strengthened building codes and quality standards, energy efficient buildings, and the "wired home." These were welcomed, but require training if PEI's construction sector is to keep pace.

Nationally, a number of key trades have aging workforces, and are at risk of or are already experiencing shortages of personnel. Surveys in some trades indicate 76 per cent of the workforce is over 40 years of age and 32 per cent is over 50. This issue was raised as well by the PEI Construction Training Centre, which observed that strong public awareness exists of skill shortages in the IT sector, but less awareness exists of similar current and impending shortages in many highly skilled trades. A need was noted to promote entry to the sector among youth, with particular emphasis on under-represented groups such as women and minority groups.

As indicated earlier in this brief, the PEI Construction Training Centre sees training and skill development as essential not only to the employability of individuals, but also to the competitiveness of the industry locally and outside the province. Attainment of designated trade status in the areas of construction labour and carpentry was seen as essential by both these groups. As one component, the training curriculum would include elements of basic and essential work skills, now issues for a number of individuals in these trades. It was noted that this must be accompanied by appropriate standards, requirements, and enforcement. "Right now, anyone can walk off the street, hang on a nail bag, and call himself a carpenter," one presenter told the Panel. "We need to change that."

Tourism

The Tourism Industry Association of PEI portrayed the sector as one experiencing rapid growth in both the quantity and quality of employment. As the season lengthens and the industry diversifies, it faces a growing need for skilled employees and managers, offering some a life-long career rather than the short-term and seasonal employment traditionally associated with the sector. Employees must have strong training in customer service, as the growing visitor market demands high quality products and services. Managers also need a "strong skill set," including marketing, human relations, problem solving, and financial management and administration.

TIAPEI identified the seasonality of the industry as one of the key limitations faced by the industry in attracting and retaining skilled workers. It supported government policies and investments aimed at lengthening the season, such as shoulder season wage subsidies. Training was also seen as an opportunity to take advantage of the off-season, building skills while extending weeks of employment. The brief recommended further development of existing opportunities in this area, such as the HRDC co-sponsored Professional Certification and Careers for Youth.

Another presenter, Kathy Kennedy, also stressed the importance of training in customer service and sales. In retail, she indicated, service is as important as the product, and the key to repeat business. Sales can be expanded dramatically by a knowledgeable sales representative who has the will to find the answer. Investments in training in this area, she suggested, would realize a rapid payback.

Information Technology and Communications

As noted earlier, the IT sector identified PEI's ability to attract, retain, and develop skilled human resources as the critical ingredient for its rapid growth. Growth of over 700 jobs has been forecast in the sector over the next three years, and the industry, like its counterparts elsewhere, is experiencing particular difficulty in finding enough workers with advanced training and/or experience in the industry, especially in areas such as software programming and multimedia design. Generally the industry would require a minimum of two years of post-secondary education as an entry requirement for jobs such as these.

It appeared, however, that effective efforts were under way to address these needs. The Panel was told that the Information Technology Association of PEI is building on the findings of the

Knowledge Worker Demand Survey to develop a supply strategy with initiatives to build a knowledge-worker workforce. The role of government to date in these measures was praised, and the hope was expressed that governments would continue to support and assist the implementation of the strategy once developed.

Progress has taken place, as well, in the capacity of the local post-secondary institutions to provide relevant training. Holland College has revamped and expanded its programs in this area, and UPEI has expanded its two-year Computer Science program into a four-year major within the Faculty of Science. Potential was seen to increase participation in these programs, particularly among women (who only account for 27 per cent of the sector at present), and further expand and diversify training programs.

The need to attract Island youth to the sector was discussed. Earlier briefs to the panel, particularly from the PEI Youth Council, had noted concerns about the extent and cost of training in this area, noting as well that it was not for everybody. A perception existed in some quarters that wages were not in keeping with the training investment required, particularly given its rapid obsolescence. In response, ITAP indicated that entry-level wages for computer programmers were in the range of \$600 to \$700 a week, while wages for systems analysts, engineers, and operators ranged more widely from \$500 to \$700 a week. Mention was made of PEI's quality of life advantages, which result in many inquiries from Islanders-away and others about opportunities on PEI. It was suggested that some were in fact willing to take a pay cut to move or return to PEI. While this is positive for the industry, this perspective may have a deterrent effect on local youth considering their career choices.

Concerns had also been raised in earlier briefs to the Panel, that youth are not receiving the information they need while in secondary school to enable them to make the right choices to prepare themselves for further training and work in the sector. ITAP indicated that it is taking action in this area as well, most recently through participation in IT Week and in the Youth Employment Fairs across PEI. The presenter conceded that the majority of presentations to date had been "to the converted," but indicated that efforts were planned in elementary and secondary schools to ensure proper information to students, preparation of students, and development of post-secondary options. These efforts are intended to include the development of a package, similar to the one being used by the agricultural sector, which would provide information to youth on careers within the IT sector, training requirements, support options such as scholarships, and where to study.

Film and Cultural Industries

Training was seen as critical to the establishment and growth of a competitive, vibrant cultural industries sector in PEI. In the film sector, this included training in the technical and production areas, and in multimedia and design. In the performing arts sector, the Panel heard a call for the long-overdue establishment of a school of the performing arts at the Confederation Centre in the winter season.

In the crafts sector, the PEI Crafts Council observed that there are no longer any training facilities on PEI, nor are there opportunities for in-depth training locally. There are no

recruitment campaigns aimed at youth, and employment strategies are devoid of marketing and promotional programs. Training areas of particular priority included the development of visual arts programs for youth, upgrading and special courses for artisans willing to share their skills, exchange and visiting programs with other provinces, and industrial training facilities for those crafts that require workshops, such as woodworking and pottery. The brief noted that these would not only strengthen the industry's future viability, but also benefit from and enhance the growing tourism sector, a view echoed by a number of other presenters as well.

Educating our Youth

Presenters from all walks of life focused on PEI's public educational system as the key to our future. Many suggested, however, that significant changes and enhancements needed to be made if it was to fulfill this potential. A number of presentations called for the schools to play a greater role in providing essential skills and in building self-esteem, self-determination, and a spirit of entrepreneurialism among children and youth. It is noted here that the Panel did not hear representations from the post-secondary institutions, school boards, or teachers' federation; as such, the points that follow represent views "from the outside."

Kindergarten

Early childhood was identified as a key time for building a foundation for essential skills and lifelong learning, through fostering of self-esteem, self-awareness, curiosity, and social skills. Bill Martin, among others, called for the establishment of a publicly funded kindergarten system, available to all regardless of means. The system should be staffed by qualified certified staff to ensure that children not only learn their ABCs, but learn to like themselves and to like most other things as a result. He noted, as did others, that PEI is the only province in Canada to lack public kindergarten, and that the current private system, at costs of up to \$100 a week, means that the children who may need help the most cannot afford to go. As the saying goes, "If you think education is expensive, wait till you see the alternative."

Guidance

A number of presenters to the Panel outlined concerns with the extent, quality, and timing of the career information and guidance presently provided in the elementary/secondary system. Most poignantly, perhaps, a group of youth presenters from West Prince spoke of how they had completed the general program in high school, only to find no job opportunities and limited access to higher education upon graduation.

Many presenters voiced similar concerns about the number of youth taking the general program in high school, a path viewed by many as increasingly dead-end. As one presenter noted, bricklaying was about the only trade left that accepted graduates of the general program. One presenter went so far as to suggest that youth should not be permitted to enter the general stream unless they were incapable of carrying out the academic stream. Presenters called for efforts to build awareness not only among students, but among their parents, some of whom may lack a high school diploma themselves and "think a Grade 12 General sounds pretty good." The West Prince Interagency Youth Employment Office suggested that this should be the responsibility

first of schools, who knew the importance of obtaining an adequate education, and secondly of employers, who should make youth more aware of workplace requirements and expectations.

Even where youth remain in the academic stream, it was noted, confusion reigns about what courses they should be taking in order to prepare themselves for particular career choices, a challenge intensified by continuing increases in these requirements. What career information there is, people noted, often comes in Grade 11 and 12, too late for the many students who have already limited their choices. A need was widely noted for enhancement of guidance efforts at the junior high level. Bill Martin, among others, called for government to commit significant additional resources in staff and support systems to enhance the guidance departments in both the senior and the junior high system. In particular, he called for schools to use the Myer-Briggs Personality Type Indicator, a widely used instrument that identifies the 16 main personality types, each of which is best suited to certain careers. Such a measure, he suggested, might guide many students to appropriate choices, at a cost of only \$5 a piece for the instrument.

A number of presenters were aware of the Department of Education's recent proposals to revamp the general curriculum in the senior high school system. These proposals, which were reviewed by the Panel, include a shift to a modular curriculum to permit more diversity and flexibility of content; postponement of streaming to the end of the Grade Ten year; a requirement for two credits to consist of work experience; an option to include an additional two credits for learnings outside the public educational system; and development of curriculum in the areas of essential skills, personal management, and employability skills. These proposals were generally viewed as having considerable merit.

Entrepreneurship

A number of presenters touched briefly on the need for a greater focus on entrepreneurship in the elementary and secondary system. The issue also arose in a number of exchanges between presenters and the Panel. Some awareness existed of current efforts in this area, and support in principle was expressed for these programs. Scope appeared to exist, however, for these programs to be more widely known and fully understood.

School-to-Work Linkages

Many presenters saw a need for closer and more effective linkages and partnerships between employers and the educational system, to promote teaching of appropriate work-related skills, and to support career choices among youth. Programs such as the Youth Internship Program and Youth Employment Program received praise from presenters, including the construction and aquaculture sectors. Strong support was expressed across many sectors for increased efforts in this direction, including co-op education, expansion of apprenticeships, and youth internship programs. Some presenters commented favourably on the inclusion of work experience and employability-related curriculum in the Department of Education's recent proposals regarding the general secondary curriculum.

On a related issue of on-the-job training approaches for disadvantaged workers, the Panel heard mixed views. Some presenters, including some employer sectors, business groups, and non-profit

organizations, saw these programs as having considerable value and described them as enjoying a high success rate in terms of continued employment. Other presenters queried whether these success rates were maintained in the medium- and longer-term.

Access

Concerns were also voiced about the availability and accessibility of training across the province. One West Prince presenter indicated that she had taken the college preparatory program to augment her general diploma, and then completed one of the few Holland College programs available in West Prince, only to find there were no jobs in that area. The menu of choices, it was suggested, is very limited in some regions of PEI. "They offer and push what's convenient for them," the panel was told, "not what we need."

Improvements have taken place in recent years, such as the establishment of a Holland College campus in Souris, and new choices through distance education. Significant disparities remain, nonetheless, in the range of choices in rural areas of the province compared to urban areas. This was seen as a major factor in the out migration of rural youth. "Once they leave to get their education," one presenter observed, "they don't come back." The departure of educated youth was seen as contributing to a downward spiral in communities, leaving remaining youth with few positive role models.

Measures to address these concerns included calls for rotation of courses around the province to make a wider range of choices available over several years and to avoid saturating limited local labour markets with a narrow range of graduates year after year. A different although not mutually exclusive approach was suggested by Alan MacPhee of Souris, who called for specialized training centres of excellence within communities, as part of a larger strategic role and specialization for each community. Another option involved a greater availability of core and essential skills, across training areas, in rural areas of the province.

Similar concerns existed at a larger level, regarding the availability of educational choices within PEI. Mirroring the above observation on a provincial scale, a number of presenters expressed concern about the brain drain of youth from PEI as they leave to further their education elsewhere. In this regard, the Youth Council of PEI called for the expansion of graduate education programs at UPEI.

A long-range perspective was provided by the Société Éducative de l'Î.-P.-É. The presenter saw PEI's post-secondary institutions as potentially one of its greatest strengths, but added that they needed to transform themselves in response to the forces of the knowledge economy -- or else, they would dwindle into irrelevance and be gone in fifty years' time. He called for them to shift their understanding of their role from exclusively local course delivery, to bringing the best programs around the world to Islanders through use of IT and distance education. Rather than viewing external educational institutions as competitors, he indicated, they should see them as partners and work with them to bring a wider range of top-flight courses to Islanders. If they failed to do so, he indicated, someone else would, since technology now enables education to be delivered directly into people's homes. He felt that this was not to consign them to a role of educational wholesalers, but that their role would remain meaningful, as effective distance

education requires on-site human contact as well. Moreover, he suggested, PEI should develop its own areas of excellence in learning for a global market, shifting to a smaller repertoire of world-class courses. He was doubtful, however, that this line of thought had made significant inroads within the post-secondary sector.

The Panel also heard from Copthorne Macdonald that more needed to be done to offer a top-flight education to PEI's most capable students, "to whom little attention is paid, and few accommodations are made." He termed this a disservice to our best and brightest, noting further that if we wanted to attract world-class knowledge corporations here, we needed a world-class university preparatory curriculum. To address this, he suggested that PEI follow Nova Scotia's example and offer the International Baccalaureate Diploma Program, an internationally accredited program of academic excellence for highly motivated secondary level students, which would be recognized immediately by officials of transnational organizations. Coupled with PEI's social, cultural, and environmental advantages, he suggested, this would ensure a very attractive quality- of-life package.

Issues and Concerns

The Panel also heard a number of other concerns related to education and training in PEI, some very specific, others more wide-ranging.

Funding of Training

Major concerns were voiced by a number of presenters regarding the high and increasing cost of training and university education, and the lack of or inadequacy of supports and resources for training. Particular frustration was voiced by many presenters over the restriction of training supports to individuals eligible for Employment Insurance. The exclusion of many members of marginalized groups and others outside the labour force, such as many youth and women, was criticized. Employer groups including the Federation of Agriculture and the PEI Construction Association also expressed concern about the exclusion and lack of supports for training the employed workforce, suggesting that this put economic development and competitiveness at long-term risk. Moreover, they suggested, it was highly unfair to employed workers, putting pressure on employers to lay off workers so that they could get training, or, worse, meet increasing skill requirements by hiring from among the ranks of the trained unemployed, and laying off workers who had served them for years.

Presenters praised several pilot initiatives that included employed workers, and called for them to be continued. The Construction Association of PEI called more broadly for an effort to divide the funding of training among employers, workers, and government. The presenter suggested that every worker should have an initial opportunity to receive training; however, it would be the responsibility of the worker to maintain his or her training at a satisfactory level.

A number of presenters touched on the Skills Loans and Grants program currently being piloted by the federal government as a replacement for the direct purchase of training seats approach of the past. Generally this initiative was viewed with considerable confusion and varying degrees of hope. The PEI Youth Council expressed strong interest in the approach, calling for its philosophy

to be extended more broadly with regard to the sharing of the burden of training costs, and the employment-contingent repayment provisions. The Council called on the provincial government to lobby the federal government to extend programs like the Skills Loans and Grants Program to cover studies at a wider range of educational institutions. The Council further recommended that the province freeze tuition fees for post-secondary education.

Credentialism

A number of presenters expressed concern or even dismay at recent increases in entry level requirements. This concern was particularly noticeable among women who had left the labour force for several years to meet family responsibilities. Many of these women had been fully employed for years, yet upon returning to the labour force, they found that experience was no longer enough. While presenters recognized that the knowledge content of most jobs was increasing, they felt that these requirements were sometimes excessive and constituted an unnecessary barrier to employment. Examples cited to the Panel included a requirement for a Retail Management Diploma for a night shift gas bar attendant; a requirement for a Medical Terminology Certificate for a ward clerk job the presenter had earlier done for four years, and a variety of credentials for secretarial and clerical work. The cost of obtaining these credentials, they noted, was often very high, with no assurance of a job upon completion. Other presenters, meanwhile, ascribed the increase in credentialism to a hidden motive of preference in hiring, citing an adage that the Panel encountered throughout its work: "In PEI, it's not what you know, it's who you know."

Adequacy of Training

Earlier in this report, concerns were noted about the increasing difficulty of gaining admittance to post-secondary education with a general diploma. On the other hand, the Panel heard concerns that some programs, particularly among private trainers, were accepting inadequately prepared entrants, and graduating students who failed to meet employers' entry criteria. Support was expressed for stricter enforcement of quality standards.

Appropriateness of Training

The concerns related to inadequate guidance within the public educational system were echoed with respect to the adult training choices available to Islanders. It was noted that increasing onus is being placed on individuals to choose a career path and training option, as well as a greater share of financial responsibility for those choices. A strong need was identified for more counseling and information resources to assist people to make informed choices.

As well, concerns were expressed about some of the training programs being marketed in PEI, with participants receiving limited employability enhancements in areas of minimal labour market demand, often at very high cost. At worst, these programs constitute a near-fraudulent exploitation of people's desperation. While presenters acknowledged that they had a responsibility to inform themselves, it was felt that stronger action should be taken by government to protect vulnerable consumers in this area.

A different but related issue was raised by the Construction Association of PEI: outmoded and obsolete training. "In our opinion," the presenter observed, " training institutions, instructors, students, and others are hesitant to effect change in the preparation and delivery of training to our personnel. As an example, existing methodology may not contain the leading edge skills ..." He called for strengthened partnerships to improve overall skills training and assess training needs.

Flexibility

Several presenters identified a need for greater flexibility in the timing and structure of training courses. In particular, a need was identified for courses to be designed in such a way that they would allow employed workers to continue working while training. This recommendation was made both in general terms, and specifically with regard to changing the current block release structure of the apprenticeship program.

Fostering a Climate for Employment: Overcoming Support Barriers

The previous sections have spoken to the issues of demand deficient, cyclical, and structural unemployment, which pose barriers to all Islanders, albeit in varying degrees. The Panel heard, as well, from a number of groups whose characteristics place them at a further disadvantage in the labour market. While many of these groups are marginalized in labour markets outside PEI as well, they are especially disadvantaged in an employers' market like PEI.

This section outlines the issues, needs, and suggestions of those groups. Many of them face a mix of support, structural, financial, and attitudinal barriers (supports being defined as measures that enable people to work, such as adequate, affordable child care and transportation, and supports to persons with disabilities). To provide a coherent view of the input from these groups, their views and concerns are summarized in this section, and their recommendations are included in the sections on supports, financial incentives, structural and systemic measures, and attitudes as appropriate.

Persons With Disabilities

The Panel was fortunate to receive submissions from representatives of the Council of the Disabled in both West Prince and Charlottetown, the Canadian Association for Community Living, People First, the West Prince Notre Dame Club House, and Networking Employment Opportunities Now (NEON), a Kings County community partnership dedicated to finding employment for people with disabilities. While members of these groups face some unique barriers, they also have many issues, goals, and prescriptions in common. In particular, the Panel was impressed with the strong and evident desire voiced by these groups to participate and contribute fully to the Island's labour force. Unfortunately, they frequently are not accorded the opportunity to do so. The Panel heard, for example, that people with intellectual disabilities have an unemployment rate of 85 per cent, that 77 per cent live in poverty, and that 80 per cent have incomes of less than \$7,000 a year.

"We don't want pity or segregation," stated the Council of the Disabled in West Prince, "we want inclusion." In the words of Paul Phillips of the CACL, "... we talk about getting a job that gives real pay just like other people who work ... we don't want jobs that are charity ... I like to have a job where I am part of the team, earn my own money, pay my bills, and have an opportunity to contribute to the community. I have learned a lot from working. I am able to do my job well. I have made new friends. I go out with my co-workers for lunch and in winter we get together once in a while. I earn just over minimum wage. I live at home with my parents and don't have to sponge off them any longer... I am hoping to attend Holland College and later find a job that pays enough for me to get my own apartment. I am one of the 15 per cent who are lucky." Presenters from the Notre Dame Club House, meanwhile, identified employment as critically important to the recovery of people with mental illnesses.

Issues raised by these groups include the following;

-- Employer and public attitudes focus on disability, rather than on individuals' capacity and potential. Employers are sometimes reluctant to hire people with disabilities even where a

subsidy is attached. This stems not so much from discrimination, one presenter suggested, as from a lack of awareness on the part of employers on how to accommodate and support the person in the workplace. Often only minor changes are needed, such as the deletion or modification of one or two job duties.

-- Attitudes within government agencies can constitute a barrier as well. Paul Phillips of the CACL told the Panel of going with his co-workers to apply for Employment Insurance upon completing his employment, only to be told to go to the sheltered workshop instead. "I set her straight," stated Mr. Philips, to a burst of audience support, "and told her I didn't hear her tell my co-workers they had to go there! I qualified for my unemployment the same as every other person who worked with me." He called for government officials to stop labeling them as "unemployable," acknowledging that improvements had taken place in this area in recent years.

-- Even those persons with disabilities who are fortunate enough to obtain employment have little or no job security, not knowing from one year to the next whether or where they will have work. While this is not unique to these groups, and is indeed the situation with a growing share of the labour force, the presentations suggested that the stress of this trend falls more heavily on disadvantaged groups.

-- Short-term job creation programs, while of some financial assistance to persons with disabilities, were portrayed as having negative impacts in terms of self-worth and hope for the future. In particular, it was noted that persons with intellectual disabilities were often very distressed by being laid off at the end of their ten- or twelve-week work term, believing that "they couldn't have done a good job."

-- Reduction of income support benefits after a certain level of employment earnings is reached was seen by some persons with disabilities as undermining motivation to work. "I have to hand over my paycheque," noted one presenter, "and I only get to keep \$50 of it. It feels like I'm working for nothing." Other presenters, however, were less concerned about this, seeing it as a move towards achieving self-reliance and overcoming dependency.

-- Many persons with disabilities are older workers, which places further limitations on their options. The low-skilled work for which they may be qualified often involves heavy physical demands, which may be beyond their capabilities or which may aggravate their health conditions.

-- On a related issue, it was noted that some persons with disabilities, particularly those recovering from mental illnesses, may be taking medication that limits the range or duration of job duties that they can perform.

-- Owing to the range and depth of barriers faced by members of these groups, many suffer from low self-esteem and other psychological and emotional barriers. To address these, the Council of the Disabled urged a "multi faceted approach that puts the person at the centre."

-- While many Islanders, particularly in rural areas, face transportation barriers, it was suggested that persons with disabilities are particularly disadvantaged in this area. Even where transportation is not specialized, it may be unavailable or unaffordable.

A number of recommendations were made to address these issues:

-- First and most strongly, attitudes of acceptance and inclusion among employers, government agencies, institutions, and the public at large were seen as fundamental to achieving improvement. Education and awareness programs were urged to support this goal, with government taking a leadership role. If achieved, this would encourage the removal of barriers to participation, and flexibility to design jobs around people's abilities rather than focusing on their disabilities. Technology, aids, and devices were seen as potentially helpful, but of little impact in the absence of accepting, supportive attitudes.

-- A serious commitment by governments to meaningful, longer-term employment was also seen as essential. The Council of the Disabled, in its Charlottetown presentation, urged government to commit resources to provide incentives to business to offset the up-front measures needed for the long-term results.

-- The provincial government was urged to follow the federal government's example as a model equal opportunity employer, and to develop equity policies to ensure this happened. Some of the presentations, including the submission from NEON, indicated that union provisions pose some barriers to this. It was perceived that some improvement was taking place in union openness to placements of people with disabilities; however, time limits on placements remain very strict.

-- Although it was acknowledged that persons with disabilities have access to specific programs such as Employment Assistance for Persons with Disabilities and the Opportunities Fund, a greater range and resourcing of programs not dependent on EI eligibility was recommended.

-- Less stringent taxbacks of employment earnings under income support programs were suggested.

-- Further decentralization of learning opportunities to communities was seen as important for the many individuals lacking transportation access.

Newcomers

It was apparent, from the brief by the PEI Association for Newcomers to Canada, that newcomers face barriers as well, of attitude, acceptance, and understanding by Islanders; of formal and informal recognition of their credentials; of transportation; of loneliness and isolation. They are challenged, as well, by barriers of language and sometimes even alphabet; of culture; and of more or less visible differences from the often insular society they have joined. Indeed, the Panel heard some evidence of this insularity through criticisms of "bringing in people from away to take the good jobs that should be going to Islanders." Often they have come from a traumatic situation in their homelands, with family members still affected, and are in PEI by

assignment rather than choice. Those who obtain employment at all are often significantly underemployed.

Perhaps not surprisingly, PEI receives only 17 per cent of its share of immigration to Canada, and of those individuals, well over half eventually leave for larger centres. This is a lost opportunity on several counts. First, it was noted, newcomers enrich PEI through bringing diversity, new blood and new ideas, knowledge transfer, key skills, young people, and linkages to their home countries. One of the presenters cited a recent analysis by the Atlantic Institute of Market Studies regarding the Atlantic region's declining share of national population and unfavorable demographic structure regarding a high proportion of young and senior citizens. A more supportive climate for newcomers is needed, it was suggested, not just on social and ethical grounds but for economic and fiscal reasons as well.

To achieve this, presenters called for a number of measures. A goal should be set of achieving at least PEI's share of national immigration, and a strategy should be developed with the other provinces in the region to pursue this through promotion of PEI. Greater emphasis should be placed on independent, family-sponsored, and investor immigration. A formal welcome should be extended to newcomers. Services and supports should be strengthened, including assignment of a social worker one or two days a week to work with newcomers; funding and moral support to the Association; fair and efficient testing and accreditation; incentives to encourage employment of newcomers; access to microcredit; and the use of plain language in government services, forms, and publications. PEI should follow the examples of the other Atlantic provinces and adapt the rules of the EI program to recognize the special circumstances of newcomers.

Women

The Panel heard from several presenters representing the interests of women, including the Advisory Council on the Status of Women, the Women's Network, and an individual submission by Dianne Porter. These briefs touched on the many issues and disparities affecting women in the labour force, some of which are also touched on in the Backgrounder in Appendix Four. Rather than exploring individual concerns in detail, however, these presenters put their primary emphasis on systemic measures to overcome these problems, specifically the incorporation of gender analysis into design and review of government policies, programs, and services. The brief by the Advisory Council on the Status of Women gave particular attention to the issue of unpaid work, calling for it to be more fully acknowledged in measurement systems, policy-making, and programs.

Other presenters touched on issues affecting women as well, including the need for child care, wage disparities, levels of non-standard work, concentration in lower paid clerical and sales occupations, unequal division of family responsibilities, and the impacts of government cutbacks on these responsibilities. In particular, the Panel notes the call of the PEI Youth Council for government to fund a public kindergarten system and to look toward providing a system of universal daycare.

Youth

The Panel received a thoughtful and wide-ranging brief from the PEI Youth Council, recommendations from which are incorporated throughout this report, as well as a presentation from the West Prince Interagency Youth Employment Office. Here, some of the issues they raised are noted (further statistical data is contained in the Backgrounder in Appendix Four). A report done for the Premier's Forum on Youth in May 1998 for the Institute of Island Studies indicated that "young people are more likely to be unemployed, seldom find full-time work, are often relegated to positions requiring little education and experience, and usually make much less money than older workers." The younger individuals are when they enter the workforce, the more problems they experience. Often, "youth move from the ranks of the unemployed to the legions of the underemployed, where they become increasingly frustrated doing jobs for which they are overqualified."

The Youth Council indicated that this discouraging situation leads many youth to leave PEI, or to stay and lower their expectations. "Our prophecies are self-fulfilling," the brief observes, "and they create a cycle of fatalistic thinking and dejection among youth. All too often, we settle for low-skill, low-paying jobs that do not challenge us to realize our potential or to work to create our own opportunities."

Although the Council's recommendations covered all the areas addressed in this section of the report, one recommendation pinpointed transportation as a key support barrier to employment for youth. "In order to work," the brief stated, "young people often need to invest in a vehicle; in order to finance the vehicle, they have to work more hours; when they work more hours, they have less time to devote to their education or their communities. Young people would have more employment options if they had more options for their transportation." This issue undoubtedly affects many other Islanders. The PEI Federation of Labour raised this point as well, citing a section of the Alternative Budget that states, "PEI may be the only political jurisdiction in the Western world without a public transportation system; and yet a carefully researched and implemented system has the potential to save money, be less destructive to the environment, and offer a transportation service to thousands of Islanders now dependent on the good will of friends, neighbors, and relatives."

The Youth Council called for provincial and municipal governments to explore the possibility of setting up public transportation across PEI, or that they study the possibility of setting up small-scale transportation projects specifically designed to support employment, such as shuttle services from the periphery to central areas.

Islanders in Poverty

The Panel held two focus group meetings, one in Queens County and one in Kings, with people who were or are currently caught in the meshes of the income support and employment creation programs and services which make up the province's social safety net. These meetings gave the Panel a sense, as none of the more formal presentations had, of the stresses, difficulties, hopes, fears, and frustration felt by many unemployed and underemployed Islanders. Despite the

hardships of their situation, these participants, more than most presenters, were determined that their children would have a better future, and were committed to achieving that goal.

The Panel heard similar findings as well, from the organizers of the Journey Toward a Just Society, an initiative to bring people together to address issues of poverty. They noted the initiative had found a sense of hopelessness in Eastern Kings (although they stressed that this must not be equated with apathy); and they spoke of the frustration with the lack of opportunities, the family and social stresses, and a sense of alienation and isolation from the rest of the province. One presenter quoted a participant at the founding workshop: when he had no more pride left, he was able to say he had "nothing left to lose .. nothing matters but being able to look after my family."

The Panel was impressed by the motivation of focus group participants to achieve greater self-reliance and dignity, and by their determination and achievements in overcoming the many barriers that stood in their way. It is the hope of the Panel that the findings and recommendations of this report will assist in reducing these barriers and increasing opportunities for these and others.

Creating the Incentives: Overcoming Financial Barriers

The previous sections have addressed barriers to employment for individuals related to insufficient or inappropriate skills, and lack of supports. A third major area of barriers affecting individual workers and employers consists of financial barriers. For workers, these barriers discourage or penalize a shift from income support to employment. For employers, they discourage employment creation or expansion. In many cases, these are linked to the structural barriers discussed in the following section, due to gaps, overlaps, inconsistencies, and negative interactions among programs.

Financial Barriers for Workers

Income Support Programs

A number of presenters to the Panel touched on the disincentives to move from income support to employment. It was noted, for example, that full-time, full-year minimum wage employment brings in less income than the current level of welfare assistance for a single parent with one child. This was not to say, of course, that the income support was too high, as it is designed to cover only basic needs. Rather, the employment income is too low. Moreover, a move to employment brings an array of related costs including childcare, transportation, suitable clothing, and meals. If an individual moves off welfare assistance altogether, further penalties are realized through loss of auxiliary benefits such as full coverage of prescription drugs.

Since full-time wages often fall short of the amount necessary to meet basic needs of families, many Islanders receive a welfare top-up to their wages. Under the program's earning exemptions policy, clients are permitted to keep \$50 a month, or an amount equal to 10 per cent of their earnings, before having their welfare benefits taxed back, a policy designed to encourage labour force participation. For people coming onto the system, these measures likely provide a needed income supplement. For people already on the system, however, the effect would seem to be rather different. As noted earlier, the Panel heard that taxback of all but \$50 of earnings was demotivating for some, making them feel as though they were working for nothing. It was suggested that the exemption needed to be increased to strengthen incentives for employment.

Wage Levels

A number of presenters to the panel held that employers should bear a greater share of responsibility for providing Islanders with a living wage. It was widely noted that the minimum wage has slipped substantially in the past two decades in relation to the cost of living. Moreover, whereas minimum wage employment used to be concentrated in entry-level positions, it was perceived that it had now extended its reach to include many long-time workers in all sectors. This has increased pressure for families to have two income earners, often with adverse social and familial impacts, while still not earning enough to lift families out of poverty. The tourism sector was a particular target of criticism for the extent of low-wage employment. The results, it was noted, included stigma, dependency, and a loss of dignity for individuals, and heavy demands on the public purse to address the income, health and social problems linked to poverty.

A number of presenters, especially among labour, community, and disadvantaged groups, called for increases in the minimum wage. The Alternative Provincial Budget, for example, called for the minimum wage to be immediately increased to \$6.50 an hour and to be increased every six months thereafter in line with increases in the cost of living.

Financial Barriers for Employers

Taxes

A number of employer groups and individual presenters raised issues related to the negative impact of taxes on employment creation, and suggested measures to overcome this, and to create a positive climate for establishment and expansion of ventures.

Organizations, including the Federation of Agriculture, called for reductions in payroll taxes to encourage additional job creation and hiring.

Cellar Door Productions, among others, called for reduction or elimination of corporate tax as a way to create a positive climate to attract firms to PEI. This tax was noted to be a relatively minor source of provincial revenue in any case.

Credits on corporate tax owing, in such areas as research and development and employment creation, were suggested as well.

In light of the fact that many new businesses do not generate enough income to pay much corporate tax, and given the vulnerability of these enterprises in their early years, some presenters called for property tax incentives and sales tax rebates to assist these start-up businesses.

The PEI Aquaculture Alliance noted the need for PST exemptions appropriate to the sector. The presenter indicated that work was under way on this, and progress was being made.

The Federation of Agriculture noted the need to design a means to level the playing field with enterprises in other Atlantic Provinces receiving input tax credits as a result of the shift to the HST.

Availability of Capital

The lack of capital for start-ups and expansion was widely noted by presenters as perhaps the single most critical constraint for Island firms and entrepreneurs. While this appeared to be a constraint for firms at all levels, its impact seemed to be strongest among new, small, and unconventional firms. A number of presenters noted that PEI is a net exporter of capital; the wealth in the community drains out of the province in the form of mutual funds, stock investments, pension funds, and bank profits. A greater emphasis on community-based approaches was seen by many as key to addressing this issue.

The Panel heard that a variety of measures are in place across PEI to meet the need for capital; however, it would appear that substantial needs remain.

Credit Union Central indicated that it had an asset base of \$23 million and a loan portfolio of \$90 million, a significant share of which goes to businesses. While this plays an invaluable role across PEI, the CU noted that the co-op movement has identified a need for further resources. Accordingly, the Regional Co-operative Development Centre has developed a Community Capital Fund, with \$2 million in resources in PEI, through a partnership with the Atlantic Canada Opportunities Agency (ACOA). This fund was launched in May of 1998, and provides equity investments in the \$5,000 to \$50,000 range to small businesses, not confined to the co-op sector, together with mentoring. The presenters indicated that takeup has been extremely strong, and expressed the hope that they could grow the fund to \$3-5 million.

West Prince Ventures Ltd. described its role to the Panel. It began in 1981 with an asset base of \$1.5 million in federal funding and a mandate to lend high-risk money to small businesses in the West Prince area. Since then the fund has loaned \$8.5 million to West Prince firms, doubled its asset base, and assisted in maintaining over 1,100 jobs while creating another 759. Five years ago, the organization decided to resist government's amalgamation drive, losing its funding and programs as a result. Since the organization now has to rely on its asset base for both loans and operating costs, the presenter indicated, the loans have become somewhat lower-risk; however, they continue to be character-based, offering West Prince an alternative to the collateral requirements of the banks and credit unions.

Although the provincial and federal governments have concentrated their economic development incentives in the area of loans in recent years, very few presenters raised these programs before the panel. Larger financial institutions such as banks and venture capital funds, presenters indicated, were of limited help to small, new, and start-up firms. Concerns included the insistence on "bankers' rules," the collateral requirements, the amount of paperwork, the lack of interest in microloans, and the negative attitudes of these institutions to non-traditional entrepreneurs and ideas.

Presenters called for a range of measures to address concerns related to the lack of capital. These ranged from calls for greater funding by provincial and federal governments of community-based investment funds, to local investment of a small portion of pension funds, to requirements on such bodies as the banks and Atlantic Lotto to reinvest a portion of their profits in the community. These suggestions were most fully articulated in the Federation of Labour's call for a Provincial Public Investment Bank, to be funded by a tax on bank profits and a small share of the pension funds regulated by the province.

Making "The System" Work: Overcoming Structural Barriers

A variety of structural and systemic barriers inhibit employment growth in PEI. For workers, these include gaps, exclusions, overlaps, and inconsistencies in programs intended to provide income support, employment development, and skill training. For employers, they similarly include gaps, exclusions, overlaps, and inconsistencies in programs intended to support, encourage, and regulate economic development in the province.

Barriers for Workers

Issues related to income support and eligibility for training, particularly the restriction of eligibility for training support to those qualifying for EI, have already been noted earlier in this report. This section will focus on employment programs. As noted previously, all levels of government invest in the creation of social employment for disadvantaged Islanders. An array of systems and programs exist to support this goal, including:

- the casual hiring system;
- the province's Job Creation Program and Employment Enhancement Program for social assistance recipients;
- the province's newly created Job Creation Program in the Department of Development for placement of workers in small businesses;
- the Employment Development Agency in the Department of Development providing subsidized placements in community and non-profit sector jobs;

and

- the federal government's wage subsidy measures under the Labour Market Development Agreement.

Currently, each of these approaches has different intake, assessment, and placement systems, some quite limited, others featuring case management approaches. As well, they have different subsidy levels and wage ranges, sometimes targeted at the same pool of potential employers. Provincial programs are directed at establishing or maintaining a degree of labour force attachment, building work skills and job experience, and enabling participants to qualify for benefits under the Employment Insurance program. In addition to income support, these EI benefits include, under "Part II," potential assistance for skill training, job placements, and self-employment. Federal programs tend to be aimed more at stimulating long-term employment.

A number of issues were raised before the Panel regarding these programs. In general, presenters did not seek an expansion of these programs to meet social needs and unemployment pressures. Rather, there was a near-unanimous call for them to operate in a more integrated and coordinated fashion, with a view to improving their equity, impact, and efficiency. Particular concerns were

voiced by many presenters (particularly youth groups, community groups, and the evening focus groups of disadvantaged Islanders) regarding the perceived influence of patronage on the allocation of these opportunities, particularly the most desirable. Many felt that these programs, albeit better than total dependency on income support, did no more than keep people in a permanent cycle of poverty. Widespread criticism was voiced of the short-term, band-aid focus of these programs. Major scope was seen to make these jobs more meaningful for individuals and to enhance their benefits to communities, society, and the economy. An array of needs were identified by presenters which could be met through such programs, including environmental enhancement, tourism and economic infrastructure development, and a variety of social supports and services.

Calling for a coordinated strategy that combines service providers into an effective body province wide, the presenters for "Journeying Toward a Just Society" summarized the issues as follows: Seven organizations presently work at employment creation in PEI, with no common assessment instrument or case management tool. Systemic barriers prevent the exchange of information among service providers. Databases are inconsistent. Assessments are inconsistent, and, in the case of the Employment Development Agency, lacking altogether. EDA clients finish their placements with "nothing to say what they did, how they did, or what they learned." The patronage allocation of some of these opportunities means that no expectations are placed on people to learn interview skills and compete for jobs. The presenters questioned who was in charge and whether this was an effective use of public funds. They recommended a consistent, integrated, equitable approach province-wide, first within the provincial government, and then between the provincial and federal governments. They called as well for a provincial commitment to enhancing the quality of the workforce and to providing meaningful longer-term opportunities for Islanders.

The PEI Youth Council had a number of recommendations in this area as well. They called for the provincial government to pursue:

- development of legislation to ensure that patronage played no role in allocation of opportunities;
- further modifications to the EI system to provide fuller coverage of part-time and self-employed people;
- modified loan pay-back schemes that reflect the type of labour market opportunities available to youth, rather than being premised on full-time permanent employment;
- special credit-establishing loan programs for young people getting their start in homes, schools, and jobs; and
- social programs that continue to provide emergency support for individuals whose jobs do not provide benefits to defray costs for health care or unforeseen emergencies that interrupt work.

Barriers for Employers

While a number of private-sector presenters touched on issues related to red tape, program complexity, negative program interactions, and regulations, a smaller number placed priority on them. The Federation of Agriculture called for systems of mentorship to help small businesses find their way through the complexities of starting and running a business, many of which involved government programs, rules, and requirements.

One small business owner identified "too many hoops" as one of the two main impediments to business start-ups and growth on PEI, the other being stagnation of consumer purchasing power. Although there are federal, provincial, municipal, and private sources of advice and capital, he observed, they often seem to work at cross-purposes, lack any evidence of coordination, and provide contradictory information. He called for the establishment of a single source of information for entrepreneurs on feasible business plans, funding agencies, regulations, and so forth; and coordination of funding sources so that they are easier to access, free from political patronage, and flexible.

A number of businesses raised concerns about being excluded from government services and supports on the basis of being an ineligible sector or category. These businesses perceived that they provided valuable goods and services to the community and provided employment even if they did not generate export earnings or fall within the priority sectors identified by government. These concerns suggested that there might be merit in distinguishing between government's economic development policies, emphasizing exports and wealth creation, and its private-sector employment development policies, aimed more broadly at the full range of Island businesses.

Taking Shared Responsibility: Overcoming Attitudinal Barriers

"We have met the enemy and he is us." (Pogo)

As the Panel carried out its work, it became increasingly apparent that attitudes and beliefs, although intangible, play a fundamental role in the issues discussed in this report, and are critically important to the attainment of the goals and principles suggested here. This truth holds for all sectors and parties: for individuals, for communities, for employers, for government, and for the public at large.

Among Individuals

As indicated earlier in this report, a number of presenters saw individual attitudes and beliefs as being at the core of employment and employability. These attitudes include a sense of responsibility for self and others, a commitment to lifelong learning, adaptability, and a willingness to take risks. The view was widely held that most Islanders wish to work, to support themselves and their families, and to contribute to their communities. Certainly that was the impression received by the Panel in its discussions with disadvantaged Islanders. Some presenters expressed concern, however, that the lack of opportunity was so severe and the sense of hopelessness so deeply entrenched, that some Islanders would have great difficulty aspiring to, let alone attaining, full-time permanent employment. Generally, presenters called for a strong emphasis on children and youth by communities, families, and the education and social systems, to ensure that they developed positive attitudes and beliefs about themselves and others.

Among Employers

As noted earlier in this report, a variety of marginalized groups called for employers to take a more open and accepting attitude to persons with disabilities or other barriers, focusing on their capacity and seeing them as a valuable resource. Calls were heard, as well, for employers to assume a greater share of social responsibility in providing secure, dignified, safe and adequately paid employment for their workers.

Among Governments

The need for governments also to view disadvantaged people in terms of their capacities and strengths, and to treat people equitably and with respect and dignity, also arose in many of the submissions to the Panel. Coordination of employment-related programs would represent a substantial step forward in this regard, as would greater efforts in the area of equal opportunity hiring.

It appeared to the Panel that government attitudes also needed to shift toward greater openness to new ideas and new approaches. In PEI, for a variety of reasons, governments tend to be the gatekeeper of new ideas and ventures. As new enterprises exhaust their start-up resources, there is a pervasive expectation that they will look to government next. Given this role, it is important that government facilitate, rather than block, the emergence of new ventures and new sectors in PEI. Some concerns exist in this regard.

The Panel received an impression from many of the presentations that a traditional, "small-c conservative," risk-averse orthodoxy is entrenched in government agencies and major institutions such as banks as to what constitutes a legitimate and credible idea or entrepreneur. This world view appears to pose formidable obstacles to new kinds of entrepreneurs pursuing new directions. People and ideas that fall outside this orthodoxy, such as organic farmers, youth and women, artists and craftspeople, the poor, and indeed anyone with an image or idea outside the mainstream, are starting from behind. As such, new ventures and sectors must struggle to establish themselves not only in a competitive global marketplace but also in an inappropriate, indifferent, or even negative local policy and regulatory climate.

The Panel sees value in having an economic development strategy that focuses on developing viable clusters in selected sectors. The Panel cautions, however, that this should not be allowed to blind government and private-sector institutions to new opportunities based on the growth trends of the future -- notably pure, premium-quality food; authentic cultural and creative products; high-knowledge individualized human services; and experiential tourism. Often, these seemingly unlikely entrepreneurs are most abreast of these trends. As part of this, old or declining sectors, such as the Irish Moss fishery, need to be viewed from new perspectives rather than written off.

Looking at the definition of work in a broader sense, the Panel notes the presentation made by the Advisory Council on the Status of Women, focusing on the issue of unpaid work. The presenters noted that the total amount of unpaid work done in Canada is equivalent to 12.8 million full-time, full-year jobs, and that two-thirds of that work is done by women -- a proportion that has declined little in the past four decades despite a doubling of women's labour force participation. Government cutbacks in social and health programs have intensified this unpaid work, which was portrayed as critical to the effective functioning of our society and economy.

The Council noted that government policies on work are based on the assumption that work is paid work, and suggested that when unpaid work is left out of the analysis, governments develop policies based on an incomplete picture of the economy and society. This results in policies that penalize women for their unpaid work through lower pensions; greater risk of poverty; lack of recognition for skills developed in home and volunteer work; discriminatory tax provisions; and skewed childcare policies. Stating that "Work is work is work," the Council called for inclusion of unpaid work in measurement systems and models, incorporation of gender analysis in policy and program development, and exploration of options to value unpaid work in the form of supports, programs, tax breaks, pension contributions, and so forth.

Among Islanders at Large

The attitudes of the public at large are also critically important, both in terms of their direct impact, and in terms of their influence on governments, employers, communities, and individuals. Submissions to the panel identified a number of areas where more positive attitudes by the public would enhance the province's social and economic environment and prospects.

Islanders should develop more open and accepting attitudes towards their fellow Islanders with barriers, disadvantages, and differences, rather than stigmatizing and devaluing them.

Islanders should develop a greater degree of confidence in the province and increase their commitment to invest and do business in PEI.

Islanders should accept and take pride in PEI being the best at things, rather than assuming we have to look outside for expertise and quality.

Putting It All Together: An Integrated Strategy

Vision and Goals

The foregoing sections of the report have sought to summarize and draw together the many issues, ideas, and views conveyed to the Panel during its work. These submissions showed substantial insight into the problems that exist, creativity in addressing them, an awareness of new opportunities, and a strong and growing level of community spirit. The diversity and the often practical focus of the presentations makes it difficult for the Panel to suggest a single, concise vision towards which future employment efforts should strive. The Panel is satisfied, however, that the Goals outlined in the opening section of the report would win acceptance with a substantial majority of presenters.

Recommendation 1:

The Panel recommends that the following goals be adopted to guide employment development on PEI:

- Governments, businesses, and communities should all continue to place priority on increasing the number of jobs on PEI.
- Economic development and sectoral development strategies should strive to shift the structure of employment towards full-time, full-year jobs.
- Priority should be placed on sectors and strategies which build on, sustain and strengthen PEI's culture, social fabric, environment, and resource base.
- Emphasis should be placed on supporting and furthering PEI's structural shift towards a knowledge-based economy and society.
- Employment development strategies should reflect and foster community self-determination, build on local strengths, and develop community capacity.
- Economic and employment development efforts by all sectors -- governments, businesses, and communities -- should strive towards equality of opportunity and equality of access for all Islanders in all regions of PEI.

-- Priority should be placed on employment development opportunities, approaches, and policies featuring humane working conditions and a living wage.

Principles

The Panel is sympathetic, as well, to the suggestions it received from a number of presenters that a Statement of Principles should be established to guide the design and implementation of employment policies, programs, and approaches on PEI. Many of the submissions on this issue were focused on the rights of workers and individuals, including a suggestion that these should be developed into a Charter of Employment Rights. While the rights of individuals and of workers are of critical importance, the Panel believes that a wider approach is merited, addressing the responsibilities as well as the rights of both individuals and employers, and also addressing the responsibilities of government and communities. For example, workers have a responsibility to commit themselves to lifelong learning and personal development; employers have a responsibility to take a larger role in informing workers and youth of educational requirements, job profiles, and emerging opportunities. Such a Statement of Employment Rights and Responsibilities would provide a foundation for the realignment of roles and approaches within our changing economy.

Recommendation 2:

The Panel recommends that the process established to carry on the work of this report include the development of a Statement of Principles to guide the design and delivery of employment policies and strategies. The Statement should address both the rights and responsibilities of both individuals and employers, as well as the responsibilities of government and communities. The principles outlined in the second section of this report should be taken as a starting point for this work.

Development of Long-Term Employment Policy and Strategy

During its work, the Panel learned about a host of programs, policies, services, and initiatives have been taken to strengthen the employment situation in PEI and to improve the lot of employment-disadvantaged Islanders. These initiatives are all well-intentioned, and many appear to be bringing some measure of benefits to those they serve. Nonetheless, the Panel concludes that these efforts would achieve significantly greater impact if they were longer-term in focus, integrated rather than fragmented, and aimed at goals rather than problems. The Panel is convinced that such a shift would result in approaches that are strategic rather than ad hoc, oriented to prevention rather than remediation, more supportive of the dignity, self-worth, and health of Islanders than current approaches, and far more effective.

Recommendation 3:

The Panel recommends that an integrated, strategic, long-term Employment Policy be developed for Prince Edward Island, through a partnership of governments, employers, communities, and individuals. The work of this Panel, which concludes with the submission of this report, could form the basis of this strategy. The process for development of this strategy should continue to

embody a strong element of public participation, and should incorporate gender analysis and other measures to ensure equitable outcomes and impacts. The strategy should support and complement PEI's economic development policies regarding wealth-creating, export-oriented sectors, and support the long-term fiscal health of the province, while recognizing that all employment has value to PEI and to individuals, regardless of sector or type of employer. It should explore the scope for specific communities and regions of PEI to have a strategic focus on areas of excellence. The Employment Policy should refine and promote the goals recommended above. In support of this, an employment research capability should be established within government, or at arm's length in the form of an Employment Institute, charged with monitoring trends and assessing their impacts and implications in PEI, and carrying out research into innovative approaches to employment development.

Integration and Coordination of Current Programs and Services

The Panel heard that current programs and structures providing social employment to disadvantaged Islanders are in particular need of redesign. A clear need exists for integration, coordination, equity, consistency, a people-centred philosophy, a long-term approach to improving people's employability and employment prospects, and achievement of more meaningful outputs for community and private-sector employers.

Recommendation 4:

The Panel recommends that the provincial government combine its current programs and services in the area of employment development and training into a new human resources organization, combining resources from the Employment Development Agency, the Department of Health and Social Services, elements of the Labour Market Development Agreement, and the Department of Education. This body should be open to all Islanders in need of employment and training assistance, rather than restricting its services to clients of income support programs. Services should be based solely on professional assessments of clients' capacities and needs and a case management approach; patronage should play no role in the system. The focus should be on developing the capacity of individuals and communities, rather than short-term jobs. Service delivery, decision-making, and priority-setting should be decentralized to the community level, and be carried out through close linkages between the agency and the private sector, the education system, communities, and the third sector. Programs and services should include basic skills, labour market information, post-secondary training, employment preparation, self-employment, and older worker programs. Upon attainment of an integrated structure within the provincial government, the federal government should be invited to join in a more coordinated approach.

Recommendation 5:

The Panel recommends that the provincial government should similarly take a more integrated, coordinated, equitable approach to its services and supports to businesses, particularly small businesses. All businesses should be eligible for at least a core range of supports, including assistance with business planning, advice on sources of financing, and development of management and business skills. Greater priority should be given to stimulating self-

employment, and all individuals should be eligible for a measure of assistance in achieving self-employment, including youth, seniors, newcomers, and others who may not qualify for existing programs such as Employment Insurance. Government should take the lead in fostering a more open climate within the private sector, more accepting of diversity among entrepreneurs and ideas, in part through leadership by example. Efforts should continue to reduce regulation and administrative burden on businesses.

Equal Opportunities

The Panel was concerned by the hardships experienced by many Islanders with disabilities, and by the loss to society arising from the failure to realize the full potential of these individuals. While persons with disabilities clearly face multiple barriers to employment, the fundamental concern identified by presenters was one of attitude ... among employers, among government agencies, and among the public at large. These concerns apply not only to persons with disabilities, but also to other Islanders whose cultural background or other attributes in some way differ from the norm. Development of a greater spirit of inclusion and a focus on people's capacities rather than their disabilities and differences would, the Panel believes, increase both social and economic well-being in PEI. While all sectors of society must play a part in this, government has a responsibility to show leadership.

Recommendation 6:

The Panel calls upon the provincial government to take a leadership role as an equal opportunity employer. Greater access to opportunities for public employment should be accorded to persons with disabilities, youth, visible minorities, and other groups of Islanders who face particularly severe barriers in the Island labour market, and policies and systems should be designed to support this goal. The Panel suggests that the provincial government could make a strong statement in this regard by allowing members of designated groups the opportunity to compete for at least some and preferably all of the 300-odd casual positions currently being classified. The Panel recognizes that the consent of the Canadian Union of Public Sector Employees would need to be gained for such an approach, and urges the Union to show leadership as well in promoting equal opportunity for the most disadvantaged Islanders by responding favourably to such a proposal.

Employment and Economic Growth

The Panel was heartened to hear of the many opportunities emerging for PEI, both in our long-established industries and in new sectors. Across the economic spectrum, knowledge is playing a growing role, creating scope for value-added and higher-quality employment. It was apparent that many of the industry sectors represented before the Panel were working actively and imaginatively to pursue those opportunities. The Panel commends their efforts, and calls upon government to work with them constructively to further build their sectors. As well, the Panel urges government to ensure that it is open to the potential of new, sometimes unconventional, but often very promising emerging sectors and industries. This potential might be assisted by an initiative such as that suggested by presenters of an Idea Centre, to connect business ideas with entrepreneurs.

At the same time, the Panel was concerned to hear of the threats and risks faced by some sectors, and the disparities among regions of PEI in terms of opportunities for growth and diversification. The Panel is sympathetic to the views of a number of presenters that the challenges of rural and remote areas of PEI call for specialized measures and supports.

Recommendation 7:

The Panel recommends that the provincial government make every effort, and urge the federal government to do the same, to ensure that PEI's most disadvantaged regions are assisted to grow and diversify their economic base and their range and quality of employment opportunities for their citizens. In addition to investments in tourism and other infrastructure, such measures might include an increase in business support services, staffed by personnel who have expertise in both rural development and the new and emerging economic opportunities facing PEI. Government should work with communities to promote the development of strategic plans to realize these opportunities and to put in place necessary human resource development measures. Efforts should be made as well to promote greater awareness of the quality, range, and value of made-in-PEI products, and to encourage purchasing of these by public bodies, businesses, community groups, and Island consumers. Existing policies, programs, and services should be reviewed to assess whether they are "rural friendly"; i.e. accessible across PEI, flexible, coordinated, based on local input and decision-making, and delivered in plain language by "real people."

Access to Capital

The Panel notes that lack of access to capital, or insufficient levels of capital, was perhaps the most serious obstacle facing businesses and entrepreneurs as they sought to start up and expand enterprises. A particular gap appears to exist with availability of high-risk microcredit, involving loans below the \$50,000 level. Lack of access to capital is also a serious obstacle to the economic development of the province, as PEI exports the wealth of its citizens in the form of out-of-province investments and bank profits. It was widely considered that the banking system is playing a limited role in overcoming these issues. The Panel was impressed, however, with the achievements of community-based lending bodies, notably the Credit Unions. These bodies also identify a lack of capital assets as the main constraint to their greater effectiveness. The Panel notes that the provincial government does its banking almost entirely with the chartered banks. The Panel notes as well the support, in the Alternative Provincial Budget, of a number of the province's public-sector unions for reinvestment of a small share of provincially regulated pension funds within PEI, as well as calls from presenters for reinvestment of a portion of banking and gaming profits in communities.

Recommendation 8:

The Panel recommends that the provincial government support the expansion of community-based credit responsive to the needs and sensitive to the circumstances of small and new businesses. In part, this should be achieved by placing a share of the province's banking business with the province's credit unions. As well, the province should open discussions with public-sector unions towards a goal of investing a portion of public-sector pension funds in PEI. The

province should also increase its efforts to encourage individual Islander investors to invest in PEI enterprises. If we do not invest in ourselves, how can we expect others to do so?

The Panel recommends, as well, that governments place more emphasis on creative use of the tax system to stimulate economic and employment growth. Creation of our own knowledge base about our industries is essential to both their continued development, and to the growth of knowledge-based services for export in these sectors. Consideration should be given to establishing a system of provincial tax credits to stimulate R&D by the province's industries.

Consideration should also be given to rewarding the creation of sustainable employment through the use of tax credits and property tax abatements, especially among new businesses.

Leadership by Communities

The Panel was deeply impressed by the creative and caring initiatives of a wide range of communities and non-profit groups to create employment and to build the capacity of both individuals and communities. Such efforts hold great potential to contribute to self-determination by communities, through interdependence. These efforts appear to be growing in scope and scale. At the same time, it was apparent that many communities and organizations faced constraints of limited resources and of thinly spread human resources, often volunteer. The Panel notes that these efforts by the "third sector" not only contribute to economic development, employment, and skills development, but also immeasurably enhance the quality of life, social fabric, inclusiveness, and civic spirit of the province.

Recommendation 9:

The Panel recommends that government increase its support to communities and the third sector, not only through investment of additional resources, but also through closer partnerships, moral support, an increased role in public policy service delivery, and decentralization of decision-making. In support of this goal, the Panel urges the provincial government to undertake a thorough review of community roles, structures, and governance in rural PEI, with a view to ensuring that all residents and areas of PEI are served by a viable local government system with significant responsibilities, resources, and capacity to determine and address local and regional needs, opportunities, and priorities. As part of this exercise, clear lines of accountability should be established between these local units and quasi-governmental and publicly funded bodies in the areas of economic and employment development. As well, research should be conducted, perhaps in part through pilot projects, to investigate and adapt models of community economic development within PEI. Recognizing that home-grown approaches are the most likely to be effective and appropriate to PEI, examples within PEI of community development successes, and industry successes such as the aquaculture sector, should be studied and widely disseminated to other Island communities.

Education

The Panel is convinced, as were most of its presenters, that education, training, and lifelong learning is the key to overcoming many of the challenges of the present, and to realizing most of

the opportunities of the future. Action is needed on a range of fronts, however, if this potential is to be fulfilled. The recommendations that follow address first today's challenges, then tomorrow's opportunities. The Panel commends the provincial government for its establishment of the Comprehensive Education and Training Study, and urges that the following two recommendations be given consideration in that work.

Recommendation 10:

The Panel recommends that the provincial government take action to increase its emphasis on training, and to make opportunities more accessible to all workers. Means should be developed to ensure training of employed workers, through a new partnership and clear definition of the roles of government, employers, and workers. The Comprehensive Education and Training Study's work should promote the goal outlined above, of equality of access and opportunity, as it pertains to training. Measures to enhance career guidance, quality assurance, and consumer protection for adult learners should be developed. Approaches and initiatives should be initiated to foster a commitment to lifelong learning and continuous skill development among Island workers and employers. Investments in economic development should emphasize human resource development, as the foundation for success and competitiveness in the economy of the future.

Recommendation 11:

The Panel recommends that government increase its commitment and investment in education at all levels of the public educational system, beginning with the establishment of a public kindergarten system for the province. Every effort should be made, as well, to ensure adequate resources in the primary years, which build the foundation for future academic and personal success. High priority should be placed on increasing career guidance resources and in extending them down into the junior high school level. A requirement should be established that every student at the junior high school level is provided with the best information available on job profiles, expected labour market demand, skill requirements, and wage levels. Greater emphasis should be placed, in the curriculum, on core and essential skills. Closer connections should be established by all levels of the educational system with employers to support school to work transitions, appropriate training content, and better informed career choices by students, including increased emphasis on co-op education, an expansion and revamping of the apprenticeship system, and workplace-based learning. Connections between the school system and communities should be strengthened, greater use should be made of community resources, and communities should have a greater voice in how additional education resources are spent. The Panel notes that a number of the Department of Education's recent proposals to revamp the general curriculum in high schools are very much in accord with these recommendations, albeit more narrowly focused. To enhance educational opportunities for the province's gifted youth, the provincial government should explore the scope for establishment of an International Baccalaureate Diploma program in PEI. To enable our youth to remain while building the core of our knowledge economy, the provincial government should allow the establishment of specialized graduate programs at UPEI in areas of excellence and strategic importance to PEI. The province's post-secondary institutions, meanwhile, should give consideration to a long-term

strategy to develop selected areas of excellence for delivery to a global market, while facilitating the delivery to Islanders of high quality learning opportunities from outside the province.

From Brain Drain to Brain Gain

The Panel notes the deep concern expressed by many presenters about the out migration of youth, and the profound sense of loss and hopelessness which result from this trend. This concern, while most prominent in rural areas, was echoed at a provincial level as well, with fears of the loss of our best educated youth to opportunities elsewhere. The Panel calls for vigorous and innovative action to be taken to offer youth more reasons and opportunities to stay in PEI. The educational measures suggested above, particularly for the post-secondary sector, should assist in this, as should the realignment of economic, employment, and social programs to include rather than exclude youth. As well, scope exists to establish other supports and incentives.

Recommendation 12:

The Panel recommends that the provincial government strengthen its support for students to meet the costs of post-secondary education. Particular consideration should be given to enhancing loans to encourage students to study in key areas such as maths and sciences, relevant to priority growth industry sectors. This should be coupled with a system of loan forgiveness for those youth who stay in PEI, through tax credits on provincial income tax payable. As well, the provincial government should work with communities to explore options for small-scale, local public transportation systems, and should incorporate this issue into the review and redesign of community roles recommended above.

The Panel notes with concern, as well, the very limited level of immigration to PEI, and the issues facing those newcomers who do arrive here. Over the long term, it is essential for PEI to increase its population, if it is to maintain or enhance its social and economic well-being and its political status in the Canadian federation. Immigration is an important component of this, bringing diversity and new skills, ideas, and opportunities to PEI.

Recommendation 13:

The Panel recommends that greater emphasis be placed on building and diversifying PEI through in-migration. Measures should also be taken to promote PEI as a destination for newcomers, and to provide a more receptive atmosphere for new immigrants. As part of this, the provincial government should ensure that an official welcome is extended to newcomers to PEI.

Conclusion: Maintaining the Momentum

The Panel recognizes that its mandate was broad, and that the time available to carry out its work was relatively short. Nonetheless, the Panel is convinced that the input of Islanders has led to valid findings and needed recommendations. The Panel places priority on the establishment of some approach to ensure that this report is considered and that efforts continue on this critically

important public policy issue. The Panel urges that the following steps be undertaken to give life to the wishes of Islanders, as expressed to the Panel and brought together in this report:

The Panel asks that this report be given due consideration by the Legislative Assembly through a debate on its findings and recommendations.

Those of its recommendations that win the support of the Assembly should be further articulated by the government department charged with lead responsibility for employment matters, or by an independent third party, either existing or a newly established body such as an Employment Institute. In either case, the process should be based on continued public participation.

This articulation of the goals and recommendations of this report should include the development of measurable objectives and targets, and the identification or design of indicators to assess the extent to which these are being achieved.

Measures and targets should be incorporated into government and departmental business plans, with timelines for implementation.

A Standing Committee of the Legislature should hold government accountable for progress in the area of employment, either with the support of the Provincial Auditor, or again by an arms'-length body such as a new Employment Institute.

A public report should be issued annually by this Legislative Committee for the next three years, reporting on progress made.

In conclusion, the Panel once again thanks the Legislative Assembly for having the vision to initiate this work, and both the federal and provincial governments for the support that allowed it to happen. It is the hope of the Panel that the Employment Summit will contribute to a better employment future for our Island society.