

## FEDERAL OCCUPATIONAL TRAINING POLICY: A NEO-INSTITUTIONALIST ANALYSIS

By  
Gordon DiGiacomo

### INTRODUCTION

The motivation behind this paper was the decision of the federal government to devolve responsibility for occupational training to the provincial governments. As a result of the 1996 *Employment Insurance Act*, the federal government was empowered to negotiate labour market development agreements with each province. Through these agreements, Ottawa would transfer funds to the provinces to design, develop and deliver active employment measures broadly similar to those described in Part 2 of the Act. Thus far, all of the provinces and territories, except Ontario, have signed agreements with the federal government.

This devolution appears to go against both history and the prevailing view of the importance of worker training. With respect to the former, the federal government has been heavily involved in training for many years - at least three decades - and, according to the federal Minister of Intergovernmental Affairs, Stéphane Dion, was having some success at it. In a 1997 speech, the Minister cited the work of the International Institute for Management Development which placed Canada second in the world in terms of labour force competitiveness.<sup>1</sup>

With regard to current thinking, occupational training policy is perceived to be essential to national economic development, a clear responsibility of the federal government. Richard Chaykowski, for example, has written: "At the macro-economic level, it is generally acknowledged that successful human capital formation supports productivity growth and hence national economic competitiveness."<sup>2</sup> Similarly, former U.S. Secretary of Labor, Robert Reich, has argued that investments in

primary and secondary education, and training and re-training ought to be part of "the core of national economic policy."<sup>3</sup>

The federal government, too, sees the link between skills development and national economic development. Its discussion paper on social security declared that Canada must become an "investment magnet. Key to this is to overcome Canada's 'skills deficit'--to offer the best-educated, best-trained workforce in the world."<sup>4</sup> Paul Martin, the Finance Minister, recently told the House of Commons that "knowledge in school, in the workplace and in all of its many facets" must be at "the very heart of the national agenda."<sup>5</sup> A year earlier, the Minister stated that good skills "are not only about our economy's growth. They are about a society's health."<sup>6</sup> He then referred to the Canadian Opportunities Strategy, "a seven-part plan to improve access to skills, training and higher education for all Canadians." The Strategy will result in the awarding of 100,000 scholarships a year for ten years.

The contradiction in the federal government's attitude toward education and training appears obvious. On the one hand, it willingly withdraws from the field of occupational training, and yet is brazen enough to involve itself in education, unquestionably an area of provincial responsibility.

In any event, it is because of the importance of occupational training to national economic growth and competitiveness that the other major federal countries in the world, the U.S., Germany and Australia, ensure that their national governments remain actively involved in developing and delivering training policy. In Australia, the federal government has moved to institute a comprehensive, national system of vocational training,<sup>7</sup> while in Germany, the legal framework for apprenticeship training, widely regarded as a major reason for Germany's economic success, is the *Federal Vocational Training Act*.<sup>8</sup> In the U.S., the federal government has devolved a considerable amount of responsibility for training to the states, but it

remains actively involved in several training policy areas. The main federal legislation is the *Job Training Partnership Act*, and there is a *U.S. School-to-Work Opportunities Act* that is currently funded at about \$300 million annually. For the most part, the national training effort in the U.S. is scattered across more than a hundred different programs and administered by fourteen different federal agencies.<sup>9</sup> It is virtually inconceivable that the federal government in the U.S. would surrender its leadership role in occupational training.

If other national governments believe occupational training to be important enough for them to remain actively involved in this policy area, and if the federal government of Canada agrees that training is critically important to national economic development, the question arises: What factors predisposed the Canadian government to take the step that it did in 1996? This paper suggests that the response to this question requires an institutionalist analysis. A related question is: How did institutional factors, that is, the institutions of Canadian federalism, shape federal occupational training policy?

To address these issues, the paper employs the historical method and traces the evolution of federal occupational training policy through three periods: the period before the 1960s, the period from 1960 to the mid-1980s and the period from the mid-1980s to the present.

As indicated, the paper also employs the neo-institutionalist approach to public policy analysis, the purpose being to show how institutional factors shaped federal worker training policy. The section following this Introduction outlines the main features of this model and briefly compares it with other models. This is followed by a discussion of the institutions of Canadian federalism. The objective here is to explain why federalism matters in Canadian public policy. The next section, preceding the Conclusion, describes the

development of federal worker training policy through the three periods mentioned above, and endeavours to show how the institutions of Canadian federalism molded that policy.

Throughout the paper, "occupational training," "vocational training," and "worker training" are used interchangeably.

### **THEORETICAL APPROACH: NEO-INSTITUTIONALISM**

Institutions have always been a concern of political science. In recent years, however, they have attracted more intense interest. A new institutionalism has emerged. The reasons for this emergence appear to differ depending on whether one is referring to the U.S. or Canada. In this country, given its preoccupation with federalism, it would be hard to argue that the institutionalist perspective disappeared, as it apparently did in the U.S. Nevertheless, Michael Atkinson suggests that neo-institutionalism has emerged either "to bemoan the absence of effective organization for policy goals" or to celebrate the possibility that a new institutional design will be invented to solve some intractable policy problems.<sup>10</sup> In the U.S., March and Olsen say that the resurgence of interest in institutions has come about because of their size, complexity and growing importance to collective life,<sup>11</sup> while Kathleen Thelen and Sven Steinmo say that neo-institutionalism is a reaction to the dominance of behaviouralist theories, which were themselves a reaction against the "old" institutionalism.<sup>12</sup>

The old institutionalism consisted largely of detailed studies of administrative, legal and political structures. However, the study of formal rules and structures did not explain actual political behaviour or policy outcomes. The behaviouralists' contention was that the focus should not be on the formal attributes of government institutions but rather on attitudes, the informal distributions of power and political behaviour. The behaviouralists reversed the

### *Federal Occupational Training Policy*

causal arrow; societal forces were now viewed as the independent variable.

In response, the neo-institutionalists argued that, because behaviouralists placed emphasis on the characteristics, attitudes and behaviours of individuals, groups and classes as the determinants of political outcomes, "they often missed crucial elements of the playing field..."<sup>13</sup> As March and Olsen noted:<sup>14</sup>

The bureaucratic agency, the legislative committee, and the appellate court are arenas for contending social forces, but they are also collections of standard operating procedures and structures that define and defend interests. They are political actors in their own right.

The neo-institutionalist argument is not so much that institutions matter. Clearly, they do matter. It is rather that the institutional context shapes the expectations, objectives, decisions, power, and strategies of political actors. As Carolyn Tuohy notes, the way in which institutions are structured "will affect the way certain ideas are (or are not) brought to bear and certain interests are (or are not) channelled into the policy process."<sup>15</sup>

How is "institution" defined in neo-institutionalism? Several writers have proposed definitions. For instance, in his work, Peter Hall refers to institutions as "the formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy."<sup>16</sup> John Ikenberry's definition has three distinct levels that "range from specific characteristics of government institutions, to the more overarching structures of state, to the nation's normative social order."<sup>17</sup> Robert Keohane describes institutions as "persistent and connected sets of rules (formal or informal) that prescribe behaviour roles, constrain activity, and shape expectations."<sup>18</sup>

Thus, both formal rules and structures and informal rules and norms are included in the neo-institutionalist definition of institution, as is the idea that the rule, norm or structure endures over time. The definitions suggest also that not only government structures may be included in an institutionalist analysis. For instance, the institutional framework that Hall used in his study of economic policy-making in Britain and France includes not only the organization of the state and the organization of the political system, but also the organization of labour, the organization of capital and "the structural position of the country within the international economy."

In Stephen Krasner's explication of a strand of neo-institutionalism known variously as structural, historical or sociological institutionalism, the idea of institutional persistence plays a central role. He writes:<sup>19</sup>

An institutionalist perspective regards enduring institutional structures as the building blocks of social and political life...Historical developments are path dependent; once certain choices are made, they constrain future possibilities. The range of options available to policymakers at any given point in time is a function of institutional capabilities that were put in place at some earlier period, possibly in response to very different environmental pressures.

For Krasner, the basic characteristic of an institutional argument is that prior institutional choices limit available future options. He suggests that an analyst using an institutionalist perspective has two tasks. First, the analyst must undertake "a careful delineation of the nature of particular institutional arrangements" and secondly, he/she must provide an explanation of how institutional arrangements perpetuate themselves, even when they appear to be dysfunctional.

Krasner identifies a number of factors to explain institutional persistence, the most important of which has to do with path-dependence. He states:<sup>20</sup>

Institutions may also persist because they follow path-dependent patterns of development. Path-dependent patterns are characterized by self-reinforcing positive feedback. Initial choices, often small and random, may determine future historical trajectories. Once a particular path is chosen, it precludes other paths, even if these alternatives might, in the long run, have proven to be more efficient or adaptive.

This raises the question: under what circumstances do institutions change? According to Krasner's model of "punctuated equilibrium," institutional change is episodic, dramatic and never easy. Lengthy periods of institutional stability are interrupted by crises, usually emanating from the external environment, that challenge the institution's capacity to absorb change. During the crisis, politics becomes a struggle over the shape of the new institutional arrangements. When the crisis has ended, a new equilibrium is reached and a new period of institutional stasis begins.

Thelen takes issue with Krasner's punctuated equilibrium model. In her analysis of German labour relations, she elaborates a model of "dynamic constraints" that emphasizes "how ongoing political conflict and compromise can influence the institutional parameters themselves."<sup>21</sup> She argues that the meaning of an institution can be transformed as a result of changes in the external context. She also observes that political conflict does not just occur *within* but also *over* institutions; "the outcome of such conflict can influence the institutional parameters within which subsequent battles take place."<sup>22</sup> Thus, for Thelen, institutional change can be more piecemeal. The institution does not have to be

beset by crisis before institutional change takes place.

Thelen and Steinmo identify three ways by which institutional behaviour, if not the institution itself, can change.<sup>23</sup> First, changes in the socioeconomic or political context can result in a situation where a previously latent institution suddenly assumes new importance. An example could be the Supreme Court of Canada which, because of the Charter of Rights and Freedoms, has become a major player in Canadian political and social life.

Secondly, changes in the socioeconomic context or political balance of power can produce a situation in which old institutions are put at the service of different ends, as new actors come into play who pursue their new goals through existing institutions. As an example, Thelen and Steinmo refer to the different uses that the system of job classifications was put to in the U.S. prior to World War Two. Job classifications were introduced in the 1920s by some large employers as the basis for incentive systems in which foremen would reward workers for their cooperation by shifting them to better jobs within the plant. However, as labour unions grew, they were able to use the job classification system to their own advantage by attaching rules regarding transfers and the content of individual jobs. Thus, the job classification system was transformed "from a system of management control to one of union control."

Thirdly, changes in the external environment can result in old actors adopting new goals within the existing institutions. An example would be the new role proposed for the Canadian Human Rights Commission. Currently, the focus of the Commission is on the resolution of complaints. A recent review of the *Canadian Human Rights Act* suggested that the major activity of the Commission be changed to education and promotion. If the proposed role is adopted, the institution will remain unchanged,

the actors will be unchanged but the institution's primary goal will be different.

Like Krasner, Thelen and Steinmo subscribe to historical institutionalism. But it is not the only version of neo-institutionalism. A second version has emerged called rational choice institutionalism.

Both versions share a concern with how institutions shape political strategies and influence political outcomes, but there are important differences between them. In the rational choice variant, institutions are treated as negotiated rules that channel the behaviour of individuals, while in historical institutionalism, "emphasis is placed on the capacity of institutions as organizations to transform preferences and beliefs and in that manner shape public policy."<sup>24</sup>

Rational choice theory also assumes that actors are rational and self-interested and that "actors who compose the state have interests of their own, derived from and supported by institutional power" and they will "act in their own interests when and if they can."<sup>25</sup> Institutions must be designed so that incentives exist for cooperative behaviour and penalties for opportunistic behaviour. Thus, for those in the rational choice tradition, institutions are important because they define the strategies that political actors adopt in the pursuit of their interests.

In contrast, historical institutionalists do not see political actors as constant rational self-maximizers, ever in pursuit of their own interests. Noting that people do not stop at every choice they make in their lives to determine what will maximize their self-interest, Thelen and Steinmo say that, "Instead, most of us, most of the time, follow societally defined rules, even when so doing may not be directly in our self-interest."<sup>26</sup> In the terminology of the historical institutionalist, people tend to be rule-following "satisficers."

Thelen and Steinmo argue that the major difference between rational choice institutionalism and historical institutionalism lies in the question of preference formation. While the former treats actors' preferences as givens, historical institutionalism sees them as something to be explained. The historical institutionalist wants to know what it is that actors are trying to maximize, how that happened and why certain goals are emphasized more than others. In other words, the historical institutionalist is concerned with how institutions shape not only the strategies of political actors but also their goals and preferences.

How does neo-institutionalism compare with other models of policy-making, such as statism and group theories? With respect to the former, both it and neo-institutionalism ascribe far more autonomy to the state than other theories. Statism, however, in its more extreme version, goes much further than neo-institutionalism on the question of state autonomy. But few subscribe to the more extreme form. State theorists now simply seek to emphasize that both state interests and societal pressures need to be taken into account in the analysis of public policy. In doing so, they appear to have made statism virtually indistinguishable from neo-institutionalism.

Not so with group theories, such as pluralism and corporatism. In pluralism, numerous groups exist to represent their respective members' interests, membership is voluntary and the groups compete and collaborate freely with minimal state interference. Memberships in several organizations tend to moderate citizen opinion and citizen behaviour. The role of the state is to serve as "umpire," ensuring that the rules of group competition are not violated. Thus, unlike neo-institutionalism, pluralism largely ignores the interests, objectives and shaping power of political institutions.

### *Federal Occupational Training Policy*

Neo-pluralist writers, such as Charles Lindblom, have acknowledged some of the problems with the original versions of pluralism. They have, for instance, recognized that only a limited range of groups has the necessary resources to make an impact on policy. Lindblom goes so far as to acknowledge the privileged position of business. Still, even though more sophisticated versions of pluralism have emerged, it retains its focus on social groups and continues to downplay the role of state institutions.

In corporatist theory, "public policy is shaped by the interaction between the state and the interest group or groups recognized by the state."<sup>27</sup> According to Howlett and Ramesh,<sup>28</sup>

Public policy toward a declining industry, for instance, would take the form of bargaining between and among the state and relevant industry associations and trade unions as to how best to rationalize the industry and make it competitive.

Clearly, corporatism, like neo-institutionalism, acknowledges the shaping influence of the state. However, corporatist arrangements do not exist in many countries. In some countries, like Canada, they come and go. They have not endured in Canada over time and across policy domains. Corporatism, therefore, might be a useful analytic device for, say, the formulation of federal industrial relations policy or occupational safety and health policy, but not for numerous other policy domains. As we shall observe, it cannot be said for federal occupational training policy.

For the analysis of occupational training policy, neo-institutionalism appears to be the appropriate model. However, Atkinson rightly cautions against attributing too much influence to institutions.<sup>29</sup> One reason is that many of the changes that occur in institutions have nothing to do with policy. Atkinson points to the federal Department of Indian Affairs and Northern

Development as a structure that has been "reorganized endless times" with little consequence for aboriginal policy.

Secondly, institutions not only affect policy they are also affected by policy. "Policies make intellectual and technical demands on institutions. Rules and procedures typically have to change to meet these demands."<sup>30</sup> For instance, a change in labour policy may also mean a change in the institution of collective bargaining. In such cases, "institutional changes and policy changes become almost indistinguishable."

Thirdly, the effect of institutions on policy is almost always contingent. "That is, institutional changes produce policy changes under some circumstances, but not under others."<sup>31</sup> Usually, a policy develops for many reasons. The task of the institutional analyst is to separate out the institutional factors from the others that may have had a bearing on policy.

Echoing Krasner, Atkinson also observes that most institutions change very little.<sup>32</sup>

Indeed, the very idea of an institution suggests some measure of permanence. As a result, institutional change and policy change do not track one another very closely. Institutions are simply not as malleable, or as variable, as policy.

An obvious example here is a nation's constitution. Policies change all the time but very rare are amendments to a constitution. However, as Atkinson points out, institutions "supply decision processes" and it is these processes that have persistent effects on policy.

In this regard, Atkinson observes, perhaps not surprisingly, that the renewed interest in political institutions has been joined by a renewed interest in constitutions. "For writers in this tradition, the assessment of political institutions revolves around their (often limited) capacity to marshal resources for public

purposes without violating the norms of constitutionalism."<sup>33</sup>

One of the major determinants of institutional design is the constitutional fragmentation of authority and, although this fragmentation may make the development and delivery of certain policies unlikely, it can also result in greater policy innovation. Atkinson cites the work of Weir who concluded that Keynesianism had a more receptive audience in the U.S. because the multiple sources of policy advice ensured that Keynesian ideas would find a hearing. In Britain, says Weir, the dominance of a single institution, the Treasury, ensured that Keynesians would remain on the outside looking in.<sup>34</sup>

Closer to home, medicare provides another example. This popular program became national policy in the late 1960s but it originated in Saskatchewan in the late 1940s.

Atkinson points out that, in this country, the role of federalism has a special place in discussions of the constitutional fragmentation of public authority. The federal-provincial division of powers has had a profound impact on policy discourse and policy development. A consensus on whether that impact has been for good or for ill does not yet exist.

## **THE INSTITUTIONS OF FEDERALISM**

Although some scholars might disagree with the claim, this paper believes, with Kenneth McRoberts, that federalism does matter to public policy in Canada. The following discussion tries to show how it matters. It draws upon McRoberts to show the ways in which federalism structures the policy-making process, the ways in which it shapes the understanding of politics in this country, and the ways in which it shapes societal influences on policy.

### **How Federalism Structures Policy-Making**

McRoberts suggests six ways in which federalism structures policy-making. First,

federalism often produces policy incoherence. Even though the constitution lists the specific powers of the federal and provincial governments, the activities of one level almost inevitably affect the activities of the other. Not infrequently, the policies of one level are explicitly designed to offset the policies of the other. Donald Smiley concludes that, "to the extent that effective government requires the rationalization of public policy, federalism stands squarely in the way of this goal."<sup>35</sup>

Secondly, as mentioned earlier, federalism allows for greater innovation and experimentation in public policy than is possible in a unitary state. However, it should be mentioned that there are disincentives to too much innovation, one of which is the competition among provinces for investment and skilled workers. Thus, for example, a province's industrial relations policy is not likely to differ significantly from the industrial relations policies of other provinces.

Thirdly, federalism enables a province to impede the adoption of a policy at the national level in cases where unanimity is required for adoption. Perhaps the best-known example of this occurred in the 1930s and 1940s when a constitutional amendment authorizing the federal government to establish an Unemployment Insurance scheme had to await the election of a favourably disposed government in Quebec.

Fourthly, by the same token, federalism can lead to rigidity in the modification of existing programs if federal-provincial cooperation is needed for the required modification.

Fifthly, the suggestion is made that the two levels of government are bound to get caught up in a competition for public favour that tends to lead to greater overall state activity than would be the case otherwise. However, McRoberts notes that, "While intuitively compelling, this proposition is not easily confirmed." He points

to agriculture as an example of an area where both levels of government are active but where collaboration rather than competition seems to be the norm. Also, over the past ten years, as governments sought to eliminate their budgetary deficits, it sometimes seemed that the competition was about which government could shrink itself the fastest.

McRoberts does not raise the point but another concern, related to the above, is that federalism leads to overlap and duplication. Ronald Watts acknowledges that "overlaps of jurisdiction are unavoidable because it is virtually impossible to define watertight compartments."<sup>36</sup> However, one needs to be careful about not exaggerating the degree of duplication. In a 1996 speech, the federal Minister of Intergovernmental Affairs, Stéphane Dion, made this observation:<sup>37</sup>

And yet, all the studies on overlap and duplication, including the notorious Le Hir studies by the Government of Quebec, concluded that in the vast majority of cases, federal and provincial activities are complementary rather than redundant.

Arguing that unitary states produce their own kind of overlap and duplication, the Minister went on to point out that, in France, there are currently some 2,300 different employment assistance measures.

Harvey Lazar, Director of the Queen's University Institute of Intergovernmental Relations, said of the federal-provincial labour market development agreements: "To the extent there may have been significant duplication of federal and provincial activity, *which was never demonstrated and almost certainly did not exist*, it will be reduced."<sup>38</sup> (Emphasis added.)

Finally, federalism enables policy-makers to avoid a policy problem by claiming that the issue is not within their jurisdiction.

## **How Federalism Shapes our Understanding of Politics**

McRoberts, like many scholars, has pointed out that the executive federalism frequently practiced in Canada tends to exclude interest groups from the policy-making process. However, he also suggests that the impact of executive federalism may be more profound in that it tends to "technocratize" the policy process making it unintelligible to most citizens. Lacking the knowledge of constitutional issues and unfamiliar with the jargon used by the practitioners of executive federalism, citizens may come to feel intimidated by the policy-making process and refuse to participate.

In addition, policy discussions tend to be dominated by questions of jurisdiction. Thus, the needs of region take precedence over the needs of class, gender and other non-territorial interests. Citizens, therefore, are bound to see the political élites as being unconcerned with their needs and concerns and more interested in their own power positions.

McRoberts argues that the nature of political discourse in Canada has changed as a result of the Charter of Rights and Freedoms. He suggests that a "new discourse of citizens' rights" has developed and that governments need to be more accountable to the publics they serve. He speculates that this new awareness is likely to cause executive federalism to lose its legitimacy which could, in turn, lead to broader participation in the policy-making process. However, neither the process that led to the Social Union Accord nor the process that resulted in the labour market development agreements provides evidence for McRoberts' speculation.

## **How Federalism Shapes Societal Influences on Policy**

McRoberts' theoretical argument here is that the institutions of federalism not only influence policy directly but they do so indirectly as well.



They do so by shaping certain social pressures before they exert their influence on policy. For example, federalism intensifies the influence of territorial interests. Conversely, non-territorial interests get downgraded by federalism. Class, ethnic and gender interests are forced "to fragment their strength and energy" among several territorially based divisions "that may have little meaning to them."

This need to spread resources among several jurisdictions has implications for the competition between employers and workers. The ability of labour to influence policy is dependent, much more so than employers, on its ability to mobilize its membership. Working at two levels and before several jurisdictions stretches labour's resources considerably, thus impeding its capacity to exert influence over policy.

### **THE INSTITUTIONS OF FEDERALISM AND OCCUPATIONAL TRAINING POLICY**

The objective of this part of the paper is to trace the evolution of federal occupational training policy from Confederation to the present, showing how the institutions of federalism helped to shape that policy.

The first institution that one has to turn to when studying federal worker training policy, or any federal policy, is, of course, the Canadian constitution. Vocational training is not in the list of powers ascribed to either level of government but Section 93 of *The Constitution Act, 1867* declares education to be exclusively a provincial responsibility. Thus, the provinces have argued that worker training falls within their jurisdiction. However, the federal government, through its trade and commerce power, has responsibility for national economic development. Because of this, the federal government has argued, at least in the past, that it must be involved in worker training. In the

words of former Prime Minister, Lester Pearson:<sup>39</sup>

...the training and re-training of adults for participation in the labour force are well within the scope of federal jurisdiction...[T]he federal government believes that it has a constitutional and necessary role in the training and development of our adult labour force for economic growth and full employment.

Worth recalling here is the vision of the Fathers of Confederation when they drafted the *Constitution Act, 1867*. It is evident from the words of Sir John A. MacDonald that they envisioned a strong central government to which the provinces would be subordinate. Rather than give the residual power to the constituent parts, as the U.S. constitution does and which, in MacDonald's view, was the source of the weaknesses in the American system of government, the Fathers gave the residual power to the federal government to ensure its strength and integrity. In an 1865 speech, MacDonald explained:<sup>40</sup>

Ever since the union was formed the difficulty of what is called "State Rights" has existed, and this had much to do in bringing on the present unhappy war in the United States. They commenced, in fact, at the wrong end. They declared by their constitution that each state was a sovereignty in itself, and that all the powers incident to a sovereignty belonged to each state, except those powers which, by the constitution, were conferred upon the general government and Congress. Here we have adopted a different system. We have strengthened the general government. We have given the general legislature all the great subjects of legislation. We have conferred on them, not only specifically and in detail, all the powers which are incident to sovereignty, but we have expressly

declared that all subjects of general interest not distinctly and exclusively conferred upon the local governments and local legislatures shall be conferred upon the general government and legislature... We thereby strengthen the central parliament and make the Confederation one people and one government, instead of five peoples and five governments, with merely a point of authority connecting us to a limited and insufficient extent...

There are numerous subjects which belong, of right, both to the local and the general parliaments. In all these cases it is provided, in order to prevent a conflict of authority, that where there is concurrent jurisdiction in the general and local parliaments,...and that when the legislation of the one is averse to or contradictory of the legislation of the other, in all such cases the action of the general parliament must overrule, ex-necessitate, the action of the local legislature.

While some Fathers of Confederation may not have shared MacDonald's enthusiasm for the centralist emphasis of the *Constitution Act, 1867*, it seems clear that they did not envision the kind of decentralization that characterizes the federation today.

A second institution of relevance is the Canadian judicial system. While the Supreme Court of Canada was established in 1875, its decisions could be appealed to the Judicial Committee of the Privy Council (JCPC) in England until 1949. Thus, many formative legal decisions pertaining to the country's constitution were made by a foreign institution largely unfamiliar with the political, social and economic realities of the country.

A third institution is the Canadian practice of executive federalism, defined by Smiley as

"the relations between elected and appointed officials of the two orders of government." It appears to have been a significant policy-making structure almost since Confederation.

The important role that executive federalism plays in Canada points up the under-development of the country's intrastate federalism. Indeed, there are no effective mechanisms, aside from the federal Cabinet, for the representation of regional interests at the central government level. There are no legislative fora that can address regional concerns within the context of the national government. (The Senate is supposed to be such a mechanism but it can hardly be called effective. It also appears to have little legitimacy among Canadians.) The result is executive federalism, the habit of resolving national concerns through conferences of first ministers, or conferences of finance ministers, or conferences of health ministers, and so on. However, as Carolyn Tuohy states, it has "limited constitutional grounding" and "only tenuous lines of accountability to the electorate."<sup>41</sup>

This paper will try to trace the use of executive federalism in the making of occupational training policy.

### **Period 1: 1867 - 1960: Concerns About Occupational Training Emerge**

Federal interest in vocational training came early in the life of the country. In 1910, the federal government, through its first, full-time Minister of Labour, William Lyon MacKenzie King, established a Royal Commission on Industrial Training and Technical Education. The reasons for its establishment are worth noting.

First, in King's view, "industrial efficiency is all-important to the development" of Canada and it can be "best promoted by the adoption in Canada of the most advanced systems and methods of industrial training and technical

education."<sup>42</sup> Thus, even before industrialization firmly took hold in the country, the federal government saw the importance of human capital formation to the economy.

Secondly, Dupré and his colleagues tell us that both labour and employers wanted the federal government to take an active part in the vocational training of Canadians. Their representations began as early as 1901 and went so far as to suggest the appointment of a federal minister of industrial education.<sup>43</sup> The federal government, however, was uncertain of its constitutional ground and would only go as far as appointing a Royal Commission.

True to form, King wrote to the provincial premiers asking if they had any jurisdiction-based objections to the setting up of the Royal Commission. None did, although both the Ontario and Quebec premiers noted that the Royal Commission was being established only for information-gathering purposes. On the other hand, the Saskatchewan premier set out his view that vocational training ought to fall under the jurisdiction of the federal government because it could be "more efficiently, economically and effectively dealt with" at that level.

In advancing its recommendations, the Royal Commission stipulated that any plan to further occupational training should "preserve Provincial control, encourage local initiative and develop local responsibility." However, it should also "ensure that the national interests as well as the local points of view" are considered.<sup>44</sup>

In the Royal Commission's view, federal involvement in industrial training and technical education should take the form of (a) grants to the provinces, portions of which should be withheld if the federal authority is not satisfied with the progress of the province, and (b) a Dominion Development Commission, comprised of federal government appointees, to work with the provinces and local authorities on issues pertaining to vocational education.

The grants from the federal government should be used for the salaries of teachers; for the establishment, extension and maintenance of classes, courses, schools, or other institutions for vocational training; and for the purchase of appliances, apparatus and other teaching equipment. The funds could be used as well to provide scholarships; to pay for experts; and to promote "Scientific, Industrial and Housekeeping Research and the diffusion of knowledge therefrom."

The Royal Commission also proposed a second new structure, namely, a Dominion Development Conference. It did not go into much detail on this body but it did say that the Conference ought to be made up of appointees from the provincial and federal governments who would "consider questions of Industrial Training and Technical Education for the development of the Dominion..."<sup>45</sup>

It seems clear that, as far as the Royal Commission was concerned, occupational training ought to be regarded as a concurrent power.

How did the government respond to the report of the Royal Commission?

Delayed by the First World War, the federal response was the *Technical Education Act* of 1919. It was designed to stimulate vocational and technical training in the secondary schools and it provided funds to the provinces, on a matching basis, pursuant to formalized agreements between the federal government and each province.<sup>46</sup> Thus, we see here the beginnings of a system under which the federal government delivers its training policy through agreements with each province. It is a pattern that has endured to this day. Enduring almost as long was the emphasis of federal training policy on institutional training, that is, training that takes place within an educational institution, as opposed to on-the-job training.

### *Federal Occupational Training Policy*

The Act made \$10 million available to the provinces over a ten-year period. Significantly, no new structures of the kind recommended by the Royal Commission were established.

Provincial take-up of the federal financial offer was less than spectacular. Indeed, the life of the Act had to be extended no fewer than *four* times before the funds were exhausted. The argument is made that the provincial response was slow because the have-not provinces had difficulty coming up with their matching contributions. However, it can also be argued that the provinces had little interest in anything but the academic side of education. In fact, the Royal Commission observed that throughout the country the school system "was becoming bookish in the extreme" and that, when they were interested in vocational training, the schools tended to direct the attention of their youth "towards the vocational education of teachers, officials, professional people and the leisure class."<sup>47</sup>

It appears that a policy vacuum existed in the country in the early part of the twentieth century with respect to occupational training. Given this apparent vacuum, and the vision of Canadian federalism held by the Fathers of Confederation, it is possible to imagine a more interventionist response on the part of the federal government, perhaps involving the establishment of a federal Department of Industrial Education, as labour and industry proposed, and direct federal support to institutions, individuals and employers. One could also imagine the federal government establishing a mechanism to bring together labour, employers, and the two levels of government.

In 1942, such a mechanism did come into existence as a result of the *Vocational Training Coordination Act*. The Act continued the matching grant formula and included provisions for the training of unemployed Canadians. It also set up a Vocational Training Advisory

Council, composed of representatives of labour, management and the provincial governments. According to Dupré et al., this group "assumed singular importance as the means of securing provincial consent to intergovernmental agreements pursuant to the Act."<sup>48</sup>

The 1942 legislation came after a period in which decisions of the Judicial Committee of the Privy Council severely circumscribed the powers of the federal government. One of those decisions emerged from the case of *Toronto Electric Commissioners v. Snider, et al.* Its impact on worker training policy was indirect but significant.

In the early 1920s, a dispute arose between the Toronto Electric Commission (TEC), an agency that operated the light, heat and power systems of Toronto, and its employees. At the request of the employees, the federal government, acting under the authority of the *Industrial Disputes Investigation Act*, appointed a Conciliation Board, under Chairman Colin Snider, to look into the dispute. The TEC went to court to get an injunction to stop the Conciliation Board from proceeding with its work. It claimed that Parliament had exceeded its jurisdiction in passing the *Industrial Disputes Investigation Act*. The injunction was granted. The TEC went again to the Supreme Court of Ontario, this time to get a permanent injunction. This request was heard by Justice Oliver Mowat. In his view, labour legislation ought to be a "national concern." He observed that, because of the inter-provincial character of labour organizations and industrial disputes,<sup>49</sup>

provincial lines are obliterated and the provinces, not having the free and instant communication with each other, or for concert, could ill avert Dominion-wide trouble. The simple local strikes which alone could have been in contemplation of the Fathers of Confederation in 1864 and 1867, have given place to those of brotherhoods

composed in some instances of hundreds of thousands, and Dominion-wide in their operations and probably beyond the resources of each province to deal with.

Justice Mowat refused to grant the permanent injunction and, instead, referred the matter to the appellate division of the Supreme Court of Ontario. In a 4 - 1 judgment, the Court upheld the constitutional validity of the federal Act.

The case, however, did not end with that decision. In 1925, the TEC took the matter to the JCPC which over-ruled the Supreme Court of Ontario and declared the *Industrial Disputes Investigation Act* to be *ultra vires* the Parliament of Canada. It was a decision that, in the eyes of F.R. Scott, "marked a low point in Canada's constitutional development."<sup>50</sup>

The JCPC's ruling had profound implications for labour relations in Canada, producing virtually insuperable barriers to national agreements and an almost pathological decentralization of collective bargaining.<sup>51</sup> It also affected training policy because it worked against the emergence of a strong national labour organization (and a strong national employers' organization for that matter), of the kind that exists in Western Europe, that could speak definitively for its members. In turn, observes Carolyn Tuohy, "The decentralization of collective bargaining...has militated against the participation of labour in central decision-making about labour market policy."<sup>52</sup>

How did labour and employers react to the JCPC's decision? In his analysis of the case, Scott notes that, on a number of occasions, the Canadian Labour Congress urged the federal government to bring inter-provincial industries within the purview of federal labour legislation. On the other hand, employers made no such request, leaving Scott to wonder if employers preferred the divided jurisdiction.

It is arguable that, with strong labour and industry organizations influencing the national government, worker training policy would have evolved very differently.

## **Period 2: 1960 to the mid-1980s: An Activist Federal Government**

The successor to the *Vocational Training Coordination Act* of 1942 was the *Technical and Vocational Training Act* (TVTA) of 1960. It has been described as the "federal government's first tentative attack on economic problems through manpower policy."<sup>53</sup> The reason is not surprising: by the summer of 1960, unemployment in Canada reached a post-war high of eight per cent and the country was sliding into a recession.

The TVTA resembled its predecessor in that it offered federal support for institutional training and federal contributions towards the costs of training the unemployed. It differed in two ways. First, it sought to encourage the training of those whose jobs were in danger of becoming obsolete. Secondly, the sums of money involved were much larger and confirmed the intensifying interest of the federal government in training. According to Stefan Dupré, federal spending during the six-year life of the TVTA on operating costs alone was more than double what the federal government spent on training during the previous five decades.<sup>54</sup>

Between 1961 and 1968, almost \$1 billion in federal money went to the provinces for training, over seventy per cent of which went towards the construction of educational facilities.<sup>55</sup> In the view of Dupré, the<sup>56</sup>

TVTA made available the money that enabled provincial officials to bring vocational and technical education into its own. Facilities were greatly expanded or created where they did not previously exist. Major changes were made in secondary schools. New

### *Federal Occupational Training Policy*

institutions provided technical training beyond high school.

It is worth noting the reason for the considerable expansion of facilities under the TVTA. In brief, it was because the federal government offered to pay seventy-five per cent of capital projects. In his account of training policy, Dupré says that this departure from the fifty-fifty norm came about as a result of the urging of the Vocational Training Advisory Council which, as noted earlier, included representatives of the federal and provincial governments, labour, and employers.

Notwithstanding its accomplishments, the TVTA was problematic for three reasons. First, because it largely retained the 50-50 cost-sharing formula of its predecessors, the richer provinces were in a better position, as they were under the previous legislation, to take advantage of the provisions of the Act since they could more easily raise their matching contributions. The resulting provincial disparities in educational infrastructure were substantial. Secondly, federal authorities were becoming increasingly dissatisfied with the Act because of a lack of federal visibility. Thirdly, according to Rodney Haddow, federal officials were concerned that provincial institutions were not addressing the real needs of industry, that programs focused too much on academic upgrading and basic skills and not enough on job-related skills; even when they did the latter, federal officials wondered if the right kind of job-related skills were being taught.<sup>57</sup> As we have seen, this last concern was not unlike that expressed by the Royal Commission on Industrial Training and Technical Education in 1913. All three concerns were rooted in, first, the constitutional division of powers and, secondly, the decision of the JCPC to make labour relations a provincial responsibility.

In the mid-1960s, federal involvement in labour market policy in general and training policy in particular increased substantially.

Again, it would appear that the motivation was economic. Federal economic planners were anxious to sustain economic growth without stoking the fires of inflation. Labour market policy would be among the key tools that they would use to do this.

The creation in 1966 of the Department of Manpower and Immigration signified the federal government's determination to become a major player in occupational training. The passage in 1967 of the *Adult Occupational Training Act* (AOTA) which replaced the TVTA and which created the Canada Manpower Training Program (CMTP) showed how that was to be accomplished.

Rather than enter into cost-sharing agreements with the provinces, which resulted in serious disparities among provinces, the federal government would henceforth 'purchase' training from whatever seller it preferred, including the provincial institutions but also including employers and private schools.

The federal government would also withdraw its support for secondary schools and focus only on the training of adults, defined as persons who had been out of the school system for three years and in the labour force.

The bitter reaction of the provincial governments, worried that enrolment in their institutions would dwindle if the AOTA was adopted, led to lengthy, difficult and acrimonious negotiations during which the federal government compromised in a number of key areas.

For instance, federal officials agreed not to purchase private school courses without prior consent of the province in which the school was located. In fact, once in operation, the AOTA by far kept the provincial institutions as the dominant purveyor of training. In addition, the federal government agreed to use the provinces as the 'brokers' for the purchase of all training-in-industry projects. As a result of these two

compromises, the "provincial bureaucracies acquired the right to mediate the relationship between federal authorities and trainers, gaining considerable influence over how the former spent its money and how the latter structured its courses."<sup>58</sup>

It is also noteworthy that two new structures were set up, giving the provinces additional input into federal training policy. First, the general parameters of federal purchases in each province would be written into federal-provincial training agreements; overseeing implementation of each federal-provincial agreement would be a Manpower Needs Committee, comprised of federal and provincial training officials. According to the report of the Task Force on Labour Market Development, also known as the Dodge Report after its chairperson, David Dodge, these Committees played "a central role in planning and administering CMTP in the provinces."<sup>59</sup> Secondly, replacing the Vocational Training Advisory Committee established under the TVTA would be a CMTP Committee, but comprised only of federal and provincial training officials. According to Dupré and his colleagues, this Committee was of little value; indeed, it appeared to serve as a forum for skirmishes between federal economists and provincial 'educationists.'

The exceptionally detailed account of the AOTA by Dupré et al., demonstrates the weakness of executive federalism; that is, its potential to overlook the concerns of workers, labour unions and employers - the clients - and to emphasize the jurisdictional concerns of the governmental actors, (as McRoberts pointed out). This is not to say that these concerns are illegitimate or inappropriate; other countries, such as the U.S., also struggled with the jurisdictional questions for decades after their founding. Nor is it to say that the actors were ignorant of or unconcerned about the priorities and problems of the client groups and individuals. But the extent to which

jurisdictional concerns dominated the discussions is stunning. The index in Dupré's book does not even mention the Canadian Labour Congress; the Canadian Manufacturers' Association is referred to only once. Of course, the authors may have set out to concentrate only on the interactions of the governments. However, the continued emphasis on institutional training, while other countries were emphasizing on-the-job and employer-based training and while Canadian employers continued to rely on immigration for their skilled labour, suggests that the jurisdictional issues were, indeed, foremost in the minds of the actors at both levels.

This preoccupation with jurisdiction continues. In 1983, the federal and provincial governments established the Committee of Federal-Provincial/Territorial Ministers with Responsibility for Labour Market Matters. Dormant for ten years, the Committee re-surfaced in 1992 as the Forum of Labour Market Ministers (FLMM). In 2000, the Deputy Ministers of the Forum approved a Statement of Vision, Mission, Principles, and Objectives. The Vision Statement reads as follows:

Through its decisions and actions, the Forum strives to promote a viable and sustainable labour market development environment, including access to education, training, retraining, and long-term employment that will provide economic security for individual workers and their families.

The Forum's Guiding Principles are:

1. To promote inter-jurisdictional cooperation on labour market issues;
2. To share labour market information and best practices, and coordinate labour market research and evaluation;
3. To promote accountability through demonstrable evidence of effective labour market policies and practices;

4. To promote equitable and flexible programs and services to all Canadians which recognize differences across jurisdictions.

Not surprisingly, the Statement did not come easily. The richer provinces, that is, Alberta and Ontario, and Quebec are determined to prevent the federal government from re-entering the training field. Indeed, an interview with officials revealed that policy and program discussions tend to become discussions of roles and responsibilities. When the federal government proposes a program idea, the provinces are quick to respond with a defensive, sometimes strident, reaction, pointing out to the federal government that it is no longer involved in training.

As was the case in the discussions that led to the AOTA, the views and priorities of labour and industry are not considered, at least formally, at the meetings of the FLMM. It is significant that, while meetings of the Forum are closed, academics have been invited to its meetings but not labour and business leaders.

Toward the end of the 1970s, the orientation of training policy toward institutional training came under increasing criticism. Moved to action by the wage and price control program of 1975-78, and perhaps by the federal-provincial preoccupation with jurisdictional issues, organized labour began to lobby hard for changes in training policy and for increased participation in labour market economy policy-making. It also joined forces with the Business Council on National Issues to propose a labour market institute, operated by labour and management, to provide information, analysis and advice on labour market issues, including occupational training policy. This proposal resulted eventually in the Canadian Labour Market and Productivity Centre (now called the Canadian Labour and Business Centre) which was established by the Trudeau government in 1984. Significantly, the Centre was set up to be

governed by, and still is governed by, senior executives of labour and industry.

Also in the late 1970s, an unexpected phenomenon developed in the economy; skill shortages started to emerge in various industries and throughout the country. This gave rise to three assessments of federal labour market policy: the Dodge Report, the report of the Parliamentary Committee on Employment Opportunities in the 1980s, known also as the Allmand Committee after its chairman, Warren Allmand, and a report from the Economic Council. All three were critical of the existing policy and recommended significant changes. In 1982, the federal government responded with the *National Training Act*. With it, the federal government began to encourage more industrial (on-the-job) training rather than institutional (class-room) training.

Like its predecessors, the *National Training Act* preserved the role of the federal government as purchaser of training from the provinces, and it required the negotiation of training agreements between Ottawa and each of the provinces for implementation. However, it also included two new initiatives in industrial training: General Industrial Training and Critical Trade Skills Training. As Haddow points out, these permitted the federal government to deal directly with private employers, "weakening slightly the long-standing exclusive brokerage role of the provinces."<sup>60</sup> However, Haddow observes, "...during the NTA's brief history federal authorities remained unable to shake their spending free of the tentacles of provincial institutional interests."<sup>61</sup> This is illustrated by Table 1, which shows that expenditures on institutional training continued to increase during the life of the NTA (1982-85), and by Table 2, which shows that industrial training expenditures as a percentage of total training expenditures declined during the same period.



Table 1

**Federal Government Institutional and Industrial Training Expenditures,  
(millions of dollars)**

YEAR	INSTITUTIONAL TRAINING	INDUSTRIAL TRAINING	TOTAL
1987-88	866.9	78.3	945.2
6-87	905.1	93.1	998.2
85-86	921.4	132.8	1054.2
1984-85	847.2	242.6	1089.8
83-84	853.3	168.0	1021.3
82-83	797.4	128.5	925.9
81-82	692.1	137.7	829.8
80-81	656.4	113.6	770.0
1979-80	570.9	102.0	672.9
78-79	551.4	86.0	637.4
77-78	493.0	79.2	572.2
76-77	485.5	62.2	547.7
75-76	455.6	51.0	506.6

Source: Noah M. Meltz, "The Evolution of Worker Training: The Canadian Experience," in Industrial Relations Research Association, *New Developments in Worker Training: A Legacy for the 1990s*, Madison, WI, Industrial Relations Research Association, 1990, p. 293.

**Table 2****Industrial Training Expenditures as a Percentage of Total Training Expenditures, Selected Years**

YEAR	INDUSTRIAL TRAINING EXPENDITURES AS A PERCENTAGE OF TOTAL TRAINING EXPENDITURES
1987-88	8.3
1985-86	12.6
1982-83	13.9
1978-79	13.5
1975-76	10.1

Calculated from Table 1.

**Table 3****Number of Participants in Federal Government Training Programs, (thousands)**

YEAR	INSTITUTIONAL TRAINING	INDUSTRIAL TRAINING	TOTAL
1987-88	185.2	33.5	218.7
86-87	196.4	27.1	223.5
85-86	210.9	28.8	239.7
1984-85	216.8	42.6	259.4
83-84	231.2	46.1	277.3
82-83	235.0	36.8	271.8
81-82	219.5	73.2	292.7
80-81	223.8	84.0	307.8
1979-80	225.6	83.3	309.0
78-79	207.6	78.9	286.5
77-78	229.7	69.7	299.4
76-77	236.5	60.8	297.3
75-76	213.2	61.4	274.6
1974-75	241.6	50.0	291.6
73-74	276.6	43.1	319.7
72-73	275.7	40.5	316.2
71-72	276.6	31.5	308.2

Source: Noah M. Meltz, "The Evolution of Worker Training: The Canadian Experience," in Industrial Relations Research Association, *New Developments in Worker Training: A Legacy for the 1990s*, Madison, WI, Industrial Relations Research Association, 1990, p. 291.

### **Period 3: Mid-1980s to the Present: Federal Retrenchment**

The federal effort to 'chip away' at the dominance of institutional training continued when the Progressive Conservative Party came to power in 1984. It turned out to be much more successful in this effort than its predecessor. The Canadian Jobs Strategy (CJS), the new government's labour market policy, reduced considerably the influence of the provinces.

First, the CJS "substantially abandoned" the mechanisms, established under the AOTA, that enabled the provinces to direct federal training dollars.<sup>62</sup> Those mechanisms were the Manpower Needs Committees and the agreement that the provinces had obtained from the federal government that, in effect, required it to make virtually all of its training purchases from the provincial community colleges.

The CJS made a distinction between direct and indirect federal training purchases. Under the former, the federal government would purchase training directly from the community colleges. Under the new, indirect purchase arrangement, the federal government would sign training agreements with private parties, including individual for-profit enterprises. The agreements specified who should supply the training; that could include community colleges but an increasingly large part was purchased from private sector trainers.

In addition, the provinces had to contend with declining federal outlays on training. "Consequently...public institutions found themselves receiving a smaller part of a shrinking pie."<sup>63</sup>

Interestingly, Quebec was the only province that did not complain bitterly about the new arrangements. That was because, "In its training agreement with Ottawa... Quebec ensured that only a small part of indirect federal training dollars in the province went to private

trainers."<sup>64</sup> This perhaps adds to the irony that, while the Conservative government was attempting to reduce the role of the provinces in training policy, it was preparing, through its constitutional reforms, to cede responsibility for training to the provinces.

In 1989, the Conservative government, responding to pressures that emerged during the debate on free trade, commissioned the bi-partite (labour-management) Canadian Labour Market and Productivity Centre (CLMPC) to conduct a consultative exercise on labour market policy. These discussions and the reports that were produced resulted in a new labour market policy to replace the CJS. It was called the Labour Force Development Strategy (LFDS). One of its provisions was the "tightening up" of the Unemployment Insurance program. Of the \$1.3 billion that would be saved, \$775 million would go to training and it would be administered by a new entity, called the Canadian Labour Force Development Board (CLFDB).

Another reason for the replacement of the CJS by the LFDS was the federal desire to restore harmonious relations with the provinces. The introduction and implementation of the CJS had strained the federal government's relations with the provinces. According to Craig McFadyen,<sup>65</sup>

...the federal government felt that the LFDS initiative could provide a 'fresh start' and be used to foster more cooperative federal-provincial relations in the ALMP [active labour market policy] arena. Ironically, this new cooperative federalism was to be fostered by reducing the role of governments.

McFadyen quotes Arthur Kroeger, former Deputy Minister of Employment and Immigration Canada, as saying, "in the view of a number of officials, including myself, the

solution to federal-provincial disputes was not to increase the powers of either level of government, but rather to give greater power to their customers."<sup>66</sup> That power would come with the new CLFDB.

Not surprising, the provinces were not impressed and remained suspicious of the LFDS and the CLFDB. However, their expressions of disapproval were muted, since constitutional negotiations had been taking place around this time (the late 1980s) and the provinces had been led to believe that labour market policy would be devolved to them in whatever agreement was reached.

In the meantime, the provinces had to contend with taking a back seat to the labour market partners. According to McFadyen, the CJS had increased the legitimacy of the labour market partners and, as a result, "When the LFDS was being developed, consultation with the provinces was of secondary importance."<sup>67</sup> Indeed, the provinces complained that they were largely left out of the consultative exercise. In short, the CJS had expanded the role of the labour market partners. "The CLFDB represented the institutionalization of this role."<sup>68</sup>

The CLFDB was comprised of twenty-two voting members; eight were from business, eight were from labour, two were from the education and training community, and four were from the social equity groups (women, persons with disabilities, Aboriginal people, and visible minorities). The provinces had been invited to appoint a representative and most of them took up the offer. They, and the Deputy Minister of HRDC were non-voting members. The Board was led by two co-chairs from business and labour.

The mandate of the Board was a broad one. Eventually, it was to provide direction to the federal government for all expenditures and programs in the training field. According to

McBride, the federal government had indicated that, in spending the training dollars from the Unemployment Insurance Fund, it would treat consensus advice from the Board as virtually binding.<sup>69</sup>

The composition of the Board and its broad mandate clearly indicated the growing influence of societal interests and the diminishing role of the provincial governments. McFadyen even suggested that, "The crucible for policy development is no longer exclusively the intergovernmental arena."<sup>70</sup>

Those societal interests were supportive of a strong federal role in training. Haddow reports that the business and labour co-chairs of the Board had warned the Beaudoin-Dobbie Constitutional Committee that,<sup>71</sup>

if the field of training is redivided in a way that excessively diminishes the federal role, existing programs will be less coherent, less useful to clients and less productive... There is an important role for the federal government in the field of training that stems both from the federal government's responsibility for economic management and the desirability of coordinated Canada-wide labour markets and labour market programming.

The advice of the Board's co-chairs was not heeded by either the Committee or the federal government. As it turned out, both the CLFDB and the possibility of a strengthened federal role in training policy became victims of the country's constitutional wars of the early 1990s.

The defeat of the Charlottetown Accord in 1992 could have ended the possibility of federal devolution of training policy. But it did not. In 1995, as part of the effort to persuade the citizens of Quebec to vote against secession, the Prime Minister, with his back against the wall, offered to remove the federal government from training.

The federal offer to the provinces came in May, 1996: the federal government would make available to the provinces about \$1.5 billion to enable them to deliver active employment measures for employment insurance clients. Those measures would have to be similar to the five types that are specified in the *Employment Insurance Act* of 1996. They are wage subsidies to employers; earnings supplements to Employment Insurance (EI) recipients; income subsidies for EI recipients starting their own businesses; community partnerships for job creation; and support (i.e., loans or grants) for EI recipients to obtain training.

The federal government would retain sole responsibility for setting employment insurance policy, for managing the Employment Insurance fund and for delivering employment insurance benefits. It would continue to determine who was eligible for employment insurance and to develop and deliver active labour market measures for non-employment insurance clients, including youth, persons with disabilities, Aboriginal Canadians, older workers, and recent immigrants. It also reserved the right to undertake pan-Canadian activities, as yet undefined, either in response to special labour market problems or in situations that affect the country as a whole or a significant area of the country.

The federal government would negotiate a Labour Market Development Agreement (LMDA) with each province and territory to set out the details of the transfer of responsibility. Thus far, LMDAs have been negotiated with all provinces and territories, save Ontario. (See Table 4.)

Three types of LMDA have emerged: full-transfer, co-management and strategic partnership. In the full-transfer model, the province assumes full responsibility for the active employment measures within the federal funding and client eligibility constraints. Full-transfer arrangements are in effect in five

provinces and two territories comprising about 43.5 per cent of the population. Ontario will likely adopt the full-transfer model adding another 38 per cent to the total. British Columbia has initiated discussions to move from a co-management arrangement to a full-transfer arrangement.

Under co-management, there is no transfer of resources, either funds or staff, to the provinces. Instead, there is a process of joint management of policy and program design and program implementation. In other words, the provinces play a significant role in planning and policy development but the responsibility for actual delivery of programs is left to the federal government. Currently, this model is in operation in four provinces and one territory, representing about 18.6 per cent of the population.

Thomas Klassen identifies a third type of LMDA called strategic partnership. The agreement between the federal government and Nova Scotia appears to be a co-management type but is sufficiently different, says Klassen, to warrant its own classification. The only requirement of the agreement is that a joint management committee be established to examine areas of joint cooperation. In short, the LMDA has brought little change to Nova Scotia.<sup>72</sup>

The federal government has insisted that the active employment measures adopted by the provinces meet seven policy objectives. These objectives require that the active employment measures:

- be results-based;
- incorporate an evaluation of outcomes;
- promote cooperation and partnership with labour market partners;
- involve local decision-making;
- eliminate unnecessary overlap and duplication;
- encourage individuals to take personal responsibility for finding employment;

Table 4

**LMDA Chronology and Type of Agreement**

PROVINCE/TERRITORY	DATE OF AGREEMENT	AGREEMENT TYPE
Newfoundland and Labrador	March 24, 1997	Co-Management
Nova Scotia	April 24, 1997	Strategic Partnership
New Brunswick	Dec. 13, 1996	Full Transfer
Prince Edward Island	April 26, 1997	Co-Management
Quebec	April 21, 1997	Full Transfer
Ontario	No agreement to date; negotiations ongoing	
Manitoba	April 17, 1997	Full Transfer
Saskatchewan	Feb. 6, 1998	Full Transfer
Alberta	Dec. 6, 1996	Full Transfer
British Columbia	April 27, 1997	Co-Management initially but negotiations under way for a full-transfer LMDA
Yukon Territory	Jan. 24, 1998	Co-Management
Northwest Territories	Feb. 27, 1998	Full Transfer
Nunavut	May 11, 2000	Full Transfer

Source: T. Klassen, "The Federal-Provincial Labour Market Development Agreements: Brave New Model of Collaboration?" in T. McIntosh, (ed.), *Federalism, Democracy and Labour Market Policy in Canada*, School of Policy Studies, Queen's University, Kingston, McGill-Queen's University Press, 2000, p.176.

### *Federal Occupational Training Policy*

- ensure service to the public in either official language, where there is significant demand.

All LMDAs contain annual numerical targets for clients served and savings generated to the EI account. These targets are intended to encourage the provinces to promote self-reliance among EI clients.

Each LMDA also requires full-transfer provinces to submit annual audited financial statements on expenditures, as well as more frequent reports on the number of clients served, number of clients returned to work and savings generated. An evaluation of programs is required after the first year of the LMDA and then regularly every three years.

In each province, there are standing federal-provincial committees responsible for the implementation and administration of the LMDA, while in each co-management and strategic partnership province, there is a permanent federal-provincial committee charged with program development and implementation.

Klassen offers an insightful critical analysis of the new federal-provincial arrangements on training. He suggests, for instance, that the federal government may be less inclined to expand funding for labour market policies because it will reap little public benefit from doing so. It, therefore, may not be in a hurry to expand its labour market information service over which it retained sole responsibility. But timely and accurate labour market information is an essential tool for the design of effective programs, which are now the responsibility of the provinces.

Klassen also criticizes the LMDAs for their weak accountability framework. He observes, for instance, that they contain only three performance measures, mentioned above. Klassen points out that,<sup>73</sup>

A worker laid off from an assembly line where she had been earning \$23 per hour

who, after re-training, is hired on contract at \$8 per hour is not differentiated from an unemployed worker whose earnings double in a permanent position obtained as a result of program intervention.

He also wonders about the usefulness of the accountability framework since the agreements do not provide sanctions against the provinces that fail to meet the annual numerical targets. Is it likely that the federal government is going to withhold funds from, say, Quebec or Alberta if either one fails to meet the targets? It does not seem so.

Thirdly, Klassen points to an issue that has long concerned federal policy-makers, that is, the tendency of the provinces to direct training dollars to their community colleges. With the federal government no longer trying to reduce the role of institutional training, the community colleges may successfully argue to the provincial policy-makers that LMDA funds ought to be spent in provincial institutions and not go to private trainers or be used for industrial training. An excessive reliance on institutional training may not be in the best interests of EI claimants.

Klassen appears to have little confidence in the capacity of the new arrangements to survive the next economic downturn. In such a context,<sup>74</sup>

Not only will the demand for services increase as more workers lose their jobs, but governments' ability to increase expenditures will be constrained by decreasing revenue flows. Programs emphasizing a rapid return to employment will encounter difficulty as the economy runs out of jobs for people to return to.

The weak accountability framework will make it difficult to obtain sufficient information and intelligence to adjust policies. Klassen does not say so but it needs to be noted that, even with a

rigorous evaluative framework, altering policies to meet new conditions in the labour market would require a level of federal-provincial cooperation rarely seen in Canada, particularly in the training area. In addition, there are no provisions in the LMDAs for the provinces to easily obtain additional funds, especially on short notice, on the scale that would be required to address serious labour market problems.

Another of Klassen's criticisms has to do with the impact of the new arrangements on democratic values. Klassen states flatly that, "From the viewpoint of a democracy, the new regime implies less involvement from politicians, and less participation by stakeholders and the general public in setting strategic policy."<sup>75</sup> This is because the federal government, with a much diminished role in training, has little incentive to seek input from citizens, interest groups or politicians. If they do confront the federal government, they are likely to be referred to the provincial governments; that means trying to influence not one government but several.

The question arises: why would not citizens, groups and legislators take their concerns to the FLMM? Simply because the FLMM, like its predecessors, and like most structures of executive federalism, has shown little desire to engage societal interests. The CLFDB would have been the organization to facilitate dialogue between interest groups and governments had it not been a victim of devolution. Resurrecting it or establishing a similar structure is not on the horizon. (This may change, however, if the need for one is clearly demonstrated. It is noteworthy that the Expert Panel on Skills, which was formed by Industry Canada's Advisory Committee on Science and Technology and which included two provincial deputy ministers and three senior university officials, recommended the establishment of a CLFDB-type agency called Enterprise Canada "to aggressively address skills and enterprise challenges at the national and sub-regional

levels."<sup>76</sup> Tactically speaking, such an agency could prove useful to the federal government in that it could provide it with allies should it seek to assert itself in training policy.)

Klassen seems not to have a problem with the principle of devolution of worker training policy. That perhaps explains why he made no comment on a clause in the preamble to each LMDA that reads: "Whereas Canada acknowledges that labour market training is an area of provincial responsibility[.]"

It would appear that, in allowing the inclusion of this clause, the federal government agreed to much more than it needed to agree to. As we have seen, the clause flies in the face of the views of Liberal Ministers and Prime Ministers at least since King. It would also weaken the case of the federal government should it seek to re-enter the training field in a significant way. Why did the federal government accept the insertion of this clause? To mollify the provincial governments? To hasten the negotiations? To prepare the way for the 'constitutionalization' of devolution? This latter question gives rise to others: what are the clause's legal implications? And, is not the legal position of the provinces strengthened by this clause?

Perhaps a more fundamental question is: did the federal government really mean it when it acknowledged provincial jurisdiction over training? It would not seem so since it retained the right to provide training programs for non-EI clients such as youth, persons with disabilities, Aboriginal people, and immigrants. In reality, the number of non-EI claimants could be quite substantial since, according to figures provided by Stephen McBride, the coverage of the EI program has shrunk so much that only 36 per cent of the unemployed received benefits in 1998, compared to 87 per cent in 1987.<sup>77</sup>

If the federal government ignores the clause and develops programs for non-EI clients to any



significant extent, it could probably expect a strong negative reaction from the provinces, at least the larger ones. In this case, it would have only itself to blame.

## CONCLUSION

This paper set out to ascertain the factors that predisposed the federal government to withdraw from the occupational training field in the way it did in 1996, and to show how the institutions of Canadian federalism shaped federal training policy.

To address these issues, the paper used the neo-institutionalist approach to public policy analysis. The critically important role that the institutions of federalism play in Canadian policy-making made the neo-institutionalist model an appropriate one to use.

In explaining neo-institutionalism, the paper drew upon the works of several analysts, particularly Stephen Krasner, Kathleen Thelen and Michael Atkinson. Basically, neo-institutionalism contends that institutional arrangements shape policy expectations, objectives and outcomes. In addition, to reiterate Krasner, it posits that prior institutional choices limit available future options. This observation has been shown to be an accurate one, at least by this paper. Constitutional ambiguity led the federal government to approach training policy with extraordinary concern about the jurisdiction issue, and to develop and deliver it through the mechanism of executive federalism. This pattern has endured for almost a century. Attempts to dislodge it with corporatist arrangements were infrequent and unsuccessful.

After outlining the main features of the model, the paper narrowed its focus and briefly discussed federalism and the policy-making process. It identified the institutions of federalism that would be pertinent to the discussion, namely, the constitution, the judicial system and the practice of executive federalism. The paper then traced the evolution of federal

occupational training policy from the *Technical Education Act* of 1919 to the *Employment Insurance Act* of 1996.

With respect to the two issues set out above, the following conclusions can be drawn:

First, a key institutional factor that predisposed the federal government to take the step it took in 1996 is the ambiguity of the constitution on the question of which level of government has responsibility for training. This ambiguity enabled the federal government to offer control over training policy to the provinces during the constitutional struggles of the late 1980s and early 1990s. With the defeat of the Charlottetown Accord in 1992, the matter could have been dropped. However, in 1995, with the secessionist forces showing unexpected strength in the Quebec referendum, the Prime Minister of the country committed the federal government to withdrawing from training policy.

Secondly, executive federalism showed itself incapable of adequately accommodating the interests and concerns of both levels of government. Almost from the earliest days of federal interest in occupational training, the provinces, especially the larger ones, seemed uncomfortable with federal involvement in the field. With the federal-provincial negotiations that preceded the AOTA of 1967, this discomfort turned into resentment, which lingered for years afterwards. In the 1980s, provincial bitterness was fuelled by federal reductions in training expenditures, particularly expenditures that went to institutional training, and by federal efforts to reduce the role of executive federalism through the establishment of a corporatist arrangement.

Thirdly, the absence of a strong national labour organization, a consequence of the 1925 decision of the Judicial Committee of the Privy Council, that could participate meaningfully in national labour market policy-making militated

against the formation of effective corporatist arrangements; such arrangements could have counterbalanced the role played by executive federalism and perhaps stiffened the resolve of the federal government in its dealings with the provinces.

Finally, executive federalism played a key shaping role in federal occupational training policy in that the vast majority of federal training dollars were directed toward institutional training rather than on-the-job training. There is no reason to expect this emphasis to end especially since, with the LMDAs, the federal government has even less influence over where provincial training expenditures are channelled.

#### NOTES

1. Hon. Stéphane Dion, *Straight Talk, Speeches and Writings on Canadian Unity*, Montreal and Kingston, McGill-Queen's University Press, 1999, p. 216.
2. R. Chaykowski, "The Role of Sector Initiatives in the Canadian Industrial Relations System," in M. Gunderson, A. Sharpe, (eds.), *Forging Business-Labour Partnerships*, Toronto, University of Toronto Press, 1998, p. 295.
3. Robert B. Reich, *The Work of Nations*, New York, Alfred A. Knopf, 1991, p. 313.
4. Government of Canada, *Agenda: Jobs and Growth: Improving Social Security in Canada: A Discussion Paper*, Ottawa, Human Resources Development Canada, 1994, p. 18.
5. Hon. Paul Martin, *Speech to the House of Commons, 2000 Economic Statement*, October 18, 2000.
6. Hon. Paul Martin, *The Economic and Fiscal Update, A Presentation to the House of Commons Standing Committee on Finance*, London, Ontario, November 2, 1999.
7. Stephen McBride, *Human Capital, the Competitiveness Agenda and Training Policy in Australia*, Training Matters: Working Papers Series, #1999-07, Toronto, Centre for Research on Work and Society.
8. Leonard Cantor, *Vocational Education and Training in the Developed World*, London, Routledge, 1989.
9. Laura Dresser, Joel Rogers, *Sectoral Strategies of Labor Market Reform: Emerging Evidence from the United States*, Training Matters: Working Papers Series, #99-03, Toronto, Centre for Research on Work and Society.
10. Michael Atkinson, "Public Policy and the New Institutionalism," in Michael Atkinson, (ed.), *Governing Canada: Institutions and Public Policy*, Toronto, Harcourt, Brace, Jovanovich Canada, 1993, p. 21.
11. James G. March, Johan P. Olsen, "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review*, 78, No. 3, 1984, p. 734.
12. Kathleen Thelen, Sven Steinmo, "Historical Institutionalism in Comparative Politics," in S. Steinmo, K. Thelen, F. Longstreth (eds.), *Structuring Politics: Historical Institutionalism in Comparative Analysis*, Cambridge, Cambridge University Press, 1992, pp. 3-4.
13. *Ibid.*, p. 5.
14. March and Olsen, "The New Institutionalism: Organizational Factors in Political Life," p. 738.
15. Carolyn Tuohy, "Social Policy: Two Worlds," in Michael Atkinson, *Governing Canada: Institutions and Public Policy*, p. 276.

16. Peter Hall, *Governing the Economy, The Politics of State Intervention in Britain and France*, Cambridge, Polity Press, 1986, p. 19.
17. Quoted in Thelen and Steinmo, "Historical Institutionalism in Comparative Politics," p. 2.
18. Quoted in M. Howlett, M. Ramesh, *Studying Public Policy*, Don Mills, Ontario, Oxford University Press, 1995, p. 26.
19. Stephen Krasner, "Sovereignty: An Institutional Perspective," in *Comparative Political Studies*, 21, No. 1, 1988, p. 67.
20. *Ibid.*, p. 83.
21. Kathleen Thelen, *Union of Parts, Labor Politics in Postwar Germany*, Ithaca, Cornell University Press, 1991, p. 23.
22. *Ibid.*, pp. 23-24.
23. Thelen and Steinmo, "Historical Institutionalism in Comparative Politics," pp. 16 - 17.
24. Michael M. Atkinson, "Public Policy and the New Institutionalism," pp. 26 - 27.
25. M. Levi, quoted in Paul Cammack, "The New Institutionalism: Predatory Rule, Institutional Persistence and Macro-Social Change," in *Economy and Society*, 21, No. 4, November, 1992, p. 404.
26. K. Thelen, S. Steinmo, "Historical Institutionalism in Comparative Politics," p. 8.
27. M. Howlett and M. Ramesh, *Studying Public Policy*, p. 37.
28. *Ibid.*
29. Michael M. Atkinson, "Public Policy and the New Institutionalism," pp. 21 - 23.
30. *Ibid.*, p. 22.
31. *Ibid.*
32. *Ibid.* p. 23.
33. Michael M. Atkinson, "Public Policy and the New Institutionalism," p. 31.
34. *Ibid.*, pp. 32 - 33.
35. Quoted in K. McRoberts, "Federal Structures and the Policy Process," in Michael M. Atkinson, (ed.), *Governing Canada: Institutions and Public Policy*, Toronto, Harcourt, Brace, Jovanovich Canada Inc., 1993, p. 159.
36. Ronald Watts, *Comparing Federal Systems*, second edition, Kingston, McGill-Queen's University Press, 1999, p. 38.
37. Hon. Stéphane Dion, *Straight Talk*, p. 62.
38. Quoted in Deborah Coyne, Michael Valpy, *To Match a Dream*, Toronto, McClelland and Stewart, 1998, p. 166.
39. J. Stefan Dupré, et al., *Federalism and Policy Development: The Case of Adult Occupational Training in Ontario*, Toronto, University of Toronto Press, 1973, p. 26.
40. Quoted in J. Ajzenstat, P. Romney, I. Gentles, W. Gairdner, (eds.), *Canada's Founding Debates*, Toronto, Stoddart, 1999, pp. 282 - 284.
41. Carolyn Tuohy, *Policy and Politics in Canada: Institutionalized Ambivalence*, Philadelphia, Temple University Press, 1992, p. 30.
42. Quoted in Royal Commission on Industrial Training and Technical Education, *Report of the Commissioners*, Parts 1 and 2, Ottawa, King's Printer, 1913, p. vii.
43. J. Stefan Dupré, et al., *Federalism and Policy Development*, p. 13.

*Federal Occupational Training Policy*

44. Royal Commission on Industrial Training and Technical Education, *Report of the Commissioners*, p. 30.
45. *Ibid.*, p. 34.
46. J. Stefan Dupré, et al., *Federalism and Policy Development*, p. 14.
47. Royal Commission on Industrial Training and Technical Education, *Report of the Commissioners*, p. 162, p. 273.
48. J. Stefan Dupré, et al., *Federalism and Policy Development*, p. 15.
49. Department of Labour, Canada, *Judicial Proceedings respecting Constitutional Validity of The Industrial Disputes Investigation Act, 1907 and Amendments of 1910, 1918 and 1920*, Ottawa, Printer to the King's Most Excellent Majesty, 1925, p. 16.
50. F.R. Scott, "Federal Jurisdiction over Labour Relations, A New Look," in H.D. Woods, (ed.), *Unions and the Future*, 11<sup>th</sup> Annual Industrial Relations Conference, McGill University Industrial Relations Centre, 1959, p. 35.
51. On the barriers to national bargaining, see Alton Craig, *The Consequences of Provincial Jurisdiction for the Process of Company-Wide Collective Bargaining in Canada: A Study of the Packinghouse Industry*, Ph.D Thesis, June, 1964.
52. Carolyn Tuohy, *Policy and Politics in Canada: Institutionalized Ambivalence*, p. 166.
53. Pierre Paquet, quoted in S. McBride, "The Political Economy of Training in Canada," a paper delivered at the Conference of the Labour Education and Training Research Network: Training Matters, May 24-26, 1998, sponsored by the Centre for Research on Work and Society, p. 3.
54. J. Stefan Dupré, *Federalism and Policy Development*, p. 17.
55. S. McBride, "Political Economy of Training in Canada," p. 3.
56. J. Stefan Dupré, *Federalism and Policy Development*, p. 20.
57. Rodney Haddow, "Federalism and Training Policy in Canada: Institutional Barriers to Economic Adjustment," in F. Rocher, M. Smith, (eds.), *New Trends in Canadian Federalism*, Peterborough, Ont., Broadview Press, 1995, p. 341.
58. *Ibid.*, p. 342.
59. Task Force on Labour Market Development, *Labour Market Development in the 1980s*, Employment and Immigration Canada, July, 1981, p. 229.
60. Rodney Haddow, "Federalism and Training Policy in Canada," p. 343.
61. *Ibid.*
62. *Ibid.* p. 345.
63. *Ibid.*, p. 346.
64. *Ibid.*, p. 347.
65. Craig McFadyen, "Transforming the Active Labour Market Policy Network: The Emergence of the Canadian Labour Force Development Board," in A. Sharpe, R. Haddow, (eds.), *Social Partnerships for Training*, Kingston, School of Policy Studies at Queen's University, Caledon Institute of Social Policy, 1997, p. 66.
66. *Ibid.*
67. *Ibid.*, p. 69.
68. *Ibid.*, p. 70.
69. S. McBride, "The Political Economy of Training in Canada," p. 15.

70. Craig McFadyen, "Transforming the Active Labour Market Policy Network," p. 78.
71. Rodney Haddow, "Federalism and Training Policy in Canada," p. 353.
72. T. Klassen, "The Federal-Provincial Labour Market Development Agreements: Brave New Model of Collaboration?" in T. McIntosh, (ed.), *Federalism, Democracy and Labour Market Policy in Canada*, School of Policy Studies, Queen's University, Kingston, McGill-Queen's University Press, 2000, p. 177.
73. T. Klassen, "Job Market Training: The Social Union in Practice," in *Policy Options*, December, 1999, p. 42.
74. *Ibid.*, p. 44.
75. T. Klassen, "The Federal-Provincial Labour Market Development Agreements," p. 191.
76. Expert Panel on Skills, *Stepping Up: Skills and Opportunities in the Knowledge Economy*, Ottawa, Industry Canada, October, 1999, p. 75.
77. S. McBride, "The Political Economy of Training in Canada," p. 24.

## BIBLIOGRAPHY

- Ajzenstat, J., et al., (eds.), *Canada's Founding Debates*, Toronto, Stoddart Publishing Company, 1999.
- Atkinson, Michael M., "Public Policy and the New Institutionalism," in Michael M. Atkinson, (ed.), *Governing Canada: Institutions and Public Policy*, Toronto, Harcourt, Brace, Jovanovich Canada Inc., 1993.
- Cammack, Paul, "The New Institutionalism: Predatory Rule, Institutional Persistence and Macro-Social Change," *Economy and Society*, 21, No. 4, November, 1992.
- Cantor, Leonard, *Vocational Education and Training in the Developed World*, London, Routledge, 1989.
- Carnevale, A., Gainer, L., Villet, J., *Training in America*, San Francisco, Jossey-Bass Publishers, 1990.
- Coyne, D., Valpy, M., *To Match a Dream*, Toronto, McClelland and Stewart, 1998.
- Craig, Alton, *The Consequences of Provincial Jurisdiction for the Process of Company-Wide Collective Bargaining in Canada: A Study of the Packinghouse Industry*, Ph.D. Thesis, June, 1964.
- Department of Labour, Canada, *Judicial Proceedings respecting Constitutional Validity of The Industrial Disputes Investigation Act, 1907 and Amendments of 1910, 1918 and 1920*, Ottawa, Printer to the King's Most Excellent Majesty, 1925.
- Dion, Stéphane, *Straight Talk, Speeches and Writings on Canadian Unity*, Montreal and Kingston, McGill-Queen's University Press, 1999.
- Dresser, L., Rogers, J., *Sectoral Strategies of Labor Market Reform: Emerging Evidence from the United States*, Training Matters:

*Federal Occupational Training Policy*

- Working Papers Series, #99-03, Toronto, Centre for Research on Work and Society.
- Dupré, J.S., et al., *Federalism and Policy Development: The Case of Adult Occupational Training in Ontario*, Toronto, University of Toronto Press, 1973.
- Expert Panel on Skills, *Stepping Up: Skills and Opportunities in the Knowledge Economy*, Ottawa, Industry Canada, October, 1999.
- Government of Canada, *Agenda: Jobs and Growth: Improving Social Security in Canada: A Discussion Paper*, Ottawa, Human Resources Development Canada, 1994.
- Gunderson, M., Sharpe, A., (eds.), *Forging Business-Labour Partnerships: The Emergence of Sector Councils in Canada*, Toronto, University of Toronto Press, 1998.
- Haddow, Rodney, "Federalism and Training Policy in Canada: Institutional Barriers to Economic Adjustment," in F. Rocher, M. Smith, (eds.), *New Trends in Canadian Federalism*, Peterborough, Ontario, Broadview Press, 1995.
- Hall, Peter, *Governing the Economy: The Politics of State Intervention in Britain and France*, Cambridge, Polity Press, 1986.
- Howlett, M., Ramesh, M., *Studying Public Policy*, Don Mills, Ontario, Oxford University Press, 1995.
- Human Resources Development Canada, *Labour Market Policies and Employment Services in Canada: A New Collaborative Approach*, paper submitted by the Employment Programs Branch for the OECD Conference on Public Employment Services, Prague, June, 2000.
- Klassen, T., "Job Market Training: The Social Union in Practice," in *Policy Options*, December, 1999.
- Klassen, T., "The Federal-Provincial Labour Market Development Agreements: Brave New Model of Collaboration?" in T. McIntosh, (ed.), *Federalism, Democracy and Labour Market Policy in Canada*, School of Policy Studies, Queen's University, Kingston, McGill-Queen's University Press, 2000.
- Krasner, Stephen, "Sovereignty: An Institutional Perspective," *Comparative Political Studies*, 21, No. 1, 1988.
- Krasner, Stephen, "Approaches to the State," *Comparative Politics*, January, 1984.
- LaSelva, S.V., *The Moral Foundations of Canadian Federalism*, Montreal and Kingston, McGill-Queen's University Press, 1996.
- Lusztig, P., "Education, Training and Labour Markets," in *Policy Options*, July-August, 1994.
- March, J.G., Olsen, J.P., "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review*, 78, No. 3, 1984.
- Martin, Paul, *The Economic and Fiscal Update, A Presentation to the House of Commons Standing Committee on Finance*, London, Ontario, November 2, 1999.
- Martin, Paul, *Speech to the House of Commons, 2000 Economic Statement*, October 18, 2000.
- McBride, Stephen, "The Political Economy of Training in Canada," a paper delivered at the Conference of the Labour Education and Training Research Network: Training Matters, May 24-26, 1998, sponsored by the Centre for Research on Work and Society.
- McBride, Stephen, *Human Capital, the Competitiveness Agenda and Training Policy in Australia*, Training Matters:

*Federal Occupational Training Policy*

- Working Papers Series, #1999-07, Toronto, Centre for Research on Work and Society.
- McRoberts, Kenneth, "Federal Structures and the Policy Process," in Michael M. Atkinson, (ed.), *Governing Canada: Institutions and Public Policy*, Toronto, Harcourt, Brace, Jovanovich Canada Inc., 1993.
- Meltz, Noah M., "The Evolution of Worker Training: The Canadian Experience," in Industrial Relations Research Association, *New Developments in Worker Training: A Legacy for the 1990s*, Madison, WI, Industrial Relations Research Association, 1990.
- Reich, Robert B., *The Work of Nations*, New York, Alfred A. Knopf, 1991.
- Royal Commission on Industrial Training and Technical Education, *Report of the Commissioners*, Parts 1 and 2, Ottawa, King's Printer, 1913.
- Scott, F.R., "Federal Jurisdiction over Labour Relations, A New Look," in H.D. Woods, (ed.), *Unions and the Future*, 11<sup>th</sup> Annual Industrial Relations Conference, McGill University Industrial Relations Centre, 1959.
- Sharpe, A., Haddow, R., (eds.), *Social Partnerships for Training*, Kingston, School of Policy Studies of Queen's University, Caledon Institute of Social Policy, 1997.
- Smiley, D.V., *Canada in Question: Federalism in the Eighties*, third edition, Toronto, McGraw-Hill Ryerson Limited, 1980.
- Smith, Jennifer, "Intrastate Federalism and Confederation," in Stephen Brooks, (ed.), *Political Thought in Canada*, Toronto, Irwin Publishing, 1984.
- Task Force on Labour Market Development, *Labour Market Development in the 1980s*, Employment and Immigration Canada, July, 1981.
- Thelen, Kathleen, *Union of Parts, Labor Politics in Postwar Germany*, Ithaca, Cornell University Press, 1991.
- Thelen, K., Steinmo, S., "Historical Institutionalism in Comparative Politics," in S. Steinmo, K. Thelen, F. Longstreth (eds.), *Structuring Politics: Historical Institutionalism in Comparative Analysis*, Cambridge, Cambridge University Press, 1992.
- Tuohy, Carolyn, *Policy and Politics in Canada: Institutionalized Ambivalence*, Philadelphia, Temple University Press, 1992.
- Tuohy, Carolyn, "Social Policy: Two Worlds," in Michael Atkinson, *Governing Canada: Institutions and Public Policy*, Toronto, Harcourt, Brace, Jovanovich Canada Inc., 1993.
- Watts, Ronald, *Comparing Federal Systems*, second edition, Montreal and Kingston, McGill-Queen's University Press, 1999.