

LITERACY LOST – CANADA’S BASIC SKILLS SHORTFALL

Opening Statement

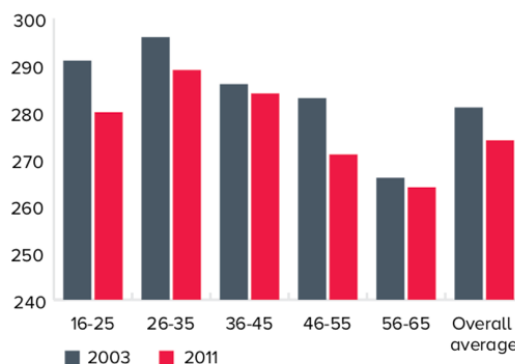
Work is changing due to automation and globalization. Literacy is not just the ability to read, it is the ability to read and understand well and then apply what has been read to a range of problems. According to international literacy assessments, more than 40% of Canada’s workforce do not have adequate levels of the literacy skills needed to learn efficiently and be highly productive in most jobs. Without this ability, many Canadians will not be able to keep their jobs – or find new ones – and a growing number of employers will not be able to find workers with the skills they need. This issue will create a skills gap as employers cannot find workers, and employees will be unable to find jobs. In fact, the current COVID-19 pandemic of the last two years has inordinately impacted lower-skilled and lower-education workers and reinforces the need for action on addressing the literacy shortfall.

Background

Literacy levels of younger generations are declining overall, and skills become rusty with age through lack of use. The lack of available training tied to industry needs for adult workers compounds the problem. The problem is getting worse. Increasing the literacy skills in the workforce by an average of 1% would over time lead to a 3% increase in GDP or \$54 billion per year, every year and a 5% increase in productivity.¹ Literacy scores and the level of skills for young people have been visibly on the decline.

Figure 1 illustrates the decline in literacy scores by age group over the years. There is a need for greater investment in literacy and numeracy at all age levels beginning with the 16-25 age demographics. Therefore, public schools and post secondary institutions must have adequate funding to test and improve literacy and numeracy scores. Skill loss occurs at a higher rate later in life per Figure 2. Ensuring that regional public and post-secondary institutions allow for adults to upgrade their skills would be instrumental in preserving skills and reducing the skill gap shortage.

Figure 1: Decline in literacy scores by age group comparing 2003 and 2011²

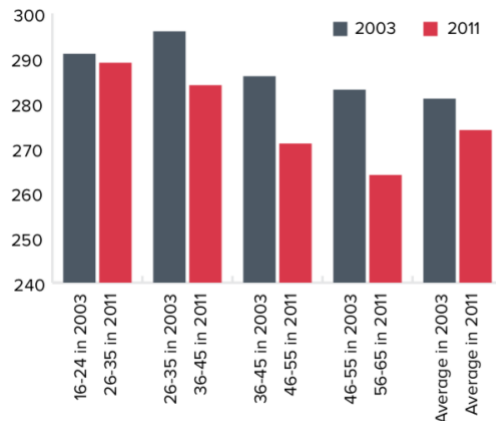


Source: IALS, PIACC (Standardized to the PIAAC composition for comparison)

¹ https://cwf.ca/wp-content/uploads/2018/12/2018-12-CWF_LiteracyLost_Report_WEB-1.pdf

² The International Adult Literacy Survey (IALS) has not been completed since 2011 so this is the latest data available

Figure 2: Skill loss by age group comparing 2003 and 2011³



Source: IALS and PIACC

Ryerson University, the Conference Board of Canada and Blueprint ADE are working together to operate Canada's [Future Skills Centre](#) at arm's length from the Government of Canada. Located on Ryerson University's campus, the Future Skills Centre supports community-based projects across Canada, in all provinces and territories, and is responsive to regional differences. There has been an access issue for in-demand skills and training for service providers, employers, governments, and community groups – the Future Skills Centre fills this gap.

The Centre is partnering with and funding projects that are led by groups such as provincial and territorial governments, Indigenous governments, for-profit organizations, and not-for-profit organizations to:

- help Canadians make informed training decisions by identifying emerging in-demand skills required now and in years to come;
- help Canadians gain the skills they need to adapt and succeed in the workforce by increasing access to quality training; and,
- share results and best practices across all sectors and with Canadians to support investment in the skills needed to be resilient in the face of change now and into the future.⁴

Jobs in the changing economy demand even higher levels of literacy

Technology is taking over many routine tasks leaving higher-level, more complex, interactive tasks to humans. While specific technical skills are a requisite to being hired for existing and newly created jobs, the capacity to adapt to and use changing technology and processes is also necessary. Employers are increasing the skill level demanded by their jobs to maintain competitiveness in the global economy. Manufacturing, for example, is becoming much more skill intensive, for technical and cognitive skills.

The pace of change that the industry is experiencing, combined with global competitive pressures, means that manufacturers will continue to expect more from their employees. Essentially, manufacturers need skilled workers who can master new, advanced technologies, work in highly

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⁴ <https://www.canada.ca/en/employment-social-development/programs/future-skills/centre.html>

collaborative team environments, use critical thinking and problem-solving skills, adapt to ever changing environments, and embrace an attitude of never-ending learning.

Statistics Canada published a study on the risk of automation-related job transformation. It was found that 10.6% of Canadian workers were at high risk (probability of 70% or higher) of automation-related job transformation in 2016, while 29.1% were at moderate risk (probability of between 50% and 70%).⁵

Several groups had a relatively higher share of workers who were at high risk, including those who were older (55 or above), had no postsecondary credentials or postsecondary credentials in certain fields, had low literacy or numeracy proficiency, had low employment income, or were employed part time, in small firms, in certain occupations (e.g. Office support occupations), or in the manufacturing sector. One specific finding of interest is that Business, management and public administration and Health and related fields graduates faced the highest automation-related job transformation risks among postsecondary certificate and diploma holders, but they were among the groups facing the lowest risks when looking at postsecondary degree holders.

The BC Government currently publishes a publication on labour market⁶. The report is released every five years and gives a 10 year outlook. Businesses rely on this report to see where the market is going, and what investments to make and expect. The labour market is shifting every day with automation and changes in global labour mobility and geopolitical issues I.e., the Ukrainian war, and the Taliban takeover of Afghanistan. Due to unexpected and rapid changes in the labour market, business needs the labour market publication to be released earlier.

THE CHAMBER RECOMMENDS

That the Provincial Government in coordination with the Federal Government:

1. Work with the Forum of Labour Market Ministers to create a report on jobs at risk of automation with actionable recommendations to protect, upskill, reskill those affected by automation for different industries through training programs;
2. Release the BC Labour Market publications every two years instead of every five years; and,
3. Commit to providing long term, stable funding for community literacy programs to provide more and flexible options for learners, working learners, and parents.

Submitted by the Surrey Board of Trade

The Policy Review Committee supports this resolution.

⁵ <https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2020011-eng.htm>

⁶ <https://www.workbc.ca/labour-market-industry/labour-market-outlook.aspx>