

Intelligence MEMOS



From: Kathleen Taylor and Neil Yeates
To: Human Capital Council members, federal, provincial and local governments
Date: September 19, 2016
Re: **BUILDING UP AND DEPLOYING OUR HUMAN CAPITAL**

How we develop the skills of Canadians and how we put them to best use are two central issues confronting a wide range of policymakers today. Getting the answers right will be critical to Canada's future ability to maintain a vibrant, successful and inclusive society. Now is a good time to take stock of programs that have worked and those that have not – all in an effort to identify and analyze the types of changes policymakers should consider to enhance future opportunities for all Canadians.

The Human Capital Council of the C.D. Howe Institute was formed earlier this year to develop a research agenda focused on the rapidly changing world of work. Our goal is to create a methodology for prioritizing human capital initiatives, particularly in the context of ongoing technological innovations. We believe that education, skills development and labour market outcomes are the foundation for ensuring broad based prosperity. As such, well-designed public policies can enable enhanced opportunities that allow all Canadians to reach their full potential.

At present, Canada is grappling with a number of powerful trends - persistently slow growth, the demographic shift of babyboomers into retirement, and unanticipated but repetitive economic shocks both large and small. As a result, Canadians today can face a number of difficult periods of transition in the world of work. At the same time, innovations in science and technology, openness to trade, and the decline of traditional industries all require workforce adjustments. As these economic shifts cause employment opportunities in certain sectors to fade, job opportunities in other sectors – both high- and low-wage – improve. To support and assist individuals in periods of transition, we must get a clearer picture on the causes of these shifts and the policy tools that will help overcome existing and future challenges.

As we grapple with today's challenges, we must also take stock of the important needs of the next generation and how we prepare our youth for tomorrow. As the pace of change accelerates, it is often unclear what future skills will be valued and what policymakers can do to help address gaps. From early childhood right through to post-secondary and continuing education, we need to provide the best possible preparation for our youth, always setting the bar high.

Policymakers aiming to improve opportunities for Canadians must also be mindful that the benefits of improved prosperity must be widespread: many Canadians face enormous challenges and obstacles that often lead to poor labour market outcomes. More inclusive economic growth will also need to consider how to improve the outlook for youth, Indigenous peoples, women, newcomers, visible minorities, and those with physical and mental challenges, to name a few.

These are just a few in a long list of questions that must be tackled. As we aim to boost the prosperity of all Canadians, the C.D. Howe Institute's Human Capital Council will endeavour to provide evidence-based advice on these complicated yet critical issues.

Kathleen Taylor is the Chair of the RBC Board of Directors, and Neil Yeates is the former Deputy Minister of Citizenship and Immigration Canada.