

REPORT ON LIFELONG LEARNING

**Report from the Committee of Experts on the Funding of
Continuing Education and Training**

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Hon. Pierre Reid
Minister of Education

Hon. Claude Béchar
Minister of Employment,
Social Solidarity and Family Welfare

Dear Ministers:

The members of the Committee of Experts on the Funding of Continuing Education and Training are pleased to submit their report in accordance with the mandate it received from the Québec government in January 2003.

Our work covers the two main elements described in the mandate: analysis of the various aspects of the funding of continuing education and training, and the formulation of actions to be undertaken to significantly increase the number of adults who take steps toward developing their competencies.

Many observations result from our analysis. They primarily show that the amounts spent on continuing education are significant and that the effort of the Québec government compares to that of the other Canadian provinces. However, the scope of the needs expressed, which ensues from a more demanding environment and Québec's situation in terms of adult participation in continuing education activities and its citizens' basic education, will require additional effort. It would appear that the State cannot assume the burden alone and that all political, economic and social stakeholders, including the various education systems, must contribute.

Moreover, the Committee of Experts based its work on the profitability of continuing education for the State, employers and individuals in order to establish principles for sharing funding among these stakeholders. After studying the practices of different OECD countries and the Canadian provinces, and describing the situation in Québec as comprehensively as possible, we have formulated 18 recommendations.¹ These recommendations have been divided into categories corresponding to the main partners responsible for the funding of continuing education and training, and each

¹ This report has been adopted by all members of the Committee of Experts on the Funding of Continuing Education and Training. However, one member, Colette Bérubé, does not fully share the opinion of the majority, and has confirmed her disagreement with recommendations six, twelve and thirteen in a separate document.

recommendation is associated with the partner most directly involved in its funding or implementation.

Finally, given the absence of a truly integrated data system on adult education and continuing education and training in Québec, we encountered many difficulties in gaining an overview of the approaches used and assessing the current situation. However, while we are aware of the limits of the work done, we hope to have made a substantial and relevant contribution to shedding light on government decisions so that a true culture of continuing education and training can be implemented in Québec.

Sincerely,

Claude Pagé

President

Colette Bérubé

Member

Clément Lemelin

Member

Céline Saint-Pierre

Member

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We would like to thank all those who contributed to the fulfillment of the committee's mandate and the publication of this report.

We would particularly like to thank Marielle Anne Martinet, of the Ministère de l'Éducation, and Carl Sauvageau, of the Ministère de l'Emploi, de la Solidarité sociale et de la Famille for their work on this project. Their valuable assistance in gathering and analyzing data, preparing various information and research documents and drafting the report and its recommendations is greatly appreciated.

We would also like to thank Lorraine Comtois, of the Ministère de l'Emploi, de la Solidarité sociale et de la Famille, and Daniel Florea, of the Ministère des Finances, for their work with the committee.

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"As part of the wider perspective of lifelong learning, adult learning has in recent years slowly begun to be mainstreamed into education and human resource policies. It is now clearly recognised as an important tool for equity and social cohesion, for economic and social development in knowledge-based societies, for reducing unemployment and skills shortages, for personal development, and for furthering citizenship and democratic values."

Organisation for Economic Co-operation and Development (2003a: 69)

INTRODUCTION

In January, the Québec government issued an Order in Council approving the setup of a committee of experts,² appointed from outside the public administration, to study the funding of continuing education and training. The committee was mandated to:

"analyze **the various aspects of the funding** of continuing education and training, and formulate recommendations for action to be undertaken to **significantly increase the number of adults** who take steps toward developing their competencies".

To carry out its mandate, the Committee of Experts must examine the current practices of the various member nations of the Organisation for Economic Co-operation and Development (OECD), as well as the different forms of financial assistance offered to adults in Québec, and define mechanisms that favour continuing education and training in the Canadian and Québec income tax systems.

It must also consider the concept of equity with respect to people who commit to a training process in the postsecondary sector, the government's will to play an active role in this training sector and the desirability of introducing incentives to foster the success of adults who are in training.

Lastly, the brief appended to the Order in Council also specifies that the Committee of Experts may hold the consultations it deems necessary, but that it must meet with specifically designated groups. Moreover, several working sessions have taken place with various stakeholders. In addition, a consultation process was undertaken with province-wide organizations involved in adult education and continuing education and training.³

Above all, it should be stressed that in pursuing its mandate, the Committee of Experts adhered to the *Government Policy on Adult Education and Continuing Education and Training*. It has therefore adopted the Policy's orientations, which are as follows:

- to provide basic education for adults
- to maintain and continually upgrade adults' competencies
- to acknowledge prior learning and competencies through official recognition
- to remove obstacles to access and retention

In addition, in carrying out the mandate, the committee has focused its reflection on several elements contained in the policy and its action plan, including:

- Should lifelong learning be considered a new reality requiring additional resources, or should its development be supported by redistributing the resources currently allocated to education and training?
- The State cannot single-handedly create a lifelong learning system, and there is not enough money in the public purse to fund such a project.

² Appendix 1.1 contains the biographies of the members of the Committee of Experts.

³ Appendix 1.2 lists the organizations that have been met with and those that have been consulted.

-
- The participation of employers and unions in lifelong learning strategies seems to be necessary since there is a need to secure significant private means of financing.
 - A balance between the State's contribution, that of employers and that of individuals must be ensured.
 - The return on learning both for individuals and for businesses, or society, must be improved.
 - A genuine culture of lifelong learning must be developed in Québec.

The methodology adopted is that used by several OECD groups for carrying out similar tasks:

- examination of the rates of participation in continuing education and training activities
- identification of shortages, and where appropriate, their scope
- analysis of practices in order to improve the level of efficiency and equity
- examination of funding sources
- assessment of the input of governments
- formulation of a new division of responsibilities among the various stakeholders
- definition of incentives to increase participation

Based on this approach, it was important, first and foremost, to establish a definition of adults committed to a process of continuing education or training. In Québec, as elsewhere, there is no consensus on this matter, which considerably hinders the understanding and comparing of data.⁴

Thus, for the purposes of fulfilling its mandate, the Committee of Experts decided that an adult in continuing education or training is someone eighteen years of age or over who, following a break in his or her studies, commits to formal, nonformal or informal education or training activities. Continuing education and training is therefore associated with the concept of disruption and discontinuity of a learning path, coming after initial education acquired in a continuous path.

At the outset of this undertaking, there was no inventory of adult education and continuing education and training in Québec. Such an inventory dates back to 1980-1982, and was conducted by the Commission d'étude sur la formation des adultes (Commission Jean). The Conseil supérieur de l'éducation also performed a similar study in 1994, but as in the past, the information-gathering process required to define this complex sector met with numerous obstacles. Given the absence of an integrated system designed to gather and process information on adult education and continuing education and training in Québec, the Committee decided to perform a new inventory before examining the various aspects of funding in this sector.

The examination of the situation and the choice of suggested actions are based on theoretical and conceptual developments documented in the literature consulted. Similarly, the committee established comparisons of several aspects of continuing education and training between Québec and other OECD jurisdictions, and between Québec and other Canadian provinces.

4 Appendix 1.3 outlines the definitions used by the Committee of Experts to carry out its work.

This report summarizes the work accomplished over the past year. In order to take into account the number and the diversity of the issues under study as defined in the mandate, the work was categorized according to a number of integrating themes, which may be formulated as questions:

- What are the aims of lifelong learning?

The first chapter defines the concept of lifelong learning and its rationale.

- What is the situation of continuing education and training in Québec?

The second chapter defines the field of continuing education and training and compares Québec with other jurisdictions in terms of the level of initial education and the rate of participation in continuing education and training activities.

- Which elements in the external environment exert pressure on continuing education and training needs?

The third chapter examines the main trends in contemporary societies and in Québec, and highlights the issues that exert pressure on continuing education and training.

- What is the nature of the supply of training for adults in Québec?

The fourth chapter describes the supply of training for adults provided by different stakeholders, both public and private, and presents its strengths and shortcomings.

- Which characteristics influence participation in continuing education and training in Québec?

The fifth chapter summarizes the elements that affect the demand for training, including the characteristics of adults that determine whether they will participate, and the factors that influence their participation.

- How should the various economic players contribute to the funding of continuing education and training, considering that the latter should be profitable for all those involved?

The sixth chapter deals with continuing education and training from the viewpoint of investment, which entails benefits and costs for society, individuals and employers, and sets out a number of principles governing the division of funding responsibilities.

- What are the principal sources of funding for continuing education and training in Québec? Can the burden be distributed among the various partners? Should the government intervene differently, and should the effort be varied?

The seventh chapter presents the principal public and private sources of funding for continuing education and training, as well as comparisons of the overall effort in spatial and temporal terms. These sources of funding are analyzed according to efficiency and equity criteria.

- Does the nonrecognition of prior learning and competencies represent a cost for Québec?

The eighth chapter summarizes evolving practices of recognizing prior learning and competencies over the past decades and the associated benefits for individuals, employers and society. It outlines the costs inherent in restricting these practices.

- What orientations and courses of action need to be pursued?

The ninth chapter concludes this study by outlining the recommendations made to the government.

The members of the Committee of Experts wish to point out that over past decades, continuing education and training have been the subject of other assessments and that all too often, many essential aspects of the resulting recommendations have not been followed up. This could partially explain the weak culture of continuing education and training and the low participation rates in this type of activity in Québec, compared with other jurisdictions in North America and elsewhere around the world. For this reason, it is urgent to move beyond making statements; it must be hoped that the decisions taken by governments will result in action, so that a culture of continuing education and training can become firmly established in Québec.

CHAPTER 1

LIFELONG LEARNING: AN UNDENIABLE NECESSITY

The concept of lifelong learning has evolved considerably since it first emerged at the beginning of the 1970s. From the confirmation of the right and the need of every individual to learn throughout life (UNESCO 1972), to the concept of lifelong education as a key to entering the 21st century (UNESCO 1996), or the concept of pursuing purposeful learning throughout life (OECD, 1996), the Treaty of Amsterdam defined this concept as "encompassing all purposeful learning activity, whether formal or informal, undertaken on an ongoing basis with the aim of improving knowledge, skills, and competencies" (European Commission, 1999).

The Declaration of the Fifth International Conference on Adult Education, referred to as the Hamburg Declaration (1997) and the recent work of the OECD and the European Union make it possible to more clearly define this concept. It refers to the learning processes, formal or otherwise, whereby people have developed their abilities since childhood, gradually enriched their knowledge, and improved their technical or professional qualifications or turn them in a new direction to meet their own needs and those of their society.

Lifelong learning is founded on a solid basic education and the constant upgrading of knowledge and skills, both of which are undeniable necessities and the two major factors of economic and social growth in contemporary society.

1.1 A NEW PERSPECTIVE

Change in the global and local environment continues to accelerate. Society is now continually faced with new realities that require equally continuous change in work organization and in day-to-day life. The knowledge and skills required of individuals wishing to become active in society, integrate the work force or keep a job are constantly and rapidly changing.

In this context, lifelong learning takes on greater importance in the development of public policies. Today, all multilateral agencies and OECD member states place their education and adult education and training interventions in a lifelong learning perspective.

1.2 A SHARED VISION

At the Hamburg Conference, some 160 nations agreed that lifelong learning is one of the solutions required to confront the rapid, continual changes that are increasingly impacting on societies.

Lifelong learning involves the education and training of both young people and adults. Its goals are to:

- develop the autonomy and the sense of responsibility of people and communities
- better equip individuals and communities to deal with the transformations taking place in the economy, in culture and in society as a whole

-
- promote coexistence, tolerance and the informed and creative participation of citizens in their communities
 - enable people and communities to take control of their destiny and that of society in order to face the challenges ahead

1.3 AN AMBITIOUS OBJECTIVE

The scope of lifelong learning surpasses that of adult education and continuing education and training. This approach is considered to be a new education paradigm. The literature consulted stresses that in order to promote lifelong learning, it is necessary to:

- facilitate access for children to quality education
- reinforce initial education and fundamental learning
- create bridges and promote mobility between types of training and between school and work
- recognize prior learning and competencies
- innovate with respect to teaching practices and focus them on self-directed learning
- enhance the appeal and prestige of vocational and technical education, which are largely dependent on the social recognition and labour-market opportunities they offer
- encourage adults to learn and obtain an initial diploma or continually upgrade their competencies, either on the job or independently

Lifelong learning thus represents an ambitious objective, on the same scale as the changes that Québec must confront in order to maintain and improve its level and quality of life. This requires an adapted response that will effectively and harmoniously integrate new political, economic and social imperatives that affect ways of life and competitiveness.

It also means that all citizens must participate in the education and training process. This is a complex task, since such an approach breaks with previous education reforms in that it redefines the content, place, time frame and duration of learning (OECD, 2002). It covers all aspects of the development of individuals and takes place in all training contexts, whether formal, nonformal or informal.

Lifelong learning therefore requires an increase in the overall volume of the supply of training in order to deal with the new realities. This training supply must also meet the socioeconomic and cultural needs of communities and contribute to their development. Lifelong learning must enable adults, whether or not they are employed, to maintain or enhance their occupational competencies and cultural knowledge and achieve their schooling and occupational skills objectives.

1.4 AN ADAPTED RESPONSE

In OECD member nations, economic growth and social development increasingly depend on the ability of individuals and organizations to access new knowledge and integrate it into their activities. In Canada, it is now difficult to find a government policy on education and training that does not refer to the concept of lifelong learning (Rubenson and Schuetze, 2000).

However, the concept of lifelong learning depends on national contexts and priorities, and a variety of functions are attributed to it. According to the OECD (2000), countries target different objectives such as:

- to create a more just and democratic society (Sweden)
- to tackle social and economic problems (Denmark)
- to overcome shortcomings in the education system (Norway, Hungary)
- to give priority to education and training focused on employment (Norway, Austria)

In Canada, according to Industry Canada and HRDC (2002), innovation and skills upgrading are the core concerns.

1.5 LESSONS TO BE LEARNED

In the international sphere, it is also agreed that:

- States cannot single-handedly create a lifelong learning system or finance such a system solely using public funds; greater responsibility must be assumed by employers and individuals.
- Adult education and continuing education and training require the mobilization of new resources and the reorganization of existing resources.
- The evaluation of funding formulas and the participation of adults in training is problematic, given the vast array of targets, stakeholders, environments and content.

LESSONS LEARNED

- Lifelong learning is an undeniable and growing necessity. In this context, a solid basic education is the minimum requirement for participating in society, integrating the job market and committing to a process of continuing education and training.
- Lifelong learning requires the mobilization of additional financial resources and the reorganization of existing resources.
- States cannot single-handedly assume responsibility for lifelong learning.
- Lifelong learning covers a range of concepts that vary depending on national contexts and priorities.

CHAPTER 2

WHAT IS THE SITUATION IN QUÉBEC?

In Québec, as elsewhere, adult education and continuing education and training take many forms. In order to paint a complete picture, the diversity of environments, stakeholders, activities and funding sources must be taken into consideration.

It is not easy to make comparisons with other jurisdictions. The concept of adult education and the definitions of basic education and continuing education and training vary from country to country. As a result, data-gathering systems and the variables considered are often not equivalent.

The comparative evaluation of Québec's situation and performance with respect to continuing education and training is therefore limited in several ways. However, quantified results aside, the trends analysis appears to be ideal for understanding the situation in Québec.

To carry out its mandate, the Committee of Experts used three main data sources:

- The *Adult Education and Training Survey* (AETS, 1997).
- The *Workplace and Employee Survey* (WES, Statistics Canada, 1999).
- The *Labour Force Survey* (Statistics Canada, 2002).

Other indicators, specifically those used by the MEQ, and other studies, particularly those published by the MESSF, Statistics Canada and HRDC, have also been thoroughly examined.

2.1 A BRIEF OVERVIEW

Adults learn in many different environments. Like young people, for whom school plays a central role in building knowledge, adults also learn in educational institutions. But for adults, businesses, community networks, municipal organizations, private agencies and training providers, libraries and even their homes are all sources of formal, nonformal or informal learning that are just as important as schools, if not more so.

This means that many different stakeholders play a role in the sectors of adult education and continuing education and training. The governments of Canada and of Québec, including the Ministère de l'Éducation and the Ministère de l'Emploi, de la Solidarité sociale et de la Famille, educational institutions, labour market partners, including businesses and unions, municipalities, community groups, private agencies and training providers and professional orders all participate in the supply of training.

The training activities available to adults are varied. They encompass general education, vocational and technical training, literacy, popular education and adaptive education, as well as work force skills upgrading.

The supply of continuing education and training is financed by governments, businesses and individuals. For example, governments grant subsidies to educational institutions and certain

organizations, as well as financial assistance to individuals. In addition, tax incentives support the efforts of businesses and individuals. At the local level, school boards and municipalities also allocate funds to finance the supply of training.

Businesses subject to the *Act to foster the development of manpower training* are required to invest at least 1% of their total payroll in the training of their employees, and some invest even more. Although not subject to this legislation, a number of businesses nevertheless invest in continuing education and training. Lastly, many individuals partially or entirely finance their own plans to pursue education. Moreover, they devote time to their studies, which sometimes deprives them of income.

2.2 A COMPARATIVE SITUATION AT RISK

In 2002, the *Government Policy on Adult Education and Continuing Education and Training* adopted a lifelong learning perspective. Initial education and lifelong learning are the two cornerstones of a single learning process that extends throughout people's lives (MEQ, 2002a). These two cornerstones are interrelated, inasmuch as improved basic education and, in general, better initial education constitute the foundations of greater participation of individuals in continuing education and training activities.

Basic education

The *Labour Force Survey* (Statistics Canada, 2002a) provides an estimate of the population's level of education according to gender and age. According to this survey, Québec, compared with other jurisdictions, lags behind in terms of basic education⁵ for the population aged between 25 and 64. In this respect, although Québec ranks above average among OECD member nations, it is nevertheless true that the percentage of individuals who have not completed secondary school is higher in Québec than in Canada as a whole. The gap widens when Québec is compared with bordering jurisdictions and other North American countries. In fact, in 2002, 23% of Québec's population aged between 25 and 64 had not completed secondary school,⁶ compared with an average of 34% for OECD countries, 17.4% for Canada, 14.9% for Ontario and 13% for the United States.⁷ Moreover, it should be noted that elsewhere in Canada, vocational education takes place at the postsecondary level. Similarly, the duration of secondary education in Québec is eleven (11) years, compared with twelve (12) in the other Canadian provinces and most member nations of the OECD.⁸

In addition, closer observation of the situation indicates that even though Québec has made significant progress over the past decade in this area, the gap persists with respect to Ontario and Canada for all age groups, except for 15- to 19-year-olds.⁹ How should we understand this situation? Can it be explained, at least in part, by the differences observed in education systems? Although the Committee of Experts judges that answering this question is not part of its mandate, it would be important to do so in order to rectify the situation.

5. In Québec, the Secondary School Diploma (SSD) and the Diploma of Vocational Studies (DVS) constitute the social benchmark for basic education.

6. Corresponds to categories "0 to 8 years of schooling" and "partial secondary school studies" in Statistics Canada compilations.

7. See Appendix 2.1: Proportion of the population aged between 25 and 64 years, without a secondary school diploma or with a university degree in OECD countries.

8. See Appendix 2.2: The duration of secondary school in European countries.

9. See Appendix 2.3: Proportion of the population with 0 to 8 years of schooling and partial secondary school by age group.

In other respects, the quality of basic education in Québec appears to be competitive. In fact, in 2000, in the first assessment of the Programme for International Student Assessment (PISA), young Quebecers ranked among the leading group in the sciences, i.e. in fourth place following Korea, Japan and Alberta, out of 32 participating countries and provinces. Furthermore, the results for the three jurisdictions outranking Québec are not significantly higher than those for Québec. Moreover, Québec students ranked second after Japan in mathematics. Again, the gap between the two is narrow. Lastly, in reading, young Quebecers ranked fourth after Alberta, Finland and British Columbia, and only Alberta students obtained significantly higher scores than did Quebecers.

Postsecondary education

Québec compares favourably with other jurisdictions in terms of university education. Over the course of the past decade, Québec has made significant progress with respect to the proportion of its population holding a university degree. Thirteen per cent of Quebecers aged between 25 and 64, held a university degree in 1992, rising to 19% in 2002, which puts Québec in fifth place out of 23 OECD countries, after the United States (28%), Norway (26%), the Netherlands (21%) and Canada (20%). For the same period, the proportion for Ontario was 24%.¹⁰

Taking into consideration the entire field of postsecondary education, i.e. postsecondary diplomas and certificates as well as university degrees, this same proportion rose to 54.4% in 2002, with Canada weighing in at 54.7% and Ontario at 55.7%. However, a significant difference between Québec and Ontario must be pointed out: the number of certificate holders in Quebec is 13 times higher than in Ontario, since Québec universities produce 77% of Canadian students holding an undergraduate-level certificate (Statistics Canada, 2002a; CIRANO, 2000).

10. See Appendix 2.1: Proportion of the population aged between 25 and 64 years, without a secondary school diploma or with a university degree in OECD countries.

**Table 2.1: Level of education of the population aged 25-64
(Canada, Québec, Ontario, 2002)**

Population aged 25-64			
	Canada	Québec	Ontario
<i>Total population</i>	Weight of the population by level of education (in %)		
Total	100.0%	100.0%	100.0%
0 to 8 years	5.8%	9.7%	4.5%
Partial secondary school studies	11.6%	13.3%	10.4%
Completed secondary school studies	20.5%	16.9%	22.2%
Some postsecondary studies	7.4%	5.8%	7.2%
Certificate or diploma of postsecondary studies	33.7%	35.1%	31.8%
University degrees	21.0%	19.3%	23.9%
Bachelor's degree	14.4%	13.9%	15.9%
Master's degree or doctorate	6.6%	5.4%	8.0%

Source: Statistics Canada, data compiled for the MEQ.

Moreover, for 2002, when only the labour force is considered instead of the total population, the proportion holding at least a diploma of postsecondary studies was 59.4%. Comparatively speaking, the proportion of the labour force in Canada and Ontario in the same situation was, respectively, 58.5% and 59.3%.

Today, like the rest of the Canadian population, a majority of working-age Quebecers have completed postsecondary studies, which makes them an educated population with high adaptive ability. In this regard, according to Statistics Canada and the Council of Ministers of Education, Canada is a world leader in education, ranking "fourth overall in the proportion of its working-age population with a university degree" (2003).

**Table 2.2: Level of education of the working population aged 25-64
(Canada, Québec, Ontario)**

Labour force 25-64 years			
	Canada	Québec	Ontario
Total population	Weight of the labour force by level of education (in %)		
Total	100.0%	100.0%	100.0%
0 to 8 years	3.6%	6.1%	2.7%
Partial secondary school studies	10.0%	11.5%	8.8%
Completed secondary school studies	20.5%	17.2%	22.0%
Some postsecondary studies	7.4%	5.8%	7.2%
Certificate or diploma of postsecondary studies	35.8%	38.0%	33.7%
University degrees	22.7%	21.4%	25.6%
Bachelor's degree	15.5%	15.4%	16.9%
Master's degree or doctorate	7.2%	6.0%	8.7%

Source: Statistics Canada, data compiled for the MEQ.

Continuing education

The *Adult Education and Training Survey* is the only survey that permits the establishment of international and national comparisons.¹¹ According to this survey, Québec does not fare well in comparisons with other jurisdictions in terms of continuing education and training, either with respect to other member countries of the OECD or other Canadian provinces. Quebecers participate less in continuing education and training, whether the activities are specifically job-related or more general in nature.

Thus, according to OECD comparisons (2002) based on national surveys on adult education and training and data from the Canadian adult education and training survey, the observations are as follows.

- Canada ranks 12th among the 18 OECD countries surveyed for the average participation rate in any continuing education and training activity, far behind the

11. The latest data on participation rates that permit the comparison of Canada's performance with other OECD jurisdictions come from surveys carried out between 1994 and 2001, by country (OECD, 2002, *Education at a Glance: OECD 2002 Indicators*). The Canadian adult education and training survey was conducted in 1997. The survey's data allow for comparison of differences in participation rates between provinces. Doray, Bélanger, Motte, Labonté and Levesque contributed to the production of eight research bulletins based on the AETS, and the Committee of Experts is indebted to their research.

Scandinavian countries, the United States, the United Kingdom and Germany. In this list, Québec is classified in 17th position.

- Canada ranks 11th among the 17 OECD countries surveyed for the average participation rate in continuing education and training activity related to employment, far behind the same countries. In this list, Québec is classified in 14th position.
- Québec ranks second-last among Canadian provinces for participation in any continuing education and training activity, ahead of Newfoundland, but far behind British Columbia, Alberta and Ontario.
- Québec ranks last among Canadian provinces for the average rate of participation in employment-related continuing education and training activities, far behind Alberta, Ontario, British Columbia, Saskatchewan and Nova Scotia.

Other surveys, such as the one on workplace and employees, indicate that participation rates in continuing education and training activities for employed are higher than those reported in the AETS. However, the data examined in Chapter 5 still indicate an unfavourable gap for Québec.

2.3 LONG-ESTABLISHED PRIORITIES

Since the beginning of the 1980s, adult education and continuing education and training have been the subject of much public debate and several briefs in Québec. Starting with the work of the Commission d'étude sur la formation des adultes, (the Commission Jean), which in 1982 culminated with the publication of the report entitled *Apprendre: une action volontaire et responsable*, the debate continued, specifically in 1984 with the *Énoncé d'orientation et plan d'action en éducation des adultes*, and in 1991 with the policy statement on work force development, entitled *Partenaires pour un Québec compétent et compétitif*. Since 1993, the Conseil supérieur de l'éducation has published several briefs, including *Vers un modèle de financement en éducation des adultes* (1993), *Pour un accès réel des adultes la formation continue* (1996) and more recently, *La reconnaissance des acquis, une responsabilité politique et sociale* (2000a) (English summary: The Recognition of Prior Learning, A Political and Social Responsibility. See: <http://www.cse.gouv.qc.ca/e/pub/avis/acquis_s.htm>). In addition, in 1995, the Estates General on Education provided another arena to pursue discussion. Lastly, from 1998 to 2002, public consultations led to the adoption of the *Government Policy on Adult Education and Continuing Education and Training*.

LESSONS LEARNED

- Québec lags behind bordering jurisdictions with respect to basic education for the population aged between 25 and 64.
- However, Québec compares favourably with the other Canadian provinces and with member countries of the OECD with respect to postsecondary education.
- Québec does not fare well in comparisons with the other Canadian provinces and OECD member countries with respect to continuing education and training.
- Basic education, as defined in the *Government Policy on Adult Education and Continuing Education and Training*, constitutes an essential foundation of increased participation in continuing education and training.

CHAPTER 3

A CHANGING ENVIRONMENT: NEW NEEDS

From the main trends that mark the current evolution of Western societies, especially that of Québec, come challenges that create strong pressure to develop a culture of continuing education and training and establish systemic practices of lifelong learning.

Market globalization and international competition, the increasing complexity of societies, the knowledge-based economy and society, demographic shifts, growing inequality and the restructuring of the labour market are all major trends that are generating growing needs for continuing education and training among the adult population as a whole. Other trends that are currently emerging in Québec and elsewhere in the world call into question formulas of State intervention, including intervention in adult education and continuing education and training.

The characteristics specific to each of these trends better illustrate the challenges faced by the sector of adult education and continuing education and training.

3.1 MARKET GLOBALIZATION AND INTERNATIONAL COMPETITION

Several aspects of the process of globalization exert new pressure on continuing education and training and adult education needs. These include the elimination of tariff barriers, the mushrooming of multilateral trade agreements on goods and services and the deregulation of financial markets, all of which has engendered the reorganization of production within a globalized arena and heightened international competition.

The reorganization of production involves rapid displacement of production around the globe and more specifically, continual transfers of the goods produced by industrialized countries to the developing nations. These changes have substantially altered the type of workers required and the way they are used. They have also created uncertainty, and an inability to forecast the volume of workers and the types of skills required. Observing labour-market trends in a context of globalization and international competition clearly shows that the strategic importance of human capital is increasingly recognized as one of the major factors in the production of goods and services. Moreover, the very nature of work is substantially changing, with the intellectual component overtaking the manual component in most jobs in the knowledge-based economy, thereby calling for more advanced and sustained training throughout life.

In addition, increased labour-force productivity constitutes an essential factor in Québec's competitive edge, hence the importance of a major, ongoing investment in human capital and its development. Competitiveness between national economies is mainly based on the skills level of human capital and its ongoing improvement. More specifically, the goal must be to ensure that the labour force has a higher skills level and greater versatility in all areas of production in order to enhance its capacity to retrain quickly and adapt to changes in the labour market. The new requirements for competitiveness have a number of impacts on basic education and continuing education and training which today, more than ever, must be perceived as two closely interrelated components of lifelong learning.

Market globalization is also associated with increased labour-force mobility on a global scale and the free movement of people in a number of countries, including the countries of the European Union. Such mobility creates requirements with respect to the recognition of prior learning and competencies. For this purpose, a process to establish international certification of competencies and diplomas is underway, specifically within the European Union, and it should also be established within the Free Trade Area of the Americas (FTAA). In addition, a proposed ISO standard on the certification of vocational qualifications is currently on the table of the International Organization for Standardization, slated to become ISO standard 17024. Moreover, trade liberalization, beginning with the North American Free Trade Agreement (NAFTA), combined with deregulation in several sectors of production, has also been observed in education, and the Americas are moving toward subscribing to this process. The postsecondary education, vocational education and continuing education and training sectors will have to be monitored, as they are important targets for the educational products market and may well become WTO and FTAA negotiation issues.

3.2 THE INCREASING COMPLEXITY OF SOCIETIES

All of us are called upon to cope with an increasingly complex, diversified world that demands new knowledge and qualifications enabling us to grasp what is happening and interact in an environment in a constant state of flux. Realities are changing, globally, nationally and locally. Today, coping with these realities requires a solid basic education, a complete secondary education and continuing education that focuses on upgrading knowledge. This challenge is all the more important because occupational competencies have an increasingly short period of usefulness and must be updated throughout people's working lives, regardless of one's profession or trade. Moreover, to integrate socially into a complex and diversified society and participate in democratic life, all individuals must have an education that focuses on their personal, occupational, cultural and civic development.

As Philippe Meirieu and Marc Guiraud point out, it must be recognized that a subject who has no knowledge of the world in which he lives stands no chance of becoming a citizen therein (1997, p. 155). Education and training may be structured by formulating some answers to the question: what type of men and women do we wish to educate and train?

"Our world needs individuals who are able to understand complexity, imagine new solutions, and subject technological progress to social, ethical, moral, legal and legislative principles. Our world has a vital need for individuals who are part of a humanity whose past they understand, who master the competencies necessary for participating in collective life in the present and who are able to invent and control the future." [Free translation].

From this perspective, continuing education and training must include a component of citizenship education in order to enable individuals to engage in the lifelong acquisition of the tools they need to achieve the goals described by Meirieu and Guiraud. Furthermore, the *Government Policy on Adult Education and Continuing Education and Training* states that "basic education includes the dimension of citizenship, which, in the spirit of equal opportunity, fosters personal growth, social integration and participation in the democratic life of a law-based society such as that of Québec [...]. The concept of basic education also includes the cultural dimension of social and personal life, which involves access to and appreciation of cultural

products and contributing to the vitality of Québec culture, a vital part of our collective identity" (MEQ, 2002a: 9).

For this reason, a pluri-dimensional approach must be the foundation for continuing education and training and for the programs and services supplied to adults in order to enhance support for overall personal development, so that people are able to contribute, to the best of their abilities, to the enrichment of all aspects of Québec society.

3.3 THE KNOWLEDGE-BASED ECONOMY AND SOCIETY

The knowledge-based economy is largely founded on scientific and technological development, and its expansion requires growing investment in human capital. The rationale for continuing education and training lies within the core of this trend, and its quality proves a considerable challenge for economic and social development. We should specify that the knowledge that concerns us is knowledge that not only enables the technological and social innovation driving the economic development in all countries and competitiveness between countries, but also fosters innovation within every organization, business or community.

Québec's innovative capacity

The *Québec Policy on Science and Innovation* (MRST, 2001) recommends building on innovation to enhance organizations' ability to compete and survive. Innovation concerns all economic and social environments and must enable the development of new commodities, new ways of doing things and new solutions to the various types of problems encountered by a community or a society on the local, national and international level. A culture of innovation requires a culture of continuing education and training that becomes an imperative for the knowledge-based society. It is therefore essential to ensure a solid basic education for every individual, so that he or she can become part of a successful approach to continuing education and training supported by a "learning-to-learn" pedagogical approach. The basic competencies include the ability to communicate, work in a team, solve problems and master information and communications technologies.

In this context, Québec's ability to position itself as a knowledge- and innovation-based society constitutes a major challenge. The data for the innovation potential indicator show that Québec ranks behind Ontario, Alberta and British Columbia, and that over the past 20 years, the gap with Ontario has tended to widen. As for the issuing of patents, Québec has the fourth highest rate in the country. However, generally speaking, manufacturers are more innovative in Québec than in the other provinces. In 1999, Québec was the source of approximately 28% of all research and development (R&D) expenditures in Canada. Nevertheless, Québec's R&D intensity ratio is approximately 12% lower than that of the United States. While in some respects much of this data is reassuring, it should be remembered that Québec must strive to attain a better position if it wants to preserve its competitiveness in the North American and global economy (ISQ, 2001a).

Inducing Québec to adequately position itself as a knowledge- and innovation-based society also implies an available, diversified and accessible supply of training and resources, particularly online training. Moreover, the *Québec Policy on Science and Innovation* states that "the intensive use of the Internet for online training will undoubtedly considerably alter the services offered in this field" (MRST, 2001). This proposal is in line with the recommendation

made by the Conseil supérieur de l'éducation in its *Éducation et nouvelles technologies* report (2000b).

Seeking alignment

The Government of Canada's innovation strategy, *Achieving Excellence – Investing in People, Knowledge and Opportunity*, published in January 2001, highlights the performance challenges society faces in terms of knowledge, skills upgrading and innovation. The report specifically demonstrates the importance of continuous skills development to both employers and workers. The strategy has three goals:

- Over the next five years, increase the number of adult learners, i.e. men and women from all segments of society, by one million.
- Over the next five years, increase the sums that Canadian corporations invest in work-force skills upgrading per employee by one-third.
- Over the next decade, reduce the number of Canadian adults with lower literacy skills by 25%.

Similarly, another report entitled *Knowledge Matters -- Skills and Learning for Canadians* deals with the imperatives of continuing education and training in enhancing the skills of all people. It stresses that in the knowledge-based economy, there is an ever-increasing demand for well-educated, highly skilled workers in all parts of the economy and in all parts of the country; that population aging will exacerbate the pressure on this demand; and that continuing education and training must be strengthened to meet the skills and labour force demands of the next decades.

Consequently, it is important that Québec coordinate its action with that of the federal government to ensure mutual strengthening of this endeavour.

3.4 DEMOGRAPHIC SHIFTS

Three demographic shifts in Québec raise specific challenges for continuing education and training: a population that is aging at an ever-increasing rate, the concentration of the population in major urban centres and the population distribution over the entire territory, as well as the foreseeable reduction of the French-speaking population in the Montréal area.

An aging population

Population aging will accelerate in the coming years. It will have considerable impacts on service supply and demand, but also on service funding capacity and resource distribution.

Currently, there are 1.8 times more youths under the age of 20 than persons over 65 years of age. In 50 years, the proportion will be reversed: there will be 1.5 times more senior citizens than young people, according to the Institut de la statistique du Québec. The tax grab for health services will have an impact on the government's capacity to ensure adequate funding for education. In concrete terms, this means that if every person aged 65 or over is currently financially supported by about 5 working-age people, then in ten years, that individual will only be supported by approximately 3.8 people, and in 25 years, by 2 people." (MSSS 2002: 7).

Québec is aging faster than the rest of Canada. In 2002, 13.1% of Québec's population was 65 years or over, compared with 12.7% in Canada. Over time, we can expect that the average level of education will be higher and that as a result, the rate of participation in continuing education and training activities will also be higher. Even if persons aged between 55 and 64 years have a low training participation rate, their prolonged presence as employees could generate substantial training needs.

At the same time, in the context of an aging population, basic education for young people and continuing education and training for adults will require considerable resources, while a smaller labour force will assume the overall social costs. This smaller labour force will have to acquire excellent initial education and have access to continuing education and training. As a result, members of this labour force should hold better-paying jobs, which would contribute to increasing State revenues.

In the event of work-force shortages, the trend may be toward retaining workers for a longer period of time in their jobs. While we must leverage continuing education and training for these workers, we must also anticipate problems encountered by older persons with a lower level of education, who will be called on to retrain or change occupations. To fill vacant jobs, persons receiving employment insurance and other unemployed persons will need to be reintegrated into the work force.

In addition, immigration will have to be increased. It has been observed that countries with a low birth rate and a fast rate of population aging tend to recruit more immigrants, which is Canada's stated strategy and is directly related to its innovation strategy. In Québec, the Immigration Plan for 2002 provides for increasing immigration over the next three years. Under this three-year plan, Québec would have welcomed between 40 000 and 45 000 immigrants in 2003. Among these, more than half would be in the self-employed category and would have been selected based on their skills. Continuing education and training and the recognition of prior learning and skills are means of actively supporting the socioeconomic, linguistic and cultural integration of immigrants.

Growing urbanization

The concentration of the population in large urban centres will continue and calls into question the current distribution of the population over the territory. Québec's population tends to be concentrated in the Greater Montréal area which, in 2002, accounted for 47.6%. It is mainly distributed over the adjacent areas, and the population of the metropolitan area has slightly increased. Forecasts of population distribution over the territory by age group are important for assessing future education needs. According to the Institut de la statistique du Québec, over the course of the coming 25 years, an even greater decline in the 0-14 year-old age group is predicted than that recorded over the past 25 years. This decline was 40.6% in the Gaspésie-les-Îles-de-la-Madeleine region, 34.1% in Saguenay—Lac-Saint-Jean, 33.8% in the Bas-Saint-Laurent region, 30.4% in the Côte-Nord region, 24.2% in Abitibi-Témiscamingue and 21.5% in Mauricie.

The situation already has significant impacts on the availability of the supply of continuing education and training services in Québec as a whole. For this reason, we must be able to count on a contribution from educational institutions and businesses in order to put forward adequate solutions that take into account the population distribution over the territory. Other

strategies for distributing education and training services and programs must be contemplated, such as distance learning, self-training and intensive sessions spread over the year. If the varying situations and needs of the regions are to be acknowledged, they must be provided with the necessary latitude, both in organizational and financial terms, so that they can adopt the most suitable strategies once the major province-wide guidelines have been established.

It is from this perspective that Québec will also be able to address the observed decline in college and university enrollment, which calls into question these institutions' capacity to provide a sufficiently large qualified work force in all employment sectors. Considerable fluctuations in enrollment are projected for the next decade: at the elementary school level, the student population is expected to decline by 11.8% between 2000 and the end of 2006; at the secondary school level, a slight increase is expected until the end of 2006, when the youth population will begin to decrease; and in the colleges, the year 2005-2006 will mark a nadir in the number of students, down 5.8% from 2000. The student population is expected to grow again as of 2007.

A number of questions arise for which answers must be found soon. How can quality education and training for young people and adults be maintained in the regions? How can vocational and technical training programs that meet adult continuing education and training needs be supplied while taking into account regional and local labour-market requirements? How can the accessibility of higher education be maintained throughout Québec? These questions must be addressed in province-wide commitments that allow for flexible, varied solutions appropriate to the regions.

A declining francophone population

The francophone population is expected to decline. Regardless of the scenario envisaged, the francophone segment of the population will diminish throughout the forecast period, i.e. 1996-2021 (Termotte and Ledent, 1999, p. 113). This will also hold true for the anglophone population, whereas the allophone population will grow. This observation chiefly applies to the Montréal area, as few changes in the linguistic distribution of the population in other regions are observed.

In this context, we must address the necessity of preserving the French language and Québec culture, and ensure our citizens' cultural enrichment through continuing education and training.

3.5 GROWING INEQUALITY

This trend toward growing inequality can be mainly explained by the growing gap in the distribution of wages and employment over the past three decades (OECD, 2001a). Numerous studies have demonstrated the direct links that exist between education levels, employment rates and wage levels.

According to the studies used by the OECD, it is generally acknowledged that the main cause of growing inequality is the qualitative change in work-force demand in many production sectors (2001a). Demand has shifted toward more qualified and more highly paid workers, to the detriment of the less qualified and thus less educated, whose situation has deteriorated, particularly in terms of wage conditions. In addition, the gap between the demand for and the supply of qualified workers explains the persistently high level of unemployment among some categories of workers, who are insufficiently qualified or trained to apply for jobs that are available but that require a high skills level.

This trend has given rise to a growing, if not virtually irreversible, polarization of the work force. The OECD suggests that investment in human capital helps counter the social exclusion and impoverishment of significant segments of the population that formerly earned regular, and in some cases high, employment income (e.g. primary industry: agriculture and natural resources; mining, forestry, fisheries; secondary industry: industrial workers in large corporations where automation, followed by computerization, caused thousands of layoffs). Continuing education and training now appear to represent a promising avenue for social and economic reintegration. However, the supply of training must address the fact that many of these workers have low education levels and that some of them are illiterate.

3.6 RESTRUCTURING OF THE LABOUR MARKET

The work of the OECD clearly indicates that employment has shifted from industrial production to service production. On average, services represent 65% of jobs in the OECD countries, and up to 75% in some of these countries. For the most part, employment is being created in this sector. A number of characteristics of the work force should be noted: more poorly qualified workers are employed in the production of goods than in the production of services, except for personal services, where there is a higher concentration of less qualified workers. The proportion of graduates holding a postsecondary diploma or degree is somewhat higher in the service industry, but this is associated with business and social services. It is equivalent in distribution and in personal services as well as in the production of goods (OECD, 2001a).

Requirements for new jobs

Today, more and more jobs require postsecondary training and the ability to upgrade knowledge and adapt to jobs with varying content. For some twenty years, massive job creation has occurred in so-called knowledge-intensive businesses.¹² According to the available data, from 1984 to 1998, these businesses generated about 45% of net job creation in Québec (Carpentier, 2001). This growth is far superior to that recorded, respectively, by industries with

¹² In order to assess knowledge penetration in sectors/industries, these latter are classified in high, average or low knowledge levels according to the intensiveness of their research and development activity and according to the proportion of scientists and engineers they employ.

average or low knowledge intensity. For the most part, newly created jobs require postsecondary studies and, in some cases, a university diploma. The number of jobs that require scientific or technological training has markedly increased. Occupational requirements continue to intensify in all sectors, and it is understood that to remain competitive and to keep abreast of technological evolution, Canada must ensure the continual skills upgrading of its work force.

Although it remains difficult to forecast labour-force needs in the medium term, transferable training, structured according to general qualifications and basic knowledge, is essential. These general qualifications must prepare individuals for informed participation in decision-making and comprehension of overall production processes.

Moreover, the majority of businesses in most OECD countries have redefined jobs and work organization based on a new division of responsibilities. These new forms of work organization stress flexibility, adaptability, ongoing learning, the ability to transfer experience and prior learning from one activity to another, and management and production problem-solving skills. In addition, management methods have also undergone change reflecting greater decentralization of responsibilities and the requirement of accountability for the outcomes achieved.

A labour market in transition

Another situation associated with the current evolution of the labour market must be considered, namely, the growth of the supply of jobs combined with the anticipated shortage of the available work force. This situation could cause many people to abandon their studies in order to enter the labour market. According to Emploi-Québec (2002), by 2006, there will be 600 000 jobs to fill in Québec. The net job creation level is expected to rise to 250 000, i.e. an annual growth rate of 1.4%. The pace of job creation should slightly exceed that of the entry of new job seekers into the labour market, and the unemployment rate should decline to 7.5% by 2005. It is anticipated that job creation caused by economic growth will generate 43% of total work force demand, whereas job creation attributable to replacement needs will rise to 57%, due in particular to the aging of the work force. Lastly, 47% of the jobs available between 2002 and 2006 will not require a secondary school diploma.

This shift in the labour market, which affords new opportunities for anyone wishing to enter the work force, might therefore undercut the goal of pursuing secondary school and postsecondary studies for a significant proportion of young people and adults. Therefore, we should be proposing differentiated learning paths, including work-study programs or training formulas that combine on-the-job training with learning in educational institutions. Moreover, specific manpower retraining measures should be put in place by offering appropriate training programs to enable unemployed individuals to acquire the qualifications required for new jobs that are quite different from those in their current jobs.

3.7 REDEFINING THE ROLE OF THE STATE AND PUBLIC EXPENDITURES

The trends summarized above show that this new environment is generating many needs that will necessarily impact on public expenditures. However, it should not be assumed that additional public funds will be available to meet these needs, because other recent developments, whose impacts may be lasting, must also be taken into consideration.

Listing or stating needs is not adequate; to meet them, we must possess the necessary resources and be in a position to use them for this purpose. Societies have become aware that public decisions are also made in a context of scarcity, and in Québec, such awareness has long prevailed.

Citizens are also attuned to the weight of public debt, and realize that any increase involves more costly debt servicing. The need to limit, reduce, and indeed eliminate Québec's public deficit garnered consensus and led to the adoption of legislation to preclude it.

The "balanced budget" act therefore compels the government to hedge resource allocation: thus, spending more in one area means spending less in another, collecting higher taxes or gathering revenues from other sources. A number of observations show that expenditures under provincial jurisdiction often rise more quickly than revenues, in keeping with the theory of fiscal imbalance.

The trends outlined in this chapter put pressure on continuing education and training, and these same trends necessarily generate other effects that require other expenditures. For example, the aging population causes a considerable increase in health spending, and the increase in income inequalities leads to higher social spending in order to contain the consequences thereof. Current budgetary choices will have to be made among areas that will constitute priorities in the coming years and which conflict with the financing of continuing education and training and adult education needs.

One of the options available in the search for new State revenues, contested by many, is to increase taxes. Indeed, competition between countries also occurs in terms of taxes, a dimension to which owners of capital and more mobile workers have become attuned. In turn, the will to ease the tax burden of taxpayers constitutes an obstacle to transforming new needs into public expenditures. In addition, public finances are affected by fluctuations in the U.S. economy, the value of the Canadian dollar, growing health expenditures, the increased cost of debt servicing, the cost of collective agreements and the application of the *Pay Equity Act*, as well as the level of federal transfers.

The pursuit of a balanced budget, the reorganization of the State and public finances and the repositioning of individuals and businesses as fundamental agents of social and economic development constitute the major orientations of Québec's current government. These aspects of the financial environment, combined with the Québec government's political philosophy, which favours a less interventionist State, will have direct repercussions on public policies and their financing, and consequently, on their implementation.

The *Government Policy on Adult Education and Continuing Education and Training* makes reference to the financial situation of the Québec government. In this sense, while reaffirming the role and responsibility of the State, the policy urges us to see the development of adults' competencies in light of the responsibility of individuals and employers in the funding of continuing education and training (MEQ, 2002a). It must be noted that the public funding corridor is very narrow when it comes to formulating measures to increase the rate of participation and quantity of continuing education and training practices. This is the larger context in which the committee undertook the mandate entrusted to it and formulated its recommendations.

LESSONS LEARNED

- Qualification of the work force is increasingly a significant factor for the economy's productivity. A lesser effort on the part of Québec with respect to its main competitors would have impacts on its competitive capacity.
- The trends that mark the current evolution of Western societies, Québec included, exert strong pressure on continuing education and training needs and on the reorganization and funding of the supply of services.
- The Canadian government has developed an intervention strategy to promote skills development, several objectives of which match those of Québec's *Government Policy on Adult Education and Continuing Education and Training*. It is therefore important that the two levels of government align these objectives.
- The financial environment and the political philosophy of the Québec government, both of which favour a less interventionist State, will have direct repercussions on public policies and their financing and, consequently, on their implementation.

CHAPTER 4

THE SUPPLY OF TRAINING TO ADULTS

In Québec, adults wishing to commit to a training process can choose from among a variety of activities and programs supplied by many public, private and community-based players. This supply of training has many strengths, but there are shortcomings that need to be taken into account due to their effect on adults' rate of participation in continuing education and training.

4.1 AN INCREASINGLY DIVERSIFIED SUPPLY

Schools, businesses, agencies, private training providers, community groups and municipalities all supply different forms of adult education.

According to AETS data (1997), compiled by Bélanger et al. (2003), in Québec, the supply of educational services breaks down as follows:

- 84% of programs are offered by educational institutions, 10% by private organizations, 3% by employers and 3% by others
- 27% of courses are offered by educational institutions, 15% by private organizations, 21% by employers and 37% by others
- In total, 46% of adult educational services are offered by educational institutions, 13% by private organizations, 15% by employers and 26% by others

Educational institutions

As public stakeholders, educational institutions supply education to adults. Sometimes adults may be enrolled in dedicated pathways, activities or programs with their own terms of admission or specific funding rules. But the boundaries are not always so clear-cut.

Among the different education services provided under basic school regulations and study programs, adults have the opportunity to pursue training leading to a diploma, a certificate or an attestation. Secondary schools offer general and vocational education,¹³ which can lead to a Secondary School Diploma (SSD), a Diploma of Vocational Studies (DVS), an Attestation of Vocational Specialization (AVS), an Attestation of Vocational Education (AVE) and ultimately to an Attestation of Vocational Studies.

As for postsecondary education, the education services offered in colleges may lead either to a Diploma of College Studies (DCS) in general or technical education, or to an Attestation of College Studies (ACE). University-level education services lead to degrees (bachelor's degree, masters' degree, doctorate), or to certificates, diplomas or attestations.

It seems important to highlight some of Québec's distinctive characteristics, particularly the duration of secondary school (including elementary school), which is shorter by one year than in

13 The basic school regulations for vocational education do not distinguish between "youth" and "adult".

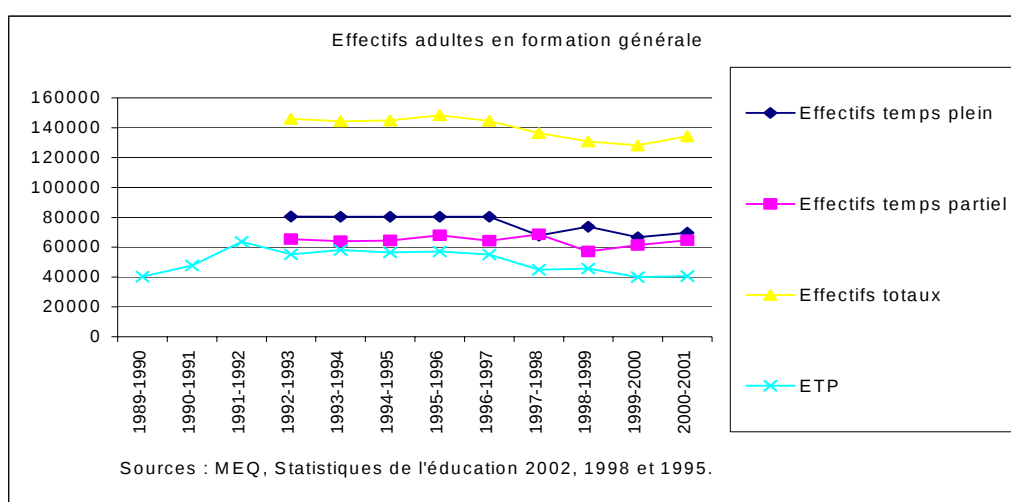
most other jurisdictions; the obligatory transition¹⁴ to college for preuniversity education; and the two separate levels of instruction for vocational and technical education.

Lastly, we should point out that educational institutions, in their capacity as private stakeholders, also fulfill customized training needs. In fact, they can supply various local training activities and programs in response to needs expressed by businesses and individuals. Such training must be self-financing.

Basic general education

The following diagram shows the evolution of the adult student population in general education over a period of ten years. The total number of adults in general education declined from 146 000 in 1992-1993 to 134 500 in 2000-2001. This decline is almost entirely due to the number of full-time adult students which, during the same period, fell from 80 600 to 69 700. A more marked drop is observed for full-time equivalent students (FTEs), i.e. 36%, (from 63 700 in 1991-1992 to 40 600 in 2000-2001).¹⁵

Diagram 4.1: Adult student population in general education



In 2000-2001, 35% of the enrollements in basic general education represented persons aged 19 or younger, and 57% accounted for persons aged 24 or younger. Among those under 20 who transferred to the adult sector, a significant proportion came directly from the youth sector (75% of enrollements), whereas a minority (25% of enrollements) was returning to school after an interruption in studies (MEQ, 2002c).

Given the increase of young people in adult education centres, it seems appropriate to question whether, over the years, these centres have moved away from their primary mission, which is to meet the training needs of adults.

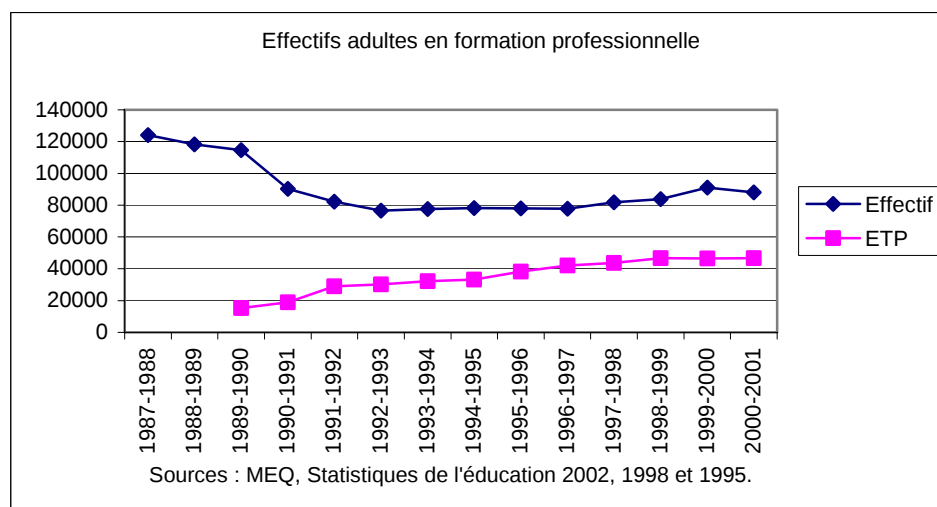
¹⁴ Adults without a Diploma of College Studies may be admitted to certain university programs as adult students.

¹⁵ See table in Appendix 4.1.

Vocational education

The number of students in vocational education dropped from 124 000 in 1987-1988 to 88 000 in 2000-2001, a decline of 29%. However, the proportion of FTE students has jumped by more than 200%. The gradual disappearance of part-time studies, which began in the 1980s and ended in the early 1990s, largely explains the decline in the student population. The increase in FTEs corresponds to an equally burgeoning supply of vocational training.¹⁶

Diagram 4.2: Adult student population in vocational education



Unlike general education, vocational education does not distinguish between "youth" and "adult." However, it must be acknowledged that the individuals who end up in vocational education do not match the typical profile of youths who are following a continuous learning path, in other words youths who, having successfully completed Secondary IV or V with the required prerequisites, enrollrolllll in vocational programs. In fact, these individuals often already have a Secondary School Diploma (SSD), and in some cases have partially completed college or university studies.

In 2000-2001, the proportion of students aged 16 or under was 1.5%, 17 or under, 8.4%, 18 or under, 20.2% and 19 years or under, 31.8%. The proportion of students aged between 20 and 24 was about 30%, and between 25 and 29, 12% (MEQ, 2002d). 60% of people under 20 who enrolled in vocational education already held a Secondary School Diploma (SSD). Moreover, a significant majority of students aged between 18 and 25 had already attended a college or a university. It would thus appear that vocational education is more a form of education for adults than it is for youths.

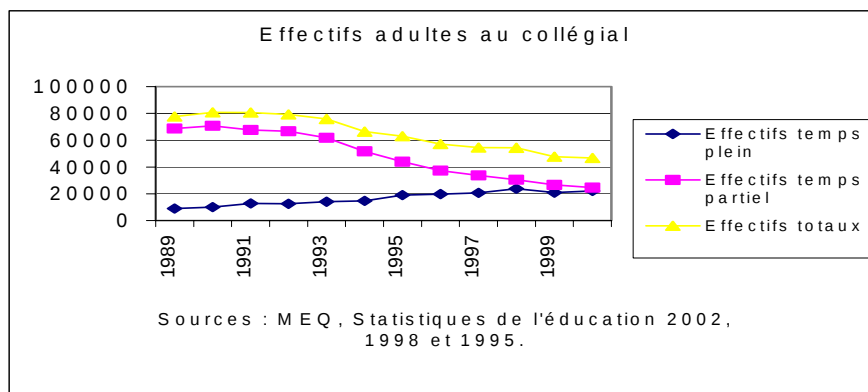
College education

From 1989 to 2000, the adult student population in colleges gradually fell from 80 700 to 46 800, a decline of 42%. Two contrasting situations can, however, be observed, depending on whether

¹⁶ See table in Appendix 4.2.

full-time or part-time students are taken into consideration. Thus, while the proportion of full-time students increased by 148% over 10 years, jumping from 8 900 students in 1989 to 22 100 in 2000, over the same period that of part-time students shrank by 64%, plummeting from 68 800 students in 1989 to 24 700 in 2000. The drop in part-time students (44 100) more than triples the drop in the number of full-time students (13 200).¹⁷

Diagram 4.3: Adult student population in college



The proportion of adults enrolled in college who are 19 or under is 5%, 24 or under, 28%, and 29 or under, 45%. These adults mainly enroll in programs leading to an Attestation of College Studies (68%), either full-time (60%) or part-time (40%). Few adults enroll in programs leading to a Diploma of College Studies in general education or technical education (MEQ 2002d: 82).

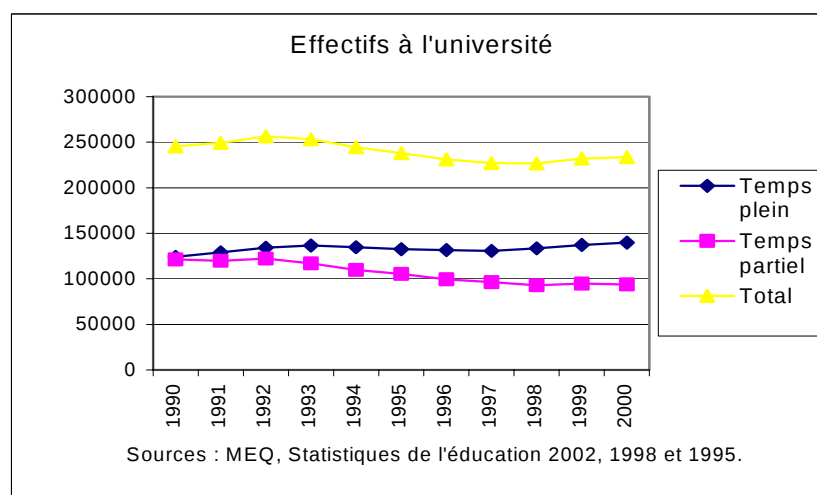
The education provided to adults at the college level primarily involves programs of short duration. Adults who wish to pursue studies in programs other than those leading to an Attestation of College Studies and those who wish to take out-of-program courses encounter problems related to the supply's structure and availability. The supply of part-time education is especially limited.

¹⁷ See table in Appendix 4.3.

University education

From 1990 to 2000, the total number of students in university dropped from 245 500 to 233 500. Like the situation in the CEGEPs, while the full-time student population rose from 124 200 to 139 600, the number of part-time students declined, from 121 200 to 93 900.¹⁸

Diagram 4.4: Adult student population in university



However, at university, the distinction between adults in a continuous learning path and those resuming their studies is not clearly established. For the purposes of this report, the Committee of Experts formulated the assumption that most adults returning to school enroll more often in programs of short duration, leading to a certificate, a diploma or an attestation; these adults, according to this assumption, represent approximately one-third of the overall university student population. Most enroll on a part-time basis (82%) in programs leading to a certificate (60%), in micro-programs (27%) and lastly, in programs leading to a diploma (11%). Over 80% of these adults are aged 25 or over (MEQ, 2002d).

Businesses

As private stakeholders, businesses supply training to workers. According to the formative evaluation of the *Act to foster the development of manpower training, also known as the 1% Act* (MESS, 2002a), the reasons that motivate employers to do so are, in declining order of importance, adaptation to technological and organization change (68.9%), enhancement of the business' competitiveness (44.8%), legal or contractual obligations (38.2%), increased employee motivation (23.5%), problems hiring qualified staff (15.8%) and high staff turnover (11.9%).

Businesses often organize their own training in the workplace; in 2000, this represented half of the training financed under the 1% Act (MESS, 2002a). To do so, they use internal resources (employees within the organization, 49.2%; training providers serving the business 11.8%), or they call on external private resources (23.4%), suppliers (6.6%) or external public resources

¹⁸ See table in Appendix 4.4.

(5.7%) (MESS, 2002a). Otherwise, they assume the costs of training undertaken by individuals outside the workplace.

According to the administrative data of the 1% Act, the training activities that employers most often encourage are symposia, conferences or seminars (50%), training supplied by institutions or internal or external resources (47%), accredited educational institutions (44%) and agencies providing training or certified training providers (37.7%).

Workplace apprenticeship program

Among the structured training programs offered by businesses, the Programme d'apprentissage en milieu de travail (PAMT) should be mentioned. The program focuses mainly on specific work duties and allows access to specialized trades, i.e. for which an occupational standard defines the competencies that must be mastered.

Each apprenticeship program is developed at the request of a sector-based manpower committee or the Commission des partenaires du marché du travail, based on the needs of the labour market. Businesses and workers adhere to the apprenticeship program on a voluntary basis. In January 2003, this program covered about thirty occupations and included 3 384 apprentices.

In addition to this workplace apprenticeship program, there are 5 584 apprentices in regulated nonconstruction occupations¹⁹ and 32 418 apprentices in the construction industry,²⁰ for a total of 41 656 apprentices.²¹ It must be stressed that construction is the only industry in Québec that has a mutual training fund; 7 500 workers upgrade their skills each year thanks to this fund. Finally, several businesses have their own apprenticeship programs.

Agencies and private training providers

A very large number of agencies and private training providers are active in the adult education market, offering both programs and courses in vocational training or other fields. Unfortunately, this source of education supply is not well documented. What is known, at the very least, is that in 2000, 4 195 agencies or training providers were accredited by Emploi-Québec, 43% of which were private agencies, 24% individual trainers, 23% suppliers providing training within businesses, 5% nonprofit organizations and 5% suppliers providing services to multiple employers.

As private stakeholders, professional orders, unions and professional organizations are involved in the training of their members. According to the Conseil interprofessionnel du Québec, in 2001-2002, thirty-three (33) of the forty-five (45) professional orders offered training to their members. Of the 286 000 members of professional orders, some 60 000 of them have problems gaining access to continuing education and training. These are nonsalaried employees, nonstandard workers, and persons employed in lawyers' and notaries' offices and engineering firms, for whom any training project must be undertaken on an individual basis.

19 Program under the *Regulation respecting the vocational training and qualification of manpower covering electricians, pipefitters, elevator mechanics and electrical machinery operators in sectors other than the construction industry*.

20 Program under the *Act respecting labour relations, vocational training and manpower management in the construction industry*.

21 In addition, there are approximately 1 000 apprentices not registered with Emploi-Québec and who are seeking qualification as stationary machine mechanics, gas attendants, and pressure vessel inspectors and welders.

Community-based groups

Community-based groups, part of the broad sector comprising the social economy and community action, also supply a variety of services to the adult population and to specific groups. It is estimated that between 4 000 and 5 000 community-based groups in Québec supply education locally, mainly consisting in popular education, basic or functional literacy, francization and social and vocational integration from the standpoint of citizenship education.

This supply is designed for adults throughout Québec, with specific attention paid to illiterate persons, cultural communities, women, families, Aboriginals, people with disabilities, inmates, people over the age of 45 and youths. Participation rates and funding for this type of supply is not well documented.

However, examining State funding for this type of education supply gives an idea of its scope. For instance, in 2002-2003, the Québec government established 59 programs or measures through 24 government departments and agencies (Secrétariat à l'action communautaire autonome, 2003). Also, the importance of the supply of this type of education can be seen through the categorization of these agencies, which work on a multi-sector basis to ensure that the needs of the populations they serve are heard and to organize the services they provide. According to the advisory committee of the Secrétariat à l'action communautaire autonome to which these groups belong, in 2003, Québec had fifteen (15) sector-based groups and five (5) multi-sector-based groups.

Municipalities

Municipalities have long offered educational activities for adults directly through their cultural and recreational programming. This supply appears to be of considerable scope, particularly in urban areas. For example, these activities take place in community centres, libraries, museums and exhibition centres. How many adults benefit from these activities? What level of funding is involved? The questions remain unanswered, because this source of training supply is not, in general, well documented. We should stress that these activities are often carried out in conjunction with those offered by community-based groups, while others may be offered on a partnership or outsourcing basis.

4.2 THE STRENGTHS OF THE TRAINING SUPPLY

The supply of adult education and training has a number of characteristics that constitute its strengths: the scope of the networks, the variety of activities and programs and the existing levers, such as the 1% Act, the *Politique d'intervention sectorielle* (sector-based intervention policy), sector-based manpower committees and the workplace apprenticeship program.

The scope of the networks

The scope of the public education networks across Québec is one of the forces of the supply of adult education and training. In the sectors of general education and vocational and technical education, in 2001-2002, Québec had 197 adult education centres, 174 vocational training centres and 48 CEGEPs, twice as many service outlets as in Ontario for a much smaller population. The private education network also has some institutions dedicated to adult

education, especially in vocational and technical training. As for universities, the *Act respecting educational institutions at the university level* recognizes nine educational institutions, including the Université du Québec, which encompasses eleven legal entities (MEQ, 2002e; MEQ, 2002f).

Public employment and income support services are also accessible throughout Québec. The government agencies involved, Emploi-Québec and Sécurité du revenu, have more than 150 local service outlets where employment insurance and employment assistance recipients and employers, workers and persons not in the labour force can obtain services. The activities of these agencies are often enmeshed with those of community groups.

Community organizations, historically representing a vector of the demand throughout the regions, constitute a recognized strength in the supply of adult education. Moreover, these organizations have not only benefited the overall population, but also specific groups, such as illiterates, immigrants and single mothers.

A variety of activities and programs

The many formal, nonformal and informal activities and programs contained in the supply of adult training also constitute a strength. Indeed, adults' needs and living situations vary greatly, and the supply of training is designed to take these differences into account. A variety of activities and programs are offered by different stakeholders, and they can provide solutions to adults with diversified goals, such as obtaining a diploma, finding work or remaining employed, enhancing cultural knowledge or actively participating in society.

Important levers

Although the main structural components of on-the-job training as we know them today are relatively recent, the 1% Act, the *Politique d'intervention sectorielle*, the workplace apprenticeship program and pilot projects to share training funds are levers of action in structuring and increasing the participation of adults in continuing education and training activities.

It would appear that the 1% Act has enabled employers to expand their training efforts. Similarly, the workplace apprenticeship program and the definition of occupational standards, which is in keeping with international trends, contribute to improving on-the-job training. Lastly, the *Politique d'intervention sectorielle* and the implementation of sector-based manpower committees also represent advantages for training offered in the workplace.

4.3 THE SHORTCOMINGS OF THE TRAINING SUPPLY

The training supply also has a number of shortcomings as concerns learning pathways, forms of training, funding formulas, weaknesses in the 1% Act, the type of training and the aims of workplace learning, as well as insufficient recognition of prior learning and competencies.

Learning pathways

The educational services supplied by the public system encompass several diversified programs for adults at both education levels. However, generally speaking, the various programs of study do not allow for an easy transition from one learning pathway or education level to another, thereby defying the logic of continuous learning. In addition, similar programs are sometimes indiscriminately offered at the secondary, college and university levels.

The establishment of bridges, the design of integrated programs and the introduction of the concept of variable duration, particularly for college-level technical training, are options that need to be examined with a view to streamlining the education system and promoting access to programs of study for adults while reducing the duration of their training.

Here, it should be recalled that in the neighbouring provinces, Ontario and New Brunswick, like in British Columbia, except for a few cooperative education courses and programs whose goal is to familiarize students with a number of occupations, vocational training is not included in secondary school instruction. Similarly, in Maine, and particularly in Ontario, vocational and technical programs of study are of variable duration and usually harmonized (MEQ 2002e).

Forms of training

Despite its scope, the public system has shortcomings with respect to the accessibility of forms of training available to adults. First, as concerns vocational training in secondary schools and general education in colleges, the supply of part-time instruction in the public system is either limited or nonexistent, in contrast to university training, which provides a significant supply of part-time instruction to adults. Second, although they exist, the most suitable forms of learning for adults, such as self-directed learning, work-study programs and distance education, are limited in supply.

Funding formulas

The differences observed in terms of funding the education supply have significant consequences on adults. Thus, in the area of basic education, general education has a closed budget envelope, vocational training, an open envelope. As for postsecondary education, college education has a closed budget envelope, and university education, an open envelope. The forms of allocation also differ a great deal; allocation sometimes depends on student enrollment (general education, secondary school), sometimes on approved enrollment (vocational education, secondary school), sometimes on the number of student-periods per week (college education) and sometimes on weighted enrollments (university education).

Support for expression of the demand

The public system offers few funding resources compared to the demand expressed. The education supply continues to reflect a dynamic better suited to young people than adults. Indeed, funding focuses more on how adults respond to the supply than on resources that would help trigger the demand. Since 1990, the number of adults who enroll in basic general education has plummeted, even though there continues to be a deficit in basic education. The lack of funding allocated to screening adults for inadequate basic education no doubt partially explains this state of affairs.

The 1% Act

Examination of the 1% Act reveals a number of shortcomings. For example, the sums paid to the Fonds national de formation de la main-d'oeuvre (FNFMO) by businesses that do not carry out enough training activities are not reinvested solely in training activities favouring employees of these businesses, and employees, or their representatives, the unions, are seldom involved in the development and implementation of training strategies or programs. The training needs of workers employed by very small businesses and, since January 1, 2004, those employed by small businesses, are not covered by this legislation. Lastly, the administrative procedures associated with the 1% Act are burdensome for employers.

The contributions made by employers to enhance or upgrade employees' basic skills fall short. In 1998, structured training that addressed such skills, including literacy and oral and written communication skills, ranked last among the training programs provided and affected less than one person in seven. In comparison, three persons in four were trained in a given job duty (MESS-DGARES, 2002). This issue continues to be the subject of debate; some believe that businesses should focus their efforts on task-related training, while others assign a broader responsibility to employers.

The workplace apprenticeship program

This program has the potential to be a good training avenue, although it currently only covers employees in businesses and certain job duties. In addition, the assessment of skills acquired by apprentices appears to be questionable. This program could be extended to include other targets and be better enmeshed with educational institutions as concerns the assessment and recognition of prior learning and competencies. The workplace apprenticeship approach as a means of organizing training could provide solutions to a number of problems. For example, it is recognized that the regions have difficulty forming groups for courses and programs because of insufficient enrolment. Similarly, adults who commit to a process of recognition of prior learning and competencies often have trouble completing their training because the upgrading they seek is not available.

This approach could be expanded to apprenticeship in the construction trades and regulated nonconstruction occupations. In Québec, the number of apprentices participating in training activities, i.e. 42 000 people, compares favourably with that of Ontario, which has approximately 60 000 apprentices, but less favourably with that of Alberta, which has 40 000 apprentices for a much smaller population. However, in contrast with Ontario and Alberta, apprentices in Québec are more likely to be new workers than actual apprentices. Many already hold a Diploma of Vocational Studies (DVS) at the outset of their apprenticeship period, thereby enabling them to obtain the Certificate of Qualification required to practise regulated occupations. The hiring of graduates is preferred in construction trades. It is important to stress that in Québec, apprenticeship is usually more a method of certification to standardize the practice of a trade than a form of training. In comparison, in Ontario and Alberta, apprenticeship is more a form of training focused on achieving initial competencies and leading to certification authorizing the practice of a trade.

It should be noted that this overlapping of diploma and certificate also incurs costs assumed by the State, among others, in terms of subsidies paid to educational institutions and financial assistance programs for individuals. In addition, other costs, such as additional expenses associated with studies and lost income, are borne by individuals.

Lastly, it is important that the same occupational standards serve as the foundation both for workplace apprenticeship programs and for programs of study. However, the mechanisms in force do not seem to ensure such consistency.

The Politique d'intervention sectorielle and sector-based manpower committees

The establishment of sector-based manpower committees also reveals the following shortcomings.

- Québec employers are not very familiar with the Politique d'intervention sectorielle and the associated sector-based committees, and as a result, occupational standards already in force are not well understood by the businesses concerned.
- The 26 sector-based committees established since 1997, with the exception of some established earlier (aerospace and chemical-petrochemical), do not represent all the sectors that should be contributing to the development of a Québec system of occupational standards.
- These committees do not adequately reflect the regional dynamics of work-force development and continuing education and training.

Insufficient recognition of prior learning and competencies

In Québec, the lack of recognition of prior learning and competencies acquired through training is not unrelated to the poorly established culture of continuing education and training. Given the importance of this issue, it is discussed at further length in Chapter 8.

LESSONS LEARNED

- The supply of training for adults is characterized by strengths that must be built upon in order to increase the number of adults who invest in the development of their competencies.
 - It encompasses a variety of activities that take place in various environments.
 - It is available throughout Québec.
 - It includes levers for work force development.
 - It involves several stakeholders: educational institutions, businesses, private agencies and training providers, community-based groups and municipalities. All are committed to supplying education and training to adults.
- The supply of training for adults has a number of shortcomings that have consequences on the associated costs and on the participation rate for continuing education and training:
 - a lack of bridges and integrated programs, particularly in vocational and technical education
 - uniform duration of technical training programs
 - limited or nonexistent supply of part-time training in secondary schools and colleges
 - unequal funding formulas between education levels
 - persistent problems in using workplace apprenticeship as a means of organizing training rather than as a means of controlling vocational practice conditions
 - workers not covered by the *Act to foster the development of manpower training* in Québec (workers in small businesses and the self-employed)
 - employees, or their representatives, the unions, are seldom involved in the development and implementation of training strategies or programs
 - lack of familiarity with the *Politique d'intervention sectorielle* and sector-based manpower committees
- Québec does not possess integrated data concerning the participation and funding of the supply of continuing education and training on the part of municipalities and community-based groups.
- Québec's education system presents distinctive features with respect to the other Canadian provinces, including:
 - the association of vocational education with secondary schools
 - the shorter duration of secondary education
 - obligatory transition²² through college studies for admission to university

22 Adults can be exempted from this admission requirement for university entrance.

CHAPTER 5

ADULT PARTICIPATION AND DEMAND

The trends examined in Chapter 3, *A Changing Environment: New Needs*, predict an increase in demand. The challenges and needs arising from market globalization, international competition, the knowledge-based society and economy, demographic shifts, growing inequality and the restructuring of the labour market are all elements that exert pressure on demand, but demand is not only based on needs; other elements come into play.

If demand is linked to needs, it is also certainly linked to adults' willingness and opportunities to participate in continuing education and training. Such participation depends on several factors, and certain characteristics must be taken into consideration.

First, there are the benefits that an adult may gain from participating in continuing education and training. Before undertaking such process, an adult will assess the benefits he or she may derive from such a commitment. Continuing education and training may then be perceived as an investment that will bring benefits to the individual in the near future. This concept of continuing education and training as investment is presented in Chapter 6, *Who Benefits from Education?*

Beyond the potential benefits the adult perceives, which will influence his or her decision to commit to continuing education or training, he or she must also consider the opportunities. In this respect, basic education constitutes an essential condition for embarking upon the process of continuing education.

Subsequently, other characteristics also influence participation, specifically age, initial level of schooling and the adult's status in the labour market. Additional factors including time, scheduling, available training activities and costs also strongly influence demand. These decisive characteristics and factors are examined in this chapter.

The following diagram shows the links between demand and needs as well as between demand, participation in continuing education and training and the situation of adults.

5.1 WORRISOME PARTICIPATION RATES

Data on adult participation in continuing education activities, which is used to position Québec in relation to other jurisdictions, can only be obtained through surveys.

As mentioned, the Committee of Experts primarily used the *Adult Education and Training Survey* (AETS, 1997) and the *Workplace and Employee Survey* (WES, 1999). The first survey, conducted on individuals, was used to establish comparisons on the international level as well as with Canadian provinces. The second is a Canadian survey conducted among employers and wage-earners. Consequently, it does not permit comparison of Québec with other provinces.

Results vary depending on the sources. According to the AETS (1997), the total number of adults participating in continuing education and training activities is 1.2 million. However, the WES (1999) states that the number of employees alone participating in continuing education and training activities is 1.7 million. Nevertheless, the reference population for these two surveys is not the same. Nor are the definitions used for "training activities."²³

This being said, one fact remains: all data sources show that the participation of adults in continuing education and training activities is systematically lower in Québec than in the jurisdictions of our main economic competitors. Moreover, this situation has existed since the 1980s and is manifested no matter how the data is examined.

Lower participation in Québec compared with Canada and other OECD countries

Participation in continuing education and training is lower in Québec than in other jurisdictions. According to comparative data from national studies on adult education and training²⁴ and reading and writing abilities, the following observations come to light:

- The overall rate of adult participation²⁵ in continuing education and training activities in Québec (21.3%) is 7% lower than the overall rate for Canada (28.2%), which is itself 8% lower than the average rate for OECD countries (36%).
- The rate of adult participation in continuing education and training activities for occupation-related reasons in Québec (15.1%) is 6% lower than the Canadian rate (21.5%), which is itself 7% lower than the average rate for OECD countries (28%).
- The rate of adult participation in continuing education and training activities for nonoccupation-related reasons in Québec (8.1%) is 2% lower than the Canadian rate (9.9%).

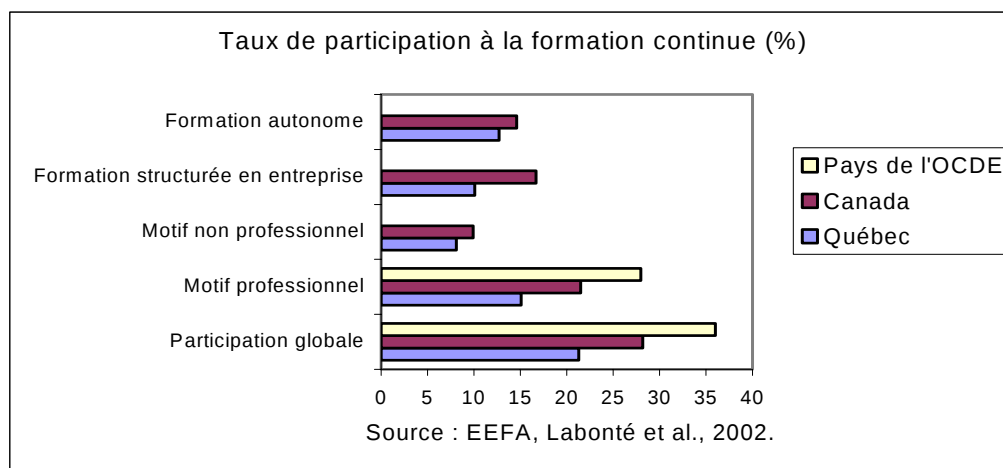
23 Preliminary, partial data from a survey conducted in 2002 with employees of businesses subject to the 1% Act seem to indicate a higher rate of training in businesses.

24 Analyzed by Doray, Bélanger, Motte, Labonté and Levesque (2002 and 2003).

25 For the purposes of the surveys, the adult population is defined as being 17 years of age and older, excluding the population aged between 17 and 19 enrolled on a full-time basis in a program of elementary school or secondary school studies that is not supported by an employer and the population aged between 17 and 24 enrolled on a full-time basis in a postsecondary program that is not supported by an employer.

- The rate of adult participation in structured on-the-job continuing education and training activities in Québec (10.1%) is 7% lower than the Canadian rate (16.7%).
- The rate of participation in self-directed training activities²⁶ in Québec (12.7%) is 2% lower than the Canadian rate (14.6%).

Diagram 5.1: Participation rate in continuing education and training



Turcotte, Léonard and Montmarquette (2003) confirm this trend in their study based on data from the *Workplace and Employee Survey* (WES) of 1999. In their view, the proportion of Québec employees who state they have taken structured or unstructured training while being employed (47%) remains lower than that of other regions in Canada (Atlantic Canada, 51%; Ontario, 60%; Prairies, 59%; British Columbia, 51%).

Similarly, a study conducted for the Canadian Federation of Independent Business (Dulipovici, 2003) reveals that 24% of Québec SMEs do not supply training to their employees, compared with 12% for Canada. Moreover, fewer hours of training are supplied to new employees in Québec SMEs.

Lastly, the administrative data taken from the follow-up of the 1% Act indicate, as does the WES, a greater effort to supply on-the-job training in Québec than that indicated in the AETS. This does not, however, permit comparisons with other jurisdictions.

Diagrams 5.2 and 5.3 show the participation trends for the total population and for employed persons. However, Statistics Canada issues a cautionary note concerning the comparisons made between 1980 and 1990, because of methodological changes. Nevertheless, these data indicate that Québec lagged behind the rest of Canada during these two decades. Worse, participation dropped during the 1990s. Economic conditions might account for this situation.

Diagram 5.2: Historical trends in participation (in %)

²⁶ Self-directed training is undertaken by an individual on his or her own initiative.

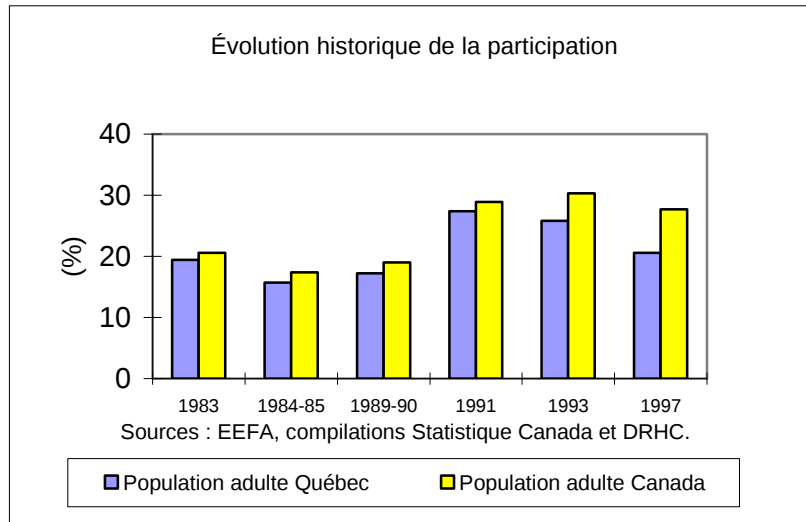
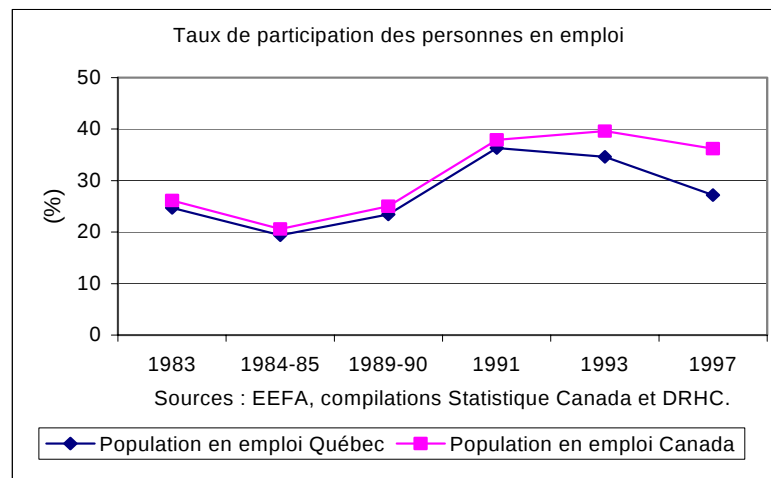


Diagram 5.3: Participation rate for people who are employed



5.2 DETERMINING CHARACTERISTICS IN PARTICIPATION

Some characteristics are decisive in terms of adult participation in continuing education and training. Thus, participation is examined by age; gender; level of schooling and occupational category; size of the company and sector of activity; and labour-market status.

Participation by age

Participation rates in continuing education and training, both on the job and self-directed, decrease with age. The works by Doray et al., based on data from the 1997 AETS, show that participation rates in on-the-job continuing education and training decrease significantly for the 45 to 54 age category onwards. Participation rates in self-directed continuing education activities decrease more gradually from ages 25 to 64.

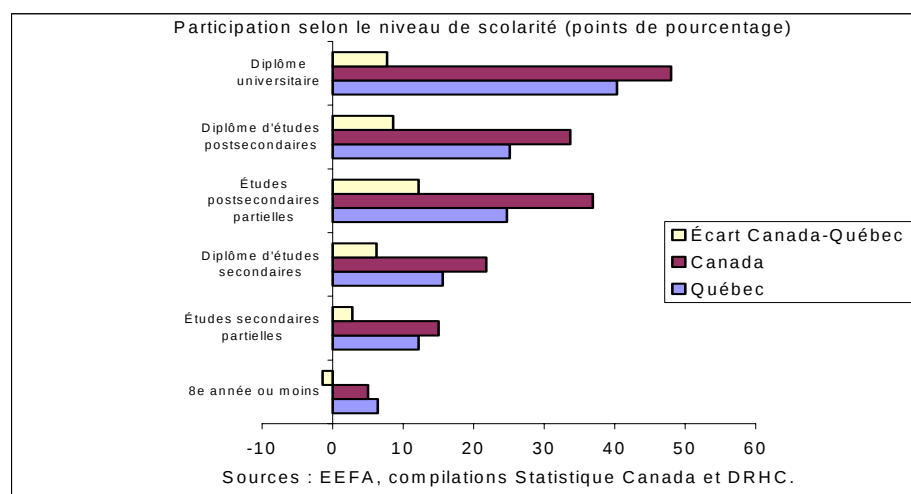
The population of Québec has aged more than in the rest of Canada. The 45 to 54 age group represents 10.7% of the Québec population (9.8% in Canada) and the 55 to 64 age group, 15.4% (14.6% in Canada). However, the age of the population cannot be considered a significant factor in explaining Québec's lower participation rate.

Participation by level of schooling and occupational category

Québec's poor performance in basic education is a significant factor in its performance in continuing education. In fact, many studies show that there is a positive correlation between initial education and participation in continuing education activities.

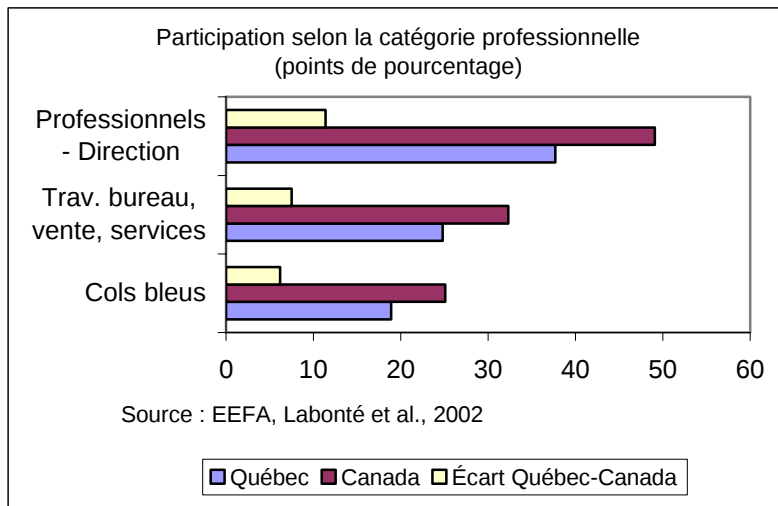
Furthermore, in most OECD countries, adults with university degrees are between two and three times more likely to participate in employment-related continuing education activities than those without a secondary school diploma. Further still, this likelihood increases (four to eight times) in countries with low rates of participation in continuing education activities. The two diagrams below illustrate the relationships between participation in continuing education activities and level of schooling/occupational category.

Diagram 5.4: Participation by level of schooling



The higher their level of schooling, the more people are likely to participate in continuing education activities, both employment-related and those of a cultural or other type. This observation is corroborated in Québec and in Canada as a whole.

Diagram 5.5: Participation by occupational category



The impact of schooling on enrollment in continuing education is also demonstrated in terms of occupational categories.

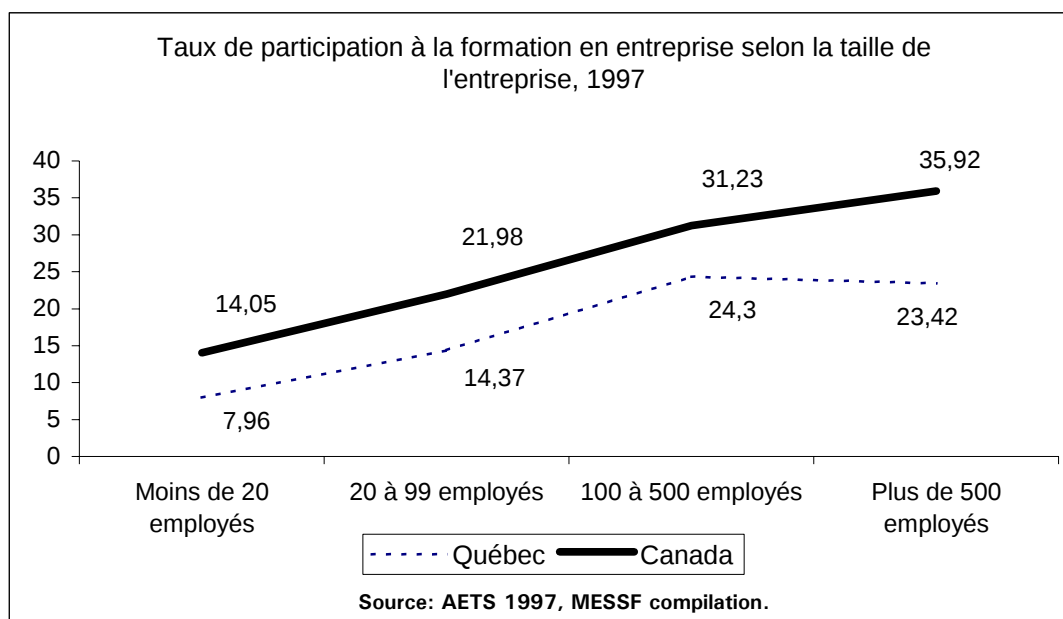
The OECD has noted that continuing education tends to increase skills gaps, due to unequal schooling at initial education level. This leads us to believe that, due to a combination of various factors, adults who have the greatest need for continuing education and training, given their low level of initial education, are those who benefit from it the least, and least perceive the need therefor. This means that the level of basic education must be upgraded to develop a culture of continuing education and training (OECD, 2002).

Participation by company size and sector of activity

Company size is a determining factor in the supply of training. As expected, larger companies provide more training (WES). They favour formal training, while small companies primarily use workplace training. A substantial literature review was conducted on the difficulties faced by SMEs in training (Henripin, 1998). Among these difficulties, there is a clear lack of structured human resource management functions, insufficient time to plan activities and a reluctance to formalize training practices. The formative evaluation of the *Act to foster the development of manpower training* corroborates these findings: employers with a payroll of between \$250 000 and \$500 000 provide less training than others (MESS, 2002a).

The following diagram illustrates participation by company size and the gap in participation between Canada and Québec for these companies.

Diagram 5.6: Participation rate by company size



The significant presence of very small companies in Québec (63.7% of companies have less than five employees, compared to 58% for all of Canada and 53.9% in Ontario²⁷) may explain its low participation rate, as shown by the CFIB survey conducted by Dulipovici (2003). However, Labonté et al. (2002) do not agree. In their opinion, it is the low propensity of large Québec companies to provide training that explains this gap.

In addition, employees in the parapublic and public sectors in Québec participate the most in training activities and have the highest overall participation rates in Canada (12.6% and 12.1% respectively).

Participation by gender

The number of women in the work force has grown considerably in the last 25 years. In 2002, women accounted for 45% of the working population in Québec, up from 43.8% in 1991 and 35.8% in 1976.

27 Industry Canada, *Key Small Business Statistics*, May 2003, www.strategis.gc.ca

Participation by women in training activities is slightly higher than that of men (21.8% versus 20.7%). However, depending on whether or not training is related to employment and supported by the employer, there are significant differences between men and women. According to the AETS (1997), more men participate in training for job-related reasons. Employers provide more support to men, while women are more likely to opt for self-directed training. These observations are the same for Canada as a whole (Labonté et al., 2002; Doray et al., 2003).

Participation by labour-market status

In 2002, the working-age population was 6 million people. The labour force was 3.9 million, of which 3.6 million were employed and 0.3 million were unemployed. Two point one million people were not in the labour force.

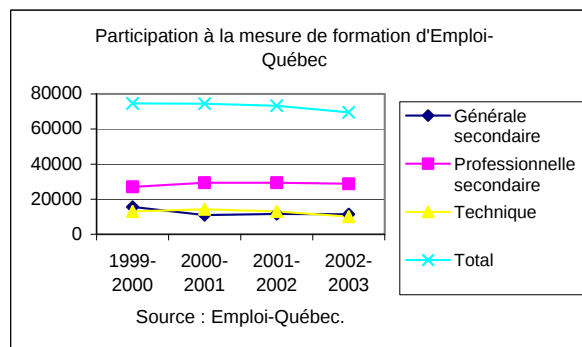
Employed people had a higher participation rate than the unemployed and people not in the labour force, but they spent less time on training. In Québec, in comparison with Canada,

- 16.6% of employed people participated in training sponsored by an employer, versus 25.7% in Canada
- 14.1% of employed people participated in training that was not sponsored by an employer, versus 15.9% in Canada
- 19.3% of the unemployed and 9.3% of people not in the labour force participated in training, versus 21.9% and 10.8% in Canada
- the unemployed spend an average of 441 hours in training, people not in the labour force spent 338 hours and employed people spent 186 hours, versus 392, 303 and 161 hours respectively in Canada

In 2002, there was an average of 337 000 unemployed every month. This number consisted of 55% recipients of employment insurance, 20% recipients of employment assistance and 25% without income support (no cheque). Among the unemployed, one third had not completed their secondary school studies, whereas among employment assistance recipients, the proportion was 60%.

In 2002-2003, the training provided to the unemployed by Emploi-Québec was, in order of importance, vocational education (41%), general secondary education (16%) and technical education (15%). As can be seen in the following diagram, for the past four years, the support provided by Emploi-Québec in vocational secondary education has increased, while support for general secondary education and technical education has decreased.

Diagram 5.7: Participation in the manpower training measure

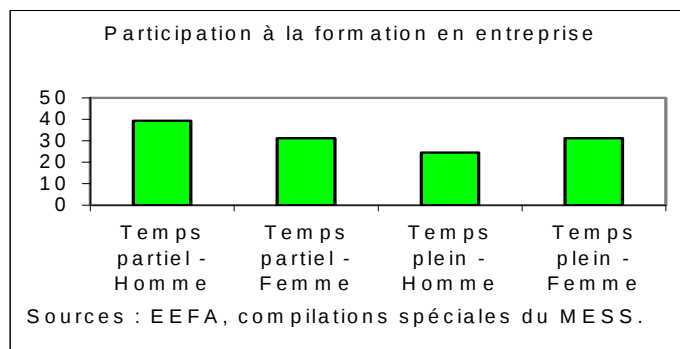


Finally, in 2002, of the total number of unemployed, only 4.3% of employment insurance recipients, 5.6% of able employment assistance recipients and 1.4% of people who did not receive a cheque benefited from Emploi-Québec training measures. Increasingly, employment assistance present heavy employability constraints. Additionally, special programs target the needs of specific clientele, but without significantly increasing the total budget envelope available. This supply of education is linked to local labour-market needs, but does not necessarily lead to work force reentry for the unemployed. Finally, there are few links created with businesses for this purpose.

Nonstandard workers represent more than half of Québec's labour force. These include part-time workers (41%), temporary workers (29%) and self-employed workers (30%). Self-employed workers are not a homogeneous group. They practise a multitude of trades and professions in a number of sectors of economic activity, including the education and adult training sectors. The participation rate in continuing education for self-employed workers is half the average rate.

Despite the precariousness of their jobs, part-time employees receive more training than full-time employees. Researchers who analyzed the AETS attribute this phenomenon to frequent job changes and to the increase in the number of young adults who return to school part-time while working. The following diagram illustrates this phenomenon.

Diagram 5.8: Participation of part-time workers



5.3 FACTORS THAT AFFECT DEMAND

In Québec, research made it possible to divide the factors affecting demand into three categories:

- life situation
- institutional barriers with respect to the supply or organization of training
- deterrents with respect to demand

The life situation refers to living or working conditions and time management. Lack of time is a significant deterrent.

According to the OECD (2003a), lack of time explains, in a proportion of 55%, nonparticipation in general education in Québec; the same proportion is 36% for vocational education. In Canada, it is the main reason mentioned in a proportion of 59.7% for general education and 47% for vocational education (Doray et al., 2003).

Institutional barriers refer to constraints of a political or entrepreneurial nature with respect to training supply, such as public or corporate policy on the training and development of adults in general and the work force in particular, existence of continuing education and training programs, organization of activities, especially in terms of scheduling, available courses, training methods, and sharing of funding between the State, companies and individuals. After time, scheduling and costs appear to be the main factors affecting demand, followed by lack of training supply.

Indeed, the OECD (2003a) confirms that scheduling and costs are major factors, primarily in vocational education (12% and 23% respectively), but also in general education (10% and 17% respectively). Nonavailability of training is more significant in the vocational education sector (13%) than in general education (5.5%). The Canadian reality appears more sombre, given that between 35% and 40% of the population run up against the barriers of scheduling and costs, while 25% must cope with a lack of training supply (Doray et al., 2003).

Deterrents refer to the existence of attitudes, motivations and perceptions related to learning. Lack of qualifications, health problems and lack of support from employers fall into this category. In Canada, the latter is mentioned by 26% of people as a reason for nonparticipation (Doray et al., 2003).

Overall, in order of importance, the factors that most affect demand are

- availability of time
- costs and scheduling of activities and courses
- lack of training supply and employer support

Specific populations

Certain segments of the population live in unique conditions that have an effect on their willingness or ability to participate in continuing education activities and, as a result, have an impact on demand.

These populations segments include people with disabilities, aboriginal communities, individuals under 30 without qualifications, workers aged 45 years and over, immigrants, heads of single-parent families, adults living in remote regions and adults living in poverty.

For the vast majority of these people, their basic education must be upgraded before they can go onto a continuing education and training program. This is the case, among others, for people with disabilities who are experiencing problems with social inclusion and job entry due to the gap in their education compared with the rest of the population aged between 25 and 64 (ISQ, 2001b). This is also the situation reported for aboriginal communities, among which 40% of the population had less than nine years of schooling and 70% did not have a secondary school diploma (Statistics Canada, 1996).

Other groups of individuals run up against institutional barriers, both in terms of supply and organization of training. This is the case for immigrants, who still encounter great difficulties in having their prior learning and competencies recognized and receiving refresher training to enable them to enter the work force. This is also the case for adults living in outlying areas, for whom, given the lack of critical mass, modulation of the supply of training and the creation of course groups must be different. Finally, the same applies to adults living in poverty, who need to be supported by positive conditions that encourage them to express their demands. Among this population, the poverty level of single parents is 82% for mothers without a secondary school diploma, versus 44% for those who have at least a secondary school diploma.

Support programs and measures

In Québec, support programs and measures are available to adults and have an impact on demand.

The Ministère de l'Éducation offers financial assistance programs, one for full-time studies and the other, more recent, for part-time studies. They are available to adults in vocational education and postsecondary education, but not to adults in basic general education. These programs are contributory and suppletive in nature, which means that financial assistance is determined based on the amounts established as contributions to his or her studies by the student, his or her parents or his or her spouse. The Ministère de l'Emploi, de la Solidarité sociale et de la Famille offers income support measures to recipients of employment insurance and employment assistance who participate in training activities.

Certain shortcomings have been observed in these programs, including lack of harmonization, the fact that they were primarily designed for people on a continuous learning path and the fact that they are poorly suited to adults returning to school. The concepts of spouse, parental contribution and other factors taken into consideration in the income calculated, such as the calendar year or family allowances, are currently being harmonized by the ministerial partners concerned, and substantial progress is being made; for this reason, the Committee of Experts did not feel it was appropriate to include these elements in its analysis.

Finally, as with other OECD countries, customized programs or strategies are implemented to meet the needs of specific population segments: *Solidarité jeunesse*, *Ma place au soleil*, *Femmes au travail: Stratégies d'intervention à l'égard de la main-d'œuvre féminine* and *Stratégies d'intervention à l'intention des travailleuses et travailleurs de 45 ans et plus* are a few examples. One of the purposes of these programs is to upgrade competencies.

LESSONS LEARNED

- Quantitative results aside, all of the studies examined confirm a historical trend showing that participation in continuing education activities is lower in Québec than elsewhere. According to the AETS, considered the official source of Canadian data, the overall participation rate of adults in continuing education activities in Québec, for work-related or other purposes, is 7% lower than the overall rate in Canada and 15% lower than the average rate in OECD countries.
- In Québec, all occupational categories, types of companies and sectors of activity participate less in continuing education activities than those of other Canadian provinces.
- Some characteristics are decisive in terms of adult participation in continuing education:
 - level of basic education
 - age of the population
 - labour-force status
- In addition to the anticipated benefits and advantages, the factors that affect participation in continuing education activities and, as a result, the demand, include:
 - availability of time
 - costs and scheduling of activities and courses
 - lack of training supply and employer support
 - The special living conditions of specific populations segments
 - types of support programs and measures

CHAPTER 6

WHO BENEFITS FROM EDUCATION?

Education is a factor of growth and development. For many years, the concept of education, predominant in economic science, has been as an investment in human capital, which is why education is such an important element in any development strategy.

Perceiving education as an investment means that the main benefits will be felt in the future. However, despite the benefits reaped, an investment may not necessarily be profitable, since the value of the benefits must be higher than the costs. It is therefore important to measure, evaluate and compare the benefits and the costs of education before coming to a decision on the relevance of a project or program and on the relevance of following up or changing the effort expended thereon.

Finally, although evaluation of the profitability of adult education and continuing education is a less-explored field, it is nonetheless possible to identify the important elements. Also, based on the costs and benefits specific to this field, principles governing the sharing of responsibilities in funding educational activities can be set out, and will serve as the foundations for the financial framework proposed by the Committee of Experts.

6.1 AN INVESTMENT THAT YIELDS BENEFITS

The benefits of education manifest themselves in many ways. They can be grouped based on when they are felt and on the individuals or entities that feel them most directly. Thus, they can be qualified as personal if they benefit the student and those close to him/her, personal and occupational if they are felt at work, and marketable if they result in an increase in income. On the other hand, if they are in the form of better working conditions, increased efficiency in finding a job or better adaptation to technological change, they may not be directly financial.

However, not all personal benefits are necessarily work-related. If education allows, among others, a better understanding of the physical and social environment, an improvement in lifestyle habits or health practices, or even better education for children, the benefits are mainly personal and, in the latter case, have an intergenerational effect. Such effects are considered one of the driving forces for economic development and encourage adult education. According to Haveman and Wolfe (1984), the value of nonmarket effects of education is more or less equal to that of the effects observed on the work force.

Benefits can also be qualified as external if they profit other individuals. Practising better citizenship is one example. Finally, they are qualified as public if they are recovered by governments, such as the additional income tax resulting from a higher income.

All of these benefits (personal, external, public, etc.) are social benefits, with society being the rallying point for all players (individuals, employers or society as a whole). Numerous works provide information on the benefits of education for these players, which are usually grouped according to the player that feels them most directly (some of them are not felt exclusively by a single player).

For individuals, the main benefits of education are:

- an increase in income and social benefits
- increased efficiency in finding a job and better adaptation to change
- a lower unemployment rate due to a higher level of education
- greater job mobility and better opportunities for promotion
- an improvement in domestic productivity and consumption behaviour
- an increase in savings and investment effectiveness
- an improvement in lifestyle habits and health practices, a better state of health and longer life expectancy

For the employer, the main benefits of education are:

- an increase in work-force productivity and the company's competitiveness
- easier adaptation of the work force to changes in the products and services provided, manufacturing processes and ways in which services are provided
- an increase in research and innovation

For society as a whole, the main benefits of education are:

- greater tolerance for diversity, increased sensitivity towards other cultures, human rights and environmental protection, and more informed participation in political life
- less recourse to social measures due to improved employability and higher income
- more taxes derived from income due to growing remuneration and productivity
- a reduction in crime and greater social involvement
- recognition of the value of education, particularly among young people

6.2 AN INVESTMENT THAT ENTAILS COSTS

Investing in education also entails costs which, like benefits, include various components whose values differ based on the perspective adopted – personal, external, public or social. To define these costs, it is helpful to identify the various resources necessary for education. These resources can be grouped by component of education costs. The most obvious, direct costs, is related to all of the resources required by educational institutions (operating grants, tuition fees, school taxes, etc.) and businesses (organization and purchase of training) to make this investment. Additional or accessory costs correspond to the additional expenses incurred by the individual and those close to him/her in order to undertake his/her education. The third component, which has long been neglected and even overlooked, has to do with the time the individual devotes to his/her studies and which is an essential element of the education process. Time entails costs, and it is not difficult to imagine ways to spend time other than for studying, particularly for adults (marketable work, domestic chores, recreation, etc.). The importance of the "time" component for adults cannot be overemphasized.

The value of these elements varies based on the perspective adopted. The burden of direct costs is distributed between the governments, businesses and users, while additional costs are

generally assumed by the users. The time cost consists first of a personal component, which is assumed by individuals. Since the best use of time is for paid work, the value of time used for studying purposes can be evaluated as unpaid time. However, there is also a public component, such as a loss of income tax. Note that if training is sponsored by the employer, the company can assume a substantial portion of the burden of each cost component.

The other elements, financial assistance and tax incentives enjoyed by individuals or businesses, should be considered as transfers rather than costs, since all they do is modify the cost distribution between the various players. They are taken into consideration in the calculation of personal or public profitability, but not in the calculation of social profitability.

In sum, education costs come in many forms and can also be grouped according to the economic player that incurs them.

For governments, the main costs are:

- grants to educational institutions
- measures offered to businesses and individuals (related to education – financial assistance, exemptions, tax deductions and credits, etc.)

For individuals, the main costs are:

- time spent on training, mainly in terms of the inability to earn during the training period
- tuition fees
- The costs incurred for school materials, travel, accommodation, child care, etc.

For employers, the main costs are:

- expenses incurred to organize or purchase training
- worker participation fees: travel and accommodation expenses, etc.
- worker/instructor replacement and loss of productivity
- greater pressure on salaries resulting from an increase in productivity
- higher work-force turnover rate, given the transferability of competencies

6.3 A PROFITABLE INVESTMENT

Profitability of education

Evaluating the profitability of education resulted in a great deal of empirical work. Despite the fact that the results vary from one case to another, based on time, location, type of program, population, etc., it is nevertheless possible to identify some general trends.

- Even when considering solely work-related effects, education usually appears profitable; the internal productivity rate is higher than the reference interest rate.
- The personal productivity rate, or the productivity rate calculated based on the benefits and costs for the individual and those close to him/her, is higher than the social

productivity rate and the public productivity rate. Individuals are the primary beneficiary of education.

- The productivity rate can vary from one level of education or program to another. Over a long period of time, we observed a downward trend in the productivity rate based on the level of education, which would suggest placing a greater priority on secondary education. This trend became less marked in the last few years.²⁸
- While the productivity rate varies from one program to another, it does not follow that vocational or technical education is more profitable than general education. In fact, the former often costs more due to the expensive equipment used and the absence of economies of scale. The profitability of vocational and technical education depends on a condition that is sometimes difficult to respect, i.e. holding a job for a long period of time in a relatively specialized field related to the individual's studies.²⁹
- The productivity rate varies from one country and one period to another. It is often higher in developing countries due to the low education supply. The productivity rate of education appears to be lower in Canada than in the United States. This result should be put in context with other observations: schooling has increased more quickly in Canada in the last twenty years, and income inequality increased less quickly. Moreover, it is difficult to determine the significant general differences in the profitability of education between Québec and the rest of Canada (Vaillancourt 1992).
- The productivity rate can be calculated by gender, aptitude and social origin. Even if men's earnings are higher than that of women, the profitability rate of education, which depends on the differences in income attributable to education, is usually higher for women. This also seems to be true for students from more disadvantaged areas, for whom education may have a greater importance in career success.

Profitability of continuing education and training

The definition of the benefits and costs of education suggest that its profitability is likely to decrease with age. On the one hand, carrying the investment forward to an older age means that the period during which the benefits are realized is shortened,³⁰ and consequently, their value decreases with age. On the other hand, a significant component of the cost of the investment is the value of time spent on studies. During the first twenty or thirty years of working life, earnings generally increase with age. Carrying the investment forward therefore increases the cost.

Despite this, there is a place for continuing education in an optimal human capital investment strategy. Naturally, there is no doubt that it is best to invest at a young age, because early investments make it possible to better take advantage of learning opportunities that present themselves throughout life. In the words of Heckman (1999), *learning begets learning*. As a result, the best way to promote continuing education is to provide a solid initial education.

28 Recent work carried out by the OECD suggested lower productivity rates in university than in secondary school or college in Canada.

29 In addition to deploring the omission of nonmarket benefits, proponents of the idea of investing in human capital voiced their opposition to certain theories that did not differentiate between investment in human capital and technical or vocational education: Bowman (1987), among others, continues to repeat that basic or general education, is also just as "vocational" in the sense that it prepares for vocational life, as technical or ... vocational education!

30 The argument is equally valid for both nonvocational and vocational benefits. It is better to learn about becoming an effective parent or good citizen at a young age.

Investments in general education, those that make it possible to learn how to learn, must be made early, before investments in specialized education.

Continuing education cannot therefore replace initial education; though it may continue throughout the adult's life, learning must start as young as possible. The works of Tuijnman et al. (1988) support this idea: adult education either compensates for the loss of the influence of initial education and counters the trend of depreciating human capital, or reinforces the role of initial education. Adult education and training are therefore complementary, rather than substitutes for initial education. The latter increases future potential for learning and serves as a platform for future education. The better the platform, the more profitable the future education.

Certain arguments can be cited in favour of continuing education in terms of carrying the time of learning forward or staggering it over a longer period.

- The value of benefits from an investment could be higher than the cost, even at an older age. Even if the profitability rate diminishes with age, it does not follow that this rate quickly becomes lower than the reference interest rate for adults under all circumstances. The benefits of certain forms of education, specifically literacy services and basic general education, could be such that it is preferable to acquire them, even at an older age.
- Effectiveness in accumulating human capital could increase with age. If, for example, experiences acquired outside the school by an individual allow him/her to be more familiar with his/her interests and abilities, have an effect on his/her motivation or serve as support in acquiring knowledge and developing his/her competencies, he/she could take better advantage of his/her education at an older age.
- Continual changes in knowledge and in the labour market make the benefit of acquiring certain education at a younger age less pronounced. Competencies developed in certain learning pathways could have a very limited lifespan due to technological advances, among other reasons. For example, whether someone is 20 or 40 years old, they will reap the same benefit from mastering a specific programming language whose lifespan is 10 years.

Notwithstanding the above concerns, clearly measuring the profitability of continuing education is a difficult exercise for individuals, employers, government and society. As already emphasized, continuing education covers a range of diverse activities of a formal, nonformal or informal nature, and these activities are carried out in many locations. These characteristics explain, at least in part, why we know so little about its profitability. The results obtained should therefore be used with great care. Furthermore, in the early 1990s, one of the best Canadian specialists, Betcherman (1993), regretted that the essence of Canadian studies on adult education and the work force did not assess its effects or results in terms of effectiveness, and that we must often use American studies to gain an idea thereof.

The main conclusions reached in terms of the profitability of continuing education, often based on studies conducted outside of Québec and Canada, show that:

- the profitability of on-the-job education appears very high. According to Mincer (1991) and Bartel (1995), the profitability rate is equal to or higher than the profitability rate of formal education

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- employer-sponsored training provided in the workplace has not been evaluated in-depth in Canada. However, even if there are not many studies, the effects of this training on remuneration and other employment characteristics (job mobility, job security, etc.) are judged very favourably. Many specialists in the field deem that private education is more profitable than public programs³¹
 - there have been even fewer studies of the effects of education on the profit, earnings or profitability of companies. A few studies showed that education not only increased workers' incomes, but also improved their productivity (sales by employees, product rejection rates)

Recent studies conducted by the OECD also conclude that continuing education has a positive effect on worker performance. In this respect, participation in continuing education:

- increases the chances of keeping one's job and finding another one in the event of dismissal
- enables workers to receive higher remuneration
- has a positive impact on salary progression, regardless of the level of initial education or type of continuing education (Ok and Tergeist, 2003)

Profitability of continuing education as an active employment measure

During the last decade, the profitability of education programs, funded as active employment assistance measures to benefit the unemployed, was the subject of many debates within the OECD. While the economic viability of such education programs has often been questioned, there is broad consensus on their social profitability.

In 2001, the OECD recalled that investing in education was one of the main factors of growth. Not only does it pave the way for and promote acceleration of development of the new knowledge-based economy, but it reduces the potential number of people who need to rely on social assistance programs. Basic education and training programs must be able to meet these structural needs. Additionally, to reduce the need for social assistance programs, OECD member countries would not hesitate to strongly encourage young recipients of social assistance to return to school if they have not completed their secondary school studies by reducing or limiting access to such assistance, while directing them towards loans and bursaries, which would be made more accessible.

The general improvement in the competencies and vocational education of the unemployed must take into account the needs of employers and manpower shortages. For education to be effective, programs should be adapted to people with the same employment difficulties. Their use should also be restricted to specific needs, such as:

- vocational education in occupations with a shortage of manpower
- industrial reconversion
- women who want to return to the work force

³¹ In terms of the supposed greater profitability of private education, it should also be noted that comparing private and public programs may be a loaded issue, given that private education tends to focus on those with the best abilities and who are easy to teach, whereas those responsible for public programs must often give priority to those who experience greater difficulty.

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- redirecting the unemployed to new jobs
 - basic qualifications, such as reading and writing
 - assistance for the long-term unemployed with a view to social and human investment

Finally, education is increasingly focused on local manpower requirements, identified with the help of employers. Incentive or support measures for companies and workers also contribute to the investment in continuing education.

6.4 A DIVISION OF RESPONSIBILITIES AMONG THE VARIOUS ECONOMIC PLAYERS

While it appears that third parties or governments enjoy many of the benefits of adult education and continuing education, it is actually individuals and those close to them, as well as employers, who gain the most benefit. Principles of shared responsibility between these economic players can be put forward. According to the OECD, in all of the countries studied, adult education is provided by both public players, i.e. governments, and private players, i.e. companies and individuals. Furthermore, it would appear that most education programs for adults are funded by companies and individuals (OECD, 2003a).

Thus, considering the costs and benefits of adult education and continuing education for society, employers and individuals:

- basic general education has benefits that affect all of society
- education for the unemployed and individuals not in the labour force always provides benefits, both for society and individuals
- transferable education primarily benefits individuals, while specific education mainly benefits companies
- university education, as well as vocational and technical education, provides many personal and work-related benefits to individuals, but also to employers
- Self-directed learning mainly benefits individuals, while on-the-job training is mainly of interest to employers.

Basic general education

Basic general education has benefits that affect all of society. It also serves as a foundation for all continuing education initiatives. Ensuring that adults have the minimum basic competencies is a priority for most member countries (OECD, 2003a). What's more, it is generally accepted by OECD member countries that funding for basic general education for adults must be provided by the State.

Education for the unemployed and individuals not in the labour force

Studies conducted by the OECD emphasize that education designed to provide jobs for the unemployed and individuals not in the labour force is funded, for the most part, by government budgets (2003a). These usually include special contributions by employers and workers paid into an employment insurance fund.

In Québec and elsewhere, the assistance provided can be in many forms: organization by the public authorities of general, vocational and technical education, individual funding for those who call on the private sector and financial assistance to support the income of individuals and cover direct and indirect participation costs. Since 1994, when the *OECD Jobs Strategy* was published, most member countries have used an increasing amount of money from employment insurance funds to fund job-market entry measures and develop the employability of the unemployed and individuals not in the labour force.

The benefits of educating the unemployed and individuals not in the labour force affect society, individuals and employers differently, depending on the type of education involved. Special education depends on the employment history of individuals, the level of education they have achieved and their desire to begin working life more or less quickly. Also, for people who already have a basic general education, short vocational and technical education programs, tailored to the requirements of the job market, could allow individuals to reenter the work force quickly and allow employers to find qualified employees who meet the requirements of jobs offered, while decreasing the costs associated with longer education programs. In this case, the benefits are direct for individuals, employers and the State. However, for people with little schooling, returning to basic general education primarily benefits society in general and individuals.

The works of the OECD (2003a) also mention the existing relationship between adult participation in learning and the contribution of public resources to such learning. It is apparent that a higher level of public funding results in an increase in the participation rate of less-qualified individuals, and that this might be where public funding has the most impact.

Specific versus transferable training

The supporters of investment in human capital have insisted strongly on the diversity of its forms and locations in which it occurs. In fact, just as it does not start with school, this investment does not end when students leave school. It continues elsewhere, such as in companies. According to Becker (1964), what distinguishes the school and the workplace as a place of learning is primarily the degree of specialization in the education.

While the human capital acquired in an educational institution is transferable, this is not always the case when it is acquired in the workplace. Note, however, that establishing a boundary between the more or less transferable nature of training activities is not always simple, although Becker does make an important distinction between transferable and specific training as concerns on-the-job training. But the difference between transferable and specific training should be within a continuum, leading from specific training to an employer, from specific training to industry, and from training that meets national requirements to training that meets specific individuals' needs.

One of the criteria that distinguishes between transferable and specific training involves the possibility of using it elsewhere than where it was acquired. The distinction between transferable and specific training is therefore related to the concept of mobility. Whereas transferable training promotes mobility in terms of changing employers, specific training is not incompatible with mobility in the sense of transferring from one position to another within the same workplace. Specific training is therefore not necessarily limited or specialized.

Another distinctive criterion between transferable education and specific education is associated with the notions of certification, accreditation and recognition of prior learning, which are obviously more relevant to transferable training.

These considerations on the transferable nature of training activities make it possible to establish guidelines for the distribution of the cost of education. Thus, it appears that the more transferable education is, the more its cost should be assumed by individuals. In addition, the more specific the education, the more its cost should be the responsibility of the company. If this is the case, it is because, with education improving productivity, it is possible for a worker who has received transferable training to find another employer willing to pay for the increased productivity.

Vocational, technical and university education

These types of education provide many personal and work-related benefits. They are also often closely associated with work-force needs. Individuals and employers benefit from them directly, in the form of higher income for the former and increased productivity for the latter.

These types of education include various types of programs designed for various purposes. Concerning programs in regular learning pathways, which lead to certification by the State or universities, there is no doubt that they provide many personal and work-related benefits. In fact, given that they make it possible to acquire generic competencies that are transferable from one job to another, they provide benefits for individuals, such as greater mobility and income potential. From an economic perspective, this type of education should be seen by individuals as an investment, its profitability being based on direct education costs, additional costs, the cost of time used alternatively and the associated difference in income. Since they are often directly tailored to labour-market needs, these programs also benefit companies.

However, some other education programs provide a lower level of transferability. The competencies acquired are more narrowly specialized or are not always transferable from one company to another and even less so between sectors. Thus, task-specific training or, to a certain extent, short-term training programs that are sometimes designed to meet the specific needs of a company or sector should not only be seen as an investment for individuals, but also for employers.

Self-directed learning and employer-sponsored training

A distinction is often established between self-directed learning and training sponsored by employers. Self-directed learning is initiated by an individual of his or her own accord, for personal or vocational purposes. Such learning, which is not acquired in the workplace, is transferable, whereas employer-sponsored training is usually focused on the individual's occupational activities while meeting the needs of companies. It can either be specific or transferable.

The individual is the main beneficiary of self-directed learning. The State already encourages individuals to undertake such learning activities by paying subsidies to educational institutions, thereby reducing or eliminating tuition fees. It can also do so through its general financial assistance programs and fiscal measures.

Even if training is sponsored by the employer, the latter is not necessarily the sole beneficiary; workers can benefit therefrom as well. The conclusions drawn here match those reached regarding specific and transferable training. However, because it is sponsored by employers and associated with their employees' workplace, employers benefit from it more directly. It stands to reason, therefore, that responsibility for its funding should fall mainly to employers.

LESSONS LEARNED

- Continuing education is an investment in human capital. It has both benefits and costs, for society as a whole and for individuals and employers.
- Considering the benefits of continuing education for society as a whole, individuals and employers, principles on the sharing of funding between these various players can be stated as follows.
 - The State provides funding for basic general education and training for the unemployed and special clienteles, because this training provides many benefits that are felt by all of society. Furthermore, the State should support the funding of postsecondary education and develop incentives with a view to increasing the participation of individuals and employers in continuing education activities.
 - Individuals should be the first to contribute to the funding of continuing education and training that they undertake of their own accord, whether for work-related or other purposes. This type of education has many personal benefits.
 - Employers should be the first to contribute to the funding of continuing education and training in the workplace, since doing so provides many benefits in terms of productivity of their work force. Moreover, when continuing education of a vocational nature is organized in educational institutions to meet their specific needs, employers should contribute significantly to its funding.

CHAPTER 7

WHO FUNDS CONTINUING EDUCATION?

In Québec, as elsewhere, there are multiple, varied sources of funding for continuing education. For this reason, it is difficult to draw up a comprehensive chart of these sources, given the complexity and diversity of training programs and the related funding arrangements. Establishing the level of funding for continuing education and distributing the burden among the main players is practically impossible, for the following good reasons:

- the boundary between initial and continuing education is hard to determine, since it is sometimes based on age and sometimes on the type of program or level of education
- continuing education is provided in a multitude of locations and includes various activities, ranging from task-specific training in the workplace to formal courses of study in educational institutions to community projects
- many players are involved, including individuals, families, unions, corporations, socio-community groups, employers and governments
- nonformal and informal activities are difficult to identify and assess
- the information necessary to assess all of the activities is not always available

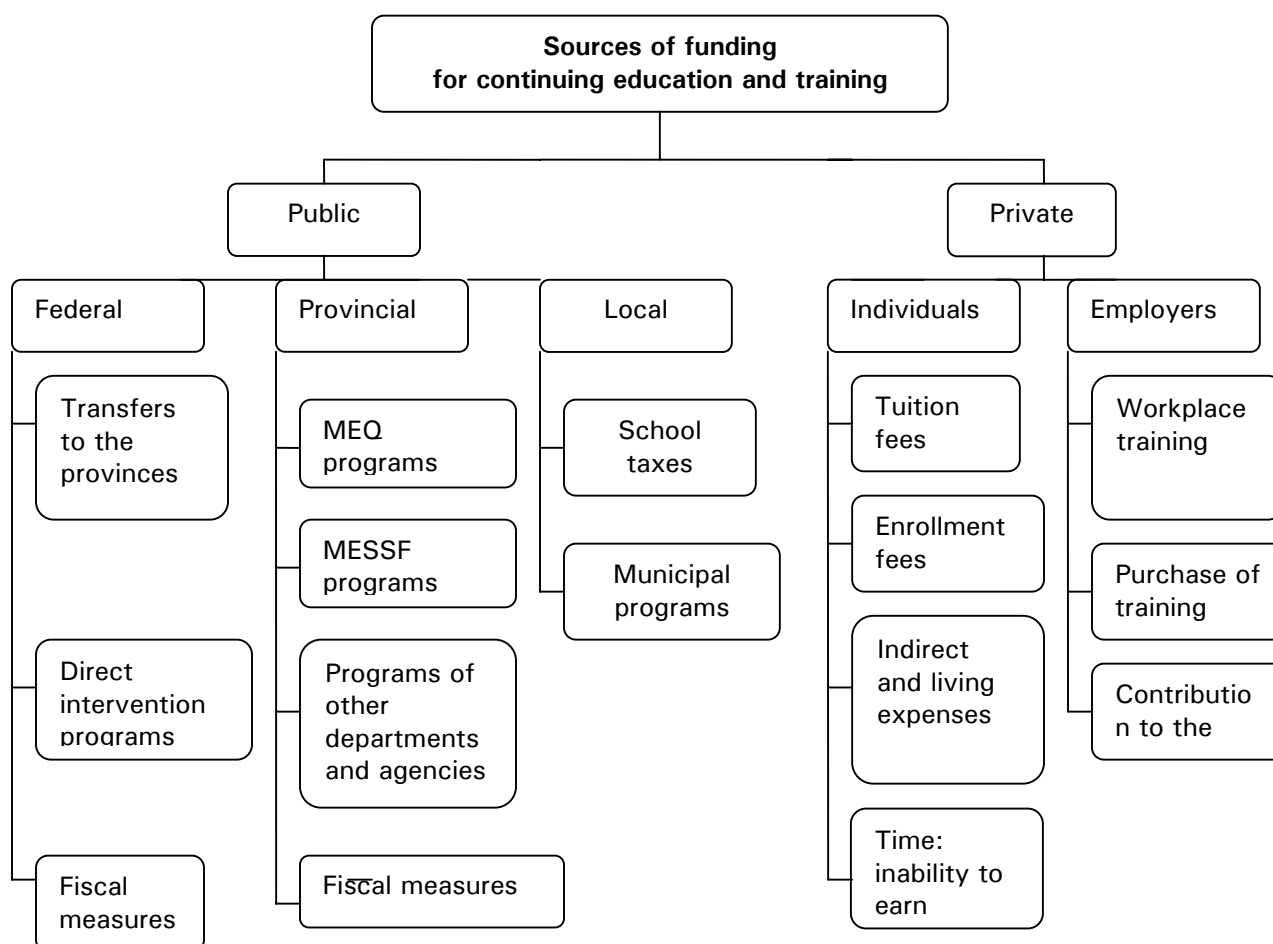
Despite these serious difficulties, the Committee of Experts prepared an overview of continuing education expenditures in Québec. It also attempted to compare the level of funding with that for other financial years. An analysis of funding sources is also provided. Finally, measures adopted by OECD member countries were examined.

7.1 HIGH EXPENDITURES

Funding for adult education and continuing education has traditionally come from a number of sources. It is helpful to classify these sources into two major categories, each meeting different criteria – public investment and private investment.

The following diagram indicates the main public and private funding sources.

Figure 7.1: Funding sources for continuing education and training



In the public investment category, we first include the amounts allocated directly by the State to educational institutions and users. These amounts come from general State revenues. Funding for adult education and continuing education can be from either the federal or provincial governments.

However, funding is also provided indirectly through fiscal measures provided by both levels of government. In this case, these may be refundable or nonrefundable tax credits or deductions.

School taxes also provide funding for basic education (SSD and DVS), while education for the unemployed is primarily funded by employment insurance. Finally, municipal programs also contribute to funding continuing education.

In terms of private investment, we must first note the financial contributions of individuals themselves, the adults receiving the education. The tuition fees they pay can be partially

recovered if they are eligible for fiscal measures. However, these fees represent only a portion of the expenditures incurred. Indirect and living expenses are also involved, as well as the time adults devote to education that could have been spent on other activities.

Under the *Act to foster the development of manpower training*, expenditures covered by employers, or at least those accounted for, represent a significant portion of private investment. This funding source, which is the employer's share, must be broken down further into the amounts they spend directly and those under the Fonds national de formation de la main-d'oeuvre (FNFMO), the Labour Force Training Fund, instituted by the law.

How was continuing education funded around the year 2001? Appendix 7.1 describes the main funding sources for the most easily identifiable expenditures. These sources are defined according to the three main groups of players involved: governments, individuals and employers.³²

According to this data, governments, employers and individuals invest approximately \$3.8 billion per year in adult education and continuing education. This figure does not include all expenditures for continuing education, since they could not be identified. This expense represents 1.6% of the 2001 GDP, which was \$229 617 billion.³³

Public funding of continuing education and training

Public contributions to continuing education are very significant. They total nearly \$2.7 billion, representing over 70% of all expenditures accounted for. Subsidies to educational institutions represent a much greater amount than do financial assistance for individuals and tax spending, which together represent 10% of all government expenditures.

While various levels of government are involved, the role of the Québec government dominates, accounting for approximately 60% of public expenditures. However, although education is a provincial responsibility, the government of Canada plays a significant role, with nearly 30% of public expenditures.

The federal government sometimes provides direct funding, as in the case of aboriginal people or prisoners in federal penitentiaries. However, federal involvement is primarily in the form of transfers to the provinces: job market agreements, agreements on the integration of immigrants, student loans, Millennium Scholarships, the Canada Health and Social Transfer (CHST), etc. This is how the federal government often assists with Québec government expenditures. Federal transfers account for 75% of its total contribution.

The federal government often intervenes indirectly, not so much through subsidies to institutions that provide continuing education, but by granting financial assistance or tax incentives to users.

32 Governments are also considered employers. Their contribution to funding the continuing education of their employees is classified as government funding.

33 For comparison purposes, data from Denmark shows that approximately 1% of the country's GDP was spent on adult education in 1998. This represents approximately 13% of the total budget for education that year. In Finland, public funding of adult education represented 0.59% of GDP in 2001. In Spain, total spending on adult education, which includes basic education for adults, vocational education, workplace training programs and continuing vocational education, represented approximately 0.4% of GDP. This is approximate, and includes training organized by companies or the public sector (education or labour departments). In Sweden, 1998 data estimates the amounts spent on adult education at 4.9% of GDP. Note that this figure includes workplace training, which can be financed by the private or public sectors. This corresponds to 44% of all education expenditures in Sweden.

For many observers, the federal government has shown a strong trend to stimulate demand in funding education and continuing education in Canada; thus, while often indirect, the federal government's contribution to funding continuing education is nonetheless significant.³⁴ This is not a new observation; it was one of the central themes of the *Commission Jean* report.

The role of the MEQ within the Québec government is considerable, accounting for 45% of total public expenditures. Continuing education takes place primarily in the education system, including general education and vocational education, which is given at secondary school as well as at college and university. MEQ is primarily involved in allocating funds to educational institutions and providing financial assistance to individuals, with the focus on the former, which accounts for 90% of expenditures.

The Ministère de l'Emploi, de la Solidarité sociale et de la Famille is another important player. Québec's contribution represents 6% of total public expenditures. By adding the federal contribution provided for in the Federal-Provincial Labour Market Agreement, the total public expenditures channelled through the MESSF is 20%. This department is responsible for the manpower training measure that primarily targets employment insurance and employment assistance recipients. This measure funds training activities for the unemployed and employed, in a proportion of 94% and 6% respectively,³⁵ but only 5% of the unemployed can benefit from such assistance, given the total amounts involved. In this case, income support for participants dominates the purchase of education services, accounting for 53% and 47% of direct expenditures respectively.

Another method of intervention used by the Québec government is fiscal measures, which target both individuals and companies. The total cost of this intervention is significantly lower than the cost of subsidies to educational institutions, but equivalent to the cost of financial assistance.

While the role played by MEQ, MESSF and MFQ is important, so is the involvement of other government departments and agencies at the provincial and other levels. For example, school boards are responsible for providing instruction in secondary schools, which they partially fund through school taxes. School boards, colleges and universities have revenues from self-financing activities. Municipalities also get provide funding, but it is unfortunately difficult to assess the value of their contributions.

Private funding of continuing education and training

When compared to the total contribution to the expenditure, which is approximately \$3.8 billion, that of individuals, calculated at \$320 million, could be deemed modest.³⁶ However, this comparison is confusing. In fact, the individual contributions accounted for comprise only tuition fees paid for continuing education in subsidized public or private educational institutions, and indirect participation costs.

34 The scope of this involvement can be interpreted in at least two different ways: some see it as expressing great concern on the part of federal officials for the issue of continuing education, while others see it as the result of the fiscal imbalance in the Canadian federation.

35 Other measures associated with job entry, integration or job readiness were not considered here, even though they include training potential.

36 This contribution is equal to certain indirect participation costs (transportation, day care, etc.) and tuition fees paid by users, less the portion reimbursed thanks to tax measures.

In actual fact, continuing education takes place in many other locations and its financing is therefore increasingly dependent on contributions from individuals. Moreover, contributions from students and those close to them are much higher than tuition fees and indirect costs, as estimated in Appendix 7.1. Continuing education involves other indirect costs, usually paid for by users, such as the purchase of school books and materials. MESSF income support and MEQ financial assistance try to cover these expenditures in part. More importantly, the time students spend on their education is time that could have been used differently, and its use incurs costs that should be considered.

Until recently, employers with a payroll over \$250 000 were required to spend 1% thereof³⁷ on employee training activities. If they fail to meet this obligation, they must pay the equivalent amount into the Fonds national de formation de la main-d'oeuvre (FNFMO). Amounts paid into the FNFMO are used to fund pilot projects on sharing education funds and developing the workplace apprenticeship program. The latter is also funded by the State and employers.

In 2000, employers subject to this Act reported \$1.166 billion in eligible training expenditures. If training costs that have been declared but not recognized by those responsible for applying the Act are added, along with FNFMO contributions, the total employer contribution to continuing education is estimated at \$1.305 billion. However, if the amounts invested by the State, as an employer, in employee training, and the amounts granted to companies as tax deductions are subtracted, corporate investments would instead total \$820 million. It should also be noted that employers are not required to declare training expenditure in excess of the 1% threshold established by law or training expenditures that are not recognized by the law. Their contribution to funding continuing education would therefore be higher than the latter amount.

In other respects, it is not possible to assess the amounts spent on continuing education by companies, professional associations, unions and community groups. The latter are in part funded by the State through various departmental programs. For example, a recent study by the Secrétariat à l'action communautaire autonome (2003) shows that the Québec government paid \$530 million to community organizations in 2002-2003. Additional funding sources for community groups included fundraising and donations, and represented 55% of the annual budgets of these organizations in 2000.

7.2 AN INCOMPLETE ESTIMATE

Based on the data provided in Appendix 7.1, the level of continuing education funding could be described as 70% from the public sector and 30% from private stakeholders. However, two arguments challenge this distribution of funding for continuing education.

Activities not taken into account

The first argument concerns the number of continuing education activities that could not be considered here. It should be recalled that continuing education activities take place in a number of locations:

- public educational institutions
- private educational institutions

³⁷ The *Act to foster the development of manpower training* was amended on January 1, 2004 to raise the threshold from \$250 000 to \$1 000 000.

- companies
- suppliers of equipment or materials
- private training organizations and instructors
- community organizations, social organizations and community-based groups, such as NGOs, churches and social clubs
- unions and professional associations
- local public organizations, such as recreation centres, cultural centres, libraries, CLSCs, hospitals, etc.
- informal training locations, including the Internet, museums, newspapers, radio, television, etc.

In going through this list, it can be seen that education becomes more informal from top to bottom, and the governments' and employers' share of funding also decreases accordingly. The likelihood that these activities will be included and assessed in Appendix 7.1 is thus progressively lower.

Data from the *Adult Education and Training Survey* (AETS) provides a good indication of the scope of the activities not taken into account. According to this data, in 1997, the locations at which structured continuing education activities took place in Québec were as follows:

Table 7.1: Distribution of continuing education activities by location

Elementary or secondary schools	10.8%
Colleges	14.1%
Universities	14.7%
Training centres	15.8%
Subtotal	55%
Workplace	18.9%
Conference centres	3.0%
Business schools	1.7%
Subtotal	24%
Community centres	8.3%
Home	3.4%
Other	9.3%
Subtotal	21%

Source: Bélanger et al., 2003.

Thus, based on the following two assumptions (training centres are part of the education system and business schools can be lumped in with companies), it can be estimated that approximately 53% of continuing education activities take place in the education system, 24% in companies and 21% elsewhere.

Activities that occur outside of the system and are not supported by employers (21%) are most likely not included in Appendix 7.1. Furthermore, the costs shown are not complete.

Underestimated funding sources

The second argument involves the underestimation of funding sources. In fact, Appendix 7.1 was created from the perspective of the funding of continuing education expenditures, and thus considers mostly disbursements. Use of the notion of cost would have been more relevant, supportive, meaningful and appropriate for the purpose of analyzing the distribution of the burden, but also for assessing the relevance of the activity (cost-benefit analysis) and explaining the behaviour of the various players.³⁸

In fact, a comprehensive analysis of the distribution of the continuing education burden would have required taking all cost components into account, and not simply a total of the operating expenses of educational institutions, the cost of purchasing training and tuition fees. For example, time represents a significant cost for adults. What's more, it has been shown that tuition fees accounted for less than 15% of the total personal cost of university studies in Québec in the mid-1990s (Lemelin, 1998).

This shortfall is taken into account on many occasions in practice.

- The MEQ's financial assistance programs consider the different needs of students, over and above tuition fees, school books and materials. Their needs include food, clothing, housing, leisure activities, etc. This is due to the fact that students do not earn the income necessary to meet these needs while they are studying.
- The income support provided by the manpower training measure, which is added to the cost of purchasing education, covers additional expenses generated by education, but, in most cases, employment insurance or employment assistance already provide a minimum income. Moreover, individuals who are no longer eligible for employment insurance benefits can receive financial assistance paid to compensate for the loss of income resulting from education activities for an additional three years.
- Training expenses recognized by the 1% Act include the value of time spent on education, not only for people who supervise education activities, but also for learners. This is a good example of the notion of an economic shortfall – while studying, workers often cannot carry out their regular duties.

Current knowledge does not allow for an appropriate distribution of the costs of funding continuing education among the primary players involved. The same appears to be true elsewhere. In the literature consulted (OECD, 2003a), the distribution of the costs of funding continuing education is illustrated based on surveys conducted of participants in continuing education activities. These surveys reflect their perception of the sponsors of their continuing education activities, rather than the reality in terms of funding sources.

7.3 COMPARISONS OF THE EFFORT IN TIME AND SPACE

Other committees and organizations have tried to determine levels of funding for continuing education. In the Commission Jean report, the amounts dedicated to continuing education in Québec in 1979-1980 were estimated at \$766.2 million. The Conseil supérieur de l'éducation established this amount at over \$2.3 billion in 1991-1992. Expressed in 2001 figures, these estimates are \$1.874 and \$2.718 billion respectively.

³⁸ For example, in the early 1990s, there was an increase in university enrolment, while tuition fees were raised significantly. This can be explained in large part by the economic crisis, which decreased the alternative value of many students' time, and by extension, the total cost of their education.

Thus, while the contributions to funding continuing education in Appendix 7.1 represent 1.6% of GDP, the expenditures estimated by the Commission Jean represented 1.2%, and those of the Conseil supérieur de l'éducation, 1.5%, of GDP for the years in question.³⁹ However, it should be noted that the concepts and methods used to evaluate them differ from one year to the next. For example, each study has its own representation of adults in continuing education at university. Moreover, assessment of the expenditures of companies in the two earlier studies is based on estimates obtained through surveys, while the present estimate is based on administrative data.

Few global benchmarks

What portion of GDP should continuing education represent? Is the glass too full or too empty? We hear, from various sources, that spending should equal 0.98%, 1% or 1.5% of GDP, or that 0.98%, 1% or 1.5% of GDP is spent in a leading nation. But what expenditures were used to establish these percentages? What criteria are used to determine whether they are optimal? Other countries must surely have had measurement-related difficulties, as did the Committee of Experts. In addition, all of the literature consulted warns against using these data without taking into consideration the fact that there is no consensus as to the definitions of “adult” or “continuing education” or as to how the latter is assessed.

Partial indicators

Other indicators were used to estimate performance in Québec. Certain continuing education activities, which are more easily identifiable, can be analyzed on a historical basis. These include general secondary education, vocational education, technical education and university education. The Ministère de l'Éducation du Québec has accurate financial data on operating expenses for continuing education in Québec's education systems from 1991-1992 to 2001-2002. A quick overview of the data, assessed in 2001 dollars, makes it possible to reach the following conclusions regarding continuing education.

- General basic education expenditures decreased during the period. They were \$216 million in 1991 and \$183 million in 1992, compared to \$162 million in 2000 and \$174 million in 2001.
- Vocational education expenditures, in turn, increased significantly during the same period – from \$295 million in 1991 and \$284 million in 1992 to \$399 million in 2000 and \$402 million in 2001.
- Expenditures in general and technical education at the college level dropped from \$183 million in 1991 and \$176 million in 1992 to \$168 million in 2000 and \$158 million in 2001.

These changing figures in continuing education budgets and enrollment could be perceived as a turning point for the unemployed. Both in vocational and technical education, the full-time student population increased, particularly in short-term programs, while the part-time

³⁹ For the years in question, total spending on education represented 9.4%, 8.4% and 7.4% of GDP. However, after an initial analysis, Québec appears to be making a financial effort that is greater than the other OECD countries and most of the other Canadian provinces, based on the overall education expenditure as a proportion of GDP. However, a closer analysis of expenditures at the elementary, secondary and university levels shows that expenditures per student are slightly lower than for Canada or Ontario. In fact, Québec's lower collective wealth (GDP) has a significant impact on the ratio of total expenditures in education to GDP.

population decreased. But how can the decreasing number of part-time university students be explained? Should the same factors not also affect part-time college education?⁴⁰ Could these factors also explain the drop in continuing education enrollment in Québec and Canada in the 1990s, as reported by Statistics Canada and Human Resources Development Canada (2001)? Is the improvement in the economic situation a sufficient reason? At present, no studies allow us to answer these questions.

Finally, we can also use the data on vocational education expenditures published by Statistics Canada to compare the situation between the provinces.⁴¹ In 1998, the last year for which definitive data is available, vocational education expenditures represented 14.5% of total education expenditures in Québec, compared to 10% in Ontario and 13.7% for Canada as a whole (Statistics Canada, 2002b). Based on these figures alone, it could be asserted that Québec's vocational education efforts are fairly substantial compared to its Canadian neighbours.

7.4 ANALYSIS OF FUNDING SOURCES

Public contributions to the funding of continuing education take three main forms: subsidies to educational institutions, financial assistance to individuals and tax expenditures. The funding of continuing education is inextricably linked to the issue of public intervention. In a formal sense, beyond aiming for greater accessibility and success, public intervention must be analyzed on the basis of efficiency and equality, elements which must be specified.

Efficiency

First of all, efficiency has an external dimension. Even when considered as an investment, not all continuing education activities are necessarily profitable and, therefore, desirable from an economic viewpoint. Their benefits must be compared to their costs to determine whether they are feasible. Arbitration is necessary between public expenditures, or the taxes used to fund them, and personal expenses; between education and other services funded by governments; between initial and continuing education; between the various education levels and the various forms of continuing education.

Efficiency also has an internal dimension. Once production objectives are established, they must be achieved at the lowest possible cost. It should be noted that there are often several ways to achieve an objective. To increase participation, governments can, for example, increase subsidies to institutions so as to decrease tuition fees or increase the quality of services, increase financial assistance to adults, or increase tax benefits for users or those close to them. Although they may have the same effect, these measures do not necessarily cost the same, and vice versa.

Equality

40 We also observed a drop in the number of part-time students in Ontario and the other Canadian provinces in the 1990s. This being said, the number of part-time students, proportionally speaking, has always been significantly higher in Québec than anywhere else in Canada.

41 However, it could be risky to analyze the changes in these expenditures because Statistics Canada's definition of vocational education has changed over time.

The concept of equality is a more sensitive one. It refers to interpersonal comparisons and has many dimensions. While society exhibits strong support and even broad consensus in terms of the will to control inequality, it is much more difficult to specify the desired degree of control and even more difficult to agree on how to achieve such control.

Equality is defined as equal treatment for all who are equal, but may also include unequal treatment for those who are not equal. This leads to debates on universal versus selective measures. Thus, some people feel it is fair to charge based on perceived benefits, while others favour charging based on the ability to pay, also in the name of equality. The issue is all the harder to settle given that in the quest for greater equality, governments have many tools at their disposal, some of which may be more appropriate than others.

The role of education and continuing education in the pursuit of equality is complex. Education has an important place in strategies for reducing inequality, and rightfully so. However, public intervention in this area is not always fair and does not always lead to less inequality.

Education is first and foremost an investment that affects the professional success of individuals who participate in it. It leads to differentiation and breeds inequality in achievement and income. Globally, the effects of reduction and composition must be taken into account. The reduction effect refers to the fact that schooling increases the supply of better educated and better paid workers, and in so doing, reduces earnings and inequalities. Conversely, however, the composition effect can result in public intervention increasing income inequalities. This would be the case if such intervention provided substantial benefits to individuals who are already well positioned on the social scale.

Subsidies to educational institutions

Public support for continuing education activities in Québec is very important. This support includes subsidies to educational institutions, that is, the producers of education. Subsidies may be in the form of allowances or purchases of training for specific groups. Such subsidies reduce or eliminate the tuition fees paid by individuals, and therefore, subsidies to educational institutions and tuition fees must be analyzed simultaneously.

In the Québec education system, educational institutions are much more heavily subsidized than elsewhere in North America.⁴² In 2000-2001, the State was the primary supplier of funding for the training offered by educational institutions in the sector of basic education, both at the general and vocational levels. School boards received 78% of their funding from the State and 12.8% from school taxes. The State was also the primary supplier of funding for college education. CEGEPs received 85.4% of their funding from the State, including 3.9% from the Ministère de l'Emploi, de la Solidarité sociale et de la Famille, and 3.9% from enrolment and tuition fees. Finally, universities received 55% of their funding from the Québec government, 10% from the federal government and 13.5% from enrolment and tuition fees.

Comparatively, in Ontario, government funding accounts for approximately 41% of college revenues. It should be noted that businesses contribute to funding technical education through

⁴² Informed readers will note that the data in this paragraph apply to all educational activities, including those related to initial education and continuing education.

various programs. In Maine, the State funds approximately 53% of the revenues of its technical colleges (MEQ, 2002e).

Tuition fees in Québec are consequently lower than anywhere else in North America. For our neighbours, tuition fees account for a much larger portion of funding, both at the college and university levels. Thus, in Ontario, in 2001-2002, tuition fees for full-time college studies were \$1 752 on average; in New Brunswick, the figure was \$2 400, and in Maine, it was US\$2 040. In Québec, college education is free in public educational institutions (MEQ, 2002e). In Ontario, postsecondary educational institutions charge tuition fees representing approximately 26% of college revenues, compared to 20% of technical college revenues in Maine. Moreover, elsewhere in North America, vocational education is often combined with technical education and provided in colleges, which means that tuition fees also account for a significant portion of its funding.

Similarly, while tuition fees in university for an undergraduate arts program in Québec were less than \$1 700 in 2002-2003, the corresponding fees were approximately \$4 000 and \$4 100 in New Brunswick and Ontario (AUCC, 2003). In fact, in 2003-2004, tuition fees at universities in Québec were half the Canadian average. Lower than in the other provinces, they are equivalent to approximately 70% of the fees charged in Newfoundland, the only other province with tuition fees lower than \$3 000. In Québec, they are lower than \$2 000.

This being said, it should be recalled that the cost of education for an adult far exceeds the direct costs associated with tuition fees. If this were not the case, why do most adults not take advantage of a service that is apparently free? Free education, defined by the absence of tuition fees, is misleading, since it does not eliminate all costs for individuals.

However, because tuition fees represent only a small portion of the total personal costs, the reactions of users to a significant variation in tuition fees may not be particularly vigorous. The impact of tuition fees on demand varies by individual, based on personal and social characteristics. It is higher in more disadvantaged areas. A dwindling student population can thus be minimized by limiting increases in personal costs to individuals with higher income levels.

Stimulating demand through selective rather than universal measures

These findings support several proposals for modulating public intervention and using selective rather than universal measures, based not only on considerations of equality, but also of efficiency; measures should be targeted to areas where the reaction is most vigorous. It is thus possible to increase total attendance and provide better representation of more disadvantaged areas, while maintaining the total value of the public contribution. Doing so requires modulation, i.e. increasing the cost for the more affluent and decreasing it for the more disadvantaged.

Given the unfeasibility of tying tuition fees to social origin,⁴³ some have proposed a general increase in tuition fees and the transfer of public contributions to selective financial assistance for students.

43 A system in which tuition fees vary based on the cost of the program is more conceivable, but this cost, like future professional success, is correlated to social origin.

Additionally, the methods for calculating and allocating public subsidies to institutions are not the same from one level of education to another in Québec, or even within the same level. It should be recalled that:

- a distinction between initial education and continuing education is sometimes made, such as at the college level, and sometimes not, such as at the university level
- subsidies sometimes cover all of the expenditures of public secondary and college educational institutions, and sometimes only a portion for universities, to leave room for tuition fees
- funding does not cover all types of training, such as part-time vocational education
- the envelope is sometimes open (for example, universities), and sometimes closed (for example, basic general education, part-time college education and education leading to an Attestation of College Studies)
- the funding base is varied: students enrolled in general education, students certified in vocational education, number of period/students per week at the college level, average weighted population at the university level

External observers sometimes have difficulty understanding the overall logic of public funding. Why fund continuing education in administration, business and computer science for a worker attending university, but not secondary school? Why, seemingly, aim to limit enrollment at the secondary and college levels, but not at university? The question is even more valid, given that much of the training offered at various levels of education is interchangeable, even if its social or public cost is not the same.

The above measures may appear to constitute accessibility obstacles to continuing education. The question should therefore be raised as to whether it would be appropriate to adopt a method similar to that for university funding, where tuition fees are indeed charged, but where accessibility is not hindered by a closed envelope.

Stimulating demand through decentralization

The decision-making and administrative precepts on which allocation and use of public subsidies are based do not appear to be harmonized. The precepts concerning MEQ allocations to educational institutions and how they there are used are centralized and do not really allow for the adaptation of educational services and organization to regional realities.

Moreover, the allocation of amounts to employment measures is centralized at the provincial level, deconcentrated at the regional level and decentralized at the local level, more or less in accordance with the RCM territories, which is why orientations are issued simultaneously by central authorities at the MESSF, the CPMT and by regional authorities at Emploi-Québec and the regional councils of labour-market partners to guide operations in the field. These bodies organize themselves at the local level within local employment centres, which must also consider the orientations set out in the local action plans for the economy and employment. The local employment centres are responsible for harmonizing all of these orientations.

Moreover, a strategic monitoring system, managed by sector-based manpower committees, Emploi-Québec and regional offices of Emploi-Québec, is used to remain attuned to manpower and labour market needs throughout the territory. It provides the information necessary to public

decision-makers, employers looking for manpower and individuals making training choices. Unfortunately, these monitoring system are not always interconnected, particularly at the regional level, making it difficult to harmonize the training-employment relationship, both for individuals and employers.

According to the OECD (2003b), many countries have stimulated training supply and demand by significantly decentralizing responsibility, geographically speaking, and setting up partnerships, for example, the physical integration of services at the local level, to facilitate access for users, and planning mechanisms coordinated at the regional or local levels.

Financial assistance

The second form of public intervention is financial assistance to students or applicants. There are two public financial assistance systems for adults who want to participate in continuing education: student financial assistance and assistance provided to the unemployed through employment measures.⁴⁴

The MEQ loans and bursaries program assists students in vocational education, college and university. Access was recently expanded to include part-time studies. Financial assistance is not a universal measure; its calculation takes into account the student's personal and family resources. One of the strengths of the program is that it can be modified based on specific objectives.

Appendix 7.2 shows the main characteristics of student financial aid programs in Canada as a whole, Québec and the other Canadian provinces and territories. The Canada Student Loans Program (CSLP) is applied by nine participating provinces, as well as by Yukon Territory. These entities also administer their own student financial aid programs. Quebec, the Northwest Territories and Nunavut receive federal government contributions instead, which they use to provide their own financial assistance programs. The Canadian provinces, except Québec, mainly provide student financial assistance in the form of loans. However, in Québec, as shown by the data in Appendix 7.2 and the comments in the *Education Indicators*, "Although these debt levels are relatively high, they are lower [...] than elsewhere in Canada. This is partially explained by the fact that, on average, Québec awards more bursaries than the other provinces" (MEQ, 2003).

Participants in the Emploi-Québec manpower training measure also have access to financial support, which is referred to as income support. This measure is primarily intended for unemployed people who have received or are currently receiving employment insurance, and for employment-assistance recipients.

This is why students in the same courses may be receiving different types of assistance. We must remember, however, that equality has various dimensions. While it is about equal treatment for equals, it is also sometimes about unequal treatment for those who are not equal. There are many criteria for determining inequality. An individual on a continuous learning path and an employment-insurance recipient can be worlds apart, even if they are enrolleddenrolleddenrolled in the same courses. In short, modulation is not synonymous with injustice.

⁴⁴ The support received by employees from their employers may fully compensate for the lost income and could thus be considered a third system of financial assistance, provided the time employees spend on training is recognized as a training cost under the 1% Act, if paid by the employer. Though all employees of companies covered by the law are eligible for this support, not all of them take advantage of it; some benefit more than others.

Among those in continuing education, one group remains ineligible for student financial aid: those enrolled in basic general education programs. This exclusion could be considered unfair in that it targets the most disadvantaged, i.e. the least educated. However, other considerations come into play. Currently, the transition from the youth sector to the adult sector is so frequent among students aged 20 and under that it does not seem advisable to facilitate it.

Thus, setting up a specific financial assistance program for adults in continuing education does not seem to be a viable option. On one hand, such a program could have negative repercussions on the pursuit of initial education at all levels of education, particularly if adult status provides certain benefits; on the other hand, given the difficulty in establishing a firm boundary between initial education and continuing education, such a system would be difficult to apply. Existing financial aid programs should be examined in order to include, wherever possible, parameters that take the various life situations of adults into account.

The terms for allocating financial assistance must also be based on considerations of efficiency. Like tuition fees, the nature of such assistance tends to modify behaviour. Financial assistance to individuals has a major advantage over subsidies to educational institutions as an instrument for public intervention in education, in that it is flexible and can be targeted to specific groups. Thus, the transfer of public intervention in the form of subsidies to educational institutions, a universal measure, to financial assistance based on personal and family resources, a selective measure, could both increase attendance and improve the representation of certain disadvantaged groups.

OECD member countries have set up forms of assistance for users other than loans, bursaries and income support. Most of these incentives, financial or nonfinancial, target workers and are based on personal contributions. These measures are described in the next section. Finally, as elsewhere, specific measures exist for specific clienteles, over and above more general programs.

Tax expenditures

The third form of public intervention is tax expenditures, or tax benefits received by individuals and businesses. The importance of this expenditure tends to increase over the years, and it plays a key role in many initiatives promoting continuing education.

In Québec, as elsewhere, tax expenditures have not been analyzed comprehensively to date. While often overlooked, they could become more significant in the future, if governments decide to focus on assisting users rather than institutions. This measure is already popular in Québec. The data in Appendix 7.1 indicate that tax expenditures were equivalent to the financial aid awarded for continuing education in 2001.

Appendixes 7.3 and 7.4 describe the main tax incentives for continuing education provided by the Canadian and Québec governments. They include tax exemptions, deductions and tax credits. The overall impression is one of fragmented measures, often of little value. Here again, it is difficult to identify an overall logic. In our opinion, one measure clearly dominates the others: the tax deduction for on-the-job training expenses, which represents 60% of all tax assistance.

The following table illustrates the distribution of federal and provincial tax assistance by type of beneficiary involved. Federal assistance accounts for 64% of the total tax assistance. Tax assistance for businesses is more than twice as high as that for individuals, representing 70% and 30% of tax expenditures respectively.

Table 7.2: Distribution of tax assistance by beneficiary (in millions of dollars)

	Federal assistance	Provincial assistance	Total
Businesses	118	65	183
Individuals	48	28	76
Total	166	93	259

While financial assistance is available to those with little or no income, tax incentives benefit those who do earn income. These measures also apply to self-employed workers and those employed by small businesses, who are often wrongly perceived as not receiving any kind of public or private support.

Among these measure, the Lifelong Learning Plan (LLP) is harmonized between the two levels of government. It is of particular interest and deserves to be better known. An LLP allows for amounts to be withdrawn from registered retirement savings plans (RRSPs) to finance the applicant's studies or those of his or her spouse. The amounts withdrawn do not have to be reported as income, and the issuer of the RRSP does not collect provincial or federal income tax. However, the amounts withdrawn under an LLP must be repaid in full within a period of 10 years. This measure applies to studies lasting at least three months, for a minimum of ten hours per week, except for special clientele. It targets postsecondary education and, in Québec, vocational education, which is subject to a federal exemption; elsewhere, vocational education is included in college studies.

There is a definite trend is towards tax harmonization. There are at least two differences between the Québec and Canadian tax systems: Québec taxpayers can claim a nonrefundable tax credit for the amount of their studies solely on their federal returns; and all income from student bursaries is exempt from taxes on the Québec income tax return, while only the first \$3 000 is exempt on the federal return.

Also, Québec taxpayers often benefit less from federal tax expenditures than those in other Canadian provinces. Three examples come to mind: the value of the nonrefundable tax credit for tuition fees is in proportion to these fees; the value of the nonrefundable tax credit for interest on student loans is, in turn, proportional to the student's indebtedness; and finally, participation in certain programs, such as in the education savings plan, is seemingly related to the anticipated value of tuition fees and debt. As mentioned earlier, tuition fees and indebtedness are lower in Québec. Could other provisions, such as equalization, counterbalance this apparent disadvantage?

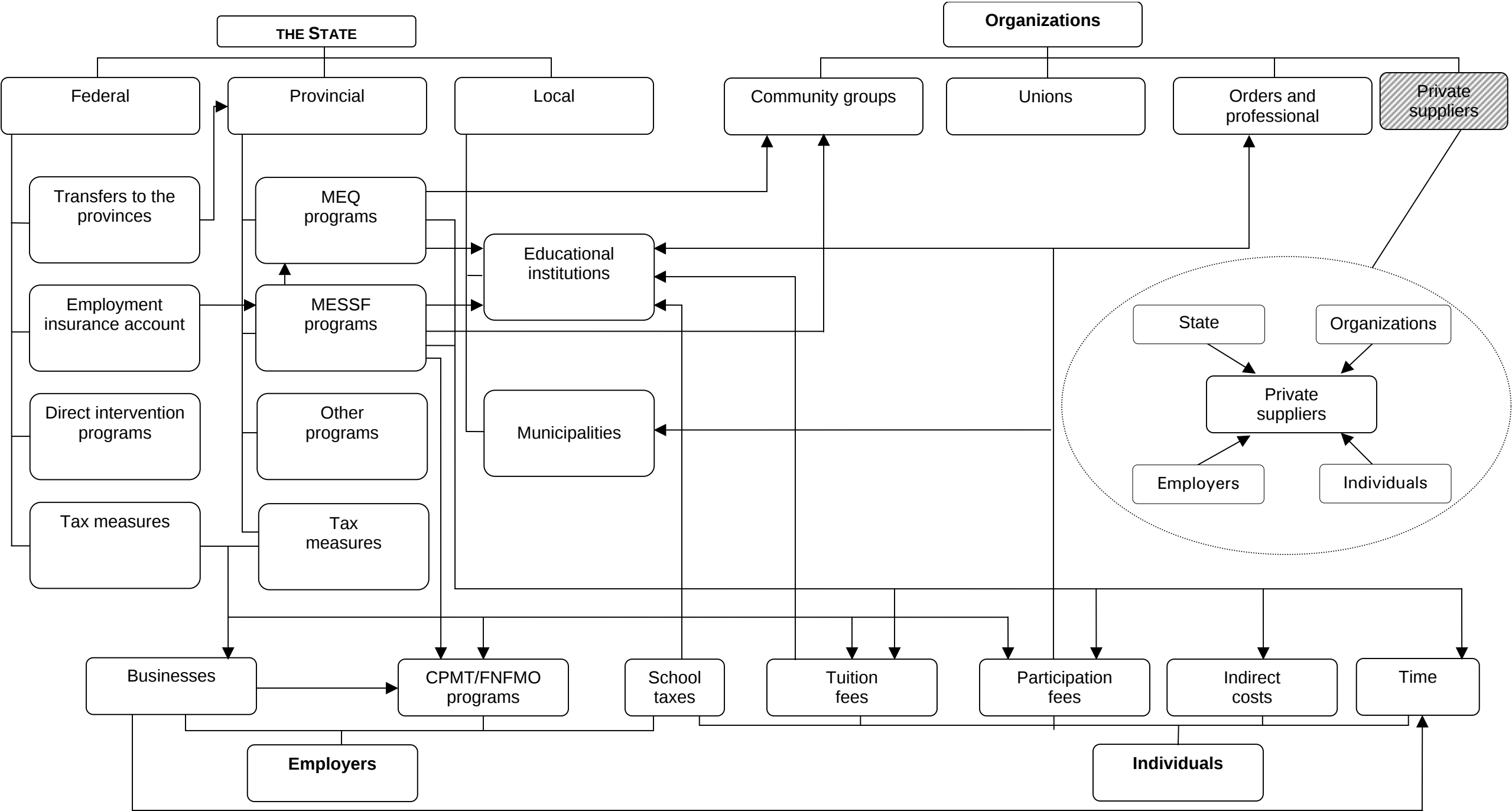
Given that tax expenditures primarily target users or applicants, some see them as beneficial. If we assume that an individual's power is in part based on his or her purchasing power, then

replacing subsidies to institutions with assistance for users may be seen as a transfer of power and lead to production more in line with user preferences.

However, tax expenditures are not without problems. Often, unless they result in refundable tax credits, their value is positively related to individual purchasing power. Moreover, they usually benefit taxpayers retroactively, whereas a person's outlook may also be related to purchasing power. As a result, the more disadvantaged would be less sensitive to tax expenditures. Furthermore, these expenditures suffer from a visibility problem; some people are more familiar with them than others, and it would seem that many taxpayers do not take advantage of these tax measures, even when they are eligible therefor.

Figure 7.2 below illustrates the organization of funding for continuing education in Québec.

Figure 7.2: The organization of funding for continuing education in Québec



7.5 PARADOXICAL CHARACTERISTICS

What general impression can we draw from this description of the funding of continuing education in Québec? Several paradoxes should be noted. First, how do we explain the low participation rate in continuing education activities in Québec compared to those in other Canadian provinces? After all, the level of funding in Québec easily measures up. Some may cite low productivity as the problem; others, quality or the higher cost of interventions. The data seem to illustrate that in Québec, the emphasis is placed on structured training, activities in educational institutions and full-time studies.

In fact, if we compare the relative performance of Québec and the rest of Canada in terms of the proportion of employees having participated in classroom or on-the-job training (WES), the gap showing Québec at a disadvantage is mostly in the latter category. Furthermore, the *Adult Education and Training Survey* has already demonstrated that while participation in continuing education may be lower in Québec, the duration of activities is much longer.

**Table 7.3: Proportion of employees having participated in training
(based on employees' statements, as a percentage)**

	Classroom	On-the-job
Atlantic provinces	33	28
Québec	36	18
Ontario	40	35
Prairies	37	35
British Columbia	30	32
Canada	37	30

Source: Turcotte, J., Léonard, A. and Montmarquette, C. *New Evidence on the Determinants of Training in Canadian Business Locations*, Ottawa, Statistics Canada and Human Resources Development Canada, 2003.

These characteristics bring others to mind. The overall effort in education in Québec, as measured by the share of GDP spent on education, is indisputably one of the highest among industrialized nations, higher even than the Canadian effort. Moreover, test results in mathematics, science and reading place Québec students in an excellent position. How, then, can we explain that the proportion of students who have not completed their secondary school studies is higher in Québec than in the rest of Canada?

7.6 MEASURES USED BY THE OECD

Generally, the other Canadian provinces and OECD member countries also contribute to funding continuing education, through subsidies to educational institutions, financial assistance programs for students and the unemployed, and tax measures. Most of these jurisdictions feel it would be appropriate to review the organization of the supply of services, with a view to containing costs and ensuring greater equality.

Rationalizing the supply of services

Rationalization of the supply of services is strongly recommended. In this context, a priority for most OECD member countries is to raise the level of basic competencies of adults. Through employment measures, priority is given to vocational education. The recognition of prior learning and competencies is a favoured course of action for decreasing costs and increasing the value of adult learning.

Education supply and demand must be stimulated. Greater public awareness, privatization of services, decentralization by transferring important responsibilities to the local level and the creation of partnerships are among the actions implemented.

Cofinancing of measures

The measures implemented in various OECD member countries to encourage participation in continuing education activities target both businesses and individuals. Development of these measures is increasingly based on a principle of cofinancing by the players involved. In fact, considering that “in most societies, because of budget constraints, public authorities alone cannot provide the necessary financial resources for lifelong learning; as lifelong learning generates considerable returns, [it is perceived as normal that] employers and employees should finance most of its costs” (OECD, 2003b, p. 259). Self-directed learning is based on individual contributions, supported by student financial assistance, income support for the unemployed and tax measures for individuals.

Employment insurance

To achieve their specific objectives, OECD member countries used various strategies⁴⁵ to involve employers and workers in funding continuing education. In Québec, as in many OECD member countries, employers and workers first contribute to an employment insurance account (or its equivalent). The amounts thus amassed make it possible to support, for a given period, the income of workers who lose their jobs, and fund the active employment measures targeting labour-market and social integration and employability development (particularly of the unemployed). They also make it possible to partially support the workplace apprenticeship program, and to subsidize adaptation, integration and training activities for workers hired as part of large-scale projects aimed at creating lasting full-time jobs.

45 See Table 4.2 in OECD 2003a for detailed information on the strategies of nine OECD member countries.

Notwithstanding these forms of assistance in Québec, the unemployed also participate in funding their education. In fact, 40% of the unemployed who took courses and over 60% of those who participated in a training program confirmed that they helped fund their education.

Funding obligations

Some States require employers to invest in training for their employees. This obligation can take various forms, such as the implementation of national or sector-based funds, or funding based on total payroll. In North America, only Québec adopted the second option.

Often perceived as a training tax, or as a work condition stipulated by law, this intervention method, favoured by the OECD, does not meet with consensus. Moreover, surveys conducted in Europe on continuing education practices in the workplace seem to indicate that the choices made in different countries between funding obligations assumed by companies and employers' freedom to invest have not had a significant effect on the intensity of corporate training efforts (ENA, 2002a). Not enshrined in collective agreements, such funding obligations could accustom workers to shirking responsibility for their own training. This failure to assume responsibility is all the greater, given that there exist no joint employer-employee committees in the companies responsible for planning or organizing employee training.

Sharing of funds and workplace apprenticeship

The sharing of training funds and workplace training are strategies that are often better developed elsewhere than in Québec. The sharing of funds makes it possible to increase, group and meet training demands. It is structured according to sector-based work organization, such as in the Québec construction industry, and can also be combined with regional initiatives. According to ENA (2002b), many employers see only a limited interest therein, since there is no guarantee that their employees will benefit from training opportunities.

"In many countries, apprenticeships represent a longstanding system of combining training and employment so that people entering an occupation can receive instruction in the specific skills needed while working in that particular occupation" (OECD, 2003b, p. 265). Employers and the State combine their vocational education efforts within this strategy.

Training incentives

Equality in terms of accessibility to on-the-job training is often called into question. In Québec, FNFMO funding, from amounts that should have made it possible to train employees in certain companies, does not seem very fair in this respect. Furthermore, it is often noted in the literature that workers with little education and older workers benefit less from training opportunities. In Québec, opinions on this matter diverge. According to the OECD (2003b, p. 274), the inclusion of considerations on this matter in "collective agreements and the trade union participation [in planning and organizing training] may play an important role in ensuring an equitable distribution of training outcomes." Compared with Québec, employees in other countries seem to make greater contributions to funding their training.

In order to improve global accessibility of training to employees in businesses and, more specifically, to reach workers with low levels of schooling, older workers and self-employed

workers, OECD member countries have implemented measures targeting these specific groups. Some, which have no direct equivalent in Québec, are over and above the more widespread measures discussed earlier, such as student financial aid and tax measures.

Three of the cofinancing measures involving primarily employers and workers mentioned in the literature would seem to be of for Québec. These measures, described briefly below, are training leaves, training-time accounts and working-time accounts. All three can be bolstered by State financial assistance or tax measures, as applicable. Other measures prompting greater State involvement are also described, such as training cheques and individual learning accounts.

Training leaves

Training leaves enable employees to be absent from work for a period of time in order to participate in continuing education activities. According to conditions agreed between employers and workers, these provisions regulate the possibility and duration of leaves without pay, the retention of benefits during the leave period and conditions for returning to work. Other provisions can address the types of training eligible.

Many OECD member countries have granted this right to workers, including Austria, Belgium, Finland, Japan, Norway, Spain, Sweden and others. This measure has already been considered in Québec, and was recommended in the a document entitled *Partenaires pour un Québec compétent et compétitif* (MMSRFP, 1991).

The use of training leaves varies from one country to the next, appearing to be most widespread in Belgium and Sweden, with nearly 1% of workers on training leave every year. Funding of leaves also varies. The most widespread sources of funding are individuals, employers, cofinancing and employment insurance.

Working-time accounts

Working-time accounts are being tested in some OECD member countries. They allow workers to build up a time bank by accumulating overtime hours, deferring wages, prolonging work weeks, etc. This time can then be used for continuing education purposes, and workers can continue receiving pay, in full or in part, during the training period.

Many provisions in collective agreements or working conditions currently in force in Québec already allow workers to constitute such time accounts. Elsewhere, various methods have been used to promote this measure. For example, France adopted a law establishing time-saving accounts. In the Netherlands and Germany, the possibility of accumulating time is included in collective agreements. In the Netherlands, one quarter of the major collective agreements allow for this possibility, while in Germany, 11% of large companies offer the possibility.

Training-time accounts

A Swedish variant of the working-time account is the training-time account. Based on the same formula, workers do not save time, but rather a portion of their wages.

More than 85 Swedish companies allow their some 120 000 employees to pay between 2% and 5% of their gross salary into training-time accounts. An equivalent amount is added by the employer and can be increased based on seniority or affiliation with specific groups evaluated as having an urgent need for training. The amounts saved are used to pay for training and support the employee's salary during the training period.

Training cheques

A fourth measure consists of giving training cheques to workers. In this case, the State and employers contribute equally to the measure. Tested in Belgium, it currently affects approximately 30 000 workers, and is particularly effective for stimulating participation in training in small companies.

Individual learning or development accounts

Two additional measures rely on direct participation by the State and individuals. For workers, employer contributions are also possible. Individual learning accounts are currently being tested in five OECD member countries to determine the feasibility of an approach based on individual savings, often supported by State contributions. The various initiatives will differ somewhat, and there are hardly any elements that attest to their impact on behaviour (OECD, 2003b). Their attraction is obvious for those who do not benefit from other types of assistance or employer training strategies. Individual development accounts follow the same approach. The two differ in the possible use of funds, with more options offered by individual development accounts than individual learning accounts.

According to the OECD (2003b), working-time and learning-time accounts are similar to individual learning accounts. Their primary purpose is to provide income support for individuals during their training periods to make training more accessible. Moreover, like training leaves, they include provisions on eligibility for leaves and returning to work.

Overall, RRSPs and LLPs in Québec also resemble individual development accounts and individual learning accounts, which are being tested elsewhere, in that they aim to stimulate savings for specific purposes. The benefits of these the plans is that they are already in use and not in the experimental stage. During fiscal 2001, approximately 2 500 Quebecers benefited from the LLP, for an average withdrawal of \$5,800. From 1993 to 1999, some 3.4 million individuals, aged between 25 and 64, contributed to an RRSP (Statistics Canada, 1999) and are now entitled to benefit from an LLP or have their spouse benefit from it. Employees and businesses also participate in the shared worker RRSPs. In 2001, approximately 2 500 individuals used this measure.

A review of existing measures for funding continuing education in the various OECD countries shows that some of them are already in use in Québec. However, other measures, rarely used here, may be of interest in the future. Thus, the principle of cofinancing by the stakeholders involved is another potential method for distributing the burden of funding. However, sharing of education and on-the-job training funds could be used more as measures to promote increased participation. Given the progress already made by Québec in continuing education and the work to be done in the coming years, consideration of the continuing education approaches undertaken by the OECD countries and evaluation their repercussions will be necessary to

better decide which measures should be adopted, with their development and implementation being based on the specific characteristics of the North American context and Québec society.

LESSONS LEARNED

- In Québec, the weight of public intervention in the funding of continuing education is significant. Subsidies to educational institutions are by far the most prevalent type of funding, overshadowing both financial assistance and tax incentives.
- The importance of funding continuing education in Québec is at least comparable to that in most other jurisdictions. Québec's mediocre results in terms of participation in continuing education activities can be partially explained by greater emphasis being placed on structured education, full-time educational activities and activities with a longer duration.
- In the other Canadian provinces, individuals and employers are more involved in funding vocational, technical and continuing education.
- The effects of introducing or increasing tuition fees and declining direct subsidies to educational institutions can be offset by increasing the value of financial assistance and tax measures. Without compromising balanced budgets or participation levels, such readjustments could support the participation of more disadvantaged people.
- In OECD member countries, there are many measures to encourage workers to increase their training. Some are particularly relevant in the current context, including cofinancing of training activities and rationalization of the supply of services, in order to be in a position to meet the new continuing education needs.
- In the jurisdiction of the OECD countries, political and administrative management of adult education and continuing education tends to be decentralized. This trend has clearly been espoused by the Ministère de l'Emploi, de la Solidarité sociale et de la Famille, but not yet by the Ministère de l'Éducation, where orientations and budgets are more centralized.

CHAPTER 8

THE COST OF NONRECOGNITION OF PRIOR LEARNING AND COMPETENCIES

Recognition of prior learning and competencies appears to be a major dynamic of lifelong learning. The OECD emphasizes that national qualification systems and recognition of formal and informal learning are mechanisms used by several States to promote adult training and implement more efficient and transparent lifelong learning systems (OECD, 2003a).

In Québec, the *Government Policy on Adult Education and Continuing Education and Training* (MEQ, 2002a) includes an orientation that favours acknowledgement of adults' prior learning and competencies through official recognition. This orientation is manifested through objectives such as increasing access to recognition of prior learning and competencies and missing components of education or training, diversifying approaches to recognition and harmonizing systems of recognition between the education setting and the workplace.

8.1 FROM AWARENESS RAISING TO IMPLEMENTATION

Québec has made great strides, since the Commission Jean report was published, in increasing awareness of the importance of recognition of prior learning and competencies for adults. However, much still needs to be done in terms of its implementation.

In the 1980s, the Commission Jean report had already pegged recognition of prior learning as the starting point for an open adult education system. In 1984, the Québec government confirmed, through its *Continuing Education Program. Policy Statement and Plan of Action*, the importance of including recognition of prior learning (training, education and work experience) in all continuing education programs.

Today, some twenty years on, although Québec society generally acknowledges that adult learning can occur by various means and in different environments, a genuine, accessible system to ensure recognition of prior learning and competencies based on the needs of adults is still in a rudimentary phase of implementation.

In this respect, Québec's Auditor General, in his 1996-1997 and 1997-1998 reports to the Ministère de l'Éducation, emphasized that:

- recognition of prior academic learning is often problematic
- recognition of prior extracurricular learning is the weak link in educational institutions, since it varies according to educational institution, level of education and region
- access to recognition of prior learning services is difficult
- recognition of prior learning services are underfunded, in the sense that the amounts allocated do not correspond to the efforts invested
- the situation is particularly difficult for immigrants seeking recognition of prior learning at the college level
- the organization of missing components of education is also problematic

In the same vein, the Conseil supérieur de l'éducation stated, in 1996, that, in spite of timid efforts, the issue of prior learning still seems chaotic. Problems persist between the various levels of education and even within the same level at various institutions, and sometimes even within various faculties of a single university (CSE, 1996). It pointed out that the issue of recognition of prior learning had been studied by the education community for over fifteen years and that its approach had created a general impasse, perhaps due to excessive bureaucracy (CSE, 1996).

In 2000, the Conseil supérieur de l'éducation readdressed the issue in a brief entitled *Recognition of Prior Learning, A Political and Social Responsibility*, wherein it concluded that "efforts were being made to varying degrees, within the education system, to provide recognition of prior learning services that are accessible and capable of meeting diverse needs" (CSE, 2000a).

There still appear, however, to be too few individuals benefiting, to varying degrees, from recognition of prior learning and competencies. Certain data on vocational education, technical education and general adult education have been examined with a view to basing recognition of prior learning on academic frameworks.

In the vocational education sector, 924 individuals benefited from recognition of prior learning services in 2002-2003, in 38 different programs of study. These individuals obtained recognition for 6 743 program modules.

In the technical education sector, 1 360 adults had their prior extracurricular learning recognized, while 406 adults benefited from recognition of prior academic learning. Efforts vary greatly from one college to the next; for example, two colleges recognized the prior learning of around 40% of their adult student population in 2002-2003.

As concerns general adult education, the resolute openness of the measures used to recognize the value of prior learning should first be emphasized. While certain practices are based on reference frameworks linked solely to programs of study, others take various aspects of prior learning into consideration. Furthermore, around 8 000 adults were admitted to vocational education programs after having completed the General Development Test, which measures the level of general culture and aims to show that an individual has the competencies required to undertake vocational education.

In fact, sitting exams that may or may not be adapted (for example, the *Prior Learning Examination* for English as a second language) depends on a reference framework linked to programs of study. Adults can therefore register for such exams, but there are only between 6 000 and 10 000 such registrations per year. Meanwhile, secondary studies equivalency tests (SSET), favoured by adults and employers, and general qualifications take standards other than those of the programs of study into consideration. Eventually, this will also be true of Québec tests similar to the *General Educational Development (GED) Testing Service*. Around 4 000 to 6 000 adults benefit from SSET, while general qualifications apply to nearly 300; note that these latter qualifications unlike the SSET, contribute to obtaining a secondary school diploma (SSD).

As for universities, it is unfortunately not possible to assess the scope and nature of recognition of prior learning practices, since there is no comprehensive survey of Québec universities available. However, it should be recalled that each university is responsible for determining admission requirements. The same is true for recognition of prior learning conditions, both for

academic and extracurricular learning, which are the responsibility of individual program departments.

Adults can be admitted either on the strength of a diploma, or on an "adult" basis where they have not obtained a college diploma. In the latter case, the admission requirements of most universities include standards of equivalence, or a combination of age categories and various characteristics, the most prevalent consisting of being 21 years of age or over, not having attended an educational institution for the last two consecutive years and having completed studies or gained work experience that is considered equivalent.

The study of university practices conducted by the Conseil supérieur de l'éducation (CSE, 2000a) shows that certain universities are more open to recognizing learning acquired outside of educational institutions. This learning is most often recognized for admission purposes rather than as credentials for program requirements that could result in exemptions, substitutions or transfers of credits.

Moreover, from the perspective of an employment or trade-related reference framework, the definition of occupational standards and the development of workplace apprenticeship programs serve as the foundation for the recognition of work experience and on-the-job training. Some of these apprenticeship programs include a phase where prior learning and skills are assessed, thereby leading to the development of individual or group programs to compensate for missing education components. However, no data is available as to the number of individuals who have benefited from such a service.

Like the above-mentioned organizations, the Committee of Experts also feels that there are currently problems with the recognition of prior learning and competencies. Efforts in this regard vary from one institution to the next, and often depend on the commitment of a few individuals dedicated to the cause.

Multiple obstacles

The Committee of Experts defines recognition of learning and competencies as a process through which a person can obtain official recognition of his/her prior learning and competencies from diverse training and varied experiences. This process is based on choosing, identifying and validating prior learning and competencies in accordance with a given reference framework, and depending on a personal initiative or plans to obtain a diploma, gain occupational qualifications or enter the job market.

Recognition of prior learning and competencies concerns those developed in an educational institution (academic learning) and those developed as a result of work or life experiences (extracurricular or experiential learning). The recognition process culminates with an official document (diploma, certificate, transcript, etc.) attesting either to acquisition of a set of competencies related to a given program, standard or title, or to one or more of its components (training credits, competencies specified in a standards booklet, continuing education credits).

For years, the various stakeholders in the education community and the workplace have encountered numerous difficulties in implementing recognition of prior learning and competencies. How, using a framework associated with a specific system, can prior learning acquired elsewhere or otherwise be assessed? How can it be assessed on the basis of the diplomas, certificates or titles awarded? How can learning that has already been certified

elsewhere be recognized? How can additional or missing education components be compensated for when they do not correspond to a specific program in its entirety? How should laws, regulations, standards and funding measures designed first and foremost for individuals in a more formal learning setting be dealt with? How can the goals of recognition of prior learning and competencies be reconciled with those of education and training organization?

These obstacles are considerable and far surpass a lack of tools or technical considerations, two arguments often used to explain poor results. They challenge the ability of the organizations concerned to implement recognition of prior learning and competencies within existing structures and in accordance with current legal and regulatory frameworks. These difficulties represent major obstacles to service availability, and partially explain Québec's limited progress over the last few years in the area of recognition of prior learning and competencies.

Focusing the system on adults' needs

Recognition of prior learning and competencies involves both the education community and the professional community, since various approaches are required to meet the diverse needs of adults. For some, recognition of prior learning and competencies is a factor in entering the labour market or obtaining a diploma, while for others, it is intended to increase job mobility or satisfy a personal need.

In this regard, we should examine the issue of immigrants, a group particularly affected by the issue of recognition of prior learning and competencies. These individuals, who often have a high level of schooling and who are increasingly hired for their work experience, have difficulty gaining access to certain professions or regulated trades, are under- or unemployed, or may have to repeat an entire educational program in Québec, due, among other things to the absence of recognition of prior learning services.

While it is true that immigrants can have their studies evaluated and receive a document attesting to their equivalence in the Québec educational system from the Ministère des Relations avec les citoyens et de l'Immigration, this evaluation does not in and of itself constitute a recognition of prior learning and competencies. Thus, while a comparative evaluation can help in a job search or with admission to an educational institution, recognition of prior learning services are critical for adults who need their prior learning and competencies officially recognized in order to enter the labour market (MRCI, 2002).

A genuine system of recognition of prior learning and competencies must therefore focus primarily on the needs of adults. To be successful, such a system must be designed according to a comprehensive approach that takes into account multiple reference frameworks, namely those governing programs of study, workplace apprenticeship programs and occupational skills related to a title; that enables various diplomas, certificates or attestations to be awarded; and that strives to harmonize education-employment mechanisms. Furthermore, the various mechanisms, methods (self-directed learning, online instruction, buddy system) and settings (educational institutions, businesses, municipal or community organizations) of the training supply must be geared to this system, in order to meet the needs of adults with regard to additional or missing components of education.

8.2 AN EXPENSIVE STANDSTILL

The nonrecognition of prior learning and competencies for adults, or the obligation for them to relearn, in a more formal manner, something they already know, represents significant costs for individuals, businesses and society as a whole. The Conference Board of Canada (2001) published a report on the costs of nonrecognition of prior learning and the benefits of such recognition.

A cross-Canada household survey of 12 000 individuals demonstrated that more effective recognition of prior learning activities would enable Canadians to earn between \$4.1 and \$5.9 billion more each year; more than 540 000 individuals could earn an additional \$8 000 to \$12 000 per year. Three groups would be primarily targeted: immigrants, individuals with prior learning acquired through training and in the workplace, and individuals having changed learning institutions or moved to a new region or province. Recognition of prior learning and competencies entails professional benefits for individuals in terms of increased earnings.

In fact, recognition of prior learning and competencies entails an array of both personal and professional benefits for individuals, including:

- increased work income
- better quality of life
- enhanced employability, with the ensuing opportunities and promotions
- a greater degree of personal development
- more lifelong training and learning opportunities
- a reduction in repetitive education
- improved job mobility, access to employment and career prospects

As concerns businesses, the Conference Board of Canada feels that an economic value can be attached to the evaluation of competencies developed in the workplace. As such, recognition of prior learning and competencies, by enabling greater labour-market adjustment, enhances corporate performance. It also fosters, thanks to individuals who pursue higher learning, the introduction of organizational and technological change within companies.

The benefits of recognition of prior learning and competencies for businesses include:

- increased profits
- maximized employee productivity and creativity
- comprehensive human resources development
- a reduction in repetitive education
- more effective matching of competencies to job requirements
- the creation of career paths that include training objectives and needs for their employees

As concerns the State and society, the professional success of workers has a decided impact on the country's economic performance.

The Conference Board of Canada also identifies benefits for teachers and adult educators, including:

-
- a greater number of adults in continuing education and training programs
 - broader access for adults
 - more efficient use of resources
 - institutional growth

It also mentions that given the projected work-force shortages, Québec and Canada will find it increasingly difficult to hire qualified employees and that the unavailability of recognition of prior learning services could make it more difficult to attract skilled labour on international markets.

Closer to home, Québec's Auditor General, in his 1997-1998 report to the Ministère de l'Éducation, recalled that the recognition of prior extracurricular learning is effective way of decreasing education costs, since this type of learning is acquired at no cost to the education system.

This report also noted that:

- in school boards that recognize it, prior learning represents, on average, 60% of all modules of programs leading to a Diploma of Vocational Studies
- in the CEGEPs visited, recognition of prior learning and competencies only comes into play for an average of two out of the fifteen courses offered in programs leading to an Attestation of College Studies
- as concerns college graduates from technical programs (20% of the student population), only half of all universities agreed to recognize their prior technical learning, even though these individuals attended college for one year more than their colleagues who had completed preuniversity college programs. It also noted that practices remained varied, and were limited to certain programs

The limited data available do not allow us to determine how much the nonrecognition of prior learning and competencies for adults costs Québec. Doing so would require monitoring a cohort of adults who adopt such an approach. What programs are involved? How many credits are obtained through recognition of prior learning and competencies? How many individuals continue their education, and for what part of the program of study? How many adults continue studying until they obtain a diploma?

For example, the available data indicate that for vocational education sector in 2002-2003, one third of the adults who benefited from recognition of prior learning services (some 300 individuals) obtained a Diploma of Vocational Studies. Of course, we do not know for sure that all diplomas obtained were granted as a result of recognition of prior learning and competencies, but given the difficulties organizing missing education, we can assume that this component accounted for a very limited part of the process of earning recognition of their prior learning. Among the remaining 700 adults, what proportion of credits units was obtained through the recognition of prior learning and competencies? The following table gives, for certain vocational education programs, the estimated costs of obtaining a diploma through an education program and through recognition of prior learning and competencies.

**Table 8.1: Diploma of Vocational Studies
(Education costs /Costs of recognition of prior learning and competencies)**

Programs of study	Costs-Education⁴⁶	Costs-Recognition of prior learning and competencies⁴⁷	Recognition of prior learning and competencies/Education ratio
At-home family and social assistance	\$6 452	19 modules \$1 349	21%
Assistance to Patients or Residents in Health Care Establishments	\$6 768	14 modules \$1 120	17%
Secretariat	\$7 308	20 modules \$1 820	25%
Bookkeeping	\$7 332	23 modules \$1 150	16%
Professional Cooking	\$8 319	25 modules \$2 550	31%
Carpentry-Woodworking	\$9 291	22 modules \$3 806	41%
Forest Management	\$12 746	25 modules \$1 250	10%
Fire Safety Techniques	\$13 967	27 modules \$4 185	30%
Heavy Truck Driving	\$14 809	13 modules \$2 366	16%
Welding and Fitting	\$19 403	29 modules \$7 221	37%

Source: MEQ.

Québec has adopted a continuing education and training policy for adults, of which the recognition of prior learning and competencies is a cornerstone. Many stakeholders with expertise in this area, from both the education community and the workplace, have developed strong partnerships. It is now time to go beyond the design and technical phase and focus on recognition of prior learning and competencies as an element of economic and social development. This is an important issue for Québec, and should be acknowledged as such.

8.3 OBSTACLES TO BE REMOVED

It must be conceded that repeated efforts over the last few years to implement recognition of prior learning services within the existing structures and regulatory frameworks of various organizations have been mostly in vain. These structures and frameworks, designed primarily for individuals following a more formal education path, constitute significant and nearly insurmountable obstacles to the recognition of prior learning and competencies.

⁴⁶ Cost of obtaining a diploma by training in an educational institution (based on allocations provided for in the MEQ budgetary rules).

⁴⁷ Cost of obtaining a diploma through recognition of prior learning and competencies (based on allocations provided for in the MEQ budgetary rules).

Poorly adapted regulatory frameworks

Implementing a veritable recognition of prior learning system calls for major changes to the basic school regulations for secondary school education, college education regulations and budgetary rules. Accessibility of and eligibility requirements for recognition of prior learning, administration and registration conditions for various training services, methods of evaluation and recognition, and funding of services must all be clearly detailed in the regulatory frameworks.

Given the scope of the required modifications and the necessity of moving quickly, the Committee of Experts is dubious as to the possibility of having the organizations concerned adapt existing regulatory frameworks to the imperatives of implementing recognition of prior learning systems. The question may well be put, especially given that any adaptation must be done with a view to harmonization between organizations, and that even harmonization within a single organization is a difficult task at the best of times.

Scattered service outlets

Structural elements play a critical role in implementing recognition of prior learning services. Indeed, the setting in which these services are offered must bring together people who are qualified to certify adults' prior learning and competencies, in a totally impartial manner, on the sole basis of the reference framework that best meets the needs expressed. Similarly, they must be able to freely refer adults to the training provider that is best suited to meeting their missing education needs, whether it be an educational institution, a business, or a municipal or community organization.

Here again, the Committee of Experts questions the viability and funding of a veritable recognition of prior learning system, particularly if these services are dispensed in multiple locations and based on employment references, in some cases, and educational standards (sometimes secondary, sometimes postsecondary) in others. In an effort to have services focus on the needs of adults, it also questions having the services available in multiple settings, notably in the education community and in workplaces.

It may well be relevant to quote Jacques Delors, who situates the importance and purpose of an approach for the recognition of prior and experiential learning and professional qualifications as follows:

"In order to successfully organize [lifelong learning], we must stop regarding the different forms of teaching and learning as independent from one another and, in a sense, as superimposable or even competing; we must try, on the contrary, to enhance the complementary character of the stages of modern education and the environments where it is provided." (Delors, 1996, p. 100).

LESSONS LEARNED

- Too few adults benefit from recognition of their prior learning and competencies. Over the last twenty years, Québec has come a long way in educating the public as to the importance for adults of having their learning and competencies recognized, regardless of education methods or settings. However, little progress has been made with regard to providing these services throughout the territory.
- Nonrecognition of prior learning and competencies represents a significant cost for Québec and for individuals.
- Like continuing education and training, recognition of prior learning and competencies can be viewed as an investment, with benefits for individuals, businesses and the State.
- Attempts to implement recognition of prior learning services within current regulatory structures and frameworks, designed primarily for individuals following a formal education path, have run up against major obstacles, some of them seemingly insurmountable.

CHAPTER 9

ORIENTATIONS AND RECOMMENDATIONS

The measures taken by OECD countries to stimulate adult participation in continuing education activities and direct the efforts of the State towards national priorities “range from general action plans to increase learning opportunities for all adults to more programs designed to upgrade skills, target particular sub-groups of the population, or increase training opportunities for those in the labour force. A number of these reforms are also geared towards improving the performance and results of adult learning in a more integrated or holistic approach that is learner-centred. Efforts have been made towards greater system efficiency through providing general frameworks for policy development, improving co-ordination among different (including social) partners, rationalising existing supply, focusing on cost-effectiveness, and taking greater account of individual needs. Decentralization has been an important aspect of this process” (OECD, 2003a). The Committee of Experts endorses these various courses of action that, in its opinion, also seem suited to the current situation in Québec and the challenges that must be faced to significantly increase the level of participation in continuing education activities. The *Government Policy on Adult Education and Continuing Education and Training* and its accompanying action plan are the foundations of Québec's commitment to pursuing this avenue.

The observations resulting from the analysis performed by the Committee of Experts, both as concerns the external environment and the overview of continuing education in Québec, demonstrate the relevance and importance of devoting greater effort to increasing number participation levels and ensuring adequate funding. They also draw attention to the various obstacles to adult participation in continuing education activities, with specific emphasis on those resulting from the current organization of the training supply.

In Québec, according to available surveys which, on their own, allow comparison with other jurisdictions, adults participate less in continuing education activities than elsewhere. This participation shortfall, which affects the competitiveness of businesses and work-force productivity, is approximately 100 000 workers (WES 1999) or 550 000 adults (AETS 1997) fewer than the average for other Canadian provinces. The Committee of Experts believes that Québec must invest in order to more accurately assess this shortfall and take the necessary steps to correct the situation. In this respect, we must remember that in Canada, adults participate significantly less in continuing education activities than those in other OECD countries, which is all the more reason for Québec to step up its efforts.

When establishing an objective enabling Québec to achieve the same levels as the other Canadian provinces, the steady increase in adult participation rates in continuing education activities in these provinces should also be kept in mind. The 2002 Canadian innovation strategy on skills and learning set as an objective of an additional 1 million learners in Canada by 2007. Given the breakdown of the population in Canada, this means that Québec should have 250 000 more learners in the next three years. In order to match the participation rates in continuing education activities of the other Canadian provinces by 2007, Québec must increase its participation from 100 000 to 350 000 workers or from 550 000 to 800 000 adults, based on the survey used. Some of the orientations and recommendations in this chapter aim to consolidate the number of adults participating to make it comparable to that of the other Canadian provinces.

Furthermore, it is now acknowledged that in Québec, like other advanced industrialized countries, completed secondary studies are henceforth an essential condition for meeting the demands of 21st-century society, preventing the exclusion of certain segments of the population and promoting participation in continuing education activities. This explains the efforts made by many of these countries to raise the level of basic education of their populations. The Canadian innovation strategy on skills and learning proposes raising the level of basic education of approximately 250 000 people throughout Canada. Québec must also continue its efforts in this area, particularly since the proportion of its population with a secondary school diploma is lower than that of Canada as a whole, according to Statistics Canada.

According to the AETS, based on the financial data available and current participation practices, the cost of increasing participation in continuing education activities and its distribution among the various stakeholders involved can be estimated. Thus, participation by an additional 50 000 people would involve an expense of approximately \$170 million,⁴⁸ of which 70% would be at the public's expense and 30% funded privately. Also, the financial investment required to close participation gap in continuing education activities between Québec and Canada can be considered significant.

As a result, even taking into account the possibility of funding by the State, individuals and employers, the needs and gaps seem too substantial to hope for a drastic change in the situation over the short term. We must therefore set priorities adapted to the context and implement conducive and less costly conditions for adult participation in continuing education activities.

In most OECD countries, it was also noted that implementing this new paradigm of lifelong learning requires additional resources. While sharing this observation, the Committee of Experts is nevertheless aware of the tight budget framework in which the Québec government is currently operating, making decisions concerning the instilling of a veritable culture of continuing education in Québec society that much more difficult. Here, as elsewhere, public supply must be rationalized to reduce costs, priorities must be funded based on amounts thereby made available and greater participation by employers and individuals in the funding of continuing education activities must be insisted on.

The corridor for developing courses of action is therefore narrow. How can continuing education be developed without soliciting more public funding measures? How can we raise the participation rate and improve adult education and continuing education practices while changing the distribution of funding, with a view to relying more heavily on the financial contribution of employers and individuals?

As in other OECD countries, it must be conceded that the State is not in a position to provide all of the money required to meet the identified needs and that, to increase participation in continuing education activities, new types of measures must also be implemented. Moreover, due to the volume of the needs to be met and the types of obstacles to be overcome, additional effort will be required from the State in certain sectors, which means that choices must be made.

⁴⁸ This amount was calculated based on current average costs of participation in continuing education activities, depending on whether the people are employed, unemployed or not in the labour force, and taking into account the participation rate required to close the participation gap between Québec and Canada. For the proportion of people who would complete their secondary school studies, the average annual cost of a student enrolled in basic education was used. The calculations also took into account the current distribution of students and their success rates in general or vocational education.

One of the courses of action usually contemplated is raising taxes. However, this is controversial, both among employers and individuals, and also triggers increasingly keen competition among countries; Québec's capacity in this regard already seems to have been drawn upon to a great extent. Another option would be to increase postsecondary tuition fees, keeping in mind the government commitments made in this respect, but also the fact that tuition fees are significantly lower in Québec than elsewhere in Canada. The contribution and role of employers in funding and organizing continuing education must also be reassessed; elsewhere, they often participate more significantly.

The work of the Committee of Experts shows that an increase in participation in continuing education activities will require a greater pooling of efforts by the State, employers, unions, municipalities and community groups, to encourage more Quebecers to participate in continuing education activities or complete their basic education in the coming years. The supply must also be better adapted to local and regional requirements and the specific education context of adults. The Committee of Experts analyzed these different avenues, as well as measures likely to ensure equality between people.

Furthermore, an examination of the most promising OECD measures revealed some interesting avenues for the cofinancing of education activities, some of which are included in the Committee's recommendations and require that individuals contribute to their own education. Finally, this examination also made it possible to ascertain that many of the measures Québec has implemented are comparable to those of other jurisdictions.

Given these various elements and in order to develop its recommendations, the Committee of Experts established the following orientations:

- establish principles for sharing continuing education and training funding among the State, employers and individuals
- offer new services to better meet the needs of adults
- rationalize vocational and technical education
- increase the efforts devoted to the development of competencies
- support independent participation of individuals in continuing education activities
- increase the accountability of local and regional communities
- obtain more information on the situation of continuing education and training and adult education in Québec
- support the development of a lifelong learning culture in the workplace
- increase corporate participation in the supply of vocational and technical education
- increase the contribution of individuals to the funding of vocational and technical education, and of continuing education activities at the college level
- increase the level of basic education of the Québec population

Recommendations have been formulated for each of these orientations. They have been grouped by partner in the funding of continuing education and training, the three main ones being the State, employers and individuals. In cases where the recommendations involve more than one partner, the Committee of Experts decided to group them with the one most directly involved in their funding or implementation.

9.1 THE RECOMMENDATION CONCERNING THE STATE, EMPLOYERS AND INDIVIDUALS

Orientation

Establish principles for sharing continuing education and training funding among the State, employers and individuals.

The benefits of education manifest themselves in many ways. They can be grouped according to the player that feels them most directly: society as a whole, the individual or the employer. Based on the costs and benefits of adult and continuing education for society, employers and individuals, principles for sharing responsibility for funding among these economic players have been developed.

First recommendation:

Base the sharing of funding for continuing education and training on the profitability of such education for society, employers and individuals, in accordance with the following principles.

- **The State provides funding for basic general education and training for the unemployed and special clienteles, because this training provides many benefits that are felt by all of society. Furthermore, the State supports the funding of postsecondary education and develops incentives with a view to increasing the participation of individuals and employers in continuing education activities.**
- **Individuals are the first to contribute to the funding of continuing education and training that they undertake of their own accord, whether for work-related or other purposes, since it provides many personal benefits.**
- **Employers are the first to contribute to the funding of continuing education and training in the workplace, since doing so provides many benefits in terms of productivity of their work force. Moreover, when continuing education of a vocational nature is organized in educational institutions to meet their specific needs, employers contribute significantly to the funding thereof.**

According to the OECD, lifelong learning for all can only become a reality if it is made financially possible. Public capital cannot meet all of the needs associated with the requirements of lifelong learning. The principles set out aim for a fair distribution of the burden of funding continuing education and training among between the various players.

9.2 RECOMMENDATIONS CONCERNING THE STATE

The recommendations in this section involve mainly the State. However, some of them also call on participation by employers and individuals. Their implementation should remove obstacles to participation, rationalize public supply and adapt it to local and regional contexts, increase the competencies of the work force and support independent participation of individuals.

Orientation

Offer new services to better meet the needs of adults.

Adults learn in different ways, through different methods and in different settings. Among the obstacles encountered by those who would like to participate in continuing education, the weakness of the supply of part-time training and the absence of recognition of prior learning and competencies services appear to be determining factors.

The limited supply of part-time services is a significant shortcoming in the organization of vocational education in secondary and college education, both in technical and preuniversity programs. Moreover, the implementation of recognition of learning systems is still problematic. Nonrecognition of prior learning and competencies has a cost for society, employers and individuals. It should be recalled that adults' aims in this respect vary: obtaining a diploma, entering the work force, changing jobs, applying for a new job, practising a regulated trade, receiving salary recognition, etc.

In addition, recognition of prior learning and competencies services should be closely related to reception and referral services. In this respect, we should emphasize that many structures exist, in both educational institutions and local employment centres. The possibility of bringing these various management structures closer together in an attempt to refocus these services on adults should be examined.

Second recommendation:

Provide part-time training in vocational education and expand part-time technical and preuniversity training.

Time constraints on the part of the adults is the main obstacle to be overcome in encouraging them to participate in continuing education activities. There is no supply of part-time training in vocational education and only a very limited supply in technical and preuniversity education. This method of instruction is essential to meet the requirements of employed people. The same is true for people who are missing certain education components and those who require upgrading so that they can enter the work force after having their prior learning and competencies recognized.

Furthermore, in many regions, a public supply of part-time, diversified training requires close collaboration with local businesses. This collaboration is necessary to make up for the lack of the critical mass needed to form groups of students in educational institutions.

Third recommendation:

Define a regulatory framework specific to the recognition of prior learning and competencies.

The implementation of a regulatory framework specific to the recognition of learning and competencies aims to introduce the principle of individual rights and obligations with respect to the recognition of prior learning and competencies. This framework should explain the nature of the service provided as well as the terms of application, a description of organizational

structures available across Québec and in the regions, rules for funding such a service and providing missing components of education, as well as the share of costs to be paid by individuals and employers.

Fourth recommendation:

Set up regional centres for the recognition of prior learning and competencies, as well as an interministerial structure for the development, coordination and monitoring of the recognition of prior learning and competencies.

- **Enter the funding for these regional centres in the budgetary structures for reception and referral.**

In order to ensure a true system for the recognition of prior learning, the implementation of an integrated structure, independent of any education level and organized on a regional basis, must be considered. The main objectives are to:

- promote the harmonization of the mechanisms (education, employment, immigration), reference frameworks for competencies (programs of study, workplace apprenticeship programs, professional titles) and reception and referral services of the various organizations involved
- promote harmonization between education levels
- ensure an integrated supply of recognition of prior learning and competencies services for adults
- provide a single outlet for submitting requests for recognition of prior learning and competencies services, in order to ensure a sufficient volume of activity for efficient operation
- group the student population so as to facilitate the organization of missing education components
- develop an online supply of services between the regional and national centres
- create a service card for the recognition of prior learning and competencies
- group the various partners from a given region, by entrusting the management of the regional centre to a board of directors consisting of representatives designated by the organizations involved

The regional centres for recognition of prior learning and competencies should also assume responsibility for the associated services, including reception, information, file analysis, assessment and organization of missing components of education. These regional centres must maintain relationships with the organizations involved, particularly concerning the reference frameworks to be used and official certification.

Fifth recommendation:

Distribute funding for the recognition of prior learning and competencies services between the State, employers and individuals in the following manner:

- **the State provides funding for the implementation of a minimum service structure in each region of Québec**

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- **the State, employers and individuals pay the costs inherent to providing services on the basis of the funding principles set out in the first recommendation**
 - **the State recognizes the costs inherent to recognizing prior learning and competencies for tax deduction purposes**
 - **the State recognizes the amounts paid by a company for the recognition of prior learning and competencies as eligible expenses under the 1% Act**

The distribution of funding for recognition of prior learning and competencies services should be based on the funding principles set out in the first recommendation. Thus, the State should intervene mainly in the sectors of basic education and education for the unemployed and special clientele, and provide funding for these services. Outside of these sectors, individuals and employers should be the main contributors. Finally, in addition to direct services to adults, the financial measures established during implementation should gradually promote the self-financing share of the regional centres.

Orientation

Rationalize vocational and technical education.

Vocational and technical education represent the largest portion of the supply of public training services for adults. In this respect, it is important to note certain realities. In 2001, the average age of vocational education students was approximately 26, as compared to 24 in technical education. It is clear that vocational education is primarily for adults. Furthermore, the financial stakes are high, with operating costs and capital expenditures weighing in, respectively, at approximately \$1 billion and \$70 million annually.

Strategies have been proposed by OECD countries to improve the effectiveness of continuing education and training and find the financial resources required for lifelong learning. Many measures aim to decrease expenses by reducing operating costs, reviewing standards for organizing education and reorganizing training supply structures.

During the 1990s, other working groups formulated a number of worthwhile recommendations to increase the value of vocational education. These include the working group to develop an action plan that promotes a renewal of vocational and technical education and training for young people, Commission for the Estates General on Education, the Task Force on Curriculum Reform and the Conseil supérieur de l'éducation. More recently, the Bédard report (2003) showed that a substantial share of the costs inherent to the elementary, secondary and college education systems is attributable to how these systems are organized.

Finally, despite the efforts made by the Ministère de l'Éducation since 1993 to better combine the programs of study in vocational education with those in technical education to ensure continuity of learning, ten years later, only two programs are involved in pilot projects.

Sixth recommendation:

Reorganize vocational and technical education to allow for greater integration of the pedagogical and administrative aspects. For this purpose, integrate vocational education

into postsecondary education and set up regional colleges for vocational, technical and continuing education based on existing educational institutions (CEGEPs and vocational education centres).

- **Review technical education programs by integrating the notion of variable duration.**

The reorganization of vocational and technical education primarily targets the optimal use of resources, by paring down management as concerns supervisory staff and structures, pooling equipment and reducing capital and debt-servicing expenditures. Rationalization is necessary to maintain the quality and diversity of the public training supply. Over the next few years, Québec's population will decline and many regions will face significant losses in clientele.

This recommendation also aims to simplify educational options by ensuring better linkage between programs of study. This should promote adult participation in education activities, help enhance the value of these learning pathways and harmonize educational structures and diplomas with those of other Canadian provinces and OECD jurisdictions. Finally, it should encourage education partners to join forces to provide an integrated supply of continuing education.

To ensure the implementation of this recommendation, each regional college would have multiple campuses adapted to educational institutions already existing on the territory. These colleges would offer education programs that fulfill the development needs of each region. In some industrial sectors, the creation of sector-based vocational and technical education colleges (e.g. aerospace, transportation, forestry, plastics and other sectors) should be encouraged, along with greater participation by employers and unions. Colleges could be made up of more than one campus. Special adjustments to this formula would be required for the Montréal area and the anglophone community.

This recommendation affects the secondary curriculum. The introduction of career exploration paths in the secondary curricula should be considered for both young people and adults. This type of approach should limit the excessive costs arising from the dropout rate and insufficient academic and career counselling which entails too much switching among programs at the college level. For example, Québec's Auditor General estimated the cost of unsuccessful college experiences, followed by a return to vocational secondary education, at \$45 million in 1997-1998. It would also be to examine the feasibility of harmonizing the duration of secondary school studies in Québec with that in other North American jurisdictions.

Orientation

Increase the efforts devoted to developing competencies.

For the governments of Québec and Canada, competency development is an issue of society and the knowledge-based economy. Accordingly, the federal government has developed an intervention strategy, many objectives of which match those of the *Government Policy on Adult Education and Continuing Education and Training* of Québec. It is therefore important that the two levels of government align their objectives.

The foreseeable context of labour shortages underscores the need for competency development. In this context, the State must play a key role in improving the employability of the unemployed in order to promote their integration into the work force. It must also support initiatives for employed people, particularly in small- and medium-size businesses, and those for self-employed workers.

The role played by sector-based manpower committees in developing methods to promote competency development in the workplace appears to be crucial, particularly as concerns the development of occupational standards. The latter play a pivotal role in expanding workplace training efforts, linking workplace apprenticeship programs to program of study requirements, and the recognition of prior learning and competencies.

Finally, reconciling developments in the employment situation in the context of a knowledge-based society with the short-term needs of the labour market is difficult. The available information often shows contradictory trends.

Seventh recommendation:

Undertake federal-provincial negotiations to expand the scope of the Canada-Quebec Labour Market Agreement.

- **Adapt the Fonds de développement du marché du travail (labour market development fund) to the scope of the new agreement.**

The purpose of expanding the scope of the labour market agreement is to unify the intervention strategies of the two governments in terms of developing competencies. This new agreement should increase the level of funding for this purpose, and plan for the involvement of labour-market partners.

Furthermore, the additional funding should make it possible to improve the employability of the unemployed and special clientele; increase interventions targeting the employed, particularly by stepping up efforts to develop the workshop apprenticeship program travail and supporting the sector-based approach; promote the acquisition of basic education by the employed, unemployed and special clientele; and improve information systems on the labour market.

Orientation

Support independent participation of individuals in continuing education activities.

Quebeckers currently enjoy federal and provincial tax measures that allow them to use amounts deposited in registered retirement savings plans (RRSPs) for education purposes – the Lifelong Learning Plan (LLP). However, amounts used in this way must be returned to the RRSP in the medium term. The measure therefore does not include any special financial incentive from the State encouraging individuals to participate in continuing education activities. Registering for full-time education activities of a longer duration is not ideal for adults, especially those who are employed.

Notwithstanding these considerations, the LLP seems more promising than other provisions implemented in some OECD countries, such as individual learning accounts. On one hand, the plan is already in place and is fully adapted to the taxation systems of Québec and Canada. On the other hand, many Quebecers already contribute to a personal or group RRSP, including self-employed workers and those in small companies.

Eighth recommendation:

Improve the Lifelong Learning Plan (LLP) from a perspective of State participation in funding the plan and expanding eligible training activities.

- **Undertake federal-provincial negotiations for this purpose.**

The State's financial participation could be in various forms, such as grants on expenses or refundable credits. It is designed to encourage individuals to participate in continuing education activities by absorbing some of the costs incurred.

The purpose of expanding the eligible training activities is to consider the needs and constraints of adults in terms of their participation in continuing education activities. Thus, short-term or part-time education activities should become eligible.

Finally, given that the LLP is a harmonized federal-provincial measure, State participation should be negotiated between the two levels of government.

Orientation

Increase the accountability of local and regional communities.

Continuing education is an indispensable asset to personal, social and economic progress. Québec's regions must cope with different development issues that require adapted solutions. Continuing education must be a key vector in this respect. Some even suggest that the essential element for success in terms of lifelong learning is the degree of coherence between adult initiatives, projects initiated by institutions, local and regional initiatives and the State's initiative.

Many states are moving toward a decentralization of powers. Continuing education is well-positioned in this trend, allowing local and regional stakeholders to have a greater say in determining their priorities and implementing methods. Continuing education could therefore better meet the needs of adults, the labour market and communities, while reinforcing cooperation between the various partners.

While many partners are already involved in local and regional cooperation agreements, increased decentralization should go even further; it calls for the accountability of regional and local decision-makers toward the State and its citizens.

The recommendations proposed under this orientation aim to increase the power of local and regional stakeholders in determining continuing education supply and needs, although the State should retain responsibility for defining the main legal, regulatory and budgetary frameworks.

Ninth recommendation:

Group financial resources into regional funds for all levels of general education in the adult sector, whether in basic general education, vocational education, technical education or university education (certificates, diplomas, microprograms).

- **Create regional funds under the supervision of regional authorities accountable for the management thereof.**
- **Set up a new budgetary approach to allocating financial resources from regional funds. This approach should be based on socioeconomic indicators, such as population, land use, schooling, poverty, employment and the unemployment rate.**

This recommendation aims to ensure better linkage between the supply of services by school boards, colleges and universities and regional development strategies. It should also make it possible to better adapt the supply of services to the needs of the labour market and individuals. Finally, cooperation between stakeholders and their accountability in terms of an overall budget envelope should ensure that the supply of services is better orchestrated and geared to the activities of the various partners.

Tenth recommendation:

Expand the role of municipalities and community groups in the supply of continuing education services.

- **Identify and analyze their current training supply.**

Municipalities and community groups play an active role in continuing education, and more specifically in personal development and cultural enrichment activities. This supply of services provides clear benefits, such as its proximity to citizens, diversity and availability throughout the territory.

For example, the municipalities fund museums, exhibition centres, libraries, cultural centres and community centres, while community groups provide literacy services and popular education. However, an overview of the services they supply has not yet been obtained, making it difficult to determine their scope, harmonize them with the services supplied by other partners or propose funding measures.

Orientation

Obtain more information on the situation of continuing education and training and adult education in Québec.

At present, there is no integrated system of statistical data and indicators designed to obtain an overview of continuing education and adult education in Québec, monitor trends over time or carry out international comparisons. For example, the Committee of Experts was unable to

determine the actual level of funding of continuing education or the exact number of individuals participating, or prepare a complete list of training activities and locations. This does have an impact on the level of precision of some of the recommendations. In addition, the information available on the labour market and its requirements is often contradictory. As a result, assessing the situation for all of Québec is difficult. Like the Commission Jean, which recommended it over twenty years ago, we feel it is essential to set up an integrated system of statistical data and indicators.

Eleventh recommendation:

Set up an integrated information system to establish indicators for adult education and lifelong learning.

- **Ensure monitoring in this area.**

The purpose of this recommendation is essentially to equip Québec with the tools it needs to obtain an overview of continuing education and adult education, assess the progress made, compare its situation to that of other jurisdictions, inform partners about emerging trends and propose actions adapted to national and international conditions.

9.3 RECOMMENDATIONS CONCERNING EMPLOYERS

The implementation of the preceding recommendations will have positive repercussions on businesses, including a better adaptation of training to their needs, increased consideration of these needs at the local and regional levels, greater employability of the work force, new services, enhanced value of vocational and technical education and availability of more exhaustive data on the labour market.

The recommendations in this section involve employers directly. However, some of them also involve the State and individuals. They should enable increased employer participation in the supply of vocational and technical education and in the funding of measures for their employees. They also aim for greater involvement by employers in the development of a culture of lifelong learning.

Orientation

Support the development of a lifelong learning culture in the workplace.

The training of employed people is an undeniable factor in maintaining worker participation in the creation of greater collective wealth. Continuing education is also an essential element for promoting innovation, new technologies and business development. Finally, it is an important aspect of the retention and productivity of labour.

Also, determining training needs and the best ways of meeting them should be the topic of extensive employer-union discussions when defining working conditions. At this time, less than 10% of the collective agreements in Québec contain provisions for a training committee in the workplace.

Moreover, it would seem that businesses' obligation to fund training does not have a significant effect on the intensity of their training efforts. It does not therefore seem appropriate to recommend legislative amendments to increase the 1% threshold provided for by law, particularly in the North American context. However, given training needs, businesses should consider this threshold a minimum. Finally, it would be advisable to simplify the application of the 1% Act.

Expanding training possibilities for employees requires the implementation of favourable conditions, particularly for training of longer duration. In this respect, many OECD countries have implemented provisions that allow employees to be absent from work and receive income support. Training leave, working-time accounts and training-time accounts are the most relevant examples. These are often voluntary measures negotiated individually or in groups, based on joint employer/worker contributions. Many provisions in collective agreements or working conditions in effect in Québec businesses could be used in this sense.

Twelfth recommendation:

Implement a corporate certification procedure for developing competencies or include provisions in collective agreements and management policies to involve employees in their own professional development.

Corporate certification promotes the distribution of good practices in human resources development and has positive repercussions on the productivity of workers and the competitiveness of companies. It is granted to companies that request it and can show that they meet all of its requirements. Like those developed in other fields, competency development standards should be devised and incorporated into a corporate certification program. The Bureau de normalisation du Québec has already undertaken such activities.

Other human resources management practices also make it possible to involve employees in developing their company, identifying their training needs and preparing training plans.

Generally speaking, the various human resources management practices make it possible to expand the supply of training, orient it towards more general programs, ensure a better distribution of effort between occupational categories and facilitate the sharing of costs between employers and individuals. The availability of such mechanisms in companies ensures a certain level of quality and spending for continuing education, and employee involvement in developing their competencies. In doing so, companies that demonstrate such involvement and have recurring expenses that are equal to or greater than the requirements of the 1% Act may be exempt from the resulting administrative formalities.

Thirteenth recommendation:

Promote the development of individual or collective training agreements between employees and employers.

- **Support the creation of training leave, for which the rights and application conditions must be integrated into the *Act respecting labour standards* by the State.**
- **Participate in the funding of working-time accounts, training-time accounts or other similar measures.**

Individual or collective training agreements make it possible to agree on the content of training envisaged jointly by the employer and employee and on the distribution of costs. Such agreements help reconcile the company's needs with those of employees in terms of their personal and professional development, and encourage businesses to participate in funding individual training initiatives or help carry them out. The implementation of measures such as training leave, working-time accounts and training-time accounts facilitate the creation of such agreements and pave the way for the cofinancing of continuing education activities. Eligibility for training leave requires a legal obligation in order for employees to avail themselves thereof.

Orientation

Increase corporate participation in the supply of vocational and technical education.

Current job trends offer new prospects for those who want to enter the labour market, but could have negative effects on student retention for a significant proportion of young people and adults. Moreover, manpower retraining measures must be envisaged, given the qualifications required for new and existing jobs, along with training methods that are more appropriate to these contexts, including work/study arrangements, or even a combination of academic learning and training in the workplace.

The nature of labour-market needs and the speed of change require constant adjustment of programs of study and the use of constantly evolving equipment and technologies. In some sectors, recreating the workplace in educational institutions can be costly. Educational institutions cannot meet all of the training needs by themselves. In addition, the needs of adults often require a personalized approach and diverse training methods. In this context, greater collaboration between educational institutions and businesses to develop training would provide clear benefits.

On-the-job training has recognized benefits for the work force. Significant steps have already been taken by companies in this area. Some workplace training programs lead to official certification by the State, while others lead to certification by the company.

Fourteenth recommendation:

Rely more on training in the workplace as a method for organizing vocational and technical education.

- **Review the organization of the supply of services by evaluating the advantages of academic learning and training in the workplace.**
- **Support the use of an individual training approach when required.**

Training in the workplace as a method for organizing training enables greater diversification in training supply, particularly in remote regions, and reduces organizational costs. Furthermore, it diminishes organizational problems, including rules for forming groups and the availability of equipment required for training. Finally, it helps take the specific situation of each individual into account, including training needs, time constraints, schedules and income. This method of

organizing training requires participation by companies and a significant commitment by unions in its implementation. It can be used on a collective and individual basis.

An individualized training approach can be particularly effective in compensating for missing education components or upgrading, following a process of recognition of prior learning and competencies. It requires setting up a training plan for each individual. This plan includes, among others, the identification of competencies to be developed in educational institutions or in the workplace, and the designation of a tutor from an educational institution, who would be responsible for supervising the training process. It is not easy to implement this type of approach without adapting current budgetary and administrative rules. It also facilitates student retention by reconciling the objectives targeted by work and studies.

9.4 THE RECOMMENDATION CONCERNING INDIVIDUALS

The above recommendations propose many changes that are favourable to individuals, including better methods for recognizing their prior learning and competencies, a training supply that is better adapted to their needs and life situation, financial measures to support their participation, measures to develop their employability and increased involvement in developing their competencies. The recommendation in this section has a more pronounced impact on individuals, while still requiring the State's intervention.

Orientation

Increase the contribution of individuals to the funding of vocational⁴⁹ and technical education, and of continuing education activities at the college level.

Public support for the funding of vocational, technical and continuing education activities is greater in Québec than elsewhere. For our neighbours, secondary schools are usually public and free, but tuition fees provide a greater share of funding at the college level, where tuition fees are charged, as well as at the university level. In Québec, tuition fees already exist at the university level, but are not currently charged at the college level. The government has already announced that it will examine overall funding of universities in the winter of 2004.

The level of tuition fees affects the demand for training. Increasing them has negative effects that are especially significant in more disadvantaged areas, which means that financial assistance programs should be adapted to take individuals' ability to pay into account. Such arrangements should help support the demand from more disadvantaged people without compromising the participation of others.

The effects on the participation of individuals of a change whereby grants to educational institutions would be transferred to financial assistance programs should be assessed more thoroughly. In this respect, studies show that demand can be stimulated more through the use of selective rather than universal measures.

⁴⁹ It should be recalled that in accordance with the sixth recommendation, vocational education is integrated into postsecondary education.

Furthermore, employers can also pay, in whole or in part, tuition fees or income support for people in their employ involved in continuing education activities. Provisions to this effect are set out in recommendation 13.

Fifteenth recommendation:

Ensure, in part, the funding for vocational, technical and continuing education in college, for which tuition fees should be introduced gradually by the State, which should also, as a consequence:

- review the parameters for financial assistance
- examine potential ways of redistributing the contribution of the State between subsidies to schools and financial assistance to individuals with a view to increasing demand and better supporting underprivileged populations

In accordance with the first recommendation on the principles of sharing responsibility for funding continuing education, this recommendation aims to better distribute the burden between partners, while making education more accessible to all. It also encourages the expression of the demand, particularly that of individuals from more disadvantaged areas. Reviewing the parameters for financial assistance should take into account the realities of adults who embark on a lifelong learning process.

9.5 RECOMMENDATIONS CONCERNING THE STATE, EMPLOYERS, UNIONS, COMMUNITIES, SCHOOL BOARDS, MUNICIPALITIES AND INDIVIDUALS

Many of the preceding recommendations affect basic education. However, given the specific situation of Québec in terms of the level of basic education of its population, the Committee of Experts deemed it important to make specific recommendations in this respect. These recommendations involve multiple stakeholders.

Orientation

Increase the level of basic education of the Québec population.

The *Government Policy on Adult Education and Continuing Education and Training* and its action plan have already set out orientations and measures to increase the level of basic education of the population. Some OECD countries have also developed national strategies for this purpose. For example, the United Kingdom, with its "Skills for Life" strategy, is pursuing its objective of eliminating functional illiteracy in 3.5 million adults by 2010. In France, the *Plan national de renforcement de la lutte contre la précarité et l'exclusion* includes a significant financial measure to fight illiteracy, in the amount of 110 million euros.

Québec has made significant progress in the last decade in terms of obtaining secondary school diplomas. However, there is still a gap compared to Ontario and Canada in the proportion of the population with a secondary school diploma, in all age groups.

The population concerned has different characteristics and can be grouped into two major categories, one with 0 to 8 years of schooling and the other with partial secondary school studies.⁵⁰ Separate strategies must be developed for each of these categories.

The first category (0-8 years schooling) includes 967 000 people, of whom 221 000 are between 15 and 50 and 94 000 are under 30. It is difficult to imagine most of this population registering for a process that leads to obtaining a secondary school diploma. However, measures should be taken to involve those under 30 in such a process. Also, it seems just as important to include as many of the 30-50 age group as possible in basic education activities, regardless of the form they take. To reach a level comparable to that of the other Canadian provinces, Québec would have to convince 58 000 people under 30 in this category to complete their first eight years of schooling.

The second category (partial secondary school studies) includes 954 000 people, of whom 429 000 are between 20 and 50 years of age. A significant portion of this population could possibly complete secondary school studies. To reach a level comparable to that of the other Canadian provinces in terms of the number of 20- to 50-year-olds in this category holding a secondary school diploma, Québec would have to convince some 150 000 people to enroll in order for 90 000 of them to obtain a diploma, based on current success rates.

These strategies are even more essential, given that Québec has made the secondary school diploma (DES) and diploma of vocational studies (DVS) the social benchmarks for basic education. This basic education is also essential to participate in continuing education activities that meet the requirements of the labour market and life in society.

The *Action Plan for Adult Education and Continuing Education and Training* proposed increasing the number of people enrolled in basic education activities at the end of a five-year period from 230 000 to 263 000. This initiative is a first step towards improving the situation in Québec, but it is definitely not enough for it to close the gap in basic education in relation to the other Canadian provinces.

Sixteenth recommendation:

Significantly increase participation in basic education activities.

Seventeenth recommendation:

Increase the number of people who have a secondary school diploma (SSD or DVS) to make the situation in Québec comparable to the average in other Canadian provinces.

Eighteenth recommendation:

For this purpose, develop a joint action plan for a large-scale provincial initiative to be carried out within a specific time frame.

These strategies should allow Québec to improve its competitiveness and ability to meet the requirements of a knowledge-based society. They will also allow individuals to acquire the qualifications required by the labour market, participate more actively in society and expand

50 Appendix 9.1 contains data on the population, by age group, for both categories.

their cultural knowledge. They will then be better equipped to participate in a lifelong learning process.

Moreover, achieving the schooling results targeted by these recommendations will make the situation in Québec comparable to the average in the other Canadian provinces, while strengthening its position among OECD countries.

The implementation of these recommendations represents a considerable challenge and requires combined efforts on the part of all stakeholders. This means that all decision makers involved in the challenge must be mobilized to make it a societal issue. For example, the Tévec initiative⁵¹ in Saguenay-Lac-Saint-Jean sparked an unprecedented interest in education. The success of this type of operation also depends on:

- a consideration of the interests, needs and constraints of the target populations
- accessible recognition of prior learning and competencies activities
- a diversified supply of education available in school, community, municipal and work settings
- reception structures located close to individuals, i.e. in adult education centres, community organizations, unions, municipalities and companies
- multiple pedagogical methods, including online instruction, and a pedagogical framework adapted to the needs of adults and the training formulas used
- appropriate financial assistance measures that take the needs of the population into account, especially those of adults involved in general education
- a central coordination unit bringing together the Ministère de l'Éducation, the Ministère de l'Emploi, de la Solidarité sociale et de la Famille and labour market partners, as well as departmental administrations assuming responsibility on a regional scale
- a communication plan

51 Appendix 9.2 describes this experience.

Table 9.1: Summary of orientations and recommendations

Orientations	Recommendations
Concerning the State, employers and individuals	
Establish principles for sharing continuing education and training funding between the State, employers and individuals.	<u>First recommendation</u> Base the sharing of funding for continuing education and training on the profitability of such education for society, employers and individuals, in accordance with the following principles. ▪ The State provides funding for basic general education and training for the unemployed and special clientele, because this training provides many benefits that are felt by all of society. Furthermore, the State supports the funding of postsecondary education and develops incentives with a view to increasing the participation of individuals and employers in continuing education activities. ▪ Individuals are the first to contribute to the funding of continuing education and training that they undertake of their own accord, whether for work-related or other purposes, since it provides many personal benefits. ▪ Employers are the first to contribute to the funding of continuing education and training in the workplace, since doing so provides many benefits in terms of productivity of their work force. Moreover, when continuing education of a vocational nature is organized in educational institutions to meet their specific needs, employers contribute significantly to the funding thereof.
Concerning the State	
Offer new services to better meet the needs of adults.	<u>Second recommendation</u> Provide part-time training in vocational education and expand part-time technical and preuniversity training. <u>Third recommendation</u> Define a regulatory framework specific to the recognition of prior learning and competencies. <u>Fourth recommendation</u> Set up regional centres for the recognition of prior

Orientations	Recommendations
	learning and competencies, as well as an interministerial structure for the development, coordination and monitoring of the recognition of prior learning and competencies. - Enter the funding for these regional centres in the budgetary structures for reception and referral. <u>Fifth recommendation</u> Distribute funding for the recognition of prior learning and competencies services between the State, employers and individuals in the following manner: - the State provides funding for the implementation of a minimum service structure in each region of Québec - the State, employers and individuals pay the costs inherent to providing services on the basis of the funding principles set out in the first recommendation - the State recognizes the costs inherent to recognizing prior learning and competencies for tax deduction purposes - the State recognizes the amounts paid by a company for the recognition of prior learning and competencies as eligible expenses under the 1% Act
Rationalize vocational and technical education.	<u>Sixth recommendation</u> Reorganize vocational and technical education to allow for greater integration of the pedagogical and administrative aspects. For this purpose, integrate vocational education into postsecondary education and set up regional colleges for vocational, technical and continuing education based on existing educational institutions (CEGEPs and vocational education centres). Review technical education programs by integrating the notion of variable duration.
Expand competency development efforts.	<u>Seventh recommendation</u> Undertake federal-provincial negotiations to expand the scope of the Canada-Quebec Labour Market

Orientations	Recommendations
	Agreement. Adapt the Fonds de développement du marché du travail (labour market development fund) to the scope of the new agreement.
Support independent participation of individuals in continuing education activities.	<u>Eighth recommendation</u> Improve the Lifelong Learning Plan (LLP) from a perspective of State participation in funding the plan and by expanding eligible training activities. Undertake federal-provincial negotiations for this purpose.
Increase the accountability of local and regional communities.	<u>Ninth recommendation</u> Group financial resources into regional funds for all levels of general education in the adult sector, whether in the field of basic general education, vocational education, technical education or university education (certificates, diplomas, microprograms). - Create regional funds under the supervision of regional authorities accountable for the management of thereof. - Set up a new budgetary approach to allocating assigning financial resources from regional funds. This budgetary approach should be based on socioeconomic indicators, such as the population, land use, schooling, poverty, employment and the unemployment rate. <u>Tenth recommendation</u> Expand the role of municipalities and community groups in the supply of continuing education services. - Identify and analyze their current training supply.
Obtain more information on the situation of continuing education and training and adult education in Québec.	<u>Eleventh recommendation</u> Set up an integrated information system to establish indicators for adult education and lifelong learning. Ensure monitoring in this area.
Concerning employers	

Orientations	Recommendations
Support the development of a lifelong learning culture in the workplace.	<u>Twelfth recommendation</u> Implement a corporate certification procedure for developing competencies or include provisions in collective agreements and management policies to involve employees in their own professional development. <u>Thirteenth recommendation</u> Promote the development of individual or collective training agreements between employees and employers. ▪ Support the creation of training leave, for which the rights and application conditions must be integrated into the <i>Act respecting labour standards</i> by the State. ▪ Participate in the funding of working-time accounts, training-time accounts or other similar measures.
Increase corporate participation in the supply of vocational and technical education.	<u>Fourteenth recommendation</u> Rely more on training in the workplace as a method for organizing vocational and technical education. ▪ Review the organization of the supply of services by evaluating the advantages of academic learning and training in the workplace. ▪ Support the use of an individual training approach when required.

Concerning individuals	
Increase the contribution of individuals to the funding of vocational education activities⁵² and technical education, and continuing education activities at the college level.	<u>Fifteenth recommendation</u> Ensure, in part, the funding for vocational, technical and continuing education in college, for which tuition fees should be introduced gradually by the State, which should also, as a consequence: ▪ review the parameters for financial assistance

⁵² It should be recalled that in accordance with the sixth recommendation, vocational education is integrated into postsecondary education.

Orientations	Recommendations
	▪ examine potential ways of redistributing the contribution of the State between subsidies to schools and financial assistance to individuals with a view to increasing demand and better supporting underprivileged populations
	Concerning the State, employers, unions, communities, school boards, municipalities and individuals
Increase the level of basic education of the Québec population.	<u>Sixteenth recommendation</u> Significantly increase the participation of people in basic education activities. <u>Seventeenth recommendation</u> Increase the number of people who have a secondary school diploma (SSD or DVS) to make the situation in Québec comparable to the average in other Canadian provinces. <u>Eighteenth recommendation</u> For this purpose, develop a joint action plan for a large-scale provincial initiative to be carried out within a specific time frame.

APPENDIXES

Appendix 1.1: Biographies of the members of the Committee of Experts

Claude Pagé, President

Claude Pagé is a consultant and specialist in managing and developing policies and programs for human resources development and labour relations in the fields of education, vocational education, the work force and municipalities (local government).

Mr. Pagé has carried out Québec-wide strategic mandates on the development of new government orientations, the preparation of parliamentary bills and management of major portfolios. Furthermore, Mr. Pagé has in-depth knowledge of administrative rules, the decision-making environment and processes in Québec's public sector and major international issues in the area of education and vocational education development.

Colette Bérubé, Expert

Colette Bérubé has a Ph.D. in adult education from the Université de Montréal with a specialization in vocational education for adults. She is a professor at the Université du Québec à Montréal.

Ms. Bérubé has conducted research in the fields of adult education, vocational education for adults, social integration and job entry, local and regional development, intellectual impairment and social intervention.

Clément Lemelin, Expert

Clément Lemelin is an economist, professor in the economics department and director of undergraduate programs in economics at the Université du Québec à Montréal.

Mr. Lemelin's primary field of expertise is education economics. His research work mainly deals with demand factors in education, job entry of graduates, profitability of education, funding for higher education and the distributed effects of public intervention in education. He is the author of *L'économiste et l'éducation*, published by the Presses de l'Université du Québec in 1998.

Céline Saint-Pierre, Expert

Doctor of sociology, director of the Fernand-Dumont chair at INRS-Urbanisation, Culture et Société, Céline Saint-Pierre's fields of specialization are labour and organization, new technologies and social change, social classes and social movements.

Mrs. Saint-Pierre was president of the Conseil supérieur de l'éducation du Québec from 1997 to 2002. During her mandate, Mrs. Saint-Pierre studied many issues involving adult education and continuing education and training, particularly professional development for company employees, winning conditions for continuing education and training and the recognition of prior learning.

Appendix 1.2: Organizations met with and consulted by the Committee of Experts

Organizations met with

1. Student financial aid (MEQ)
2. Bureau de normalisation du Québec (BNQ, CRIQ)
3. Confédération des syndicats nationaux (CSN)
4. Centrale des syndicats du Québec (CSQ)
5. Commission de la construction du Québec (CCQ)
6. Commission de la santé et de la sécurité au travail (CSST)
7. Commission des partenaires du marché du travail (CPMT)
8. Conférence des recteurs et des principaux des universités du Québec (CREPUQ)
9. Quebec Employers' Council
10. Québec Interprofessional Council
11. Conseil supérieur de l'éducation (CSE)
12. Emploi-Québec
13. Fédération des CÉGEPs
14. Fédération des commissions scolaires du Québec (FCSQ)
15. Institut canadien d'éducation des adultes (ICEA)
16. Ministère de l'Éducation (MEQ)
17. Ministère de l'Emploi, de la Solidarité sociale et de la Famille (MESSF)
18. Ministère des Finances (MFQ)
19. Ministère du Travail du Québec (MTQ)
20. Société de l'assurance-automobile du Québec (SAAQ)
21. Table des responsables de l'éducation et de la formation professionnelle des commissions scolaires du Québec (TREAQFP)

Organizations consulted

1. Association des collèges privés subventionnés du Québec (ACPQ)
2. Conférence des recteurs et des principaux des universités du Québec (CREPUQ)
3. Conseil des collèges non subventionnés
4. Fondation pour l'alphabétisation

Appendix 1.3: Contextualized definitions

Lifelong learning, following the Hamburg Declaration (UNESCO, 1997) involves the education and training of young people and adults and is part of a lifelong process. Its objectives are to develop the autonomy and sense of responsibility of people and communities, equip them to deal with transformations that affect the economy, culture and society as a whole, and to promote the coexistence, tolerance and informed and creative participation of citizens in their communities. In short, the objective is to enable people and communities to take control of their destiny and that of society in order to face the challenges ahead. It is essential that approaches to adult learning be based on people's own heritage, culture, values and prior experiences and that the diverse ways in which these approaches are implemented enable and encourage every citizen to be actively involved and to have a voice.

Basic education for adults makes it possible to acquire the basic knowledge and competencies necessary to participate fully in life in society, to hold a satisfying position on the labour market and to facilitate subsequent learning (MEQ, 2002, *Government Policy on Adult Education and Continuing Education and Training*).

Defined as a process for acquiring basic knowledge and competencies, it enables the adult to understand and use written information, communicate effectively with his or her peers and the community, use information and communications technologies, participate actively in the development of society, adapt to changes in his or her immediate surroundings, update his or her potential throughout life and exercise his or her social roles (MEQ, 2002, *Government Policy on Adult Education and Continuing Education and Training*).

In Québec, the Secondary School Diploma (SSD) and the Diploma of Vocational Studies (DVS) are social benchmarks for defining the basic education to be acquired by all Quebecers who have the ability.

Two steps are involved in acquiring basic education. The content and duration vary. The first step, common-core basic education, includes the first nine years of school in the current system. The second, referred to as diversified education, includes the last two years in secondary school and allows the adult to follow two paths, one of which is general education and the other, vocational education. The latter can be acquired, in full or in part, in the school system or the workplace.

Basic education elements can also be acquired in a community setting, such as through literacy groups and independent popular education groups, as well as through the life or work experiences of adults, which can be considered in the context of a process of recognition of prior learning and competencies.

Continuing education and adult education are in keeping with the concept of lifelong learning. These terms refer to all processes of learning, formal, informal or nonformal, through which individuals considered adults in society can upgrade their levels of education and occupational qualifications, promote their personal development, support active citizenship and promote their employability.

Initial education is identified in Québec as being education acquired on a continuous basis or educational paths completed in continuity (by "youth", we often mean people enrolled in this training or path).

Adult: the concept of adult is difficult to define. In the OECD countries, there is no consensus on a definition (OECD, 2003, *Beyond Rhetoric: Adult Learning Policies and Practices*). Based on the country, the definitions vary based on the contexts covered (formal, informal or nonformal education), age, type of program, framework considered (initial education or not), continuity or noncontinuity of the path and sometimes the location.

For the purposes of this report, we are using the following definition: an adult learner is an individual, 18 years of age or over, who is no longer following a continuous learning path in the formal initial education system, and who is involved in a formal, informal or nonformal learning situation. In our case, the concept of adult does not, in principle, apply to those who study without interruption from childhood to university.

Literacy is generally defined as an "ability to understand and use written information in everyday life, at home, at work and in the community". We usually measure three applications of literacy: understanding of texts followed, understanding of schematic texts and understanding of texts with quantitative content (OECD, 2001, *Economics and Finance of Lifelong Learning*, p. 26). There are four levels of literacy, which are 1, 2, 3 and 4/5. According to the OECD, level 3 is considered the minimum threshold that each person should try to develop, continue learning and meet the social and vocational requirements for writing in industrialized societies. The level achieved at the end of Secondary Cycle Two corresponds, more or less, with level 3 on the literacy scale (OECD 2003, *Beyond Rhetoric: Adult Learning Policies and Practices*, p. 124).

Illiteracy refers to a weak ability to process information, making it impossible to use written language to meet the minimum requirements of functioning in society in personal, social and vocational situations. People with low literacy skills, who are usually classified as illiterate, have competencies in written language in their mother tongue that allow them to carry out basic tasks, such as finding a single piece of information or solving a simple mathematical problem, as long as the written material is clear and familiar. Their ability to read is at the lowest level on the literacy levels scale, as established in the latest international survey on adult literacy (MEQ, 2000, *Pour une politique d'éducation des adultes dans une perspective de formation continue*).

Popular education is a series of activities that are oriented towards the participation of an adult or a group of adults in an empowerment process that promotes greater autonomy (Conseil supérieur de l'éducation, 1994, *Vers un modèle de financement en éducation des adultes*).

Popular education aims to help people acquire knowledge and develop skills, attitudes and behaviour based on the life situation of adults, groups and communities. It is related to intellectual, social and cultural development of an adult or a group of adults and the completion of community projects (MEQ, 2002, *Basic Adult General Education Regulation*).

Its areas of intervention include practically all aspects of personal and community life. It is customized training that targets personal growth and social integration of people who are usually among the most disadvantaged (Conseil supérieur de l'éducation, 1994, *Vers un modèle de financement en éducation des adultes*).

Recognition of prior learning and competencies is defined as a process in which a person can obtain official recognition of his/her prior learning and competencies from diverse training and varied experiences. This process is based on choosing, identifying and validating prior learning and competencies in accordance with a given reference framework, and depending on

a personal initiative or plans to obtain a diploma, gain occupational qualifications or enter the job market.

Recognition of prior learning and competencies concerns those developed in an educational institution and those developed in work of life experiences. The recognition process culminates with an official document attesting either to acquisition of a set of competencies related to a given program, standard or title, or to one or more of its components (training credits, competencies specified in a standards booklet, continuing education credits). (CSE 2000, *La reconnaissance des acquis*, p. 120).

Missing components of education is defined as education to be acquired in view of a schooling objective that leads to obtaining a diploma, entry on the job market, cultural enrichment or participation in society life. Missing components of education are usually determined following a process of recognizing prior learning and competencies.

Customized training (according to R. Legendre, 1993) is a type of training that specifically meets a particular need or work productivity problem.

Formal learning is part of an organized and structured framework. It is clearly defined as a learning activity. Examples of formal learning are elementary school, secondary school or higher, or vocational education. This type of learning naturally leads to certification by a designated authority.

Nonformal learning is learning that is integrated into planned activities, not explicitly identified as learning activities, but with a significant amount of learning. This means, for example, that no qualification or certificate is acquired at the end of the course. This learning can occur at the work place or outside. It completes or overlaps more formal learning.

Informal learning is learning resulting from fortuitous circumstances or circumstances related to activities of everyday life (work, family life, recreation, etc.). We also refer to learning from experience or experiential learning. This is independent learning, without a formal structure to make it possible. Typically, people who teach themselves thanks to ICTs, television or radio, for example, are considered to have acquired informal learning, if it has not taken place as part of a course or organized program.

Appendix 2.1: Proportion of the population aged 25 to 64, without a secondary school diploma or with a university degree in OECD countries

POPULATION AGED 25 TO 64 (IN %)					
Without a secondary school diploma			With a university degree		
	1992	2002		1992	2002
Switzerland	19	12	United States	24	28
United States	16	13	Norway	12	26
Norway	21	15	Netherlands	21	21
United Kingdom	32	17	Canada	15	20
Japan	N/A	17	Québec	13	19
Germany	18	18	Australia	12	19
Canada	29	18	Japan	N/A	19
Sweden	30	19	United Kingdom	11	18
Denmark	41	20	Sweden	12	17
Austria	32	24	Spain	10	17
Québec	35	24	Switzerland	8	16
New Zealand	43	24	Average	11	15
Finland	39	26	Finland	10	15
Average	45	34	New Zealand	11	14
Netherlands	42	35	Ireland	8	14
France	48	36	Germany	12	13
Australia	47	41	Greece	10	12
Belgium	55	42	France	10	12
Ireland	58	43	Belgium	9	12
Greece	66	49	Italy	6	10
Italy	72	55	Turkey	5	9
Spain	77	60	Denmark	13	8
Turkey	86	75	Portugal	5	7
Portugal	86	80	Austria	7	7
Ranking among 23 countries:			Ranking among 23 countries:		
Canada	5	6	Canada	3	4
Québec	9	10	Québec	4	5

Sources: OECD, *Education at a Glance*, 1995 and 2002.

Statistics Canada, *Labour Force Survey*, 1992 and 2001, compiled by the MEQ.

Appendix 2.2: Duration of secondary school in European countries

Years of schooling				
Country	Elementary school	Lower secondary	Upper secondary	Total
Germany	4	5	3	12
Austria	4	4	4	12
Belgium	6	6		12
Denmark	9		3	12
Spain	6	4	2	12
Finland	9		3	12
France	5	4	3	12
Greece	6	3	3	12
Ireland	6	4	2	12
Iceland	9		1/4	10-13
Italy	5	3	5	13
Norway	6	3/4	3	12-13
Netherlands	7		5/6	12-13
Portugal	6	3	2	11
United Kingdom:				
- England	6	5	2	13
- Scotland	7	4	Variable	11+
Sweden	9		3	12

Source: EURYDICE 2003, compiled by the MEQ.

Appendix 2.3: Proportion of the population with 0 to 8 years of schooling or partial secondary school studies, by age group

	<i>Location</i>		
	Québec	Ontario	Canada
Age group	Age 15-64		
15-19	51%	77%	69%
20-24	16%	11%	13%
25-29	13%	9%	10%
30-34	14%	10%	11%
35-39	16%	11%	13%
40-44	20%	13%	16%
45-49	22%	14%	17%
50-54	25%	17%	19%
55-59	36%	25%	27%
60-64	47%	32%	36%

Source: Statistics Canada, *Labour Force Survey*, 2002, compiled by the MEQ.

Appendix 4.1: Adults in general education from 1989 to 2001

YEAR	FULL-TIME POPULATION	PART-TIME POPULATION	TOTAL	FTE	FTE/PERS	VARIATION %
1989-1990						
1990-1991						
1991-1992						
1992-1993	80,622	65,363	145,985	55,246	0.38	
1993-1994	80,385	64,008	144,393	58,057	0.40	-1.09%
1994-1995	80,432	64,502	144,934	56,580	0.39	0.37%
1995-1996	80,351	67,949	148,300	57,186	0.39	2.32%
1996-1997	80,340	64,296	144,636	55,059	0.38	-2.47%
1997-1998	67,856	68,614	136,470	44,920	0.33	-5.65%
1998-1999	73,736	57,184	130,920	45,712	0.35	-4.07%
1999-2000	66,702	61,498	128,200	40,035	0.31	-2.08%
2000-2001	69,720	64,710	134,430	40,593	0.30	4.86%
1992-93/2001-02	-13.52%	-1.00%		-36.30%		

Sources: Education statistics – 2002, 1998 and 1995.

Appendix 4.2: Adults in vocational education from 1987 to 2001

YEAR	POPULATION	GAP	FTE	GAP	FTE/PERS
1987-1988	124,020		N/A		
1988-1989	118,198	-4.69%	N/A		
1989-1990	114,653	-3.00%	15,353		0.13
1990-1991	90,176	-21.35%	18,974	23.58%	0.21
1991-1992	82,144	-8.91%	28,991	52.79%	0.35
1992-1993	76,582	-6.77%	30,214	4.22%	0.39
1993-1994	77,489	1.18%	32,320	6.97%	0.42
1994-1995	78,064	0.74%	33,243	2.86%	0.43
1995-1996	78,017	-0.06%	38,316	15.26%	0.49
1996-1997	77,798	-0.28%	42,035	9.71%	0.54
1997-1998	81,723	5.05%	43,797	4.19%	0.54
1998-1999	83,781	2.52%	46,754	6.75%	0.56
1999-2000	91,071	8.70%	46,592	-0.35%	0.51
2000-2001	87,965	-3.41%	46,660	0.15%	0.53
1989-90/2000-01	-29.07%		203.91%		

Sources: Education statistics – 2002, 1998 and 1995.

Appendix 4.3: Adults in college from 1989 to 2000

YEAR	FULL-TIME POPULATION	GAP	PART-TIME POPULATION	GAP	TOTAL	GAP
1989	8,926		68,791			
1990	10,010	12.14	70,728	2.82	80,738	
1991	12,891	28.78	67,698	-4.28	80,589	-0.18
1992	12,586	-2.37	66,744	-1.41	79,330	-1.56
1993	14,112	12.12	61,726	-7.52	75,838	-4.40
1994	14,734	4.41	51,726	-16.20	66,460	-12.37
1995	19,078	29.48	43,908	-15.11	62,986	-5.23
1996	19,842	4.00	37,328	-14.99	57,170	-9.23
1997	20,722	4.44	33,780	-9.50	54,502	-4.67
1998	23,807	14.89	30,458	-9.83	54,265	-0.43
1999	20,965	-11.94	26,645	-12.52	47,610	-12.26
2000	22,134	5.58	24,662	-7.44	46,796	-1.71
2001						
1991/2000		71.70		-63.57		-41.93

Sources: Education statistics – 2002, 1998 and 1995.

Appendix 4.4: Adults in university from 1990 to 2000

YEAR	Full-time	% increase	Part-time	% increase	Total	% increase
1990	124,217		121,216		245,433	
1991	129,203	4.01	119,845	-1.13	249,048	1.47
1992	134,039	3.74	122,387	2.12	256,426	2.96
1993	136,539	1.87	116,805	-4.56	253,344	-1.20
1994	134,842	-1.24	109,689	-6.09	244,531	-3.48
1995	132,470	-1.76	105,340	-3.96	237,810	-2.75
1996	131,479	-0.75	99,462	-5.58	230,941	-2.89
1997	130,608	-0.66	96,369	-3.11	226,977	-1.72
1998	133,591	2.28	93,047	-3.45	226,638	-0.15
1999	137,206	2.71	94,691	1.77	231,897	2.32
2000	139,563	1.72	93,900	-0.84	233,463	0.68
2001						
1991/2000		8.02		-21.65		-6.26

Sources: Education statistics – 2002, 1998 and 1995.

Appendix 5.1: Participation in the Emploi-Québec training measure

Type of training	Year			
	1999-2000	2000-2001	2001-2002	2002-2003
General secondary	15,551	10,906	11,492	11,384
Secondary vocational	27,088	29,406	29,383	28,775
Technical	13,072	14,215	13,019	10,113
Total	74,658	74,487	73,231	69,531
% of participation				
General secondary	21%	15%	16%	16%
Secondary vocational	36%	39%	40%	41%
Technique	18%	19%	18%	15%

Source: Emploi-Québec.

**Appendix 7.1: Estimates of sources of funding for education and
adult education in Québec, 2001, in millions of dollars**

SOURCES OF FUNDING

Line num ber	SECTOR	SOURCE	ADJUSTMENT	BALANCE	Technical Description
1	Government of Canada				
2	Employment insurance account	361.0			Amount transferred to Québec through the Labour Market Agreements. It includes income support (\$192.8M), training purchases (\$135.2M, of which \$30M is paid directly by Emploi-Québec to MEQ) and the administrative expenses financed by the federal government that are related to the Emploi-Québec training measure (\$32M prorata estimate of Emploi-Québec intervention expenses financed by the federal government).
3	HRDC programs	26.1			Québec's share of the following federal programs: literacy (\$6.2M, of which \$4.8M paid directly to MEQ), Office of Learning Technologies (\$0.5M), Canadian Learning Institute Project (\$0.1M), Canadian sector councils (\$1.5M), training under agreements with Aboriginal people (\$17.8M). Funding for education under agreements with Aboriginal people is estimated based on the share of expenses in respect of the work force for Aboriginal people in Québec (41.8%); expenses consisting of \$32.3M from the Consolidated Revenue Fund (CRF) and \$10.3M from the employment insurance account. The percentage of 41.8% is determined based on the Canadian average in funds for education as part of the Labour Market Agreements. Sources: Annual HRDC-Québec report and <i>Employment Insurance Monitoring and Assessment Report</i> .
4	Transfers to Québec government departments	45.0			Training in federal penitentiaries (\$4M), linguistic integration of immigrants (\$41M).
5	Financial				
6	Tax deduction for on-the-job training expenses	112.8			Deduction for expenses incurred under the provisions of the 1% Act, excluding salaries paid to employees in training or their replacements, or internal instructors. Estimate based on information provided in the <i>Formative evaluation of the Act</i> .
7	Personal income tax	42.0			Québec's share of the partial exemption of income from an academic scholarship (\$2M), from the tax credit for interest paid on student loans (\$3M), from the tax credit for tuition fees (\$5M), from the education amount (\$10M), from the transfer of credits for education and tuition fees (\$14M), and from the credits carried forward (\$8M). The estimate is based on the assumption that Québec's share is 30% for students in college, at university and for bursaries, 25% for loans and 10% for tuition fees. The estimate takes into account the tax abatement of 16.5% for Québec taxpayers.
8	Consumption taxes	11.6			GST exemption for basic education services.

SOURCES OF FUNDING

9	Canada Social Transfer (postsecondary education)	66.2			Estimate based on CHST cash transfers: 4.7 billion. The share from CHST for postsecondary education (17.6%) is assessed based on the respective shares of Québec from the CAP, the EPF-Postsecondary Education and the EPF-Health in 1994-95: 24.9%, 24.9% and 34.1%, and transfers to the provinces in 1994-95: CAP 7 952 billion, EPF-Postsecondary Education 6 177 billion, EPF-Health 15 299 billion. A percentage of 8% is applied to represent the share of funding for adult education in postsecondary education expenses (respectively \$32M for college and \$225M for university, from a total budget of \$3.2 billion). Sources: Séguin Report (Table 10, p. 75, Web site www.desequilibrefiscal.gouv.qc.ca/index_ang.htm); Department of Finance Canada (Table 4.4, Budget in Brief 1995, http://www.fin.gc.ca/budget95/binb/BINB8E.html ; and table on current transfers to Québec (http://www.fin.gc.ca/FEDPROV/mtpe.html). <i>Expenditure Budget</i> , vol. II, 2001-2002.
10	Student financial aid	59.0			Share of financial assistance for people in continuing education. Estimate based on the transfer of \$129M under the Canada Student Loans Program and Canada Millennium Scholarships (\$80M).
11	Employee training in Québec	0.7			Line 85
12	Subtotal Canada	724.3	0.0	724.3	
13	GOVERNMENT OF QUÉBEC				
14	EDUCATION SECTOR				
15	Secondary education				
16	Instructional services:				
17	MEQ grant, general education	167.0			Basic allocation, 18 years and over. Source: MEQ.
18	MEQ grant, vocational education	373.0			Adults in vocational education: 90% of the total budget of \$415M. Source: MEQ.
19	MEQ grant, other resources	213.0			Resources other than teachers. Source: MEQ financial statements, 2001-2002.
	Maintenance expenses	45.6			Purchase of furniture, equipment and tools (based on the 2003-2004 allocation parameters) and improvement or conversion of buildings (prorated to enrolment and in accordance with 2003-2004 parameters). Vocational education (\$43M), general education in the adult sector (\$2.6M).
20	Other allocations				
21	Independent popular education	10.0			Source: MEQ
22	Independent popular literacy education	10.0			Id.

SOURCES OF FUNDING

23	Financial assistance to students (VE)	49.0			Total financial assistance (loans and bursaries) for adults is \$102M: 90% of recipients in vocational education (\$49M), 2% in general college education and 20% in technical education (\$22M), 11% of recipients in university undergraduate programs and 23% in graduate programs (\$31M). The cost of loans includes interest on loans and the value of unpaid loans. In 2001-2002, these amounts represented 49% of the total value of new loans.
24	Equalization grant	57.9			Equalization represents 30.4% of the maximum school taxes collected. Vocational education and general education in the adult sector generate approximately \$195M of the maximum taxes collected.
	Debt services - secondary school	150.0			Vocational education:\$150M, general education in the adult sector: \$0M. Vocational education represents 25% of the value of loans from school boards.
25	Adjustment (transfer from the MESSF)		30.0		50% of line 46
26	Subtotal secondary education	1 075.5	30.0	1 045.5	
27	College education				
28	Continuing education	62.0			
29	Other allocations				
30	Financial assistance to students	22.0			Line 23
31	Adjustment (MESSF transfer)		30.0		50% of line 46
32	Subtotal college education	84.0	30.0	54.0	
33	University education				
34	Continuing education	225.0			Certificates, diplomas, other short programs and auditors. Source: MEQ.
35	Student financial aid	31.0			Line 23
36	Subtotal university education	256.0	0.0	256.0	
37	Federal transfer adjustments:				
38	Social transfer		66.2		Line 9
39	Student financial aid		59.0		Line 10
40	Literacy services		4.8		Line 3
41	Subtotal federal transfers		130.0		
42	Total education	1 415.5	190.0	1 225.5	
43	EMPLOYMENT SECTOR				
44	Training measure				
45	Training purchases	133.0			Public and private sectors. Source: Emploi-Québec, <i>Rapport de suivi budgétaire</i> , final report 2001-2002.

SOURCES OF FUNDING

46	Transfer to MEQ	60.0			Services provided to the clientele of Emploi-Québec This amount is included in the MEQ's appropriations.
47	Income support	216.9			Income support for employment insurance participants and participation allowances for income support recipients and people who do not receive a cheque. Employment insurance participants are people who contributed to the plan during the last three years (or the last five years for people who received maternity or parental leave benefits). Income support for active recipients of employment insurance is paid by the federal government. It is not included in this table.
48	Chargeable operating costs	121.0			Calculated in proportion to the Emploi-Québec intervention budget. Source: Emploi-Québec, <i>Annual Report</i> , 2001-2002.
49	Adjustment: Employment insurance account		361.0		Line 2
50	Subtotal employment	530.9	361.0	169.9	
51	FINANCE SECTOR				
52	Personal income tax (exemptions, deductions, etc.)	22.0			25% of the exemption for bursaries (\$9M: the percentage is the share of bursaries granted to adults). 23% of the tax credit on the interest paid on student loans (\$3M: the percentage is the share of loans granted to adults) 17% of the tax credit for tuition fees (\$10M: the percentage is the share of adult students at university). Source: Ministère des Finances du Québec, <i>Les dépenses fiscales</i> , 2001 edition.
53	Tax credit - on-the-job training	17.0			Tax credit for an on-the-job training period. Source: Ministère des Finances du Québec, <i>Les dépenses fiscales</i> , 2001 edition.
54	Tax deduction for on-the-job training expenses	42.0			Salary expenses are excluded. Line 6
55	Consumption taxes	11.6			QST exemption for basic services applied to \$154M in tuition fees. Lines 99 and following. Source: Ministère des Finances du Québec, <i>Les dépenses fiscales</i> , 2001 edition.
56	Subtotal finances	92.5	0.0	92.5	
57	OTHER DEPARTMENTS OR AGENCIES				
58	Agriculture and Food	0.9			Training for farm operators. Source: Québec, <i>Expenditure Budget</i> , 2001-2002.
59	Immigration	41.0			Linguistic integration of immigrants. Source: Québec, <i>Expenditure Budget</i> , 2001-2002.

SOURCES OF FUNDING

60	Cultural Affairs	6.1			Vocational education and manpower development (Ministère de la Culture et des Communications). Source: Québec, <i>Expenditure Budget</i> , 2001-2002.
61	Economic Development	11.6			MDER programs: Support for the Institut international des télécommunications (\$1.7M), labour-force training in -the optics, photonics and laser sector (\$5M), improvement of science and technology skills (\$4.9M). Source: Québec, <i>Expenditure Budget</i> , 2001-2002.
62	CSST	27.9			50% of the budgets for occupational rehabilitation (\$15.1M), labour representation associations (\$8M) and trade unions and employers' associations (\$4.4M), whose mandate is to provide training and information. Other: \$0.3M. Source: CSST management data. See also Jean-François Ruel, op.cit., line 63.
63	SAAQ	2.9			In 1997-1998. Source: Jean-François Ruel, <i>État de situation de la thématique du travail et des activités productives</i> , Office des personnes handicapées du Québec, http://www.ophq.gouv.qc.ca/thematiques/Bilan98/Bilan_Travail_1.html
64	Public Security	2.9			Training for police officers and firefighters. Source: Québec, <i>Expenditure Budget</i> , 2001-2002.
65	Adjustment: contribution from the federal government		45.0		Line 4
66	1. Subtotal other departments	93.3	45.0	48.3	
67	Subtotal Québec	2 132.2	596.0	1 536.2	
68	SCHOOL BOARDS				
69	School taxes	115.3			
70	Customized training	101.1			
71	Adjustment		101.1		Contribution of individuals, businesses and the MESSF.
72	Subtotal school boards	216.4	101.1	115.3	
73	CEGEPS				
74	Customized training	75.4			
75	Adjustment		75.4		Contribution of individuals, businesses and the MESSF.
76	Subtotal CEGEPS	75.4	75.4	0.0	
77	UNIVERSITIES				
78	Customized training	81.5			
79	Adjustment		81.5		Contribution of individuals, businesses and the MESSF.
80	Subtotal universities	81.5	81.5	0.0	

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81	MUNICIPALITIES				
82	Supply of training services	N/A			
83	Training of municipal employees	35.0			Line 85
84	Subtotal municipalities	35.0	0.0	35.0	
85	Training of employees in the public and parapublic sectors	266.1		266.1	Public sector, Québec: \$33.9M, Education: \$114.3M Health and social services: \$102.4M, other public services: \$15.5M. Local administrations (\$35M), Federal administration (\$0.7M). Source: <i>Quantitative balance sheet on employer participation in Bill 90</i> , calendar year 2000, http://emploi quebec.net/publications/FNFM0/bilanloi2000.pdf
86	TOTAL PUBLIC	3 530.9	854.0	2 676.9	
87	PRIVATE SECTOR				
88	Businesses				
89	Employer-sponsored training	1 166.0			Source: <i>Activity report from the Fonds national de formation de la main-d'œuvre</i> , 2000.
90	Employers in the public, parapublic and municipal sectors		301.8		Lines 11, 83 and 85
91	Fonds national de formation de la main-d'oeuvre (FNFM0)	35.0			
92	Unrecognized training	104.0			Based on information from the <i>Formative Evaluation Report for Act 90</i> (March 2002), 13.9% of employers with a payroll of less than \$500 000, 17.2% of employers with a payroll of between \$500 000 and \$1 million and 23.5% of employers with a payroll of more than \$1 million. These expenses respectively represent 46.3%, 37.5% and 26.8% of the total expenses of these employers, which are respectively \$55.8M, \$77.1M and \$1,032.9M.
93	Adjustment - tax benefits on-the-job training deductions		154.7		Lines 6 and 54
94	Tax credit adjustment (Québec)		17.0		Line 53
95	Consumption tax adjustment (Q + C)		11.6		50% of lines 8 and 55.
96	Subtotal businesses	1 305.0	485.1	819.9	
97	Individuals				
98	Tuition fees				
99	Basic education	56.0			
100	College education	17.0			

SOURCES OF FUNDING

101	University education	59.0			
102	Activities organized by municipalities	n/a.			
103	Other costs: transportation, day care, etc.	265.6			Estimated based on the amount of the federal deduction for education. <i>Supra</i> line 7.
104	Personal income tax adjustments (Québec)		22.0		Line 52
105	Personal income tax adjustments (Canada)		42.0		Line 7
106	Consumption tax adjustment (Q + C)		11.6		50% of lines 8 and 55.
107	Subtotal individuals	397.6	75.6	322.1	
108	Professional associations	6.0			This is a minimum. Source: Office des professions du Québec, on the basis of the operating budget for professional orders.
109	Union	N/A	0.0	0.0	
110	Other social and community groups		0.0	0.0	
111	Literacy services	10.0			Line 21
112	Popular education	10.0			Line 22
113	MESS training purchase	12.0			Line 45
114	Private and association funding	N/A			
115	Adjustments		32.0		Transfers from MEQ and from MESSF.
116	Subtotal social and community groups	32.0	32.0	0.0	
117	TOTAL PRIVATE	1 740.6	592.6	1 148.0	
118	GRAND TOTAL	5 271.5	1 446.6	3 824.9	

Appendix 7.2: Comparative profile of student financial aid programs in Québec and in the other Canadian provinces and territories

Assistance programs	Québec	Federal	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario
FORM OF ASSISTANCE	- Loan - Bursary Since fall of 2002: loan for part-time studies to cover tuition fees and day-care expenses	- Direct loan (CSLR) - Grants for studies: disability part-time with dependant women in Ph.D. programs	- Loan - Bursary	Loan	Direct loan	- Loan - Bursary	- Direct loan - Bursary (in the form of debt remission)
MAXIMUM LOAN (For provinces other than Québec, includes CSLRs)	- College: \$2 005 - Undergraduate: \$2 460 - Master's and Ph.D.: \$3 255 - Loan only (term.): \$3 100	60% of the need for 34 weeks up to \$165 per week, or \$5 610 per year	- Without child: \$9 350 - With child: \$13 430	\$11 000	- Without dependant: \$9 350 - With dependant: \$13 600	\$9 350	- Without child: \$9 350 - With child: \$17 000
MAXIMUM BURSARY (or specific grant)	- College: \$12 787 - Undergraduate: \$14 833 - Master's and Ph.D.: \$14 883 Plus: (with one child): \$3 450 (with two children): \$4 365 (with three children): \$5 285	Specific grant: a) Disability: 5 000 \$ b) Part-time as needed: \$1 200 c) With dependant: \$40 per week for 2 people \$60 per week for 3 people d) women in Ph.D. programs: \$3 000 (max.)	Need greater than \$125/week. Maximum needs are: Person living alone: \$156 /week With 1 or 2 dependants: \$205/week. With 3 or more dependants: \$225. maximum 136 weeks.	Support bursary for single-parent families and students with special needs (maximum \$6 000.)	With dependant: amount in excess of \$180/week. Without dependant: amount in excess of \$275/week, for the first 170 months.	With 3 or more children as dependants: \$60/week.	Bursary for day-care expenses granted as of the third child. The amount varies based on whether the student has a spouse or not. See also Debt Remission Program.
DEBT REMISSION (based on maximum indebtedness)	N/A	Debt exceeding 15% of revenue, the lesser of \$10 000 or 50% of the capital. (Will be modified in 2003-2004.)	The maximum debt remission is the amount of the provincial loan.	Amount in excess of \$5 000 or \$2 500 per term of the loan.	Single-parent families, Aboriginals, Metis and residents of the Far North: \$220 per week of studies. Regular: \$95/week.	The lesser of 50% of the capital or \$10 000.	The amount of the annual loan that exceeds \$7 000.
INTEREST RATE	Loan A: bank acceptance rate (30 days) + 0.80. Loan B: fixed rate: Canada savings bonds rate (5 years) + 0.125 or variable rate option (since 2002-2003)	Loan A: direct loan financed by the government. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: direct loan financed by the government. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: direct loan financed by the government. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: direct loan financed by the government. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.
FORM OF GUARANTEE	Loans from financial institutions guaranteed by the government	Direct loan from the federal government	Risk shared with financial institutions	Risk shared with financial institutions	Direct loan from the provincial government	Risk shared with financial institutions	Direct loan from the provincial government
INTEREST EXEMPTION (or Québec Debt Remission Program)	24 months during the first 5 years of studies following the 6th month after the end of studies	Maximum 30 months of the repayment period. Maximum of an additional 24 months for problem cases.	Maximum 30 months of the repayment period. Maximum of an additional 24 months for problem cases.	Maximum 30 months of the repayment period. Maximum of an additional 24 months for problem cases.	Maximum 30 months of the repayment period. Maximum of an additional 24 months for problem cases.	Maximum 30 months of the repayment period. Maximum of an additional 24 months for problem cases.	Maximum 30 months during the repayment period.
AVERAGE DEBT AT UNIVERSITY UNDERGRAD LEVEL, 1999-2000 (4 years of	\$15,982	\$12,223	\$16,808 (including loan from the federal gov't)	\$17,942 (including loan from the federal gov't)	\$17,615 (including loan from the federal gov't)	\$22,460 (including loan from the federal gov't)	\$21,268 (including loan from the federal gov't)

studies)							
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Assistance programs	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland	Yukon	Northwest Territories	Nunavut
FORM OF ASSISTANCE	- Loan - Bursary	Loan	Loan	Loan	- Loan - Bursary	- Loan - Bursary (Administered by N.W.T.)	
MAXIMUM LOAN (For provinces other than Québec, includes CSLRs)	\$9 350	\$10 710	\$9 350	\$9 350	\$5 610	\$9 350	Primary loan: \$3 200 Secondary loan: \$4 400
MAXIMUM BURSARY (or specific grants)	- Without child: \$1 700 - With child: \$3 060		In the form of debt reduction (see debt remission).		Territorial bursaries.	\$4 100 for tuition fees and books.	\$2 500 for tuition fees, books and transportation.
DEBT REMISSION (based on maximum indebtedness)	Portion exceeding \$165/week.	Yes. No data available.	Portion exceeding \$165/week. 834 students	Portion exceeding \$165/week.		After studies, \$1 000/3 months is provided. (\$4 000/year)	
INTEREST RATE	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.	Loan A: prime rate. Loan B: fixed rate: negotiated, prime rate +5%. Variable rate: prime rate + 2.5% maximum.
FORM OF GUARANTEE	Risk shared with financial institutions	Risk shared with financial institutions	Risk shared with financial institutions	Risk shared with financial institutions	Risk shared with financial institutions	Loans from financial inst. guaranteed by gov't.	
INTEREST EXEMPTION	Maximum 30 months during the first five years of repayment.	Maximum 30 months during the repayment period.	Maximum of 60 months.	Maximum 30 months during the first five years of repayment. Maximum of 54 months for problem cases.		Maximum of 36 months.	
AVERAGE DEBT AT UNIVERSITY UNDERGRAD LEVEL, 1999-2000 (4 years of studies)	\$26,463 (including loan from the federal gov't)	\$21,568 (including loan from the federal gov't)	\$25,847 (including loan from the federal gov't)	\$25,549 (including loan from the federal gov't.)	Does not handle provincial loans	N/A	

Source: Student financial assistance, *Policies and programs*, MEQ, June 2003.

Appendix 7.3: The Québec government's tax measures

1. PERSONAL INCOME TAX SYSTEM

Exemption regarding scholarships and other similar financial assistance

- Since 2001, scholarships, fellowships and achievement awards have been subject to full zero rating in the form of a deduction in the calculation of taxable income.

Exemption of the training loan (SPRINT program) and deduction of amounts repaid

- The "Subvention et prêts individuels aux travailleurs et travailleuses" (SPRINT) program provides financial assistance to people who temporarily leave the work force to take vocational education courses leading to secondary or college certification.
- This financial assistance is partially paid in the form of a loan guaranteed by the government and partially in the form of a training benefit. The training benefit paid by SPRINT is exempt from income tax.
- Furthermore, taxpayers who incur student debts under this program can deduct the full amount of the portion of the debt (capital and interest) they repay during the year.

Deduction of financial assistance granted for the payment of tuition fees for general education in the adult sector

- Taxpayers who receive financial assistance for the payment of their tuition fees under the provisions of certain government employment assistance programs may deduct the amount of such assistance from their taxable income, provided the amount was included in the calculation of their income and that it was paid for tuition fees that do not give entitlement to a tax credit for tuition, such as fees for elementary education or general secondary education.
- This measure is essentially aimed at encouraging taxpayers to increase their competencies to facilitate their entry into the work force.

Exemption under the Lifelong Learning Plan (LLP) (harmonized federal-provincial measure)

- An LLP allows for amounts to be withdrawn from registered retirement savings plans (RRSP) to finance education or studies for the applicant or his or her spouse.
 - The amounts withdrawn do not have to be reported as income, and the issuer of the RRSP does not collect provincial or federal income tax.
 - Amounts withdrawn from an LLP must be repaid within a period of 10 years. If the taxpayer does not repay the full amount for a year, the unpaid portion is included in his/her income for that year.

Nonrefundable tax credit for tuition or examination fees

- Tuition fees
 - Taxpayers may claim a tax credit of 20% for their tuition fees paid during the year to an educational institution, or carry the credit forward indefinitely.
- Examination fees
 - Taxpayer may claim a tax credit of 20% for examination fees paid to join a professional order mentioned in Schedule I of the *Professional Code*.
 - The total of examination and tuition fees must be over \$100.

Nonrefundable tax credit for interest paid on a student loan

- Taxpayers may claim a tax credit of 20% for themselves or a relative if they paid interest after 1997 on a student loan granted to them under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act* or a law of a province other than Québec governing the granting of financial aid to students in postsecondary education.

Refundable tax credit for an on-the-job training period

- Individuals who operate, or are members of, a company in Québec, may request a refundable tax credit for expenses incurred for a trainee as part of an eligible training period.
 - The credit amounts to 40% (20% for businesses that are not constituted as corporations), for a maximum of \$200 per week per trainee and \$250 for an apprentice.

2. CORPORATE INCOME TAX SYSTEM

Refundable tax credit for an on-the-job training period

- The purpose of the tax credit for an on-the-job training period is to encourage businesses to accept trainees and to promote improvement of young people's professional qualifications.
 - Businesses that accept a student or apprentice for an eligible training period are eligible for a refundable tax credit of 40% (20% for businesses that are not constituted as corporations), regardless of the size of the business.
 - Eligible expenses include salaries paid by the business to trainees or apprentices and salaries paid to its employees who act as training supervisors.
 - The credit is limited to \$200 per week per trainee, and \$250 per week per apprentice. Additionally, the number of hours spent on supervision by a training supervisor may not exceed 10 hours per week per trainee or 20 hours per week per apprentice.
 - In the March 2001 Budget Speech, an additional component, called "Stage Québec", was announced. The purpose of this new component is to allow access to the credit for an on-the-job training period to students enrolled in master's or Ph.D. programs.

Bill 90 (the "1% Act")

- Bill 90, adopted in 1995, aims to improve workers' qualifications and enhance their adaptation, entry in the work force and mobility.
- It was implemented progressively over a three-year period. 1998 was the first year in which all businesses subject to the bill (those with a payroll of \$250 000 or over) had to comply with it.
 - Employers who are subject to Bill 90 and who do not spend an amount representing at least 1% of their payroll per year on training must pay the difference into the Fonds national de formation de la main-d'œuvre. The objective of this fund is to promote, and provide financial or technical support for, training activities in businesses.
 - Eligible expenses may include, in addition to direct training costs, expenses related to salary, training leave, travel, accommodation, the purchase of equipment and the construction or refurbishment of premises, if such expenses are for the training of employees.
 - In accordance with the tax laws in effect, training expenses may be deducted from tax revenues in both Québec and Canada. Furthermore, these expenses may be carried forward from one year to the next.

3. CONSUMPTION TAX SYSTEM

Exemption of basic education services (GST and QST) (harmonized federal-provincial measure)

- This exemption applies to tuition fees paid for courses provided for elementary and secondary school students, courses leading to credits towards a diploma or degree awarded by a recognized school authority, university or college, and certain other types of vocational education.
- This exemption also applies to meals supplied to elementary and secondary students, and most meal plans in universities and colleges.

Source: MEQ, MESS and MFER (2003). *Funding of continuing education and training: Information file for the Committee of External Experts*, section 5.2, Québec

Appendix 7.4: The Canadian government's tax measures

1. PERSONAL INCOME TAX SYSTEM

Deduction in the form of assistance with tuition fees - basic education in the adult sector

- Individuals may deduct the amount of assistance received for tuition fees for basic education in the adult sector. In order to be eligible, the assistance for tuition fees must be granted under the terms of:
 - section II of the *Employment Insurance Act* or a similar program offered by a province or territory in accordance with an agreement on labour-force development
 - another training program set up in accordance with the powers conferred on the Minister of Human Resources Development Canada (employability support for people with disabilities, the Opportunities Fund for Persons with Disabilities, etc.)

Partial exemption of income from a scholarship, fellowship or research grant

- The first \$3 000 of income from a scholarship, fellowship or research grant is exempt from income tax.

Exemption under the Lifelong Learning Plan (LLP)

- Harmonized federal-provincial measure. (See Appendix 7.3)

Nonrefundable tax credit for tuition fees and education amount

- Tuition fees:
 - A tax credit of 16% is offered for tuition fees paid by a student to a prescribed educational institution if such tuition fees total over \$100.
 - The 1997 budget extended the credit to most mandatory ancillary fees imposed by postsecondary education institutions.
- Education amount:
 - This measure assists students by taking into account the costs associated with pursuing studies on a full-time or part-time basis, other than tuition fees.
 - Students attending a prescribed educational institution on a full-time basis are entitled to claim a tax credit representing 16% of the education amount related to studies". This amount is \$400 per month for full-time students and \$120 per month for part-time students.
 - Students attending an educational institution in Canada and who are enrolled in an eligible program lasting at least three consecutive weeks, with a minimum of 12 hours of courses per month, are eligible.

Transfer from the nonrefundable tax credit for education and tuition fees

- The unused portion of the education and tuition fee amounts may be transferred to the supporting spouse, parent or grandparent. This transfer is limited to \$5 000.

Carry-over of the nonrefundable tax credit for tuition fees and studies

- Combined with the provision for transfer of tuition and education credits, this measure ensures that students can use these credits fully, whether another person supports them or not.
 - Students can carry forward indefinitely, for their own use, the education and tuition fee amounts that they have not yet used or transferred to a supporting individual.

Nonrefundable tax credit for interest on student loans

- Credit of 17% on the interest portion of student loan repayments made in 1998 and subsequent years.
 - The credit, which is available in respect of repayments made under the Canada Student Loans Program and similar provincial programs, may be claimed in the year in which it is earned or in any of the subsequent five years.

2. CORPORATE INCOME TAX SYSTEM

- Tax deduction for on-the-job training expenses. (see Appendix 7.3)

3. CONSUMPTION TAX SYSTEM

Exemption of basic education services (GST and QST)

Harmonized federal-provincial measure. (See Appendix 7.3)

Source: MEQ, MESS and MFER (2003). *Le financement de la formation continue: Dossier d'information pour le Comité d'experts externes*, fiche 5.3.

**Appendix 9.1: Population that has not completed secondary school studies,
by age and level of education, Québec
(annual averages, 2001)**

Age groups	0 to 8 years of schooling	Partial secondary education	Total population
15 years +	966.7	953.6	5,984.6
15 - 19	56.1	197.7	460.4
20 - 24	21.8	66.3	503.6
25 - 29	15.9	51.3	477.4
30 - 34	14.9	52.4	503.0
35 - 39	28.9	74.6	602.3
40 - 44	37.6	103.0	667.2
45 - 49	45.7	81.4	579.6
50 - 54	72.1	75.3	537.8
55 - 59	93.4	66.2	433.2
60 - 64	121.3	48.5	327.9
65 years +	459.1	137.0	892.1
	966.8	953.7	5 984.5
	%	%	%
15 years +	16.2	15.9	100.0
15 - 19	12.2	42.9	100.0
20 - 24	4.3	13.2	100.0
25 - 29	3.3	10.7	100.0
30 - 34	3.0	10.4	100.0
35 - 39	4.8	12.4	100.0
40 - 44	5.6	15.4	100.0
45 - 49	7.9	14.0	100.0
50 - 54	13.4	14.0	100.0
55 - 59	21.6	15.3	100.0
60 - 64	37.0	14.8	100.0
65 years +	51.5	15.4	100.0

Source: Statistics Canada, *Labour Force Survey*, 2002, compiled by the MEQ.

Appendix 9.2: The Tévec pilot project

1. The Tévec pilot project was conducted in the Saguenay-Lac-Saint-Jean region and in the cities of Chibougamau and Chapais, which belonged to the same administrative region at the time. The operational phase of the project ran from January 1968 to December 1969.
2. The primary objective of the Tévec project was to allow adults from the pilot region to complete grade 9. The following were additional objectives:
 - Explore the potential of television for instructional purposes and identify the conditions required for optimum effectiveness of this potential
 - Develop learning content and adapt teaching methods to the situation and needs of adults with little schooling
 - Train specialized personnel in the use of new technologies for educational purposes
 - Create conditions that encourage everyone in the community to take responsibility for adult education (adults of every age and institutions of all types) and use the diverse resources in the community to the fullest extent possible
 - Find avenues that make it possible for adults to get an education that is at least equivalent to that obtained by young people through traditional means, but at a lower cost
3. The Tévec project relied on various methods, some of which were considered "technological" (i.e. television), some sociopedagogical (i.e. social development), as well as more traditional methods (i.e. documents). All of these methods were combined in a so-called "multimedia" approach.
4. The role of television was central. Programs were broadcast several times during the week. Almost all programs contained sequences on a socioeconomic theme (assemblies, the spousal relationship, regional economy, international affairs, etc.) and called into play notions of French, mathematics and English as a second language.

In addition, there was a weekly half-hour program that introduced a group discussion in various location. Everybody was welcome to attend these meetings. These "teleclubs", as they were called, addressed topics that were conducive to discussion, such as: Can unemployment be eliminated? Do we deserve our elected officials? Is justice fair? This program was also broadcast more than once.

5. The *Tévécois* file states that "neither television nor documentation alone can claim to tell all or explain all." Each of these resources covers all aspects of a theme as completely as possible, but using their own approach and methods. The documents sent to each adult

enrollenrolled in the project varied based on the steps, but always contained information and exercises on the four program subjects (socioeconomics, French, mathematics and English as a second language). The participating Enrolladults were encouraged to complete the exercises and send the results to Tévec authorities for marking.

6. A local committee was elected in each location. A sector committee, consisting of representatives from these local committees, and a regional advisory committee were also formed. This participation structure was supported by social facilitators, who were responsible for encouraging as many adults as possible to participate in the project using various methods (information, contact, recruiting participants for the television programs, etc.). At widely publicized predefined times, all of the adults who so desired could travel to a given location to resolve problems, with others, that they had encountered in their learning and, if necessary, receive assistance from a teacher.
7. A team of home visitors systematically contacted all those enrollenrolled in Tévec who had completed five years of studies or less. Emphasis was deliberately placed on human contact in order to motivate the participants. During the recovery phase, the last phase of the project aimed more directly at bolstering the efforts of participants who had not yet completed the training program in full, these visitors were replaced by educational consultants.
8. The content of the examinations was structured into various levels for each subject. There were four levels in French (I to IV), five in mathematics (or, more accurately, three levels—I to III—and two special fields of mathematics, geometry and algebra) and two in English (I and II). Two levels were also set up for the socioeconomic content (I and II).

Nearly 5 300 adults sat one or more exams that took place at the end of May and on June 1, 1969. The *Tévécois* file for the weeks of September 15 and 22, 1969, summarized the results as follows: "very good in French and mathematics (except algebra), good in socioeconomics and rather weak in English". The figures wer as follows:

- 90% of the 4 906 candidates who sat the French exam passed it at the highest level (level IV)
- 89% of the 4 813 candidates who sat the mathematics exam passed level III and 86% passed the geometry portion, but only 56% passed the algebra portion
- 69% of the 4 511 candidates who sat the English exam passed level I and 39% passed level II
- 94% of the 4 902 candidates who sat the exam on socioeconomic content passed level I and 78% passed level II

In December 1969, after the recovery phase, 187 adults sat the French exam, 542 sat the mathematics exam, 983 sat the English exam and 240 sat the socioeconomic content exam.

In short, a total of approximately 2 000 adults completed grade 9 and at least 3 000 others received an attestation of studies. In addition, for the socioeconomic content, approximately 4 700 adults passed the level I exam and 3,900 passed the level II exam. This content was deemed equivalent to two courses in the program leading to a grade 11 diploma.

Source: Réginald Grégoire inc., 2003.

Appendix 10: Resource people from the Québec government

The four government experts who worked with the Committee of Experts to complete its mandate, namely, Marielle Anne Martinet, Lorraine Comtois, Carl Sauvageau and Daniel Florea, were assisted by many people in their respective departments.

From the Ministère de l'Éducation:

Sophie Beauchemin, Aide financière aux études
Jean Couture, Direction générale du financement et de l'équipement, Enseignement supérieur
Sylvie Demers, Direction de la formation continue et du soutien, Formation professionnelle et technique et formation continue
Serge Dupéré, Direction générale du financement et de l'équipement, Réseaux
Sonia Fradette, Direction générale des programmes et du développement, Formation professionnelle et technique et formation continue
Éric Lamothe, Direction générale du financement et de l'équipement, Enseignement supérieur
Marc Leduc, Direction de la formation générale des adultes, Formation professionnelle et technique et formation continue
Richard Royer, Direction de la recherche, des statistiques et des indicateurs, Information et communications
Odette Voyer, Aide financière aux études

From the Ministère de l'Emploi, de la Solidarité sociale et de la Famille:

André Bertoldi, Direction du Fonds national de formation de la main-d'œuvre, Emploi-Québec
Michel Bérubé, Direction des politiques de main-d'œuvre
Sylvie Bouchard, Direction du développement des compétences en milieu de travail, Emploi-Québec
Laurent Chapdelaine, Direction des mesures d'emploi et des services aux individus, Emploi-Québec
Annette Dubé, Direction des politiques de main-d'œuvre
Anik Labonté, Direction de la recherche et de l'analyse prospective
Muriel Leblanc, Direction des mesures d'emploi et des services aux individus, Emploi-Québec
Thierry Salvé, Direction des mesures d'emploi et des services aux individus, Emploi-Québec
Jean-Pierre Tremblay, Direction du développement des compétences en milieu de travail, Emploi-Québec

From the Ministère des Finances:

Jocelyn Jutras, Direction des mesures structurantes

The Committee of Experts thanks all of these people whose support helped us to carry out the mandate.

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