

**Address to Higher Education Summit**  
***Colleges Driving Innovation in Ontario***  
**November 22, 2010**

INTRO

- When my father came to Canada from Czechoslovakia it was a different time in Ontario.
- It was a time when a man like him could walk into a plant and land a job that he'd hold for most of his life.
- It was a time when you could raise a family on one salary.
- It was a time when someone like me...
- .... the daughter of an autoworker...
- could go to university without taking on a mountain of debt
- Every generation wants to improve life for their families.
- I know I want to see a world of opportunity open for my son.

- But if we're going to do that we have to confront the challenges of today.
  - Things have changed since my father's time.
  - Most people in Ontario won't work for the same employer their whole life.
  - The era when you could show up at the plant and get a lifetime of work is gone.
  - In fact, in many parts of our province, that plant is gone.
  - We face new challenges.
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- Ontario Colleges have a critical role in helping us meet those challenges head on.
  - It's no coincidence that the kind of applied education offered by Colleges should be so attractive to people in times of recession and economic upheaval.

- In fact it's a sure sign of your relevance not only to the education sector but to your home communities.
- To put it plain and simple, Ontario Colleges merge high quality education with hands-on practice.
- The evolution of Ontario's College system happened in lockstep with transformation of Ontario's industrial economy.
- Our people go to colleges.
- It's hard to find a family in my home town of Hamilton that doesn't have some kind of connection to Mohawk College.
- I know the same goes for communities all across this province.
- Ontario Colleges are changing.
- You're expanding your base of international students while maintaining strong community roots.

- You're preparing the next generation of workers to step into the jobs of the future while using the lessons you've learned over half a century.
- You're innovating.
- You will help re-train some of our workforce to meet the needs of a changing economy.
- And help our province prepare at the same time.
- I want to thank you for inviting me and bringing together all of this expertise.
- Meetings like this where ideas and inspirations are shared are going to shape our province.

CHANGING WORLD/NEW NDP

- The world is changing...
- ... but so are New Democrats.
- Long-serving NDP governments in Saskatchewan and Manitoba have a proven track record on economic policy...
- ... and my friend Darrell Dexter is setting a similar example as the first NDP Premier in Nova Scotia.
- There's no contradiction between effective economic development and effective social investment for them.
- They have successfully encouraged high rates of economic growth...
- ...developed cutting edge environmental policies...
- ... created good jobs and a strong social safety net...
- ... while maintaining competitive tax rates.

- In fact, even the Fraser Institute recently ranked Gary Doer as having the second best record on fiscal management of all the Premiers.
- I could criticize the study...
- .... But first I'll take the compliment.
- New Democrats understand that building a better world means generating wealth.
- Across Canada, New Democrats have shown how they can do that in office.

## TOUGH TIMES FOR FAMILIES

- It's been a rough ride for Ontario families over the last few years.
- Between September 2008 and May 2009, 250,000 Ontarians lost their jobs.

- Real GDP plummeted 3 percentage points.
- The unemployment rate in centres like Windsor and Oshawa spiked well into the double-digits...
- Toronto wasn't much far behind.
- From retail to information technology, no sector was safe from what's now routinely described as the *Great Recession*.
- Although there are some signs of recovery on the horizon, economists are warning of a prolonged period of sluggish growth.
- The culmination of job losses,
- destroyed savings
- and overall economic anxiety has put the squeeze on families
  - particularly middle class Ontario.
- People are finding it harder and harder to make ends meet.

- Recent surveys have found that half of Canadians have experienced a deterioration of their financial situation over the past year...
- ... and sixty percent of families live paycheque-to-paycheque.
- Ontario's consumer confidence index remains the lowest of all the provinces.
- We can't succeed as a province if people believe they're falling behind.
- People who are worried about making ends meet don't buy new homes or new cars.
- People who think things won't get better don't upgrade their skills.
- If our economy's going to work families need to be looking to the future with confidence.



- What's the change we need?
- We need to accept that government has a key role to play in creating and protecting jobs.
- We need to be innovative and not put blind faith in ideology and the tired ideas that got us into this mess.
- And we need to put the people of this province – and their economic well-being at the heart of our plans.
- If the people of Ontario are financially secure, the economy of Ontario...
  - and of Canada –... will be as well.
- Colleges and the colleges system must play a role in this:
- ... working with business and government to prepare people for the jobs of tomorrow and attract the investment to make them real.

- ... to provide innovative thinking, and create innovative thinkers.
- ... and to help people...
- ....as you have for half a century...
- ... develop their skills and talents and help them chart their course in life.
- Ontario can't succeed without you.

## LESSONS FROM GREAT RECESSION

- Over the last two years the world has learned some valuable lessons that point the way to building that middle class opportunity.
- Jurisdictions that focused on what works and what doesn't based on real world examples...
  - and not theoretical arguments–

- were rewarded with better results.
- For example, the global trillion-dollar-plus stimulus program that governments of all political stripes embraced stabilized the economy and reversed heavy job losses...
- Was that a left-wing or right-wing solution?
- The simple answer is: it was a solution that worked.

## PRACTICAL SOLUTION – ESTABLISHING ONTARIO'S COLLEGE SYSTEM IN 1966

- But we can look to our own history and find similar lessons.
- In the Ontario of 1966, unprecedented numbers of students were pouring out of our high schools.

- The traditional methods of education and vocational training suddenly seemed completely inadequate.
- As Canada headed for its Centennial Celebration it was understood that something had to change.
- The Conservative Government of the day...
- ... with a young Education Minister named Bill Davis...
- ... set to work establishing a system of community colleges.
- Not a right-wing solution.
- Not a left-wing solution.
- Just a solution that worked.
- What's amazing looking back on the debates of the day...
- ... is how unanimous the consensus was that it was time to create the college system.
- The New Democrat Leader...

- .. the late and wonderful Donald MacDonald...
- ... didn't criticize the government for the expenditure...
- ... he challenged the Conservatives because it took the government so **long** to establish 22 new community colleges.
- At the time he lamented that Davis was merely coping with pressures...
- ... instead of seizing the moment to be a "grand architect"
  
- Imagine a time when we had debates about how bold and how visionary we needed to be.
  
- But, again, the bold creation of Ontario's college system wasn't an end unto itself.
  
- It was a practical solution that worked.

## GERMANY, MANITOBA AND QUEBEC TEACH POSITIVE LESSON

- While Ontario worries about losing jobs to China...
- ...Germany remains a manufacturing powerhouse.
- Germany continues to find ready markets for its high-end goods.
- It has built an international brand based on quality
  
- And its well trained, highly unionized workforce is one of the most productive in the world.
- Many of your instructors teach German manufacturing strategies to your business students.
- In 2009 Germany outstripped the US in the dollar value of its exports – with a third of the population of the United States.

- And even as the recession deepened in 2009, German exports remained strongly in the black.
- Despite all the recent economic turmoil – and Germany took a real hit to its GDP as world demand cratered - Germany has increased its edge in world-class manufacturing.
- And Germany really teaches us a thing or two about the value of keeping skilled human capital during tough economic times.
- During the darkest days of the recent recession, the unemployment rate in the rest of Europe shot above 10%. Germany held unemployment to 7.5% through various measures such as work sharing.

- We can also look within our own national borders for other real world examples of what seems to have worked – and not worked – in the recent recession.
- During the recession Ontario experienced a GDP contraction of 3% and lost 340,000 jobs.
- Quebec experienced a smaller contraction and shed far fewer jobs.
- For different reasons, Manitoba weathered the storm much better as well.
- Quebec and Manitoba's industrial strengths are there thanks to conscious decisions by governments of all political stripes to develop their economy in a certain way.
- Of course, we can't simply replicate what they do.
- But we can draw the lesson that governments need to play a constructive role.



## GOVERNMENT HAS A ROLE – TRAINING LEVY

- If we want to create prosperity and ensure a strong economic future...
- .... People need the skills to perform the value-added jobs of the future.
- Tax incentives like those used in Quebec may provide important lessons.
- Quebec's training levy means larger employers are required to invest at least one percent of their payroll into employee training.

- If they choose not to make that investment they can pay into a collective fund used to support sectoral training projects instead.
- Quebec's levy not only ensures investment in training...
- ... but it ensures that *everyone* is investing.
- We need to level the playing between employers that train and those who simply poach trained workers from those who do.
- Again, an innovative way for government to help create the right business climate.
- Again, not based on ideology but results.

## GOVERNMENT HAS A ROLE – PROCUREMENT

- Using government procurement for economic development simply makes sense.

- We believe we can respect our international agreements and support Ontario business through procurement at the same time.
- Governments all over the world protect local jobs through effective “Buy Local” policies.
- Billions of dollars in transit and other infrastructure investments can create good-paying jobs in Ontario...
- ... and put more money into training skilled workers.
- Firms hired to build the Vancouver Island Highway under a previous government in British Columbia also supported apprenticeship programs as part of the job.
- Again, a practical solution.
- Again, based on results.

## GOVERNMENT HAS A ROLE – BRINGING PEOPLE TOGETHER

- Other provinces also provide interesting examples of how government can bring employers, government and educators together to address the future needs of the province...
- ... and give people opportunity.
- The Government in Manitoba has spearheaded partnerships with industry stakeholders, post-secondary institutions and school divisions to advance technical-vocational education in Manitoba...
- ... and get more students to consider it as an option and enroll.
- Through their government's Technical-Vocational Initiative student participation has increased by 11.4 per cent.

- Participation in the high-school apprenticeship program has tripled.
- Through the program, schools and colleges have access to state-of-the-art software, which is used by leading automotive manufacturers, the aerospace industry and consumer product developers.
- As one educator put it, “All other provinces should be jealous of this program – it’s well funded... and its sole purpose is... to enhance the image of trades careers.”
- Employers work with colleges and high schools with the government because they all understand that if you don’t have trained people to perform these new careers...
- ... the new careers won’t come to your province.
- Students take part in the programs because they see the opportunity.

- Again, it's a practical solution not an ideological one.
- Again, it's working.

## THE CHALLENGES

- Government needs to work with colleges, labour and the private sector to find innovative solutions....
- ... because we won't have an economy that works for people if we don't.
- Ontario's Colleges have been describing that challenge very effectively.
- By 2031 we will need 77% of our workforce to have post-secondary credentials.
- We now stand at about 60%.
- There's a lot of work involved in moving forward.

- If we're going to attract more people to new post-secondary opportunities we need to ensure a variety of educational pathways.
- People's lives take them in many different roads and we don't have the luxury of leaving people in a dead end.
- That's why getting issues of credit transfer right is so vital.
- That's why we need to work with high schools and even primary schools so students know what colleges have to offer.
- That's why we need supports for students in apprenticeship – so they can complete their training and walk away with a trade.
- That's why...
- ... and I know some of you may disagree with me on this...
- ... we need to let instructors at Colleges, even if they're part-time...

... organize and advocate for issues in the classroom through their union.

## CONCLUSION

- Ontario faces challenging times.
- But they're also exciting ones.
- When people get together to discuss ideas, solutions appear.
- And the best solutions aren't based on ideology...
- Or a tired rehashing of the same old thinking....
- ... but on a commitment to look honestly at what really works.
- I plan to put forward solutions that will make life better for Ontario families and the economy.
- Because I know that the best way to help Ontario families is with a strong economy.



- And the best way to build a strong economy is by helping Ontario families.
- Merci