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Jobs

STATISTICS

Unemployment - Youth employment (15 - 24) - 20.5% in August 1982 - 183,000 fewer students than summer before.

P.E.I. - in 1982 had the fourth highest unemployment rate in Canada with 14.4% unemployed.

Student unemployment was almost 30% last summer and the prospects for this summer look worst! Last year tuition increased 15.5% with no increase in Student Aid.

Restraint

Q. Unemployment: is it really as bad as it seems?

A. Last summer one out of five returning students couldn't find a job according to Statistics Canada. The student unemployment rate jumped from 11.5% in July 1981 to 19.3% in July 1982. And for many of those who managed to find work, the jobs only lasted a few days. According to the *Toronto Star* "Up to 20% of the jobs listed for students involved work of 5 days or less". (March 22, 1982).

Q. How does Fiscal Restraint affect the job market?

A. Fiscal Restraint means major cuts in labour intensive social services like post-secondary education. Fiscal Restraint also means wage controls. Lower wages means less money in consumer's pockets, less demands for goods, fewer sales, less production and therefore more lay-offs. Fiscal Restraint policies try to create jobs through the private sector. However, since Fiscal Restraint was implemented investment has declined relative to the Gross National Product. Although the private sector has failed to alleviate the unemployment problem, tax concessions from the government to corporations have increased. In 1979, \$2.8 billion was spent on post-secondary education, \$7.5 billion on corporate tax write-offs.

Q. Won't the National Skills Training Program help?

A. Training makes people more marketable — it doesn't create jobs. If not followed by a full employment program, the Skills Training Program will result in more skilled labour competing for fewer jobs. The federal government has often said it is committed to full employment, including a recent federal report, *Work For Tomorrow*. Even Employment and Immigration Minister Lloyd Axworthy's Advisory Council criticized the Training Program for not addressing the unemployment problem. Skills training can be valuable, but it only makes sense if accompanied by an employment strategy.

Q. Are there any alternatives?

A. Yes — Direct Job Creation programs and increases in government spending on essential social services. The current priorities placed on areas like the military, at the expense of social services, cost jobs. The United States Bureau of Labour Statistics estimated that for an expenditure of U.S. \$1 billion on the military 76,000 jobs are created, but U.S. \$1 billion spent on education creates over double that number of jobs — 187,000. A direct job creation program should accompany the Skills Training Program, funded by changes to the tax system.

Q. Won't spending money on Direct Job Creation make the deficit worse?

A. The prime cause of the federal deficit has been the loss of billions of dollars in revenue through tax write-offs to the private sector. For example, the federal government estimated on the public account basis that corporate tax will drop 18% over the current fiscal year (while personal income tax increases 11.4%). Direct job creation can be funded by changes to the tax structure and by reducing expenditures on capital intensive areas like the military. This would create jobs; therefore consumers will have more money, increase demand for goods, increasing production and necessitating the creation of more jobs.

Q. What does fiscal restraint mean in relation to post-secondary institutions?

A. In a general sense, fiscal restraint means less funding for all social services, including post-secondary education. Cutbacks in the amount of money governments put into post-secondary education have a number of ramifications for all college and university students. In order to cover the shortfall caused by policies of fiscal restraint, post-secondary institutions usually increase the amount of revenues they receive from students (in the form of tuition increases). In addition they directly and indirectly cutback on faculty and support staff positions, the number of classes offered, library acquisitions and hours of operation and new equipment purchases.

In addition to the policy of fiscal restraint, many provincial governments have recently adopted a strategy of *rationalization and reorganization* within the post-secondary system. Government rationalization in its simplest form is an attempt to reorganize post-secondary education purely on a financial basis without any regard for the non-monetary benefits that accrue from a well funded educational system. Rationalization has already occurred in Nova Scotia (the closure of the Atlantic Institute of Education), in Ontario (the amalgamation of four northern universities into one) and in British Columbia (the closure of Langley campus). In a recent meeting between CFS and the Council of Ministers of Education, Canada (CMEC) several provincial ministers of education stated rationalization is a phenomenon that will sweep across the country.

Q. Does fiscal restraint in any way increase accessibility to post-secondary education?

A. No. In fact, fiscal restraint severely limits accessibility to post-secondary education in many ways. The policy of fiscal restraint compounds already existing financial barriers. Increases in: tuition and ancillary fees; the rapidly rising cost of living; constant increases in the price of textbooks; compounded by a 20% summer employment rate for students, ensure that many Canadians do not have the opportunity to attend post-secondary institutions. The present student aid plan (mainly comprised of loans with some supplemental bursaries) does little to increase participation within colleges and universities. In addition, the present governmental concept of rationalization will ultimately have an effect on the geographical accessibility to post-secondary education institutions.

Q. Does fiscal restraint have an effect on the quality of post-secondary education in Canada?

A. Yes — an adverse one. In order to meet the shortfall in government funds caused by the policy of fiscal restraint, most institutions, in addition to increasing tuition fees, have incorporated major cutbacks on their campuses. These cutbacks have resulted in faculty and support staff layoffs; severe limitations in course offerings; higher student/teacher ratios; limited acquisition budgets for libraries and equipment; reductions in library and other services' hours of operation.

These cutbacks in services can only mean reductions in the quality of our post-secondary educational system.

Q. What is the solution?

A. In the immediate future, the only solution is for governments to stop underfunding post-secondary education and all other social services. As long as the policy of fiscal restraint continues, the access to and quality of post-secondary education will be severely hampered.

However, governments can start funding post-secondary education to its appropriate level. Through changing the policy of fiscal restraint, and by increasing revenues from direct corporate taxation, the federal and provincial governments can begin to redress some of the immediate problems within the post-secondary education system.

the writing's on the wall