



# MEDIA RELEASE

**Association of Canadian Community Colleges**

Serving Canada's colleges, institutes, cégeps, university colleges and polytechnics

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## **Productivity Freefall: Applied Research and Advanced Skills Needed Now**

**Ottawa, September 29, 2009** – In its presentation to the House of Commons Finance Committee, ACCC will focus on the steady, five decade decline in Canadian labour productivity, a key determinant of living standards.

Canada once ranked third among OECD countries. We are now 17<sup>th</sup>. In a recent speech, the Deputy Governor of the Bank of Canada explained, “too many businesses in Canada are technology followers, not leaders.”

Colleges and institutes support the private sector's need for applied research, product and process innovation, commercialization and technology transfer. With 1,000 campuses, they give enterprises unparalleled access. ACCC's brief calls for an overall increase in R&D funding of five percent, dedicating the additional amount to college/private sector applied research projects.

“Canada leads in *per capita* public investment in discovery research, but is at the bottom of the barrel in productivity growth,” said James Knight, ACCC President and CEO. “Innovation and the diffusion of new technologies characterize the college/institute model. Investment here will increase productivity,” he added. Colleges receive a fraction of one percent of federal R&D investments.

A facilities and equipment fund of \$500 million annually over five years would help colleges provide the advanced skills required by employers. With our aging population, advanced skills are in short supply, further compromising productivity. According to the Canadian Federation of Independent Business, in sectors with skills shortages, six college graduates are needed for every university grad. The Canadian Construction Association reports that a college educated construction engineering technologist is much more productive sooner because of the practical nature of their college education. Unfortunately, the supply of graduates falls short of demand.

Before the recession, long waitlists characterized Canada's system of 150 colleges, with thousands unable to access advanced skills for productive employment. Waitlists are even longer now, as the unemployed seek new careers. Tens of thousands of qualified students are turned away. More college capacity will increase our standard of living.

The brief called for a renewal of the Indian and Northern Affairs Canada Post-Secondary Student Support Program for Status Indian and Inuit students. It was capped at a growth rate of two percent in 1996. Ten thousand eligible students await funding. “This short-sightedness is difficult to understand. These young people and adults have their post-secondary pre-requisites. They are ready to acquire advanced skills for employment and be role models. Instead they languish and de-skill as they wait, discouraging others from following in their footsteps,” said Knight.

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The ACCC brief is available online at: [http://www.accc.ca/ftp/briefs-memoires/200909\\_FinanceBrief.pdf](http://www.accc.ca/ftp/briefs-memoires/200909_FinanceBrief.pdf)

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