

COMPULSORY CERTIFICATION PROS AND CONS

This summary covers arguments advanced in the past for and against increasing the number of compulsory trades. Arguments illustrate the complexity of the issue. There is no guarantee of advantage in the absence of effective enforcement.

1. Health and Safety

Preamble: In developing apprenticeship and certification standards for specific trades and occupations, the Ministry of Training, Colleges and Universities by design includes training to health and safety standards. The Ministry of Labour administers the *Occupational Health and Safety Act* under which worker health and safety requirements are set out. How will expanding compulsory certification for trades that are voluntary affect health and safety?

Pros	Cons
<ul style="list-style-type: none"> • Enhances worker safety • Inadequately trained workers are frequently the cause of substandard production / construction (notably “disaster” situations) 	<ul style="list-style-type: none"> • Limits competition to the detriment of health and safety • Safety and competency can be adequately achieved in-house by supervisor, engineers and owners, without government intervention

2. Registration of New Apprentices

Preamble: For the past several years, the Ministry of Training, Colleges and Universities has set targets to increase registrations. This has been achieved through a variety of means, including establishing new apprenticeship trades and occupations. How will expanding compulsory certification for trades that are voluntary affect the registration of new apprentices?

Pros	Cons
<ul style="list-style-type: none"> • Enhances attraction for worker entrants • Increases the number of apprentices, as work may only be performed by a certified worker or registered apprentice • Stimulates training 	<ul style="list-style-type: none"> • Artificially limits entry through restrictive ratios • Other factors such as commitment to training and market forces influence registration rather than compulsory certification • Unnecessary regulatory requirement

3. The Number of Apprentices Who Complete Trades Training

Preamble: There appears to be a shift to or equal focus on completions and registrations. How will expanding compulsory certification for trades that are voluntary affect the number of apprentices who complete trades training?

Pros	Cons
<ul style="list-style-type: none"> • Compulsory trades, properly enforced, require completion and discourage abuse by employers who curtail completion to maintain advantage of low wage apprentices • The Certificate of Qualification is a mark of excellence 	<ul style="list-style-type: none"> • Improved completions are a result of other factors including commitment to training and market forces rather than compulsory certification

4. Consumer Protection

Preamble: According to the government’s website, it is the goal of the Ministry of Government and Consumer Services to promote a fair, safe and informed marketplace — one in which consumer rights are fully protected. Legislation protects these rights by setting out ground rules covering most consumer transactions. How will expanding compulsory certification for trades that are voluntary affect consumer protection?

Pros	Cons
<ul style="list-style-type: none"> • Improves public/consumer safety and satisfaction • Leads to greater “quality” construction and products • Protects public from results of dangerous incompetence • Levels the playing field and prevents unfair, unqualified competition, benefiting industry, labour and consumers alike • Inadequately trained workers are frequently the cause of substandard production/construction (notably “disaster” situations) 	<ul style="list-style-type: none"> • Limits competition to the detriment of consumer protection • Public/consumer interests adequately protected by <ul style="list-style-type: none"> ○ sophisticated purchasers ○ building codes and special regulations ○ warranties ○ supervision ○ competitive pressures to maintain “good business reputation”

5. Economic Impact

Preamble: What is the economic impact of expanding compulsory certification to trades that are voluntary?

Pros	Cons
<p><u>Labour Supply</u></p> <ul style="list-style-type: none"> Increases labour supply and enhances mobility 	<ul style="list-style-type: none"> Automatically limits supply of labour, with negative effects, especially in tight labour market. Generally inefficient means of allocating labour; restricts mobility (in situations where only partial skills required)
<p><u>Cost</u></p> <ul style="list-style-type: none"> Results in lower liability for employers – less litigation, fewer customer complaints, lower insurance premiums, etc. Provides justifiably higher wages and greater job security Provides reduced, graduated labour costs during apprenticeship periods Fairly compensates labour for requisite skills Results in reduction of underground economy activity (assuming effective enforcement) Promotes asset preservation i.e. capital maintenance 	<ul style="list-style-type: none"> Raises aggregate labour costs Favours organized labour with attendant upward labour costs (wages and benefits) With upward costs, impacts ability to compete in domestic and international markets (principally applicable to manufacturers) Involves costly, logistically difficult enforcement Increases cost to government
<p><u>Competitiveness</u></p> <ul style="list-style-type: none"> Enhances business reputations as a result of improved competence and efficiency Ensures adequate on-the-job training through appropriate ratios and in-class instruction With expertly staffed, carefully monitored training centres, provides greater prospects for superior initial training and for keeping up with advances in trades technologies 	<ul style="list-style-type: none"> Limits competition to the detriment of health, safety and consumer protection Limits flexibility to needs of new economy Intra-provincial compulsory trades regimen may limit inter-provincial mobility Favours organized labour e.g. labour supply/control, jurisdictional preservation, work opportunities
<p><u>Underground Economy</u></p> <ul style="list-style-type: none"> Results in reduction of underground economy activity (assuming effective enforcement) Levels the playing field for employers who have provisions similar to compulsory 	<ul style="list-style-type: none"> Compulsory certification, while it may level playing field, gives unwarranted advantage to otherwise inefficient firms and also increases costs to consumers Tends to increase activity in underground

Pros	Cons
certification in their collective agreements <ul style="list-style-type: none"> Levels the playing field and prevents unfair, unqualified competition, benefiting industry, labour and consumers alike 	economy (i.e., avoidance of compulsory certification)

6. Miscellaneous Ramifications – Whole Trade and Skill Sets

Pros	Cons
<u>Whole Trade</u> <ul style="list-style-type: none"> Homogenous workforce of broadly-based skills means higher performing economy than mix of skills from low to high, narrow to broad Skill-set, partially-trained craft workers frequently do not understand the impact of their work on the totality of the job or undertaking By avoiding semi-skilled specialties within trades, provides better and more stable career prospects Prevents cross-trade, multi-skilling Preserves justifiable pride in craft by tradespersons Provides greater measure of career security Increases general skill level of overall workforce, ensures better product and service quality <u>Skill Set</u> <ul style="list-style-type: none"> Skill sets provide more flexibility for employers faced with frequently changing work requirements Permits flexible response to range of varying and often unpredictable assignment needs Reduces incidence of jurisdictional conflict 	<ul style="list-style-type: none"> Rigid trade boundaries hamper flexible work practices Give rise to jurisdictional conflicts in “overlapping” areas. Difficulty defining the boundaries of compulsory trades, with jurisdictional disputes on the periphery Fails to meet the needs of niche, specialized employers where modular training is appropriate and sufficient Precludes the strategic introduction of intermediate, modular and skill-set training Restricts mobility (in situations where only partial skills required) Some tasks within compulsory “trade” do not require all competencies and may be more efficiently handled by “helpers” Prevents rapid response to meet changes in manufacturing and construction technology <ul style="list-style-type: none"> Restricts mobility Creates partially-skilled specialties within trades, restricts career prospects Impedes potential merger of craft unions