

Intelligence MEMOS



From: Mary Catharine Lennon
To: Competition Law Observers
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Re: **SIGNALING QUALITY IN LABOUR MARKET TRAINING**

A highly skilled workforce is critical for driving innovation, enhancing productivity, and ensuring the overall success of the Canadian economy.

Governments support this through investments in colleges and universities, skilled immigration programs, and support for training programs. Meanwhile, employability is directly linked to an individual's ability to respond to local labour market demands, which often requires reskilling and upskilling.

Opportunities for education and training abound: Ontario colleges and universities have thousands of targeted training programs; industries, professional bodies and regulators, employers and private providers all contribute to a vast array of programming, and even the Ontario government has supported a number of targeted re-skilling training programs, for example in the automotive sector. These short, labour market relevant training programs are increasingly known as micro-credentials.

But how does an individual know if a micro-credential will be recognized by an employer? Or if the course they select will meet the criteria for professional development requirements by a licensing body? Or if years of continuous training have any academic value at a college or university towards a diploma or degree – even if it was provided by that same institution?

The current micro-credential forest is a jungle of offerings. It requires the individual learner to navigate opportunities, estimate the quality of programming, and then independently seek market valuation of that program – after the fact – with employers and institutions. It is a risky personal investment of time and money.

Student protection is a core concept in government educational policies and higher education regulations. But in the confusing array of micro-credential providers and the range of programs on offer, the micro-credentials market cannot be managed through the traditional regulatory approaches to higher education, not least because micro-credentials reach beyond the context of postsecondary education.

Introduction of a protected term, such as the Ontario Micro-Credential designation, is one path. Such a term would create transparency for learners, employers, industry and the public.

Branding is a well-established business concept. From the historical applications of Champagne and Parmesan to modern Fair-Trade Coffee labels, protected term branding signals that agreed upon production quality standards have been met. A contemporary and local success story of a branding exercise is the Vintners Quality Alliance (VQA) program, created in 1998 to establish quality standards and labelling protocols in an otherwise murky market.

The development of an Ontario Micro-Credential (OMC) brand would similarly support consumer transparency – and therefore consumer protection – by clearly demonstrating the program's educational and training quality. The simple signalling of a recognized micro-credential would be legitimized via a provincial framework based on established standards, quality assurance processes and existing policies

Provincially branded micro-credentials offer numerous benefits, such as maintaining relevance in rapidly evolving sectors like AI, addressing high-demand areas like healthcare and Early Childcare Education (ECE), and facilitating the integration of skilled foreign-trained workers into the labor market.

For example, Ontario is short at least 8,500 licenced ECEs as the Canada-wide Early Learning and Child Care Plan is rolled out. That shortage is the main roadblock for organizations such as the YMCA in expanding to meet demand. Rather than sending non-ECE staff to the two-year community college diploma program, YMCA staff could quickly upskill in-service with targeted and recognized quality micro-credentials.

Recognized micro-credentials could also help integrate highly skilled, foreign-trained workers more effectively into the labour market by providing targeted training that bridges gaps in their qualifications. [Regulated professions and trades such as law, accounting, architecture, engineering, electrical and plumbing have a difficult time recognizing foreign education and experience](#) and are challenged to provide or recognize appropriate reskilling. Targeted Ontario Micro-Credentials provided in partnership between employers, recognized educational institutions and licensing associations could help to bridge such gaps. Currently the alternative for learners is to either repeat or undertake an entire traditional postsecondary education program – a financial and time commitment that is often prohibitive – or to pursue postsecondary courses through Continuing Education departments. The challenge is that most Continuing Education courses do not carry recognized academic credit value, so would not be a productive option for someone seeking academic standing in a subsequent program.

The challenge of integrating micro-credentials into the higher education and labour market training landscape is not unique to Ontario or Canada. There are many examples of how systems are trying to regulate this vast market; some in a more government-controlled manner (Europe) and others through an open-market approach of a registry model (Australia and New Zealand).

The Postsecondary Education Quality Assessment Board has outlined a [framework](#) based on an ecosystem of existing systems for legitimizing the OMC signal. While the OMC signal is simple, the processes need not – in fact should not – be burdensome. And the value of coordination will present significant opportunities for a system that supports flexible, recognized, stackable life learning opportunities that can enhance the labour market prospects for Ontario citizens and the capacities of our employers and industries to grow.

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