

REQUEST FOR PROPOSAL  
INSTITUTE FOR PUBLIC ECONOMICS  
DEPARTMENT OF ECONOMICS, UNIVERSITY OF ALBERTA

The Institute for Public Economics (IPE) is inviting innovative proposals from qualified academic researchers on the question of labour shortages in western Canada and, in particular, Alberta.

*Background*

The Institute for Public Economics was formed in the fall of 1996 to promote research and teaching in public economics: the study of the public sector and its influence on the economy and society. The goal of the Institute is to enhance understanding of public policy issues by conducting and disseminating research results through publications, conferences and teaching. IPE hosts an annual conference as well as the Eric J. Hanson Memorial lecture.

The IPE is housed in the Department of Economics at the University of Alberta which contains Canada's largest group of active researchers in the field of public economics. Most IPE Fellows are members of the Department of Economics, but some Fellows are members of other universities, in government, or with international agencies.

Many IPE Fellows enjoy international reputations and regularly provide policy advice to municipal, provincial, and federal governments, as well as international agencies such as the IMF and the World Bank. Details about the Institute's mission, values are found on the IPE website. <http://www.ipe.ualberta.ca/>

*Research Project*

One of the important objectives of the Institute is to foster informed debate on relevant public policy issues. Given that the Alberta and the western Canadian economy have benefited significantly from the investment boom arising from high commodity prices, the matter of how recurring labour shortages can be managed to optimize social benefit needs to be documented. The purpose of the study is to identify means of reducing labour shortages **in Alberta**. That said, the study must consider labour markets outside Alberta for satisfying the rising demand for labour.

There is a considerable body of research work that is in the public domain concerning labour shortages in Alberta. In 2006, the Government of Alberta (lead departments were Employment and Immigration and Advanced Education) released *Building and Educating Tomorrow's Workforce* a policy approach based on four pillars- "inform, develop, attract and retain." This framework has been followed by workforce strategies for manufacturing, energy, forestry, construction, not-for profit voluntary sector and tourism and hospitality. Other studies have examined the aboriginal work force and mature employees.

The construction and petroleum industry appear to be the most engaged in developing joint strategies to address looming worker shortages. In May 2011, "Meeting Construction and Maintenance Work Force Challenges, Construction Owners Strategy - 2011-2016" was released by the Construction Owners Association of Canada. The document identifies 26 actions to be

undertaken by government, owners, contractors, labour and Human Resources Canada to meet the labour challenge. Key participants in this report included Suncor, Syncrude, Shell Canada, and Nexen Inc. The Construction Owners Association of Alberta specifically endorsed the report. The Petroleum Human Resources Council of Canada, which is funded by the federal government and the governments of Alberta, British Columbia and Saskatchewan has published numerous reports highlighting the coming HR challenges facing the petroleum industry. Work of the Construction Sector Council of Canada is also germane to the proposed study. These challenges are basically threefold:- 1) an aging population; 2) rising demand for labour in other parts of Canada; and a rising demand for workers as the oilsands industry grows and the nature of its business changes (from mining to *in situ*). (See annex 1.)

### *Scope of RFP*

Proposals should discuss how the following items will be addressed:

1. Definition of labour markets in Alberta and/or western Canada. The investigators must critically analyze the earlier studies to ensure what labour markets are relevant for which classes of occupations.
2. Using a stated methodology, a critical analysis of whether labour shortages are occurring or will occur and in what selected regional markets and occupations. This will require an analysis of both supply and demand for labour.
3. Building on previous studies an identification of shortages in critical occupations that could lead to bottlenecking in the investment process.
4. Where critical shortages are determined, identify causes of such shortages (e.g. demographic trends, government policies, institutional barriers, labour conditions in other relevant jurisdictions).
5. A calculation of the opportunity cost to Alberta's economy and the Canadian economy from failure to address labour shortages. This calculation should include the fiscal impacts on provincial governments and the federal government.
6. Recommendations for identifying new policies or programs actions; enhancing existing actions by or through coordination mechanisms between key stakeholders (government, industry, educational institutions, credentialing bodies) including changes to government policies or programs, industry practices or other actions, and identifying weaknesses in data availability, quality, or comparability.
7. Submit a report of the study's findings.

**Given the extensive work carried out by governments, trade unions and industry associations, considerable reliance should be placed on sources contained in the Annex.**

Proposals should not exceed six pages in length. A one-page executive summary should also be provided.

Proposals must include a budget that identifies total costs of proposal including salaries of researchers; travel, office expenses, overhead charges (if any); duplication of materials, information technology costs and other incidentals. Applicants may also wish to build into their proposal a workshop with various stakeholders.

Applicants must submit the names of principal and secondary investigators along with curriculum vitae(s). Applicants are asked to recommend one or more reviewers for the proposal.

Proposals must include a time line for completion of the work. The draft report will be sent to referees for comments. The authors of the report will be asked to revise the report prior to posting on the Institute's website to ensure a non-technical report is accessible to the public. The expectation is that the authors will seek to publish articles arising from the research in a highly recognized journal.

Proposals will be reviewed by the Chair Department of Economics, the Director of the Institute for Public Economics and the Chair or member of the Institute's External Advisory Committee.

The Institute is responsible for securing funding for the study.

Submissions shall be submitted electronically **before December 17, 2011**

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Proponents are encouraged to discuss the project with the Director before final submission. The Director is unavailable until November 27, 2011.

## ANNEX 1- Select Bibliography

Alberta Competitiveness Council, *Report on Competitiveness Alberta, 2010-* pp. 57-66.

Alberta Economic Development Authority, *Balancing Alberta's Workforce*, March 2011


















Alberta Human Services (formerly Alberta Employment and Immigration):

Alberta's Occupational Demand and Supply Outlook

[http://employment.alberta.ca/documents/LMI/LMI-LMF\\_occ\\_demand\\_supply.pdf](http://employment.alberta.ca/documents/LMI/LMI-LMF_occ_demand_supply.pdf)

Alberta Short-term Employment Forecast Tool, 2011-13.

<http://employment.alberta.ca/documents/Short-term-Employment-Forecast-tool.pdf>

Document Title and Description	Date (dd/mm/yy)	Format
<a href="#"><u>Connecting the Dots: Aboriginal Workforce and Economic Development in Alberta</u></a>	06/05/11	
<a href="#"><u>GoA Response to Connecting the Dots</u></a>	06/05/11	
<a href="#"><u>Engaging the Mature Worker: An Action Plan for Alberta</u></a>	27/04/11	
<a href="#"><u>Alberta Industries Workforce Strategies, Progress Update 2006-2010</u></a>	27/10/10	
<a href="#"><u>A Workforce Strategy for Alberta's Supply Chain Logistics Industry</u></a>	20/02/09	
<a href="#"><u>A Workforce Strategy for Alberta's Forest Industry</u></a>	30/07/08	
<a href="#"><u>A Workforce Strategy for Alberta's Non-profit and Voluntary Sector</u></a>	28/04/08	
<a href="#"><u>A Workforce Strategy for Alberta's Construction Industry</u></a>	31/10/07	
<a href="#"><u>Strategy for Alberta's Manufacturing Industry</u></a>	25/07/07	
<a href="#"><u>Strategy for Alberta's Energy Sector</u></a>	10/07/07	
<a href="#"><u>Strategy for Alberta's Tourism and Hospitality Industry</u></a>	31/05/07	
<a href="#"><u>Retail Strategy</u></a>	19/09/06	
<a href="#"><u>BETW Performance Update 2009</u></a> This update focuses on actions undertaken in the third year of implementation that are specific to each of the four strategic themes: Inform, Attract, Develop and Retain.	27/10/10	
<a href="#"><u>BETW Performance Update 2008</u></a> This update focuses on actions undertaken in the second year of implementation that are specific to each of the four strategic themes: Inform, Attract, Develop and Retain.	27/05/09	
<a href="#"><u>BETW Performance Update 2006-07</u></a> This update focuses on actions undertaken in the first year of implementation that are specific to each of the four strategic themes: Inform, Attract, Develop and Retain.	28/11/07	
<a href="#"><u>Strategy</u></a>	27/09/06	
<a href="#"><u>17 Priority Actions</u></a>	25/07/06	

# Labour Market Information

- [Labour Force Statistics](#)  
Monthly and annual reports about Alberta's employment growth, unemployment rates and other useful data.
- [Census Analysis](#)  
Information sharing for success.
- [Alberta Industry Profiles](#)  
A summary of Alberta's industries.
- [Alberta Labour Force Profiles](#)  
Profiles of Alberta's workers.
- [Labour Market Forecasts](#)  
Growth projections for Alberta's labour force.
- [Labour Market Outlook](#)  
Snapshots of Alberta's labour market conditions.
- [Migrant Reports](#)  
To improve our understanding of migrants to Alberta, these reports examine the characteristics of migrants to Alberta along with their education, occupations, incomes, and retention rates.
- [Alberta Regional Labour Market News](#)  
Region-specific newsletters profiling local labour market information.
- [Skill Shortages in Alberta](#)  
Information on worker shortages.
- [Alberta Wage and Salary Information](#)  
Reports on what Albertans are earning by occupation, industry and more.

Naomi Alboim and Elizabeth McIssac, "Shaping Canada's Future: Immigration and Refugee Policy," Policy Options, Vol. 13, No. 3, May 2007.

Joseph Marchand, "Local labor Market Impacts of Energy Boom-Bust-Boom in Western Canada," Working Paper No. 2010-17, Department of Economics, University of Alberta.

Alberta Chamber of Resources, Task Force on Resource Development & the Economy, "Task Force on Resources & the Economy," February 2011.

Citizenship and Immigration Canada, Foreign Credentials Referral Office, "Employer's Roadmap to Hiring and Retaining Internationally Trained Workers," 2010.

Construction Sector Council of Canada, "Alberta- An Assessment of Construction Labour Markets from 2011-19-for Alberta," 2011.

Construction Sector Council of Canada, “Construction Employer’s Roadmap to Hiring and Retaining Internationally trained Workers,” March 2011.

Construction Owners’ Association of Alberta, “Heavy Industrial Construction and Maintenance, A Position Paper,” May 2011.

Petroleum Human Resources Council of Canada, “The Decade Ahead: Labour market Projections & Analysis for Canada’s Oil and Gas Industry to 2020,” March 2011.

Petroleum Human Resources Council of Canada, “A Look at the Current State of the Canadian Upstream Petroleum Industry including Key Trends and their Impact on the Workforce,” December 2010

Construction Owners Association of Canada, “Meeting Construction and Maintenance Work Force Challenges- Construction Owners Strategy 2011-16,” 2011