

Building Skills Together

A Report from Provincial and Territorial Labour Market Ministers



Contents

INTRODUCTION

1

SECTION ONE

The economic context

2

SECTION TWO

The need for cooperation

5

SECTION THREE

Results of labour market programs

10

SECTION FOUR

The federal labour market agreement
offer: Areas of concern

17

SECTION FIVE

Conclusion

21



INTRODUCTION

The skills of Canada's people are the foundation of our economic future. A highly skilled workforce is essential to help our businesses grow and compete in an increasingly knowledge-based economy. All provinces and territories across Canada are committed to delivering effective employment and training programs that provide workers with the skills and supports they need to participate in the labour market. Our economies are stronger when the talents and abilities of all Canada's workers are being put to use.

Canadians want their governments to work well together so that individuals have access to employment and opportunities for success. Provinces and territories understand that to be successful we need to work closely with industry, business, and individual employers to grow the economy, create jobs, and ensure that individuals have the skills they need.

Provinces and territories also need to collaborate with the federal government, while recognizing that we are best placed to design and deliver programs that effectively meet our local labour market needs. With the support of federal funding, provincial and territorial programs are showing positive results across the country. Our programs are helping workers develop the new skills they need and linking employers with the right individuals for the jobs they have to offer. We are committed to building upon this success. This report outlines how this goal can best be achieved.



SECTION ONE

The economic context

The recent global recession caused economic disruption across this country and resulted in significant economic change in every province and territory. But Canadian employers and workers have been resilient – provincial and territorial economies are recovering, new jobs are being created, and workers are upgrading their skills and adapting to new conditions.

Labour markets in Canada are now evolving within the context of a knowledge-based economy:

- Resource-based sectors are growing, and technological innovation is transforming the traditional manufacturing sector.
- There is a growing need for high-skilled workers in the service sector, and an estimated 70 per cent of future jobs will be in management and/or will require a postsecondary education credential.

- Small and medium-sized employers in some regions are struggling to find and keep the workers they need. Employers are facing challenges in finding the skilled-trades workers needed for major projects.
- There is greater mobility of workers within and between economic sectors, and workers can expect to have many jobs, or several careers, during their working lives.

For our businesses and industries to continue to grow and compete globally, our labour markets will need a highly skilled and adaptable workforce. That's why provinces and territories across the country invested a total of \$22 billion in postsecondary education and skills development last year. This includes investments in postsecondary education and in employment and training programs for youth and adults.

Vulnerable workers sometimes need additional support in order to find and keep a job:

- Youth in their early twenties who have no work experience may need help getting a foot in the door.
- Persons with disabilities may need accommodations in order to put their skills to use.
- Recent immigrants may need help getting their international credentials recognized or improving their English- or French-language skills.
- Older workers who have lost a long-term job may need to improve their literacy or computer skills before they can get work in a digital environment.
- Aboriginal people may need additional training to qualify for the jobs that are available near their communities.

We also care about meeting the skills needs of vulnerable workers who may be facing difficulty entering or re-entering the labour market. Strengthening the skills of these workers so that they can participate in the workforce helps grow our economies while also providing personal and social benefits

such as better wages, greater job stability, and long-term labour market attachment.

We are committed to finding the right balance that serves our society by building a prosperous economy and meeting the needs of individuals.

Initiative Spotlight

Quebec's Commission des partenaires du marché du travail (Labour Market Partners Commission)

Since 1997, the Commission des partenaires du marché du travail, a provincial consultation body, has brought together representatives from business, labour, education, community, and government organizations dedicated to improving the efficiency of the labour market. These stakeholders pool their expertise and ideas to enhance public employment services and foster workforce skills development and recognition. The Commission also acts as an interface between the Quebec government and partner organizations, and helps establish Emploi-Québec's policy directions.



SECTION TWO

The need for cooperation

Client Success Story

Ontario's Second Career Program

Second Career provides laid-off workers with financial support and skills training to help them find jobs in high-demand occupations in Ontario. John, a former autoworker, participated in Second Career and was able to complete his studies in the Culinary Arts program at a local college. Just a few weeks after graduating, John received three job offers.

Now happily working at a local restaurant, John knows there are plenty of opportunities for people with his training. "Without Second Career, I never would have gone back to school. I wouldn't have continued my education, wouldn't have had to dig down deep to find out what I was made of – what I could accomplish."



Cooperation between governments is needed to support economic growth and labour market participation.

Provinces and territories have concrete knowledge of our local labour markets, established networks in our communities, and years of experience in developing programming to meet labour market and workers' needs. Existing labour market funding agreements reflect the federal government's recognition that provinces and territories are

best placed to design and deliver labour market programming. At the same time, we recognize that the federal government has an important part to play in supporting programs that help Canadians find and keep jobs.

Provinces and territories and the federal government are partners with complementary roles in addressing diverse labour market needs across Canada:

- The federal government provides unemployed individuals with Employment Insurance income benefits.

- Provinces and territories have jurisdiction over skills training. We design, deliver, and fund effective programs based on our knowledge of the local labour markets and established local networks.
- The federal government augments provincial and territorial funding for labour market programs, increasing our capacity for the stable and predictable delivery of these valuable programs.

Provinces and territories report to our citizens on the effectiveness of publicly funded programs and make these results available to the federal government.

Cooperation with employers and stakeholders is critical to ensure that employment and training programs are aligned with labour market needs.

Governments cannot address skills needs on their own. We are committed to continuing to engage employers and other stakeholders in the design and delivery of labour market programs. Employers also have an important role to play in supporting the training needs of their employees.

Program Spotlight

Manitoba's Northern Workers for Northern Jobs Program

Historical recruitment and retention challenges in northern Manitoba made it necessary for one company to develop a Northern Employment Strategy, in partnership with local communities, industry, and government. The strategy focused on maximizing labour market participation among underrepresented groups, such as Aboriginal people, women, newcomers to Canada, and high school graduates. Recruits entered a twelve-week training program called "Introduction to Industry", which addressed known gaps in workplace Essential Skills and employability skills and which was designed to prepare the participants for entry into the company's own eight-week entry-level training program. The strategy is well on its way to meeting its objective of developing a "pipeline" of job-ready employees who are willing and able to become safe and productive members of the company's northern workforce.

The Evolution of Skills Development and Training

1996:

The federal government signed the first Labour Market Development Agreement (LMDA), which provided funding to Alberta to design and deliver employment and training services primarily for clients eligible for Employment Insurance.



1996–2009:

With
Employment
Insurance



Labour Market Development Agreements with all other provinces and territories were signed. These agreements recognized the inefficiency of having both the federal and the provincial/territorial governments deliver similar services, and acknowledged that provinces and territories were better placed to address local labour market needs.

Under the LMDAs, the federal government transferred responsibilities, staff, contracts with delivery agencies, and ongoing funding to provinces and territories to allow us to design and deliver effective programs locally.

2007:

The federal budget acknowledged the “primary role and responsibility that provinces and territories have in the design and delivery of training programs” and announced the creation of Labour Market Agreements (LMAs) that would support programs for clients who were not eligible for Employment Insurance. The 2007 federal budget also confirmed that provinces and territories had the right to opt out of cost-shared federal programs, with compensation. Finally, the federal government announced its intention to explore the feasibility of devolving to provinces and territories all the remaining programs and funding for persons with disabilities, youth, and older workers.



2008:

The Labour Market Agreements were signed to further the vision of a “skilled, productive, mobile, inclusive, and adaptable labour force” supported by a system of flexible labour market programs and services delivered by provinces and territories. These agreements extended the same type of employment and training services to individuals not eligible for Employment Insurance as were provided under the LMDAs to those who were eligible. This was the next step in recognizing the leading role of provinces and territories in labour market programming.

Without
Employment
Insurance

2004:

The federal government signed Labour Market Agreements for Persons with Disabilities, providing 50 per cent cost-matched funding for provincial and territorial employment programs for these clients.



Today:

Provinces and territories now have better coordinated and more sophisticated service delivery networks than ever before. Networks linking service delivery agencies, employers, postsecondary institutions, and other training providers have been developed, and programs have become better aligned to respond more effectively and efficiently to the needs of workers, employers, and communities. Programs and supports have become more responsive to the needs of local labour markets.

2009–2011:

At the height of the recent global recession, the 2009 federal budget announced an additional \$1 billion over two years for clients eligible for Employment Insurance and an additional \$500 million over two years for clients not eligible for Employment Insurance.

**Additional
\$1 billion
for Eligible**



**Additional
\$500 million
for Non-eligible**





SECTION THREE

Results of labour market programs

Provinces and territories are delivering programs that are demonstrating good results.

LABOUR MARKET AGREEMENT

In 2011–12, our governments served more than 425,000 clients through the Labour Market Agreements. These clients included unemployed people who did not qualify for Employment Insurance and low-skilled employed individuals.

In collaboration with the federal government, provinces and territories have actively participated in the evaluation of programs supported by Labour Market Agreements. While the final report has not yet been released to the public, we know that findings

from the Labour Market Agreement evaluation show that these programs are working:

- There is evidence of a “strong and continuing need for LMA programs and services”.
- 87 per cent of clients are employed after participating in a provincial or territorial program, compared to only 44 per cent of clients entering the program.
- The average client increased his/her earnings by \$323 per week after participating in a provincial or territorial program.
- As part of their training, 87 per cent of clients surveyed received a credential (certificate or diploma) showing they had acquired transferable skills.
- Evidence from Quebec’s evaluation of its own programs showed economic benefits of \$2 for every \$1 invested in their programs over five years.

There is evidence of “strong and continuing need for LMA programs and services”



87%

of clients surveyed received a credential (certificate or diploma) as part of their training, which will give them transferable skills



The average client increases his/her earnings by **\$323 per week** after participating in a program



Evidence from Quebec programs has showed economic benefits of **\$2 for every \$1 invested** in their programs over 5 years

Program Spotlight

Northwest Territories' Community Initiative Program

The Community Initiative Program, funded in part through the Labour Market Agreement, enables the Yellowknife Association for Community Living to help persons with disabilities enter the workforce on a part-time basis. These clients would not be eligible for help without this program.



LABOUR MARKET DEVELOPMENT AGREEMENT

The federal government's *Employment Insurance Monitoring and Assessment Report* for 2011–12 outlined examples of the success of provincial and territorial programs supported through the Labour Market Development Agreements:

- In 2011–12, we served approximately 580,000 clients (including those eligible for Employment Insurance). Of those eligible for Employment Insurance, roughly 185,000 returned to work within that year.
- Supports to Employment Insurance-eligible clients saved the Employment Insurance account roughly \$1 billion in 2011–12.

LABOUR MARKET AGREEMENT FOR PERSONS WITH DISABILITIES

The federal government provides provinces and territories with roughly \$218 million annually to supply employment and training services to

persons with disabilities. In addition to their own investments, provinces and territories provide matching funds for programs that focus on the following priorities:

- **Education and Training** to improve the level of basic and postsecondary education and work-related skills for persons with disabilities.
- **Employment Participation** to improve the labour market situation and independence of persons with disabilities through employment-related activities.
- **Employment Opportunities** to expand the availability, accessibility, and quality of employment opportunities for persons with disabilities, in partnership with business and labour.
- **Connecting Employers and Persons with Disabilities** to enhance awareness of the abilities and availability of persons with disabilities and strengthen persons with disabilities' knowledge of labour market opportunities.

- **Building Knowledge** to enhance the knowledge base, which contributes to continuous improvement of labour market policies and programs for persons with disabilities.

A range of programs is needed to respond to complex and varied labour market needs.

One reason why provincial and territorial programs work so well is that they are designed and delivered in a way that is appropriate for local labour markets. Provinces and territories deliver a range of employment and training programs to address the diverse needs of sectors, employers, and workers.

PROVINCES AND TERRITORIES DELIVER A RANGE OF PROGRAMS THAT TARGET DIFFERENT CLIENTS AND ADDRESS DIFFERENT NEEDS. THESE PROGRAMS FALL INTO FOUR GENERAL CATEGORIES:

- Workforce development programs that are responsive to specific industry and employer needs (e.g., apprenticeships for the skilled trades)
- Skills development and training programs that improve an individual's skills and opportunities for employment. These can include occupation-specific skills or literacy/Essential Skills
- Initiatives that aim to improve the employability and labour market participation of underrepresented groups (e.g., youth, persons with disabilities, Aboriginal people, recent immigrants, social assistance recipients, long-term unemployed, older workers)
- Projects and/or initiatives that work closely with a broad spectrum of stakeholders (industry, employers, sector organizations, unions, service providers) to ensure that programs are responsive to labour market needs

Program Spotlight

British Columbia's Labour Market Sector Solutions (LMSS) Program

Labour Market Sector Solutions (LMSS) draws on the expertise of sector organizations that understand employer labour market and human resource needs and ensures they are connected to qualified service providers to deliver effective training to targeted groups of workers.

Labour markets differ from province to province.

The need for a range of program approaches is even more apparent when the diversity of labour market needs across provinces and territories is considered. There is no single, magic solution to skills needs across Canada. A few examples of this diversity follow:

- Labour force participation rates vary a great deal across provinces and territories, affecting the ability of a wide range of employers to get the workers they need in order to be successful.
- Some provinces and territories have multi-sector economies that require a wide variety of skills.
- The need for literacy and other foundational skills tends to be higher among vulnerable populations. Some provinces or territories have higher numbers of older workers, Aboriginal workers, and recent immigrants. For example, the proportion of immigrants in the provincial working-age population ranges from 2 per cent to 32 per cent across the provinces.
- Vulnerable groups are underrepresented in the labour market. They are a significant potential source of additional labour in all jurisdictions.
- Rural and remote areas of Canada with fewer formal training institutions may need greater flexibility with respect to developing and delivering training opportunities.

There is no single, magic solution to skills needs across Canada. Different labour markets require different responses.

For example, the proportion of immigrants in the provincial working-age population ranges from 2 per cent to 32 per cent across the provinces.

Program Spotlight

Nova Scotia's Skills Up! Program

Skills Up! – a program funded through the Labour Market Agreement (LMA) – is designed to help African Nova Scotians connect with high-value jobs in Nova Scotia by providing supports for training. Last year, Skills Up! enabled a young immigrant who was working for very low wages as a dishwasher to attend the Civil Engineering Technology program. Not only did he graduate, but he was also awarded the Technova Student Achievement Award for Civil Engineering Technology. He now enjoys a career in the field of engineering as a Municipal Design Specialist.

“I want to thank you so much for your support. Our family economics have just taken an excellent turn.”

– **Charles, Civil Engineering Technologist**
(just a few months ago, “Dishwasher”)



Provincial and territorial programs are tested and improved based on evidence of what works.

The flexibility provinces and territories now have to design and deliver programs tailored to regional and local needs allows us to change and improve programs based on evidence of what actually works on the ground. Provinces and territories recognize the need to continue to adapt our programs and engage employers in order to ensure that workers' skills are aligned with labour market needs.

As part of the labour market agreements, provinces and territories conduct evaluations of programs supported through federal funding. Each province and territory also completes its own independent reviews to make sure its programs are delivering good results.

In the 2011–12 *Employment Insurance Monitoring and Assessment Report*, the federal government acknowledged that provinces and territories regularly evaluate their programs and work with stakeholders, including employers, to ensure the effective design and delivery of their programs.

Provinces and territories also regularly update program design and delivery to take advantage of new technologies and ways of delivering services to ensure that the most efficient and effective programs are in place.

We also recognize that employers need to be engaged in improving the skills of their employees. To ensure that skills training is relevant to employer needs, provinces and territories want to continue to build on apprenticeship and other programs in which employers play a strong role.

Client Success Story

Prince Edward Island's Workplace Training Program

"Island Abbey Foods Ltd. is a growing company. In order to keep up with demand, we have had to implement new processes and new equipment that require specialized training. The Workplace Training Program through SkillsPEI allowed us to hire experts in the field to train our employees in efficiency, quality, and safety measures on the new machinery. We have been very pleased with the outcomes of our projects with the Workplace Training Program, as it allowed us to have a smooth transition while we commissioned new methods of manufacturing."

**Susan Rowe, Chief Operating Officer
Island Abbey Foods Ltd.**





SECTION FOUR

The federal labour market agreement offer: Areas of concern

We all agree that engaging employers in improving the skills of their employees is important to effective training. This is a central pillar of the proposed Canada Job Grant. However, provinces and territories are also unanimous in our belief that the proposed Canada Job Grant, a one-size-fits-all program, is not the best tool to meet this objective. Here is why:

- When fully implemented, the proposal would take \$600 million per year away from programs for vulnerable workers, and the Canada Job Grant is not likely to support these vulnerable clients.
- Only clients who have an employer would be eligible for support, so vulnerable clients who do not have a job would not be supported.
- The federal government has provided no evidence that the proposal will help workers or employers. However, it would

divert funding from existing provincial and territorial programs that are delivering good results.

- The proposal lacks flexibility and would limit the ability of provinces and territories to respond to varying labour market needs (e.g., because it allows only short-term training, restricts eligible training providers, and imposes one-grant-per-employee rules).
- Small and medium-sized businesses may not have sufficient resources to participate.
- Implementation of the Canada Job Grant could destabilize the existing service delivery networks and have a negative effect on programs and clients.

The LMA and LMAPD both expire on March 31, 2014. The issues to be resolved are complex, but failing to reach new agreements could have serious consequences.

Program Spotlight

Nunavut's Work Readiness Training Program

Nunavut has partnered with Aboriginal organizations, municipalities, and the private sector to develop Work Readiness Training, which prepares clients to work in the growing Nunavut mining sector. This training consists of a two-week workshop and counselling session that covers topics ranging from fly-in/-out job sites, financial literacy, and family issues related to increasing income. The graduates of the program were immediately placed on a list of preferred potential hires for one of Nunavut's new mining corporations and its sub-contractors.



From the 2007 federal budget:

Budget 2007 reconfirms the Government's commitment to limit the use of the federal spending power to ensure that:

- *New cost-shared programs in areas of provincial responsibility have the consent of the majority of provinces to proceed.*
- *Provinces and territories have the right to opt out of cost-shared federal programs with compensation if they offer similar programs with comparable accountability structures.*

The evidence shows that our current programs are working. But these same programs could be jeopardized by the proposed Canada Job Grant. The Canada Job Grant would take a one-size-fits-all approach and does not leave us with the flexibility to tailor programs within each province and territory. Customized suites of programs are needed to address differing labour market needs in each province and territory. There is no one-size-fits-all solution.

Because provinces and territories have the primary responsibility for skills training, we have an obligation to serve employers and workers by investing in programs that work for our respective labour markets. If a province or territory does not perceive a clear benefit to its clients and other stakeholders from participating in the proposed Canada Job Grant, it should have the right to opt out with full compensation, as recognized by the federal government in its 2007 budget.

Program Spotlight

New Brunswick's Workplace Essential Skills (WES) Program

In early 2012, Moosehead Brewery packaging employees were faced with major changes in their workplace environment with the addition of new equipment and technologies.

Moosehead reached out to WES and created a collaborative partnership to provide on-site skills training focused on four Essential Skills: document use, thinking, working with others, and digital literacy. This program enabled Moosehead to adapt its learning program within the company. It introduced a foundational learning program for its employees focused on developing the Essential Skills they needed to perform their job effectively in a technology-based manufacturing environment.

Program Spotlight

Newfoundland and Labrador's Sector Skills Program

The Sector Skills program is a new initiative that provides training and work experience to individuals who are helping to meet Newfoundland and Labrador's growing labour demand. In sectors such as retail sales, food services, and building maintenance, employers have increasingly found it necessary to hire temporary foreign workers. Sector Skills enables interested individuals who may lack experience and have difficulty finding employment to prepare for jobs in these sectors. Participants receive six weeks of in-class training and six weeks of workplace-based training and relevant work experience. Program graduates receive a certificate of completion, as well as workplace health and safety certification.

"The Sector Skills program is one of many tools that employers in this province can use to meet the labour market shortages in several industries. It is an example of how the provincial government and the College of the North Atlantic work side-by-side with industry to help employers and individuals overcome challenges and maximize opportunities."

Nancy Healey, Chief Executive Officer
St. John's Board of Trade

Program Spotlight

Saskatchewan's Mining Essentials Program

Mining Essentials is a twelve-week pre-employment training program developed at Southeast Regional College that teaches the essential skills and work-readiness skills required for entry-level positions in the mining industry. The program is a joint venture of the Assembly of First Nations and the Mining Industry Human Resources (MiHR) Council, with support from the Government of Saskatchewan, to create employment opportunities for Aboriginal people and provide a practical solution to the recruitment challenges currently facing mining employers.

Like other provincially funded programs, Mining Essentials succeeds because it is grounded in evidence of what works. The program was employer-driven, emphasized hands-on, job-based learning, and benefited from a strong regional partnership that included Southeast Regional College, the provincial government, Mosaic Esterhazy, Ochapowace First Nation, and Kahkewistahaw First Nation.



SECTION FIVE

Conclusion

The Need for Broad Engagement

To date, the discussion of the renewal of the Labour Market Agreement, including the proposed Canada Job Grant, has been narrowly focused and not sufficiently inclusive. The federal government has consulted with a small group of stakeholders. However, they have not consulted with provinces and territories, or with employers or training providers in northern Canada to ensure that the labour market funding agreements serve the unique needs of workers and employers in the north.

This conversation is too important to be less than thorough and comprehensive. We need a broad discussion involving the full range of groups that will be impacted.

Provinces and territories are taking a leadership role and broadening the conversation. We are engaging with community groups, service providers, employers, industry organizations, the non-profit sector, and other interested groups in identifying what is at stake and how our public employment and training programs can best be supported and improved.

Ensuring that all Canadians, including vulnerable workers, are able to participate in the labour market and that workers have the skills that employers require is a priority for all provinces and territories. Provinces and territories look forward to working with the federal government to ensure that labour market funding agreements support programs that work for all regions and labour markets across Canada.

Program Spotlight

Alberta's Employment and Training Programs for Underrepresented Groups

One Alberta organization that receives financial support through the Labour Market Agreement is Women Building Futures (WBF), a registered, not-for-profit charitable organization that helps women build better lives by achieving economic prosperity through training, employment, and mentorship. WBF has extensive experience recruiting women into the heavy industrial workforce and boasts a consistent employment placement rate of 90 per cent. Their training programs include Heavy Equipment Operator, Carpentry, Electrical, Welding, and many other programs offered in response to specific industry requests and emerging opportunities.



Program Spotlight

Yukon's Skookum Jim Friendship Centre

Since April 2011, Skookum Jim Friendship Centre has operated a Youth Employment Centre (YEC) providing community outreach service to youth aged 16 to 30, to help them acquire the skills, knowledge, and work experience they need to participate effectively in the labour market. Support services are provided on a case-by-case basis in areas such as accessing training, résumé writing, interview skills, job search, and work placement opportunities.

"The YEC's job placement is a great opportunity, and I am glad that I was able to experience a hands-on job working in Homecare for my First Nation Community of Little Salmon Carmacks ... I found that the job placement program is great for youth who are looking for jobs in their field and getting the training that they need. I look forward to using my knowledge and skills I've learned throughout my placements for a career opportunity in the future."

– **Jaylene, a participant in the program**



