

# **Labour Market Programming in Canada: An Overview**

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## **Purpose**

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Provide an overview of the labour market architecture in Canada and how the various programs/initiatives fit within it.

## **Outline**

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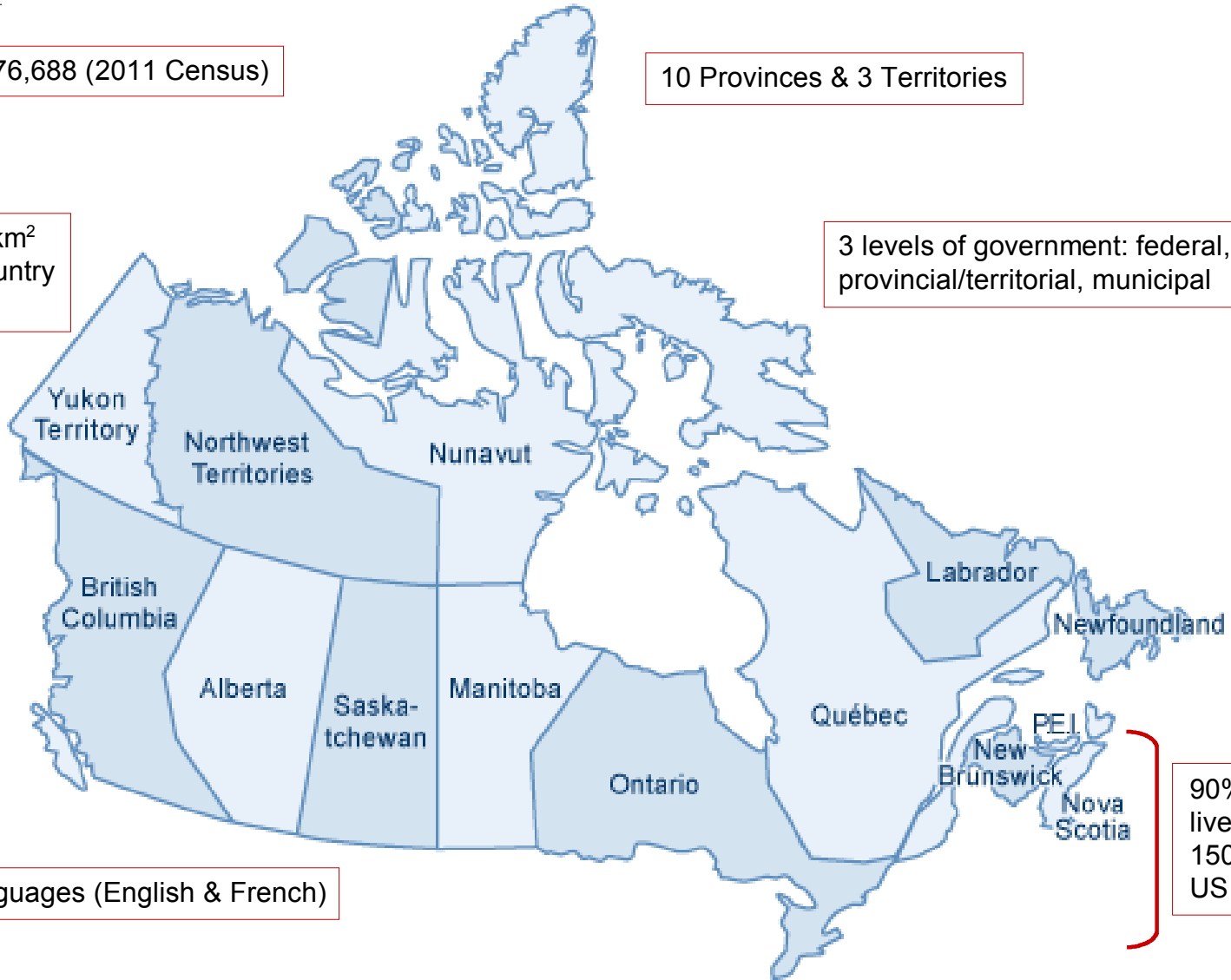
- Context
  - A brief introduction of Canada
  - Diversity in Canada's labour market
- Canada's labour market architecture
- Labour market programming in Canada
- Challenges for the future
- Recent budget commitments

Population: 33,476,688 (2011 Census)

10 Provinces & 3 Territories

Area: 9,984,670 km<sup>2</sup>  
(second largest country  
in the world)

3 levels of government: federal,  
provincial/territorial, municipal

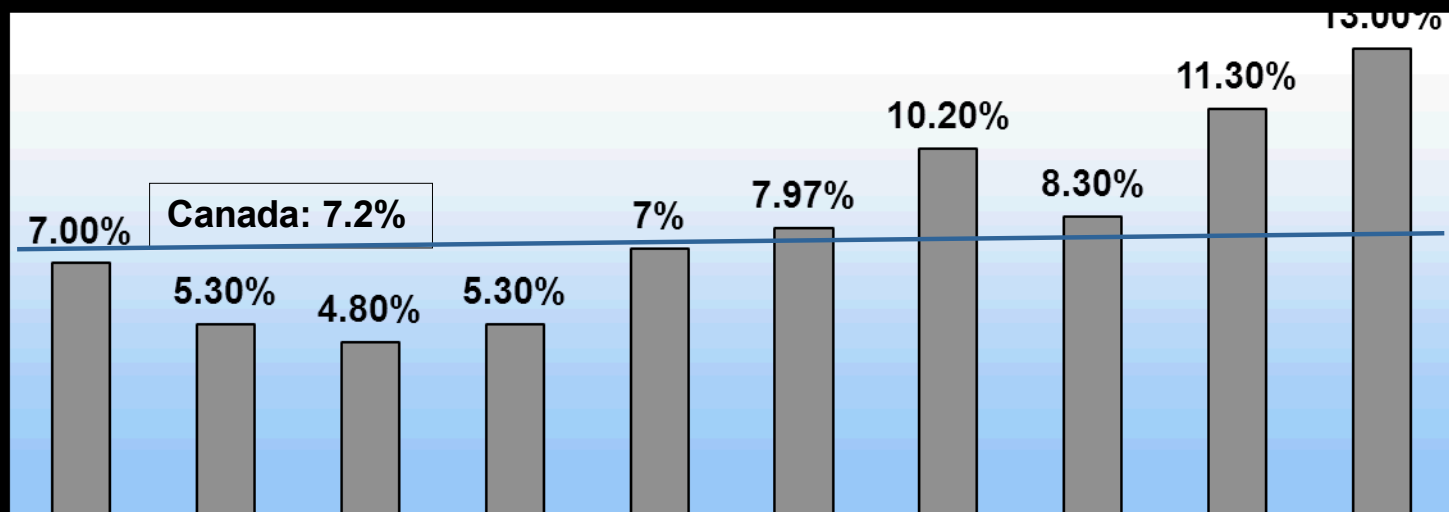


2 official languages (English & French)

90% of pop.  
lives within  
150 km of the  
US border

62% of pop. lives  
in 2 provinces

- **Labour market:** western provinces have lower unemployment rates and higher GDPs per capita than eastern provinces; differences are often greater within regions than across.
- **Industrial structure:** manufacturing is four times more important in Ontario than Newfoundland, while western provinces rely more heavily on natural resources with Alberta and Saskatchewan having stronger mining and oil sectors; many regions need to address the challenges in single industry communities and seasonal work.
- **Ethnicity:** Canada has more than 200 different ethnic groups; Quebec's population is overwhelmingly francophone, most of the new immigrant population is in Ontario, and 3% of Canada's total population are Aboriginal peoples.



### ***Older/Displaced Workers***

- Over-represented in declining sectors
- Less mobile
- Lower levels of education and literacy
- Higher risk of long-term unemployment
- Greater difficulty re-training
- Labour market participation rate still far below the national average, 34.8% vs. 66.6% in March 2012

### ***Youth***

- More likely to be last-in, first out
- Fragmented experience, some faring well
- Youth at-risk face particular barriers
- New graduates lack experience to compete
- Past recessions negative effects on career trajectory and earnings
- Still suffering the effects of downturn; unemployment levels have only recovered slightly (13.9% in April 2012 down from peak of 15.4% in July 2009)

### ***Recent Immigrants***

- Lack Canadian work experience
- Difficulties getting credentials recognized
- Insufficient, job-specific language proficiency
- Tend to have higher level of education
- ***Persons with Disabilities***
- Greater difficulty, even in periods of economic growth
- More likely to be last in, first out
- At risk of “choosing” to exit labour market
- ***Aboriginal Canadians***
- 50% Aboriginal people living in remote areas
- Lower levels of skills, educational attainment and literacy
- Fastest growing segment of the Canadian population
- Employment rate (63%) still below pre-recession levels and below national average

- Canada is one of the most **decentralized federations in the world**.
  - Approximately 85% of all federal funding in active labour market programming delivered by provinces and territories (P/Ts) and Aboriginal groups.
- Both federal and P/T governments rely heavily on non-governmental organizations and municipalities to do direct program delivery.
- Decentralized approach provides **flexibility to adapt programming to local needs** and help employers meet their particular labour and skills demands.
- With decentralization comes an increased emphasis on accountability and results through public reporting by all levels of government.

## GoC Activities

### Income Support

- Employment Insurance
- Work-Sharing
- Canada Pension Plan Disability

### Active Measures

- Opportunities Fund
- Youth Employment Strategy
- Programs for Aboriginal people
- Enabling Fund for Official Language Minority Communities
- Apprenticeship grants
- Literacy & Essential Skills

## F/PT Coordinated Activities

- Labour Market Development Agreements (LMDA)
- Labour Market Agreements (LMA)
- Labour Market Information
- Red Seal
- Targeted Initiative for Older Workers
- LMA for Persons with Disabilities
- Foreign Credential Recognition
- Temporary Foreign Workers
- Student Financial Assistance

## PT Activities

### Income Support

- Social assistance
- Disability programs
- Workers' Compensation

### Active Measures

- Youth programs
- Apprenticeship
- Disability supports
- Regulation of trades and professions

## **Income Support (Part I)**

- by the Government of Canada.

- temporary income support to eligible unemployed workers.

- Includes:

- Work-Sharing, which helps protect jobs and avoid layoffs by offering temporary income support to workers willing to work reduced hours while their company gets back on its feet; and
- Income support for maternity, parental, sickness and compassionate care benefits.

## **Active Measures (Part II)**

- by provinces and territories and Aboriginal organizations.

- is on employment benefits and support measures (EBSMs) to help the unemployed get back to work.

- –Rep. Canadian funding allowing the Government of Canada to address national labour



## ***Labour Market Development Agreements (LMDAs)***

- **Objective:** Bilateral agreements with provinces and territories (P/Ts) to fund active measures to help the unemployed individuals eligible for Employment Insurance benefits prepare for, obtain, and maintain employment.
  - Annual transfer of approximately \$1.95B/year to P/Ts.
  - Agreements go on in perpetuity.
- **Projects:** Supports the design and delivery of EBSM-type employment programs and services such as training, wage subsidies, help starting a business, work experience, and employment counselling.
- **Outcomes:** Approximately 600,000 clients are served annually through LMDA-supported programs.

**EI Eligible**

## ***Labour Market Agreements (LMAs)***

- **Objectives:** Bilateral agreements with provinces and territories (P/Ts) to provide skills and employment training, with a focus on assisting unemployed with low levels of skills and education who are not EI-eligible.
  - Annual transfer of \$500M to P/Ts.
  - Agreements negotiated for six years, expiring March 31, 2014.
- **Projects:** P/Ts determine the priorities for funding and decide how the funding is allocated in order to meet the needs of their particular labour markets. Includes: employment services; skills development and upgrading; work experience; and workplace-based skills development.
- **Outcomes:** Reporting for the first two years of the LMAs demonstrates that the investment supported almost 500,000 clients.

**Non-EI Eligible**

## ***Labour Market Agreements for Persons with Disabilities (LMAPDs)***

- **Objective:** Bilateral agreements enhance the employability of Persons with Disabilities, increase the employment opportunities available to them and build on the existing knowledge base (such as the sharing of best practices).
  - Annual transfer of \$218 million to the ten provinces each year to support programs and services designed to improve the employment situation for persons with disabilities.
  - \$3.7 million is kept in reserve for the territories should they decide to participate
- **Projects:** Through bilateral agreements, provincial governments determine their own priorities and approaches to address the needs of persons with disabilities in their jurisdiction
- **Outcomes:** About 300,000 Canadians are served by LMAPDs each year.

**Persons with Disabilities**

## Targeted Initiative for Older Workers (TIOW)

- **Objective:** To assist unemployed older workers living in communities with a population of less than 250,000 that have been affected by significant downsizing, closures, or high unemployment, to prepare for, find and keep jobs.
- **Projects:**
  - Cost-shared program delivered by P/Ts.
  - Projects normally offer group-based programming for older workers (usually aged 55-64) and must ensure provision of employment assistance services as well as other employability improvement activities such as basic skills upgrading, work experience, and specific skills training.
- **Outcomes:** To-date, more than 16,000 workers have benefited.

**Unemployed Older Workers**

## ***Foreign Credential Recognition Program (FCRP)***

- **Objective:** The FCRP is aimed to develop and strengthen Canada's foreign credential recognition capacity; and, contribute to improving the labour market integration of internationally-trained individuals (ITIs).
  - Federal Government invested \$50M over two years through the 2009 Economic Action Plan and further contributes \$25M annually to improve the recognition of foreign credentials.
- **Projects:** FCRP has been providing strategic financial support to key stakeholders to ensure that foreign credential recognition processes are fair, consistent, transparent and timely.
- **Outcomes:** Since its inception in 2003, the program has funded over 170 agreements with P/T governments, regulatory bodies and other stakeholders, worth approximately \$120M.

## ***Temporary Foreign Worker Program (TFWP)***

- **Objective:** The TFWP facilitates the entry of foreign nationals to help meet the short-term labour and skills needs of employers when Canadians or permanent residents are not available, by providing a labour market opinion, which assesses the potential impact of hiring a temporary foreign worker on the Canadian labour market.
  - Federal Government committed \$149.5M over five years, from 2007-08 to 2011-12, and \$35.5M ongoing.
  - Federal government works with P/Ts to strengthen enforcement of P/T labour standards and to assist with Labour Market Opinion assessments.
- **Projects:** Employers across Canada benefit from the TFWP, enabling them to meet immediate skills and labour shortages and bring talent and expertise to their businesses.

### ***Aboriginal Skills and Employment Training Strategy (ASETS)***

- **Objective:** The ASETS increases Aboriginal participation in the Canadian labour market, ensuring that First Nations, Inuit, and Métis people are engaged in sustainable, meaningful employment.
  - Federal Government has invested \$1.68B (2010 to 2015)
  - ASETS supports a network of more than 80 Aboriginal service delivery organizations, with over 400 points of service across Canada.
- **Projects:** Help develop and deliver training and employment programs and services that are best suited to the unique needs of their clients.
- **Outcomes:** In 2010-11, approximately 50,000 clients were served, placing more than 14,000 in jobs and returning over 7,000 individuals to school.

### ***Skills and Partnership Fund (SPF)***

- **Objective:** The SPF aims to increase Aboriginal participation in the Canadian labour market, ensuring that First Nations, Inuit, and Métis people are engaged in sustainable, meaningful employment.
  - Federal government provides \$210M over five years from 2010 to 2015.
  - Aboriginal organizations may apply for funding Call for Proposal.
- **Projects:** Encourage innovation and partnerships, test new approaches to the delivery of employment services, address systemic gaps in service delivery, and increase Aboriginal skills development and participation in the labour market.

**Youth Employment Strategy**  
HRSDC – Lead Department

3 Program Streams  
11 Departments

**Skills Link**

- **Objective:** Help youth facing barriers to employment acquire the skills and work experience necessary to obtain and retain employment or return to school
- **Target group:** Disadvantaged youths (e.g. aboriginal youth, youth with disabilities, single-parents, at-risk-youth) who lack essential skills as well as employability skills
- **Outcomes:** HRSDC component of this program assisted over 19,000 at-risk youth in 2010-11.

**Youth at-risk**

**Summer Work Experience**

- **Objective:** Provide work experience for students, support organizations, including those that provide important community services, and recognize that local circumstances/needs/priorities vary widely
- **Target group:** Secondary and post-secondary students.
- **Outcomes:** HRSDC Canada Summer Jobs component funded approximately 37,000 summer jobs for Canadian students in 2010-11.

**Students**

**Career Focus**

- **Objective:** Help postsecondary graduates obtain work experience in their field of study, develop advanced skills, make career-related links to the job market and become leaders
- **Target group:** Young postsecondary graduates who are having difficulty finding valuable work experience in their field of study
- **Outcomes:** HRSDC component helped over 6,400 new graduates in 2010-11.

**Post-secondary graduates**

## ***Opportunities Fund for Persons With Disabilities (OF)***

- **Objective:** Assists persons with disabilities who are ineligible for EI-funded programs available through EI to prepare for, find and keep employment or become self-employed
- **Projects:** Provides funding to organizations, employers and individuals across Canada through a broad and flexible range of interventions designed to help people with disabilities obtain employment or self-employment
- **Outcomes:** Over 5,300 clients served in 2010/11.

**Persons with Disabilities**

- Among G-7 countries, Canada has shown **strongest economic growth** through recent recession and recovery.
  - For example, 690,000 more Canadians working today than in July 2009.
- 90% of **job gains are high-quality**, full-time positions, with over 80% in private sector.
- In March 2012, over **80,000 jobs were created**, bringing the unemployment rate to 7.2%.
  - Remains above the pre-recession rate of 6.1%.
- **Real gross domestic product expected to grow** between 1.7% and 2.6% in 2012 to between 2.1% to 2.9% in 2013.



- In the short term, challenges include:
  - Entering a period of **fiscal restraint**, with increasing importance for all levels of government on showing value for money.
  - Despite job growth, many Canadians remain **unemployed**, while employers have **unfilled jobs**.
    - Canadian employers had, on average, 248,000 job vacancies last fall.
  
- Over the longer-term, Canada faces **challenges to maintain its global competitive advantage**:
  - **Demographic change** - ageing population will result in declining labour force; need to increase labour force participation rates, particularly among under-represented, vulnerable groups such as older workers and persons with disabilities.
  - **Productivity** - With fewer people entering the labour force, enhancing Canadian productivity will be key to raising Canadian living standards.
  - **Technological and other structural changes** - Technological changes in workplace have consistently been linked to higher job skill requirements (skill-biased technological change).

### ***Improving the Employment Insurance Program***

- Budget 2012 – allotted \$21M over two years to assist the unemployed with quicker returns to work through the implementation of a 4 pronged strategy that will:
  - Enhance content and timeliness of job and labour market information for EI claimants
  - Strengthen and clarify requirements for claimants receiving regular EI benefits with respect to job searches and suitable employment.
  - Coordinate with the Temporary Foreign Worker Program to better connect unemployed Canadians with available jobs.
  - Work with provinces and territories to make job search supports available to EI claimants earlier in their claim period.

### ***Youth***

- Budget 2011 – YES included in \$60M realignment under the Digital Economy Strategy.
- Budget 2012 – an additional \$50M over two years for YES to explore ways of maximizing the impact of federal spending to support community-level partnerships (including pay-for-performance agreements).

### ***Persons with Disabilities (PWDs)***

- Budget 2012 – an additional \$30M over three years for the Opportunities Fund and a commitment to establish a panel examining the labour market opportunities for persons with disabilities to identify best practices.

### ***Older Workers***

- Budget 2011 – an investment of \$50M over two years was made to continue funding TIOW until 2013-14; reaffirmed in Budget 2012.