

Training Businesses in Québec

A unique model of labour market integration

By Stéphanie Guérette

How do you join the work force if you are a school drop-out, a single parent who hasn't worked for many years, an ex-drug addict, or you lack a permanent address? More than 3,000 Québécois who are marginalized, underprivileged, and remote to the labour market can count on training businesses.

Training Businesses

Training businesses are community organizations and social economy enterprises. Equipped with a mission of social integration, what sets them apart is their combination of an integration/training function with genuine economic activity on a nonprofit basis. Training businesses are

singular because they address the training and coaching needs of persons facing serious barriers to employment, in order to fight poverty and exclusion.

Training businesses take the form of factories, restaurants, caterers, second-hand stores, computer and cabinet-making shops (among others), all supplying products and services up to the standards of any of 12 different industrial sectors. Like all businesses, they manage human and material as well as financial resources, and market the goods or services which they produce in accordance with the standards specific to the industrial sector in which they operate.

In a training business, social integration is something you do in an actual work environment.

"Gateway" businesses, they offer trainee workers a session averaging 26 weeks that permits them to acquire specific and transferable skills and knowledge, while at the same time provides support and coaching to their process of social and professional integration.

Deeply involved in the local dynamics of development, training businesses rely on a diverse network of partners and associates in order to ensure the success of their mission.

Le Piolet (National Capital Region)

At Le Piolet around 40 persons a year can take a training course in kitchen and dining room service. Since its launch in 1985, more than 1,200 youth aged 16-35 have been able to take assistant cook or clerk training and get their ticket in a semi-skilled trade. The youth at Le Piolet have no relevant work experience, are jobless, and have no high school or professional diploma. The demand for workers in the food service industry is such that 92% of the graduates have found jobs there. URL: www.lepiolet.com



For trainee workers, the experience of such a business becomes an essential tool for finding and keeping a job or in the quest for greater autonomy through a return to school. Training businesses also show trainee workers how to:

- develop skills and attitudes conducive to their social engagement targets
- fit in at a workplace
- hold down a job
- play an active role in their community
- have a positive work experience

Future employers can thus figure on a workforce better prepared to meet the current realities of the job market.

The negotiation of Emploi-Québec funding takes a comprehensive approach. Emploi-Québec supports payroll expenditures for participants and for management, as well as all the costs related to the integration of the trainee workers into the labour market. As for the business, it assumes the costs of production associated with its self-generated revenues. Overhead costs are apportioned between Emploi-Québec and the training business.

Training businesses are defined by seven criteria stipulated by the businesses themselves and recognized by the government of Québec (Emploi-Québec):

1. a mission of social integration
2. the attributes of the participants
3. a genuine business
4. salaried worker status for the trainee workers
5. personalized coaching
6. comprehensive training (personal, social, and technical)
7. partnerships with community stakeholders

Deeply involved in the local dynamics of development, training businesses rely on a diverse network of partners and associates (business sector, community organizations, institutional resources, labour organizations, etc.) in order to ensure the success of their mission: the professional and social integration of persons experiencing exclusion.

Funding

An organization which meets the seven defining criteria is eligible for funding from Labour Market Development Fund of Emploi-Québec (Québec's Department of Labour) to cover all costs related to the organization's mission to achieve goals in training and social and professional integration.

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and for management, as well as all the costs related to the integration of the trainee workers into the labour market. As for the business, it assumes the costs of production associated with its self-generated revenues. Overhead costs are apportioned between Emploi-Québec and the training business. In this, Emploi-Québec must be sure to pay its fair share, that is, to cover all the costs related to integration.

The memoranda of understanding extend over 52 weeks and may be renewed consistent with results and available funds. Moreover, as indicated in the Framework for the Identification and Funding of Training Businesses, once recognized by Emploi-Québec training businesses have access to triennial service agreements. These do not exempt the training businesses from submitting annual service proposals, or from

an evaluation of progress vis-à-vis their goals and the results listed on their service agreement.

In the course of operations, training businesses are likely to increase their self-generated revenues. The increase in these revenues must allow for a margin of flexibility that enables the training business to develop, secure sufficient liquidity, to establish a cash flow, to renew its capital assets, or to cope with unexpected events. All this from the surpluses generated by means of its commercial activities.

Thus, Emploi-Québec's purchase of services is negotiated on the basis of real cost and must make it possible to cover the costs related to integration: the participants' payroll expenditures (calculated from the current minimum wage); the employer's payroll tax; and payroll expenditures for staff assigned to integration, to intervention, and to psychosocial training as well as to technical and practical supervision, among other things.

The salary of the persons assigned to production and not offering participant supervision or training is excluded from the calculation and must therefore fall to the self-generated revenues, as outlined below.

Essentially self-generated revenues must enable the training business to assume all the expenses related to its economic activity and to ensure its financial and economic sustainability. Thus, self-generated revenues must cover payroll expenses not concerned with integration; equipment expenses related to production and to capital amortization; expenses related to marketing products and services to customers; costs of acquiring raw material; and operating costs related to production, etc.

By accepting a participant, with or without a referral from Emploi-Québec, the training business contracts to offer him/her many services or activities that are part of a comprehensive and structured intervention plan. They include work experience in a real business; psychosocial evaluation and help; the acquisition and development of personal, relational, and social skills related to employment; information sessions about the job market; and assistance with job search and placement, etc.



Parvélo (Victoriaville, Centre-du-Québec)

Parvélo, a training business specializing in the recovery, sale, and repair of bicycles and sports equipment, annually hosts about 40 trainee workers: young people aged 18-30, predominantly social assistance recipients or persons with no income. The participants undergo 26 weeks of training as apprentice mechanics. An agreement with the Bois-Francs School Board makes it possible for Parvélo participants to attain a ticket in the semi-skilled trade of bicycle repair. Parvélo also makes it possible for trainee workers to lodge at a low price in supervised rooms adjoining the workshop. A bicycle loan service is available for the general public as well. Around 50 bicycles are kept in circulation to help the community.

Formétal (Montréal)

Located in southwest Montréal, Formétal has been in operation since 1987. It annually hosts almost 100 trainee workers in one of three work platforms: sheet metalworking (industrial sheet metalworker, press operator, shear operator, drilling machine operator, folding machine operator, etc.); welding; or electrostatic spray-painting (industrial painter). The participants are young people 18-35 years in age, primarily school dropouts. Participants who finish the program receive a ticket in a semi-skilled trade with the Pointe-de-l'île School Board. The job placement rate for trainee workers is close to 100%, which demonstrates the quality of the training and the industry's need for a proficient workforce. URL: www.formetal.qc.ca



The Collectif des entreprises d'insertion du Québec (CEIQ)

CEIQ is the network of training businesses in Québec. Its mission is to promote and support the member training businesses but more importantly, to promote and support the social and professional integration of persons looking for a better future. To accomplish this, CEIQ undertakes four types of activity:

- organizational life and member services
- representation
- promotion and business development
- research and development

CEIQ offers its members opportunities for sharing and organizes think tanks in order that the executives, employees, and directors of training businesses can develop common strategies and consolidate their efforts to achieve in full their mission and objectives with regard to social and professional integration.

Member services are:

- information
- political and governmental representation
- promotion of training businesses
- training of the permanent staff (by means of the [Mutuelle de formation des entreprises d'insertion du Québec](#))
- networking between training businesses
- support for their development

Its main role is to ensure that members respect, adhere to, and abide by the seven criteria that define a training business.

When resources allow, CEIQ offers a service to the promoters of new training businesses so that they can know and understand the whys and wherefores of a training business.

To access a complete list of training businesses, visit www.collectif.qc.ca.

Statistics

Here is a profile of the CEIQ membership (2010-2011):

- 47 training businesses in Québec's 12 administrative regions:
- 3,055 trainee workers
- 71% of participants are aged 16-35 years
- 70% have not finished high school
- 32% of the trainee workers were social assistance recipients, 6% received unemployment insurance, and 56% had no income prior to entering a training business
- 12 sectors of economic activity
- 870 permanent staff
- over \$35 million generated from the sale of products and services
- over \$78 million in total revenue ■

Return on Investment

A study was recently published that measures the socio-economic impacts of training businesses in Québec. The firm Consultations Libera Mutatio concludes that the investments made by the governments of Québec and Canada in training businesses are definitely beneficial for the state and for taxpayers.

The study demonstrates that these governments recoup two-thirds of their outlay in the first year and completely recover their investment in just 29 months. Furthermore, the training businesses generate important medium-term economic benefits, while managing to train and team up with persons on a very long journey to the labour market.

The study demonstrates that the \$36.3 million investment made in 2008 will enable governments to reap total economic gains of almost \$100 million in 21 years, and thus realize a surplus of nearly \$60 million.

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The study's author, economist Martin Comeau, stresses that these results remain very conservative. "They do not include any of the taxes paid out to municipal or regional administrations; the 21-year beneficiary period is shorter than the 35 years used in similar studies; and the results do not take into account the intangible gains related to better self-esteem or to the feelings associated with happiness and personal and professional accomplishment."

By means of their economic and integration activities, these organizations generate more than 800 permanent jobs and are also directly responsible for the creation of more than 150 jobs in the workplaces of their suppliers. As a consequence, training businesses are responsible for wealth creation among their suppliers that approaches a value of \$12 million. ¹⁴

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Récupex (Estrie)

Récupex recovers, sorts, remodels and redistributes more than four million pounds of clothes each year in this region of Québec's Eastern Townships. Récupex's mission is to recover (collect clothes, fabric, shoes and various accessories from the population and from used clothes stores), to recycle (remodel and create new clothes and accessories), and to raise the population's consciousness of the importance of recovery to a healthy environment and of course, to socio-professional integration. The training business hosts more than 60 persons annually. Their difficulties predominantly concern low schooling levels and the related attitudes and behaviours. The skills in which training is made available include those of seamstress, industrial blades operator, lift truck operator, press operator, mail sorter, quality-control officer, customer service representative, truck driver assistant, etc. The training business has a storefront, "t.a.f.i. & Co.," which sells unique accessories fashioned from recovered materials. It also serves as a retail outlet for other creative souls in the social economy, in the fair trade movement, or with a social vocation. URL: www.recupexinc.com

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⁴ is an ejournal about Inspiring, Innovating, Inciting, and Inventing ways of life and work that permit humanity and the planet to thrive in this century of unprecedented challenges. ⁴ is a publication of the Canadian Centre for Community Renewal.



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