



RECOMMENDATIONS

presented to the

Forum of Labour Market Ministers Consultation on Labour Market Transfer Agreements

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The Canadian Community Economic Development Network

The Canadian CED Network is a national association of community organizations, co-operatives, credit unions, foundations, municipalities and citizens working to enhance the social, economic and environmental conditions of Canada's communities. We have members in all regions of Canada, including urban, rural, northern and Aboriginal community settings. Our head office is in Victoriaville, Québec, with regional staff and member committees throughout Canada. Community Economic Development is citizen-led action to enhance the social and economic conditions of their communities on an integrated and inclusive basis, reducing poverty, unemployment and social disadvantage by building assets and creating opportunities.

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Thank you for the opportunity to provide a submission to the Federal / Provincial / Territorial Forum of Labour Market Ministers on the Labour Market Transfer Agreements (LMTA).

The Canadian Community Economic Development Network is a member-led network of organizations and individuals involved in community economic development with a strong interest in labour market outcomes for local communities across the country. In particular, our members are concerned with improving employment and income for individuals facing barriers to labour market attachment.

As documented in the 2015 report on Social Finance by the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, community economic development initiatives have a proven track record for engaging vulnerable populations in the workforce to enhance Canada's productivity and creating new opportunities all.

Quality jobs with good wages and benefits play a very important role in the fight against poverty. For individuals facing multiple barriers to employment, supportive and flexible training and job opportunities are crucial for securing labour market attachment. The LMTAs have the potential to provide those opportunities and support community-based employment development initiatives that reduce poverty.

Discussion Questions and Recommendations

IMPACT

Q2. Are current employment and skills training programs flexible enough to respond to the needs of a diverse workforce, e.g. vulnerable workers, youth, Indigenous Peoples, recent immigrants and others who need particular support? If yes, what in particular is working best, or how can these groups best be supported?

- **Include wrap around services in the scope of activities that are eligible for funding to help under-represented groups integrate into the labour market**

Non-profit organizations engaged in job training are responding to meet the unique needs of different equity-seeking groups (Indigenous people, immigrants, persons with disabilities, youth, official language minority communities). Community-based training organizations and social enterprises have demonstrated that wrap around supports addressing needs such as access to housing, child care, and counselling services are critical to preparing job seekers with barriers to employment to succeed in the labour market. For example, some jurisdictions have a large Indigenous population experiencing relatively weak labour market attachment outcomes for various reasons related to racism and a history of colonial policies. Providing flexible and supportive training opportunities for this young and growing population presents a massive opportunity to meet the needs of the labour force while bridging the economic and social divide between Indigenous and non-Indigenous Canadians. Indigenous-led organizations who provide wrap around supports to Indigenous job seekers have demonstrated that including cultural-reclamation in training increases participant's success rate, however this activity is not typically considered eligible for funding. Canada's recent commitments to expand its intake of refugees presents another opportunity to build our labour force with targeted training opportunities that provide wrap around supports for refugees and newcomer youth. Training organizations working with refugees often face a challenge accessing the resources needed to provide cultural

adaptation programming or social supports for participants experiencing post-traumatic stress. The LMTAs should have the flexibility necessary for community-based training organizations and social enterprises to provide various wrap around supports that meet the unique needs of their clientele.

- **Remove funding targets (i.e. the mandated percentage of transfer dollars to be allocated to the Canada Job Grant (CJG) program each year), so that provinces and territories are able to allocate transfer dollars to a wider range of programs, including self-employment programs**

Self-employment training is becoming increasingly important in our shifting economy, but does not fit well under the current CJG program structure. With funding previously dedicated to programming for populations now under-served by the CJG being diverted to meet CJG funding requirements, alternative programs are being de-funded. One example of a program at risk is CCEDNet member Momentum's 20-year, highly successful Self Employment Program. An economic evaluation of the program conducted in 2014 by the University of Calgary demonstrated that for every \$1 invested by government, \$7 was returned to the community. The Internal Rate of Return of the income gains made by participants in the Self-Employment program was greater than the income gains of university or college graduates. Provinces and territories need to be given sufficient flexibility to support targeted programs that work in their context, including self-employment programs.

- **Ensure flexibility in program length to help under-represented groups integrate the labour market**

Training programs with fixed lengths are often inappropriate for individuals dealing with multiple barriers to employment. It is impossible to predict a timeframe within which individuals can overcome barriers such as lack of confidence, grief, addiction, post-traumatic stress, and healing from the damage of colonization. It often requires a slow and non-linear process that cannot be completed within a prescribed timeframe. The LMTA should allow flexibility in program length so service providers can address their clientele's needs at a pace appropriate for their client.

- **Reinstate the original policy objectives of the former LMAs and ensure the flexibility required so that funding can be used to train and hire equity seeking groups in infrastructure projects**

The former LMAs were intended to support unemployed individuals not eligible for EI and included the policy objectives of increasing the labour market participation of under-represented groups and of supporting low-skilled individuals requiring literacy and basic skills upgrading. As such, LMAs supported community-based organizations and social enterprises that are taking innovative approaches to provide targeted training opportunities with wrap around supports to multi-barriered individuals. When the Canada Jobs Grant replaced the LMAs, funding was severely reduced for these original policy objectives. The flexibility provided by the former LMAs enabled provinces to use funds to integrate training for equity-seeking groups into large infrastructure projects. Given Canada's commitment to enhance funding for the Canada Jobs Grant, the CJFAs should be amended to remove the percentage of the funds that are required to be directed to the Canada Job Grant and the LMAs' original policy objectives should be reinstated, and flexibility should be maintained so that provinces can use funds to train and hire under-represented groups in infrastructure projects.

Q3. Are all Canadians, in particular jobseekers and potential jobseekers, aware of and able to access appropriate employment and training programs to find and/or keep a job? If yes, what in particular is working best? If not, who and why?

- **Extend funding to address the service gap that exists when jobseekers with barriers to employment transition out of training and into employment**

The transition from training to employment can be very difficult for some multi-barriered job seekers who require ongoing supports and for the employers who hire them. Employers may not be prepared to meet the unique needs of the multi-barriered employee and community-based training organizations are not often mandated to support trainees after they transition out of their programming. Federal funding could be provided to community-based training organizations to add capacity to provide ongoing supports to their clients when they transition into employment. Recent research funded by the federal government suggests that this gap in services can also be addressed by Labour Market Intermediaries (LMIs) designed and delivered in partnership with relevant stakeholders. An LMI would employ and assign caseworkers to support employers and multi-barriered job seekers exiting various training organizations for as long as required to ensure a successful transition into employment. An LMI would also develop enduring relationships with employers and unions when relevant, to liaise between employers and organizations, ensuring that training is responsive to employers' needs and connecting clients to jobs. Rather than providing training, an LMI would draw on existing supports and services to fill gaps and help job seekers access a continuum of supports and services they need to meet their training and employment goals.

The federal government could partner with Indigenous organizations and relevant stakeholders to pilot an LMI in Manitoba, where this research was conducted, to serve multi-barriered Indigenous job seekers given their over-representation among those who are unemployed and living with low incomes. An Indigenous-focused LMI would also provide cultural reclamation programming to Indigenous clients and cultural competence training for employers in recognition of the impact this has on improving employment outcomes for Indigenous people. Support for such an LMI would respond to two of the calls to action within the Truth and Reconciliation Commission of Canada: calling on the corporate sector to provide Indigenous people with equitable access to jobs, training, and education opportunities, and calling on the federal government to develop with Aboriginal groups a joint strategy to eliminate educational and employment gaps between Aboriginal and non-Aboriginal Canadians.

INNOVATE

Q5. What innovative approaches and partnerships could be used to address emerging issues and needs in the labour market?

- **Build on the success of work-integration social enterprises**

Work-integration social enterprises are a subset of the dynamic and growing social enterprise landscape that provide temporary or permanent employment opportunities to individuals facing barriers to labour market attachment. The successful and well-established track record of the Collectif des entreprises d'insertion du Québec along with many other long-standing social enterprises in other parts of Canada like Common Thread Co-operative offer the possibility of scaling up an innovative and adaptable approach to the creation of meaningful employment opportunities.

- **Expand the use of Social Procurement and Community Benefit Agreements**

The power of procurement is becoming more widely appreciated. From the UK's *Social Value Act* to Québec's *Économie sociale : J'achète !* strategy to promote purchasing from collective businesses, to the new federal Minister of Public Services and Procurement's mandate to modernize procurement practices to include social procurement, purchasing is increasingly being used to extend opportunities to vulnerable communities and individuals, creating accessible education and job opportunities for communities traditionally at the margins or excluded from the economy.

Similarly, Community Benefits Agreements are a practical tool for community economic development initiatives to engage with development projects and create local opportunities. Bill C-227, currently before the House of Commons, would give the Minister of Public Works and Government Services the authority to require an assessment of community benefits from bidders on federal contracts. Similarly, Ontario's *Infrastructure for Jobs and Prosperity Act* (2015) requires community benefits to be promoted in infrastructure planning and investment. These are valuable steps, building on the experience of the Toronto Community Benefits Network and other jurisdictions to create labour market opportunities for vulnerable populations.

- **Broaden the definition of successful outcomes**

What is counted as success determines the nature of the LMTA, and this definition should be broadened to include more than simply sustained labour market attachment. Benefits of training programs can include commitments to further education, increased confidence and well-being, and the extended, multi-generational impact of parents' labour market attachment efforts.

Q6. How could employment and skills training programs be more responsive? (e.g. changing nature of work, increasing entrepreneurship, diverse workforce)

- **Support broader community engagement and local level decision-making**

If a community is to grow and thrive, local governments and organizations should be engaging citizens to generate new ideas and take ownership of the results. Members of the Canadian CED Network have demonstrated the added value of community mobilization. For example, CEDEC's Revitalization Initiative has mobilized communities to create 10s of millions of dollars' worth of project ideas leading to millions of dollars in increased revenues. Labour market transfer agreements should increase local-level program decision-making -- unlike the required funding of the federally-designed Canada Job Grant, which has limited local flexibility.

INFORM

Q9. What information do Canadians need to better understand the outcomes of investments in employment and skills training programs?

- **Emphasize evaluation and communication of results in funded programs**

Return on Investment studies are effective tools for displaying the impact of increased employment and skills training opportunities on not only the individual who receives the training, but the community as a whole. Sector-wide initiatives to promote shared measurement and/or communications of impact can build awareness and support for effective employment and skills training programs.



About the Canadian CED Network

The Canadian Community Economic Development Network (CCEDNet) is a member-driven, not-for-profit, charitable organization made up of community-based organizations, co-operatives, social enterprises, practitioners, active citizens, researchers, and other organizations involved in community economic development (CED). Throughout Canada, CCEDNet members are helping local residents take action to build healthy, inclusive and vibrant places by creating economic opportunities that improve social and environmental conditions.

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The Canadian CED Network
Le Réseau canadien de DÉC



Community economic development (CED) is action by people locally to create economic opportunities and better social conditions, particularly for those who are most disadvantaged.

Le développement économique communautaire (DÉC) est une approche locale visant à créer des débouchés économiques et de meilleures conditions sociales, en particulier pour les personnes et les groupes les plus défavorisés.

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