



Backgrounder on Labour Market Transfer Agreements¹

In the summer of 2016 more than 700 stakeholders from across Canada provided their feedback on how to better support Canadians to achieve their labour market goals.

On the strength of these consultations, federal, provincial and territorial governments are creating a new generation of labour market transfer agreements (LMTAs) to support Canadians in achieving their labour market goals.

Based on what was heard in the consultations, governments are making changes to the LMTAs to ensure services and programming are:

- Driven by labour market demand and employer needs;
- Based on evidence and a long-term view of changing labour markets;
- Developed through stakeholder engagement, with a focus on quality training and services to support the development of a range of skills, including essential and technological skills; and,
- Aligned and coordinated across governments – particularly for multi-barriered clients and those further from the labour market.

What does this mean for Canadians?

The LMTAs support Canadians prepare for, obtain, advance in, and keep good jobs. This programming helps employers meet the skills needs of their current and future workforce. This new generation of LMTAs aims to improve these positive labour market outcomes for Canadians:

- More Canadians will get access to the training and supports they need to be successful in the labour market, including literacy and skills training for individuals facing multiple barriers to employment;
- For job seekers and workers, this means increased employment earnings, greater job security and progress towards sustainable employment; and,

¹ While Quebec and the federal government pursue, in general, similar labour market development objectives, Quebec cannot endorse the proposed multilateral approach for the renewal of the Labour market transfer agreements. Quebec is confident that the ongoing discussions with the federal government will rapidly lead to new agreements that respect Quebec exclusive jurisdiction related to workforce skills training as well as its institutional and legislative framework.

- For employers, this means access to the labour force talent that meets their needs, success in hiring from all sources including under-represented groups and improved human resource and labour market capacity.

What types of programs and services do the LMTAs support?

The LMTAs support a variety of employment services and skills training programs, including:

- Employment counselling and services;
- Training to improve levels of literacy, essential and work-related skills;
- Upskilling for those precariously employed and underemployed;
- Needs-based services to strengthen the impact of skills training;
- Supports for persons with disabilities to enter and stay in the labour market;
- Employment partnerships with employers and other stakeholders to address workforce skills and training issues;
- Building knowledge and a network of sharing to support continuous improvement; and,
- Piloting and testing new and innovative approaches to meet diverse client needs.

Programs like the Refugee Employment Development Initiative (REDI) help refugee jobseekers in Manitoba to integrate into workplaces. Participants in the program improve their language skills, learn occupation-specific essential skills and get technical training, all with the help of a team of support staff. REDI has supported refugees like Aamiina from Somalia and Fatuma from Kenya in securing jobs. Following her training, Aamiina was hired by a company in rural Manitoba. Now her father, brother and mother are employed in full-time positions at the same company. After Fatuma's training with REDI, she secured a job at a Winnipeg cleaning company and has since been promoted to the position of Supervisor.

What are governments trying to achieve?

Governments are working together through the LMTAs and other programming towards shared objectives, which complement each government's own local market priorities.

These shared objectives are to:

- **Foster inclusive labour market participation:** helping all Canadians access labour market opportunities and support successful integration of those facing obstacles to finding and maintaining employment;
- **Align skills with labour market needs:** helping workers and employers access the skills they need to adapt to the changing requirement of jobs and the labour market; encouraging employer involvement in training and continuous learning opportunities for workers; and,
- **Create efficient labour markets:** supporting strong and responsive labour market infrastructure to allow for timely and effective labour market programming, which contributes to improved productivity and economic growth.

How do the LMTAs do this?

With **greater flexibility** to design and deliver local labour market programming, each province and territory is now **better equipped** to respond to the emerging issues that affect their diverse regions through agreements that:

- Provide a **wide range of services** based upon the needs of clients. This includes services to meet the needs of people who are unemployed and people who are looking for a better job. It also includes services that meet the needs of employers who wish to improve their workforce;
- **Support people from diverse backgrounds** to help them find jobs. In particular, to support people who have experienced difficulties in finding work;
- Are **focused on results**. Governments will closely track the impacts participation in services are having on clients to ensure that services are effective;
- Are **collaborative**. Agreements will involve different orders of government, Indigenous partners and other organizations working together to ensure that they are delivering the best quality services possible; and
- Are seeking to make **continuous improvements** in services so that they meet the current and future needs of Canadians.

Governments are working together to better report to Canadians on the positive outcomes expected from this work. For job seekers and workers, this means increased employment earnings, greater job security and progress towards sustainable employment. For employers, this means access to a labour force that meets their needs, success in hiring from diverse groups and improved human resource and labour market capacity.



Governments will improve data collection and analysis of results to enhance programs and services, better communicate with Canadians and ensure goals for job seekers, workers, and employers are being met.

How are governments strengthening the LMTAs?

In response to what was heard in the consultations federal, provincial and territorial governments are creating a new generation of LMTAs that will:

- Provide an additional federal investment of \$2.7 billion over six years, starting in 2017-2018;
- Broaden eligibility for the Labour Market Development Agreements; and,
- Consolidate the Canada Job Fund agreements, Labour Market Agreements for Persons with Disabilities, and the former Targeted Initiative for Older Workers into new simplified and flexible Workforce Development Agreements.

Each year, over **1.4 million individuals** use employment services and/or skills training programs under the labour market transfer agreements

Labour Market Development Agreements		Labour Market Development Agreements (\$14.6 billion over six years)
Canada Job Fund		Workforce Development Agreements (\$5.2 billion over six years)
Labour Market Agreements for Persons with Disabilities		
Targeted Initiative for Older Workers		

	Labour Market Development Agreements	Workforce Development Agreements
<p>Sue</p> <p>Sue is a mother of two. She has been out of the workforce for several years but wants to return. She doesn't qualify for EI regular benefits, but wants to go back to school.</p>	<p>Under the expanded eligibility for the Labour Market Development Agreements, if Sue had paid EI premiums in 5 of the last 10 years, she could be eligible to access skills training. She would also have access to employment supports regardless of her eligibility for skills training.</p>	<p>Sue could have access to skills training and employment supports under the new Workforce Development Agreements.</p>
<p>Ali</p> <p>Ali is the owner of a business in an industry in decline. In order to remain competitive, Ali needs to improve the skills of one of his workers, Reuben. If Reuben doesn't upgrade his skills, Ali will have to lay him off.</p>	<p>Ali and other employers facing layoffs can potentially get support for skills upgrading for their employees through employer-sponsored training under the expanded Labour Market Development Agreements.</p>	<p>Under the new Workforce Development Agreements, Ali – along with all employers, regardless of their economic challenges – could potentially access and contribute to employer-sponsored training for their employees.</p>

