



The AAISA Research Bulletin has been developed to provide information to members and community partners around a wide range of policy and legislation trends and implications affecting immigrants and immigrant-serving agencies in Canada and Alberta. Our goal is assisting Albertan settlement agencies to work in and understand changes impacting the sector.

Labour Market Agreements

Definition

Labour Market Agreements (LMA) are intended to provide federal funding for provincial and territorial labour market programs for “unemployed persons who are not eligible for Employment Insurance (EI) benefits; and employed persons who do not have a high school diploma or recognized certification, or have low levels of literacy and essential skills¹.” The priorities of LMA funding are determined by the provinces and territories based upon their individual labour needs. Provinces will work with employers and businesses to enhance the economic capacity and success of program beneficiaries. LMAs were created under a six year term, terminating in March 2014.

Additionally, Labour Market Development Grants (LMDA) compliment LMAs. LMDAs are meant to assist unemployed Canadians who are eligible for EI benefits. In Alberta, the LMDA was signed on December 6, 1996 and amended in 2009².

By definition, the settlement and integration sector is primarily concerned with LMAs as they focus primarily on low-skilled and unemployed workers who are not EI eligible.

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

- *Forum of Labour Market Ministers*

Funding and Progression

The table below represents the provincial/territorial LMA financial agreements signed in 2008 and 2009³. As shown below, the contribution amount is determined by a fixed formula applied universally. Two provinces and one territory signed five-year LMAs, compared to the standard six year LMA. The total amount of funding for the six years is divided per fiscal year and is reported in the Annual Report completed by each province/territory. These numbers do not include an additional distribution of \$1.95 billion

¹ http://www.esdc.gc.ca/eng/jobs/training_agreements/lma/index.shtml

² http://www.esdc.gc.ca/eng/jobs/training_agreements/lmda/index.shtml

³ All data retrieved from the “Financial Provisions” section of each LMA
http://www.esdc.gc.ca/eng/jobs/training_agreements/lma/index.shtml



under the LMDAs⁴. As the current LMA program is nearing its conclusion, consideration of the next steps is being undertaken by the Federal government.

Province	Funding 2008-2014
Alberta	316,044,000.00
British Columbia	400,000,000.00
Manitoba	108,000,000.00
New Brunswick	68,400,000.00
Newfoundland and Labrador	46,100,000.00
Northwest Territories*	3,200,000.00
Nova Scotia*	70,900,000.00
Nunavut*	2,300,000.00
Ontario	1,200,000,000.00
Prince Edward Island	12,612,000.00
Saskatchewan	90,690,000.00
Yukon Territory	2,485,000.00

The LMA initiative has specific provincial/territorial funding models based on the universal equation of $F \times (K/L)$. Where⁵

- F = \$500 million
- K = the total population of the province/territory for the fiscal year
- L = the total population of all provinces and territories for the fiscal year

History and Success

The Canada-Alberta Labour Market Agreement (LMA) was signed by the Government of Canada and Alberta in September 2008 and amended in May of 2009⁶. The LMA is a primarily economic reform supported by the Minister of Human Resources and Skills Development and the provincial Minister of Employment and Immigration. Eligible programs may include⁷

- Assisting in start-up businesses
- Projects that create employment
- Skills training
- Mobility and relocation assistance
- Projects that support employers and communities in addressing labour market changes

⁴ <http://actionplan.gc.ca/en/initiative/canada-job-grant>

⁵ http://www.esdc.gc.ca/eng/jobs/training_agreements/lma/ab_agreement.shtml#financial

⁶ <http://humanservices.alberta.ca/publications/6388.html>

⁷ http://www.esdc.gc.ca/eng/jobs/training_agreements/lma/ab_amending.shtml



The Canada-Alberta LMA confirmed that the Canadian Government would provide Alberta with two fiscal years of funding, spanning 2009/10 and 2010/11. Statistics on the number of unemployed eligible persons will be determined by Statistics Canada Labour Force Survey data for the specific fiscal years. Oversight of the spending under the LMA guidelines rests with the province, under an accountability framework including, but not limited to⁴,



The Forum of Labour Market Ministers compiled data on the LMAs across Canada, resulting in the 2012 report *Building Skills Together*. A few highlighted successes of the program are⁸

Employment

87% of clients are employed after the programs, compared to 44% of clients entering the program

Wages

The average client increased his/her earnings by \$323 per week

Credentials

As part of their training, 87 per cent of clients surveyed received a credential (certificate or diploma) showing they had acquired transferable skills.

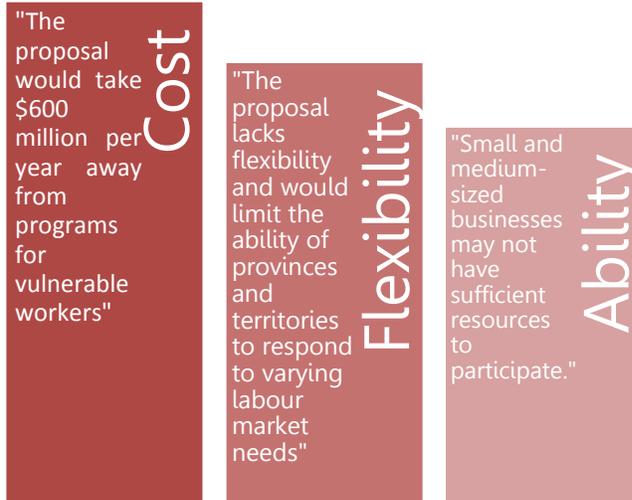
Each province reports their program successes and challenges in Annual Reports. While the successes of the LMA have contributed to an increase in labour market contributions, the program has experienced challenges as well. When considering a “one-size-fits-all” program like the Canada Job Grant, provinces are “unanimous in our belief that the proposed Canada Job Grant is not the best tool to meet this objective [engaging employers in improving the

* indicates five year agreement

⁸ <http://eae.alberta.ca/media/387243/building%20skills%20together.pdf>



skills of their employees is important to effective training]⁵." Challenges include⁵:



Next Steps

Considered a renewal of the LMAs, the Canada Job Grant has been proposed to the provinces and territories. Reception of this grant has been mixed to negative, particularly in regards to the perceived inflexibility and time constraints of the program⁹. The Economic Action Plan 2013 suggests that LMAs will be renewed with \$500 million per year. However, the Plan also indicates that the LMAs will be further amended to "directly connect skills training with employers and jobs for Canadians with the Canada Job Grant¹⁰." This implication could limit the applicability of the funding to newcomers, temporary workers, and their families.

In February 2014 Minister Jason Kenney responded to the concern of the provinces/territories with a counter offer, including considering the provinces'/territories' request for extended start dates and increased flexibility in applying the program⁹. Reception to the amended job grant was much more positive than the initial "take it or leave it" proposal submitted in 2012¹¹. As the economic security of Canada remains a primary concern across the nation, immigration is sure to face challenges in matching skills to economic need.

⁹ <http://www.cbc.ca/news/politics/canada-job-grant-jason-kenney-s-final-offer-gives-provinces-more-flexibility-time-1.2546547>

¹⁰ <http://actionplan.gc.ca/en/initiative/canada-job-grant>

¹¹ <http://www.cbc.ca/news/politics/canada-job-grant-notably-different-from-take-it-or-leave-it-offer-1.2555173>



Disclaimer: This report has been drafted, compiled, and reviewed by the AAISA Research Committee and staff person. It has not been sanctioned by any government agency representatives and should be confirmed as appropriate.

A MESSAGE FROM

AAISA is dedicated to providing current, evidence-based research and policy updates to its Alberta member agencies and stakeholders. The Research and Policy Brief project serves to offer a detailed account regarding the issues directly facing the settlement sector across our province. Our goal is to offer our members and stakeholders the best information available to enhance and inform their practice.

Contact

915 — 33 Street N.E.
Calgary, Alberta T2A 6T2
Phone: (403) 273 -2962
Fax: (403) 273 2964
E-mail: admin@aaisa.ca

www.aaisa.ca



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