

Renew Federal-Provincial Labour Market Agreements Instead of Implementing the *Canada Job Grant*

Background

In the Budget 2013 speech, Canada's Minister of Finance announced a new initiative called the *Canada Job Grant*. This grant would be offered uniformly across the country to businesses that hire and train unemployed workers. The Grant, "will require matching from employers as well as provinces and territories. (...) The Grant will provide access to a maximum \$5,000 federal contribution per person towards training at eligible training institutions. This means the Grant could provide \$15,000 or more per person, including provincial/territorial and employer contributions."¹

The Canadian Chamber of Commerce supports the objectives of this initiative to encourage hiring and on-the-job training. The Canadian Chamber recognizes that Canadian employers must invest more in training their workforce and that government employment assistance programs should encourage them to do so.

In the 1990s, the federal government transferred responsibilities, budgets and staff assigned to job training and development programs to provincial governments so that these programs could take into account the diverse realities of the labour market in the various regions of the country.

When renewing the Labour Market Agreements, the federal government needs to avoid certain potential drawbacks and address certain key concerns. The issues and concerns to address include:

- Not reducing the overall pool of funding available to provinces and territories;
- Allowing provinces and territories to determine the use of program funding according to the needs of each labour market;
- Avoiding duplication of provincial programs or making the process more cumbersome and bureaucratic
- Taking into account the very diverse needs of businesses based on economic sectors and regions. "One size fits all" employment assistance cannot meet all these needs; and,
- Recognizing that many small businesses cannot afford to pay much for training, yet SMEs are the ones most in need of assistance.

Recommendation

That the federal government:

1. Instead of implementing its own *Canada Job Grant* program, negotiate with provincial/territorial governments to renew labour market agreements that are set to expire in 2014, in accordance with on-the-job training priorities.
2. Work with a task force of CEOs and representatives of provincial/territorial chambers and the CEO of the Canadian Chamber of Commerce who will inform the federal/provincial/territorial negotiations and take an active role in the renewal of the Labour Market Agreements to ensure they are respectful of the regional needs of the businesses in each province and territory.

¹ <http://actionplan.gc.ca/en/initiative/canada-job-grant>