

Ottawa, provinces work to resolve training spat

Dispute comes down to one of direction: Upgrade skills of people who are already working or help people at the margins of the workforce

BY PETER O'NEIL, VANCOUVER SUN NOVEMBER 6, 2013



Jane Joo, shown here in a September photograph, completed a 10-week program offered by the Tradeworks Training Society, funded by the province's Labour Market Agreement program that is facing a major cut in federal funding. The program includes basic carpentry training, and life and employability skills, for women with various barriers to employment. The barriers, according to Tradeworks, include homelessness, mental and physical disabilities, social isolation, childhood abuse, substance abuse, or criminal records. The program supports include individual counselling, basic child care support, public transit transportation costs and a healthy lunch each day. (

Photograph by: Wendy D

OTTAWA — A top political fixer in Prime Minister Stephen Harper's cabinet will be in Toronto Friday to try to resolve one of the most explosive federal-provincial disputes since Harper took power in 2006.

Employment Minister Jason Kenney will meet with B.C. Jobs Minister Shirley Bond and her provincial counterparts to argue a simple question.

Did the provinces, after they took over \$500 million a year in training funds in 2008, botch their pledge to spend that money wisely?

Ottawa says yes and it wants to snatch back two-thirds of that money to launch its own training program called the Canada Jobs Grant.

Kenney is regularly dismissive of the 2008 Labour Market Agreement as “training for training’s sake” that often teaches and re-teaches basic skills like resumé-writing.

The federal government has linked the program to widespread complaints that Canada faces a skills shortage that has left hundreds of thousands of jobs unfilled.

“The skills mismatch in Canada speaks for itself,” said Kenney spokesman Nick Koolsbergen. “We have repeatedly heard from employers and Canadians that the current approach to skills training in Canada is not working.”

A federal document obtained this week by Postmedia News shows that some provinces, including B.C. which gets \$66 million a year under LMA, haven’t even spent their full allotment (see story, page A9).

Kenney seized on that to argue that a federal training program is necessary.

Experts, while in many cases not fans of the federal training plan, also argue that there are legitimate questions about the statistics provinces use to back their claims of success.

Former senior Ontario government bureaucrat Michael Mendelson, who supports provincial control of job training, said provincial figures showing a high percentage of LMA training participants were “satisfied” are largely meaningless.

“There is some relatively hard data about improvement in employability and that’s pretty good, but on the other hand I think the evaluations could be much tougher and much better,” said Mendelson, who is with the Caledon Institute think-tank.

The Harper government announced in the spring budget it plans to take back \$300 million of the \$500 million annual LMA transfer starting next spring to launch the jobs grant, which will subsidize employers to provide their current or new workers with better skills. Ottawa expects the employer and the province to match the \$5,000 federal grant, but provincial governments are threatening to boycott the program.

The jobs grant has fervent supporters such as Al Hildebrandt, president of a fast-growing Kelowna firm called QHR Technologies that develops and markets medical records management software.

He said the jobs grant would be an ideal way to work with a local college to help upgrade the skills of new company recruits.

Critics of Ottawa’s plan often say they don’t necessarily oppose the jobs grant — but argue that it shouldn’t come at the cost of gutting LMA-funded programs.

Bond and her colleagues will arrive in Toronto armed with the statistics Ottawa required them to collect when both levels of government agreed in 2008 that lower levels of government were better able to handle job training.

“What we know right now is B.C.’s LMA programs are improving the employability of the marginalized British Columbians we are targeting,” Bond said in an email. “In some cases we are seeing employment rates double, from when people enter these programs to having jobs 12 months later.”

B.C.’s \$66-million training budget is aimed at helping to train the disabled, undereducated youth, jobless or underemployed aboriginal Canadians, recent immigrants and older workers.

While the provinces say their skills programs have performed strongly, experts say the figures aren’t particularly reliable in showing whether program participants — like those in B.C.’s “BladeRunners” program that provides “at-risk” youths, the majority aboriginal, with certified health and safety training, life and job readiness skills, and on-the-job training — are successful.

BladeRunners, according to Bond, resulted in 45 per cent of participants in 2012-13 having employment after training, compared to five per cent before, while a further 20 per cent sought additional training or study opportunities.

BC Stats, a provincial agency, questioned 10,471 people who took LMA-funded programs in 2011-12. Of the 4,049 respondents surveyed 12 months after completing the program, more than 90 per cent expressed “satisfaction” and said they felt the program helped them prepare for employment opportunities.

The report said 70 per cent of respondents received a “certification or credential,” and their gross hourly wage was \$17.33 a year after completing the program compared with \$15.72 before it began.

Performance figures are similar in other provinces, including Ontario, but some observers aren’t impressed.

A 2012 report on the Ontario performance by Don Drummond, a former TD Bank chief economist, said training polices aren’t — but should be — based on a “defensible evidence base.”

University of B.C. economist Thomas Lemieux said in an interview that an increase in wages doesn’t necessarily indicate success unless the performance is compared to a “control group” of similar people not taking the programs.

Jock Finlayson, executive vice-president and chief policy officer at the B.C. Business Council, analyzed at The Sun’s request the statistics for the LMA and the Labour Market Development Agreement, another program Ottawa handed to the provinces.

“The information provided doesn’t allow one to draw strong conclusions as to the efficacy of the various activities funded through the LMA and the LMDA envelopes,” Finlayson concluded.

“Undoubtedly some people who participate in these programs are acquiring additional skills, getting useful help with job search, etc., but it’s difficult to say much about their overall impact.”

While Finlayson and B.C. Chamber of Commerce President John Winter agree that government-funded training isn’t meeting employer needs, both questioned Ottawa’s plan.

The jobs grant will offer a maximum of \$15,000 a worker. That's not enough to cover the one or two years of training needed to help end labour shortages in the skilled trades and technical occupations, like equipment operators in hospitals, according to Finlayson.

"The focus of the (jobs grant) on 'short-term' training is a bit puzzling and raises some questions," Finlayson said. "How will the (jobs grant), as Ottawa conceives of it, help to meet labour shortages in occupations where short-term training won't be enough?"

Both question whether Ottawa can run the new program, given that the federal government transferred those employees who used to manage federal programs to the provinces in 2008.

Ross Gentleman, former head of Tradeworks, a program that runs LMA-funded carpentry training programs, said Kenney isn't necessarily wrong in his portrayal — from a "middle class" perspective, according to Gentleman — of the LMA's performance.

Kenney is focused on the need to provide training for the skilled trades, while the LMA is intended for people on the margins of the workforce.

Teamworks offers women and youths in East Vancouver basic carpentry training as well as guidance on the life skills needed to get and keep a job.

Even if such programs don't lead to full-time jobs, the program is more useful for society than "just ignoring those people," Gentleman said.

While some Tradeworks graduates have gone on to become apprentices, the notion that the program's success should be judged on whether the person immediately finds a job is flawed, he said.

"These people may not be able to apply what they learned for another year or two."

Even if provincial statistics stand up to scrutiny, it's clear Ottawa wants the money for something far different than what LMA was intended to do.

The 2008 LMA goal was meant to target Canadians on society's margins, while Ottawa wants to focus on people who are most likely already literate, have some certified skills, often have jobs, and just need to upgrade.

"It's kind of weird," said Mendelson of Ottawa's complaint that the provinces aren't delivering value. "It's like somebody saying my automobile won't wash the sheets."

Winter says the jobs spat may involve a problem of mischaracterization.

"It's our view that many of these programs are really social programs, not employment programs, and while government may have an obligation in this regard, they do us all a disservice positioning them as employment programs when they are really a part of the social safety net."

poneil@postmedia.com [Twitter.com/poneilinottawa](https://twitter.com/poneilinottawa)

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