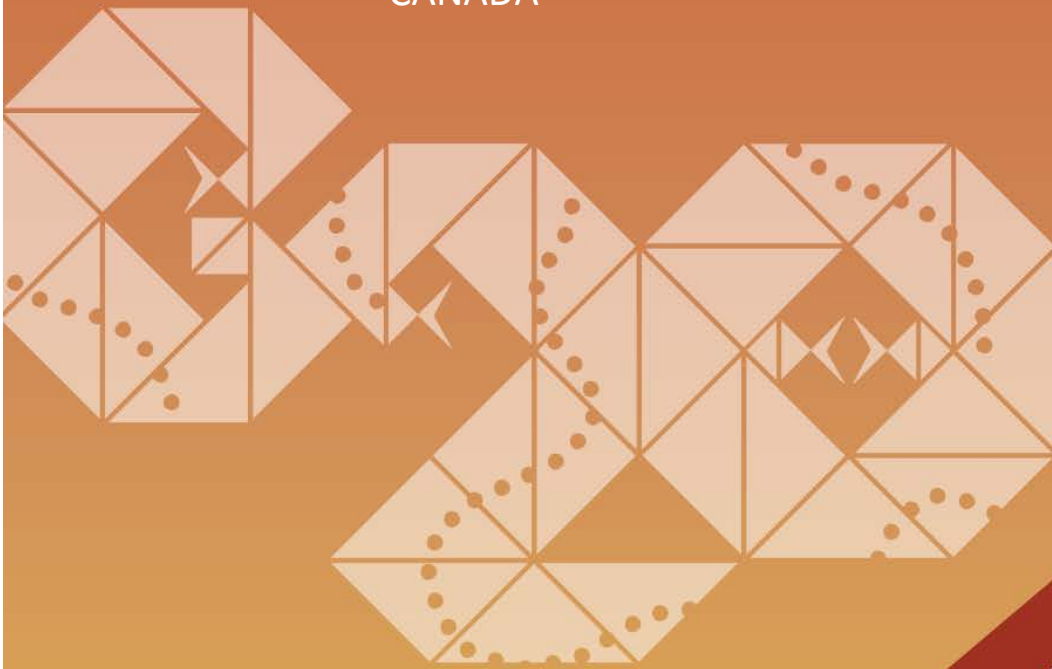


EMPLOYMENT PLAN 2014  
CANADA



## CONTENTS

1. Employment and labour market outlook
2. Employment challenges for Canada
3. Current policy settings and new commitments
4. Monitoring of commitments



## 1. Employment and labour market outlook

The Canadian economy is performing relatively well in the context of the global economic recovery. In the February 2014 federal Budget, private sector economists noted real gross domestic product (GDP) is expected to rise from 1.7 percent in 2013, to 2.3 percent in 2014 and 2.5 percent in 2015. Since January 2006, Canada has created over 1.6 million net new jobs across the country, and these jobs have mainly been high-wage, full-time, private-sector employment. The performance of the Canadian labour market is also reflected in the long-term unemployment rate (the number of people unemployed for a period of at least 27 weeks as a share of the labour force). In 2013, Canada's long-term unemployment rate stood at 1.4 per cent, which suggests that the majority of the unemployed made the necessary adjustments to meet the needs of the labour market.

Canada, however, is not immune to external developments. Restrained by weaker export markets and volatility in commodity prices, Canada's economy will continue to face risks to growth. In particular, if the ongoing re-pricing of global risk further exposes financial market vulnerabilities among some emerging economies, this could translate into weaker-than-expected growth for those countries and increase volatility in global capital markets. Furthermore, the exposure of Canadian households to elevated levels of household debt continues to be the main domestic risk to the Canadian outlook.

In addition, while Canada has experienced solid job creation over the recovery, several labour market challenges exist. The unemployment rate in July 2014 was 7.0 per cent, approximately 1 percentage point above its pre-recession level, and, the unemployment rate continues to be persistently higher for particular groups, including recent immigrants, Aboriginal peoples, youth, persons with disabilities and low-skilled individuals. In addition, some Canadian firms are experiencing difficulty in hiring in certain regions and occupations, in particular, the skilled trades and science-based occupations. Looking ahead, labour shortages are expected to increase in some occupations, sectors or regions, as the economy improves and population ageing exerts some downward pressure on labour supply.



Table 1: Economic and labour market conditions, 2008 (LHS) and 2013 (RHS)								
	Real GDP growth		GDP per capita (USD terms)		Employment growth		Employment to population ratio	
Canada	1.2	2.0	\$36,951	\$37,016	1.7	1.3	63.5	61.8
G20 median	1.4	1.9	\$25,339	\$26,243	1.1	0.9	57.7	57.1
	Unemployment rate		Incidence of long-term unemployment		Youth unemployment rate		Youth unemployment to population ratio	
Canada	6.1	7.1	6.7	12.2	11.6	13.7	7.8	8.7
G20 median	6.3	6.1	24.1	31.0	N/A	N/A	6.9	7.8
	Participation rate		Female participation rate		Working age (15 to 64 years) participation rate		Collective bargaining coverage	
Canada	67.7	66.5	62.7	62.1	78.5	78.1	N/A	26.5 <sup>1</sup>
G20 median	60.2	60.3	50.0	51.8	70.4	71.2	N/A	28.8
	Informal employment rate		Minimum wage (Per cent of average wage)		Gini coefficient		School completion rate	
Canada	N/A	N/A	TBD	TBD	0.32	0.31	TBD	TBD
G20 median	N/A	42.2	34.9	34.9	0.341	0.376	76.5	78.9
	Literacy rate		Year 12 attainment (among age 25 to 64 years)					
Canada	TBD	TBD	87.0	89.1				
G20 median	N/A	N/A	69.8	74.2				

<sup>1</sup> According to Canada's Labour Force Survey, as a share of total employment, 26.5% of employees were members of a union and/or were covered by a collective agreement in 2013.

## 2. Employment challenges for Canada

Looking ahead, Canada's labour market will be shaped by a number of trends, including population ageing, continued globalization and increased skill requirements. Over the coming decades, the shift toward an older population is expected to reduce Canada's labour force participation rate from the current 67 per cent, to 61 per cent by 2050. This is expected to dampen growth in the number of people available to work, with projections suggesting a decrease in annual employment growth from about 1 per cent currently, to approximately 0.5 per cent by 2020. In addition, strong demand for highly skilled workers is expected to continue along with ongoing technological change and globalization, which are transforming the workplace and increasing demand for new and advanced technical skills. In light of these pressures facing the Canadian labour market, meeting future challenges will require a skilled, mobile, flexible, and inclusive labour force.

### CHALLENGE: ADDRESSING IMMEDIATE SKILLS SHORTAGES AND MISMATCHES

Canada's unemployment rate is 7.0 per cent (July 2014), approximately 1 percentage point above its pre-recession level, whereas the job vacancy rate (the share of jobs available that are unfilled) is at a level similar to its pre-recession level. In addition, while Canada enjoys a fairly mobile population that responds well to economic opportunities and regional differences in labour market conditions, imbalances persist in certain regions, sectors and occupation groups. In some regions of the country, employers continue to identify the immediate shortage of skilled labour as an impediment to growth, and both employers and business associations across the country are expressing growing concerns about the difficulty in finding skilled workers. Skills shortages are currently concentrated in specific sectors and regions of the Canadian economy. Occupations showing signs of shortage conditions are predominantly in health, engineering and skilled trades sectors (e.g. construction, oil and gas, and mining). The number of firms reporting shortages is expected to continue to increase as the economy improves further and the unemployment rate returns to pre-recession levels. Taken together, population ageing and the associated weaker growth in labour supply could contribute to larger skills and labour shortages and increase the economic impact of mismatches.

### CHALLENGE: ALIGNING SKILLS DEVELOPMENT TRAINING AND INVESTMENTS TO SUPPORT THE WORKFORCE OF THE FUTURE

Ensuring that Canada's future workforce is preparing for job opportunities and receiving training in fields that will be in high demand in the future will be critical to Canada's long-term prosperity. To help Canadians obtain the training and skills they need to fully participate in the labour market, the Government of Canada invests over \$13.5 billion each year in skills training (e.g. in 2013-2014, the Government transferred \$2.7 billion to provinces and territories to support labour market programming, including Labour Market Development Agreements (LMDAs), Labour Market Agreements (LMAs), Labour Market Agreements for Persons with Disabilities (LMDAPDs), and invested over \$10 billion in support of post-secondary education). Despite this significant investment, the national job vacancy rate indicates some misalignment between the skills of the unemployed and those required by employers. Looking ahead, skills upgrading with an emphasis on education and training will allow Canada to compete in the global economy and help to create long-term economic advantages.

Skilled trades also play an important role in a knowledge-based economy and are essential to maintaining Canada's competitive position. Apprenticeship training in Canada is part of the post-secondary system and is typically used as a way to train individuals in the skilled trades. While elements of the Canadian apprenticeship system are functioning well, challenges remain. Evidence suggests misalignment between the skills of the unemployed and those required by employers, with higher job vacancy rates in the skilled trades and science-based occupations. In addition, despite efforts to harmonize regulations across jurisdictions through the Interprovincial Standards Red Seal Program, the existence of 13 different apprenticeship systems continues to restrict the mobility of apprentices across jurisdictions. Furthermore, while the number of apprentices completing training and obtaining certification has doubled from 2000 to 2011, apprenticeship completion rates have averaged only 50 per cent over this period.



Education in Canada is an area of provincial and territorial legislative jurisdiction; however, the federal government has a strong interest in supporting post-secondary education to meet national priorities. Proportionally, Canada continues to lag behind other OECD countries in professional graduate degrees; and relatively fewer Canadians (1 per cent of Canadians aged 25-34 compared to 1.5 per cent for the OECD average in 2011) graduate in high-demand fields, such as science, technology, engineering and mathematics (STEM), and apprenticeship programs. In addition, some vulnerable populations continue to have significantly below-average educational outcomes, including Aboriginal, low-income and students with disabilities. Emerging “disruptive” technologies such as massive open online courses are also changing the landscape of post-secondary education. Given that students participating in Canada’s education system are the largest source of new labour market supply, providing them with the right skills will be essential to further Canada’s economic prospects. Looking ahead, Canada will need a mobile, flexible and highly skilled labour force to keep up with rapidly advancing technology and increased worldwide competition.

## CHALLENGE: IMPROVING THE PARTICIPATION OF UNDER-REPRESENTED GROUPS IN THE LABOUR MARKET FOR JOBS NOW AND TOMORROW

As Canada’s population continues to age, it will need to better utilize sources of potential labour to remain globally competitive. The tightening labour market underscores the need to mobilize and increase the economic participation of all available workers, an important means of achieving economic growth and long-term prosperity. This is particularly true given that a number of groups remain under-represented at a time when skills and labour shortages are re-emerging, including low-skilled individuals, youth, recent immigrants, Aboriginal peoples, persons with disabilities, women and older Canadians.

Despite relatively strong job creation in Canada over the recovery, the employment rate for youth remains below the pre-recession peak and the unemployment rate of youth remains elevated. In April 2014, the youth unemployment rate stood at 13.4 per cent, approximately twice as high as the overall unemployment rate (6.9 per cent) and 2.5 percentage points above its pre-recession level. Canadian youth still have one of the highest employment rates among OECD countries, ranking fifth among its OECD peers. However, more can be done to ensure young Canadians are receiving the training and opportunities they need to realize their full potential.

Going forward, immigration will be increasingly critical for net labour force growth in Canada. Overall, immigrant economic outcomes have been positive in Canada, however, a number of challenges remain. Concerns include immigrant under-employment, higher unemployment rates and lower earnings, as well as weaker labour market outcomes compared to Canadian-born workers, despite high levels of educational attainment of immigrants. In addition, factors preventing the effective labour market integration of immigrants include significant challenges related to official language and literacy, and credential recognition.

Another under-represented group is Canada’s Aboriginal population, which is the youngest and fastest growing segment of the Canadian population, with a median age that is 13 years younger than the Canadian population at large. Aboriginal peoples in Canada, however, continue to face a number of barriers to successful labour market integration, including low literacy levels and high school completion rates. In 2011, the Aboriginal unemployment rate was 15 per cent (double the non-Aboriginal rate) and this increases to approximately 25 per cent for Aboriginal peoples living on reserve. For their part, persons with disabilities represent a large pool of potential labour whose participation rate of 56 per cent for those aged 25 to 54 (2006) lags the national Canadian average (86 per cent for the 25 to 54 years old in 2006). However, completing some form of post-secondary education and participating in the workforce remain a challenge for many persons with disabilities. Key barriers include challenges in adapting facilities at educational institutions and workplace policies and accommodations.

While women’s labour market participation rate (74.6 per cent in 2013) has been converging towards that of men (81.6 per cent), leading to Canadian women having among the highest participation rate in the G20, some women continue to experience challenges in certain areas of the labour market, including the trades. Similarly, older workers are faring relatively well in Canada, however, economic uncertainty can create unique challenges, particularly in communities where traditional industries have reduced their presence and workforce. Looking ahead, Canada will no longer be able to rely on sustained labour force growth to drive the expansion of the overall economy. To that end,



improving labour force participation, particularly of under-represented groups, is an important potential source of talent to help mitigate the challenges of an ageing population and slowing labour force growth.

### 3. Current policy settings and new commitments

Through Canada's *Economic Action Plan 2014*, the Government continues to focus on the key drivers of job creation and growth – innovation, investment, skills and communities. The initiatives under the Plan are meant to connect Canadians with jobs, help businesses succeed in the global economy, and foster research and innovation. The measures also support public infrastructure, as well as families and communities.

#### BROAD ECONOMIC SETTINGS

Over the short term, the economic objective of the Government of Canada is to close the output gap by creating stable and high quality jobs, fostering economic growth, and maintaining a low tax environment. This objective is underpinned by the Government's plan to return to a balanced budget in 2015. Going forward, the Government's ultimate economic objective is to boost potential output growth and maximize living standards for Canadians through a policy framework that encourages education and skills development, innovation, openness to trade and investment, responsible resource management, economic diversification, and a strong financial sector. The policy framework is firmly anchored in a commitment to long-term fiscal sustainability. Through the G20 St. Petersburg Fiscal Strategy, Canada has set the goal of achieving a federal debt-to-GDP ratio of 25 per cent by 2021. Lower debt levels will reduce debt-servicing costs and maintain low taxes, contributing to a stable investment climate that supports job creation and economic growth.

The Government of Canada's economic objective of creating high quality jobs and pursuing economic expansion in a balanced and fiscally responsible manner will ensure that growth is sustainable. A robust policy framework will also help ensure that Canadian consumers and businesses are in the best position to respond to any future economic shocks. Canada's approach will foster positive spillovers through openness to global trade, productivity spillovers, and the shared benefits of research and innovation. Sustainable economic growth means that the rest of the world will continue to benefit from demand from Canadian businesses and individuals. Exports of Canada's natural resources, developed in a responsible and sustainable manner, will support jobs and growth in Canada and abroad.

#### Macroeconomic policy

Canada's monetary policy framework consists of two key components: a flexible exchange rate and an inflation-control target. A flexible exchange rate permits Canada to pursue an independent monetary policy suited to the needs of our own economy and acts as a 'shock absorber'. The inflation target provides a precise goal against which to measure the conduct of monetary policy, increasing the central bank's public accountability. Together with sound public finances, low and stable inflation will help maintain an attractive business environment for both domestic and foreign firms.

The 2007-2009 global financial crisis underscored the importance of robust financial sector oversight—not only for the soundness of individual financial institutions, but also for the stability of the financial system as a whole. The G20 has committed to an ambitious reform agenda focused on reducing the probability of crisis and enhancing the capacity to respond to crises. Canada continues to be a leader in terms of implementing international standards, as confirmed through the recent IMF Financial Sector Assessment Program for Canada. Canada's regulatory and supervisory framework was found to demonstrate strong compliance with international standards and Canada was among the first advanced economies to adopt the Basel III capital standard and to establish a framework for Domestic Systemically Important Banks.



## Regulation, finance, incentives, investment and entrepreneurialism

Recognizing the importance of investment flows into the country, Canada's broad framework, the Investment Canada Act, promotes trade and investments, and is the primary mechanism for reviewing foreign investment into Canada. The purpose of the Act is twofold: to review significant foreign investments to determine if they are likely to be of net benefit to Canada, and to review investments that could injure national security.

The development of new ideas and products is also key to Canada's future prosperity – it fuels the growth of small and large businesses and drives productivity improvements that raise the standard of living of Canadians. Supporting advanced research and innovation is a critical part of fostering a vibrant entrepreneurial culture where new ideas are translated into products and services in the marketplace. To that end, the Government announced, in the 2014 federal Budget, a number of targeted measures to strengthen science, technology and innovation in Canada, including:

- Creating the new Canada First Research Excellence Fund with \$1.5 billion in funding over the next decade to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada.
- An additional \$46 million per year on an ongoing basis for the granting councils to support advanced research and scientific discoveries, including the indirect costs of research.
- Providing \$8 million over two years to Mitacs, a non-for-profit organization, to expand its support for industrial research and development training of postdoctoral fellows.
- Providing \$10 million over two years in support of social innovation research projects at colleges and polytechnics.
- Providing an additional \$500 million over two years to the Automotive Innovation Fund, to support significant new strategic research and development projects and long-term investments in the Canadian automotive sector.

By developing new goods and services and innovative business models, successful entrepreneurs generate positive outcomes for the labour market through the creation of high-paying jobs. In order to promote increased labour market participation of entrepreneurs entering into, and succeeding in business, the Government is moving forward on a number of measures, as announced in the 2014 federal Budget, including:

- Providing an additional \$40 million over four years, starting in 2015-2016, to the Canada Accelerator and Incubator Program, part of the Venture Capital Action Plan, to help entrepreneurs create new companies and realize the potential of their ideas through intensive mentoring and other resources to develop their business.
- Introducing a new Immigrant Investor Venture Capital Fund pilot project, in place of the current Immigrant Investor Program, which will require immigrants to make a real and significant investment in the Canadian economy.

To promote job creation and improve the conditions for business investment, Canada has already taken a range of actions to increase its openness to trade and investment; provide tax relief; improve the regulatory environment; promote business competitiveness; and strengthen the financial sector. For example, through the Economic Action Plan 2013, the Government froze the Employment Insurance (EI) premium rate for 2014 at the 2013 level, providing greater stability and predictability to employers. In order to continue to position Canada as an increasingly attractive place to invest and grow a business, the Government will:

- Not introduce new taxes on business.
- Build on the work of the Red Tape Reduction Commission by reducing the tax compliance and regulatory burden for small and medium-sized businesses.





## LABOUR MARKETS AND SOCIAL SUPPORTS

Since the introduction of *Canada's Economic Action Plan* in 2009, Canada has achieved a strong job creation record. While Canada's labour market has been resilient, there is room for improvement as many Canadians are still out of work or underutilized at a time when skills and labour shortages are re-emerging in certain sectors and regions. Looking ahead, the Government will build on efforts to date and continue to implement measures to strengthen Canada's labour market and establish an environment that fosters new investment, economic growth and job creation.

### Labour market regulation

Under the Canadian Constitution, the regulation of labour and employment matters with respect to most industries falls under the exclusive jurisdiction of the provinces. The Parliament of Canada, however, has the authority to enact labour and employment laws (such as the Canada Labour Code and the Public Service Labour Relations Act) for the federal public service and Crown corporations, First nations governments, and specific industries under federal jurisdiction, including banking, telecommunications, aviation, cross-border land transportation and shipping. The three territories in Canada have their own employment standards and occupational health and safety legislation; however, in contrast with the provinces, they have not enacted labour relations legislation applicable to the private sector. Part I of the Canada Labour Code, which establishes the framework for labour-management relations and regulates the conduct of collective bargaining for the federal private sector, therefore also applies to private-sector enterprises in all three territories.

All jurisdictions in Canada recognize the importance of safe and healthy workplaces, and have established comprehensive occupational health and safety legislation, policies, and systems and programs aimed at preventing workplace related accidents and injuries. Occupational health and safety in Canada is regulated by the federal government for workplaces under federal jurisdiction, and by the 13 provincial and territorial governments for workplaces under their jurisdictions. Part II of the Canada Labour Code protects workers in the federal jurisdiction and applies to federal works, undertakings or businesses, including, inter-provincial or international transportation, telecommunications, and federal employment. All other workers are covered by the health and safety legislation of the province or territory in which they work. Occupational safety and health legislation in Canada establishes the framework governing employee and employer rights and obligations, the powers of inspectors, and the general rules to address workplace incidents. All provinces and territories have also established workers' compensation programs to protect employees from the financial hardships associated with work-related injuries and occupational diseases.

Similarly, all jurisdictions in Canada, including the federal government, set minimum employment standards, which regulate matters such as hours of work, leaves of absence, vacations and holidays, termination of employment, and the recovery of unpaid wages. Each province and territory establishes its own general minimum wage rate and, in many cases, other minimum wage rates specific to certain categories of employees. The Canada Labour Code stipulates that federally regulated employers must pay their employees at least the general minimum wage rate of the province in which they work. Finally, the Employment Equity Act, which applies to all federally regulated private-sector employers with 100 or more employees, as well as public-sector employers (e.g., the federal public service), seeks to achieve equality in the workplace so that no one is denied employment opportunities or benefits for reasons unrelated to ability. Employers who receive large contracts from the federal government are covered by similar obligations under the Federal Contractors Program.

### Social Supports

Constitutionally, provinces and territories (P/Ts) are primarily responsible for additional social supports, including social assistance, housing, employment programming, health, and education; with the exception of specific federal responsibilities for Aboriginal peoples in certain circumstances. However, all orders of government collaborate in the delivery of social protection measures. The Government of Canada complements P/Ts activities with a range of existing measures designed to support Canadians in making choices that help them live productive and rewarding lives, and to improve their quality of life. Through various income security programs, the federal government plays a

critical role in strengthening Canada's economic and social advantage. For example, the Government provides key social benefits including Employment Insurance (EI), Canada Pension Plan, Old Age Security, tax measures, and supports to seniors, caregivers, and persons with disabilities. Through transfers to the provinces and territories, direct spending, and tax measures for families, the Government helps parents balance work and family by providing support for early childhood development and child care. The Government also provides support for families through the Universal Child Care Plan (UCCP), which includes the Universal Child Care Benefit (UCCB) and the Child Care Spaces Initiative.

To provide tax relief for eligible working low-income individuals and families who are already in the workforce, and to encourage other Canadians to enter the workforce, the Government provides the working income tax benefit (WITB), a refundable tax credit. In addition, labour market programs support skills development, labour market participation and inclusiveness, and assist those who have lost their jobs, while learning programs contribute to the development of an educated labour force by helping Canadians obtain a post-secondary education. On October 30, 2014, the Government of Canada announced new measures to help make life more affordable for Canadian families, including:

- The Family Tax Cut, a federal tax credit that will allow a higher-income spouse to transfer up to \$50,000 of taxable income to a spouse in a lower tax bracket. The credit will provide tax relief for couples with children under the age of 18.
- Increasing the UCCB for children under age six. As of January 1, 2015, parents will receive a benefit of \$160 per month for each child under the age of six – up from \$100 per month.
- Expanding the UCCB so that parents will receive a benefit of \$60 per month for children aged six through 17.
- Increasing the Child Care Expense Deduction dollar limits by \$1,000. The maximum amounts that can be claimed will increase to \$8,000 from \$7,000 for children under age seven, to \$5,000 from \$4,000 for children aged seven through 16, and to \$11,000 from \$10,000 for children who are eligible for the Disability Tax Credit.

Canada's EI program provides temporary financial assistance to eligible workers who have lost their job through no fault of their own while they look for work or upgrade their skills (regular benefits), and helps unemployed people across the country find employment. The EI program also provides assistance to eligible workers who are sick, pregnant, or caring for a newborn or adopted child, as well as to those caring for a family member who is gravely ill with a significant risk of death (special benefits). In addition, fishing benefits provide income support to self-employed fishers who are actively seeking work or performing work incidental to fishing. The program is insurance-based, with both employers and workers paying premiums, and consists of two complementary components: temporary financial assistance (referred to as EI Part I), and employment support and training that unemployed Canadians need to find a job (referred to as EI Part II). Both Parts I and II are funded by the Government of Canada and delivered by P/Ts.

Through various Economic Action Plans, the Government of Canada has implemented a number of recent changes to the EI program to strengthen work incentives, make the program more fair and flexible, and help Canadians find work. Changes include amending EI Regulations to reduce cases where certain claimants collect benefits despite there being continuity of employment and available work, introducing the Working While on Claim pilot project to address built-in disincentives to work and enable those working while on claim keep a greater share of their earnings, as well as enhancing EI sickness benefits for claimants who receive EI Parents of Critically Ill Children Benefits and EI Compassionate Care Benefits.

### Active labour market programs

Active labour market policies in Canada are intended to help under and unemployed Canadians quickly find and return to work, and to develop a skilled labour force that meets current and emerging needs of employers. The Government of Canada has a number of agreements with provinces and territories (P/Ts) through which the federal government provides funds for the design, delivery and management of skills and employment programs for Canadians.

Created under the legislative authority of Part II of the *Employment Insurance Act*, the federal Government has entered into bilateral LMDAs with P/Ts. Through these existing agreements, the Government of Canada's current

program funding of \$2.1 billion enables P/Ts to design, deliver and manage skills training and employment programs, such as job creation partnerships and targeted wage subsidies, for unemployed Canadians, particularly for those who are eligible for EI benefits. Moving forward, the federal Government has committed to working with P/Ts to make these labour market transfers more demand-driven and giving employers a larger role in decisions regarding skills needs and training priorities.

Through the LMAs, the Government of Canada also currently invests \$3 billion over six years to support P/Ts to design and deliver labour market programs and services targeting Canadians who are low skilled, employed, as well as unemployed individuals who are ineligible for EI. To date, the Government has embarked on an ambitious agenda to reform the skills training system to help Canadians acquire the skills so they can obtain a new or better job. As a centerpiece of Canada's jobs and growth agenda, the Government is currently renewing and transforming the LMAs with P/Ts, with investments of \$500 million per year for six years (2014-2015 to 2019-2020). The LMAs are currently being transformed into Canada Job Fund (CJF) Agreements, and the introduction of the Canada Job Grant (CJG). The will increase employers' participation in skills training decisions, and ensure that the training provided to workers will be better aligned with job opportunities, particularly in sectors facing skills mismatches and labour shortages. Through the CJG, businesses and employer organizations will be eligible for Grants of up to \$15,000, cost-shared by employers, toward eligible training costs, which includes up to \$10,000 in government contributions. While the core parameters have been established, P/Ts have flexibility to implement the Grant to better meet local labour market needs. Taken together, reforming Canada's skills training system will help to ensure that federal funding supports programming that responds to the needs of employers and that Canadians develop in-demand skills to fill available jobs, which will improve labour market outcomes and contribute to a skilled, mobile, productive and inclusive labour force.

The Government also remains committed to helping unemployed Canadians get back to work and ensuring that Canadians are given the first chance at available jobs that match their skills in their local area through enhanced access to labour market information and better job matching. Existing tools such as the National Job Bank website and Career Handbook provide timely and thorough labour market information and facilitates job search efforts by allowing Canadians to know what job opportunities are available, which skills are needed to fill them, and where these jobs are located. An efficient and responsive EI system, along with a proactive approach to employment services and skills development, further improves the matching process between job seekers and employers. To further build on existing efforts, the Government, as announced in Budget 2014, is:

- Proposing to launch an enhanced Job Matching Service and modernized National Job Bank to ensure that Canadians are given the first chance at available jobs that match their skills, and provide employers with better tools to look for qualified Canadians. Through a secure, authenticated process, registered job seekers and employers will be automatically matched on the basis of skills, knowledge and experience. In addition, employers applying for temporary foreign workers must post their jobs on the Job Bank website, and the new Job Matching Service will be able to match unemployed Canadians with employers offering available jobs that match their skills in their region. The enhanced Job Matching Service will build on the launch of a modernized and easy-to-use consolidated National Job Bank, providing job seekers and employers with timely access to job postings and consolidated labour market information.

### Policy measures targeting under-represented groups

Under-represented groups face several obstacles to employment, and some individuals stay disconnected from the labour market regardless of economic conditions. Although a number of targeted measures exist to support under-represented groups, the unemployment rate continues to be high for some cohorts, including youth, older workers, persons with disabilities, recent immigrants, Aboriginal Peoples/First Nations and women. In addition, while the participation rate of older Canadians is increasing, it remains lower than a number of OECD countries. Looking ahead, Canada's long-term prosperity will depend on the labour market participation of its citizens. To directly support an inclusive workforce and higher labour force participation, particularly of under-represented groups, the Government is putting in place additional measures.



## Youth

In Canada, vulnerable groups within the youth cohort include Aboriginal youth, immigrant youth and youth who are neither in education, employment or training (NEET). The Youth Employment Strategy (YES) is the Government of Canada's commitment to help young people aged 15-30 obtain the information and gain the skills, job experience and abilities needed to make a successful transition to the workplace. YES includes three program streams: Skills Link, which helps young people who face more barriers to employment, develop basic employability skills and gain valuable job experience to assist them in making a successful transition into the labour market or to return to school; Summer Work Experience (including Canada Summer Jobs), which provides wage subsidies to employers to create summer employment for secondary and post-secondary students; and Career Focus, which helps post-secondary graduates transition to the labour market through paid internships, and helps to provide youth with the information and experience they need to make informed career decisions, find a job and/or pursue advanced studies.

Canada is implementing additional measures to address the high youth employment rate to help young Canadians realize their full potential, and secure the skills and experiences needed to get quality jobs. To address this, the Government, as announced in the 2014 federal Budget, is focusing federal investments in programming to provide young Canadians with real-life work experience in high-demand fields by:

- Dedicating \$40 million toward supporting up to 3,000 full-time internships for post-secondary graduates in high-demand fields such as science, technology, engineering, mathematics and the skilled trades for 2014-2015 and 2015-2016. This new initiative is being implemented in fiscal year 2014-2015. Up to \$30 million of this amount, currently available in fiscal year 2014-2015, will be committed to the National Research Council's Industrial Research Assistance Program to support youth internships in small- and medium-sized enterprises undertaking technical research and development projects.
- Reallocating \$15 million annually within the Youth Employment Strategy, beginning in fiscal year 2014-2015, to support up to 1,000 full-time internships for recent post-secondary graduates in small and medium-sized enterprises.
- Undertaking a review of the Youth Employment Strategy to better align the program with the evolving realities of the job market.

In addition, the Government is also moving forward on supporting the increased labour market participation of youth, as announced in the 2014 federal Budget, by:

- Renewing the Computers for Schools Program with \$36 million over four years, to provide students and interns with access to information and communications technology equipment and skills training.
- Developing a career choice web tool to help students, parents and counsellors make better educational choices by providing more comprehensive information on labour market outcomes by field of study.
- Reforming the Temporary Foreign Worker Program (TFWP) to ensure entry-level jobs go to Canadians first and not low-skilled temporary foreign workers. Employers are also being encouraged to increase wages and improve working conditions, as the case may be.

## Older Workers

Recognizing the particular challenges faced by unemployed older workers in finding new employment, as well as the valuable experiences older workers can contribute to the labour force and the future prosperity of the country, the Government of Canada launched the Targeted Initiative for Older Workers (TIOW) program in 2007. TIOW is a successful federal-provincial/territorial (F-P/T) cost-shared initiative that provides unemployed older workers (typically age 55 to 64) living in small, vulnerable communities of 250,000 inhabitants or less, with reintegration into employment and/or assist with improving their employability. To further encourage the labour market participation of older workers, the Government has:

- Renewed TIOW for a three-year period (until March 31, 2017), representing a federal investment of \$75M. Eligibility for TIOW has also been expanded to communities experiencing skills mismatches and/or unfulfilled employer demand, so that communities with tighter labour markets can participate in the Initiative.

### ***Persons with Disabilities***

To promote labour market participation of persons with disabilities, the LMAPDs provide an annual transfer of \$222 million from the Government of Canada to provinces and territories for programs and services designed to improve the employment situation for persons with disabilities by increasing the employment opportunities available to them and building on the existing knowledge base. In addition, the Opportunities Fund for Persons with Disabilities is designed to increase the participation of persons with disabilities who have little or no labour force attachment.

The Government recognizes the contributions that persons with disabilities can and do make to the economy; however, many Canadians with disabilities continue to experience challenges securing gainful employment and persons with developmental disabilities face unique barriers to employment despite being willing and capable of participating in a competitive labour market. Building on existing efforts, the Government will further support the economic and social integration of Canadians with disabilities, as announced in the 2014 federal Budget, by:

- Introducing a new, improved generation of LMAPDs, by providing \$222 million annually through these transfers, to be matched by provinces and territories, to better meet the needs of persons with disabilities and employers. Implementation of the new Agreements began on April 1, 2014.
- As recommended by the Panel on Labour Market Opportunities for Persons with Disabilities, the creation of a Canadian employers disability forum to help increase employment for persons with disabilities is moving forward. The forum, established by Canadian business leaders under the name Canadian Business SenseAbility, will facilitate education, training and the sharing of resources and best practices among Canadian businesses.
- Reforming the Opportunities Fund for Persons with Disabilities to provide more demand-driven training solutions for persons with disabilities and make it more responsive to labour market needs.
- Providing \$15 million over three years to the Ready, Willing and Able initiative of the Canadian Association for Community Living, to connect persons with developmental disabilities with jobs.
- Providing \$11.4 million over four years to support the implementation of CommunityWorks – a vocational training program for youth with Autism Spectrum Disorders.
- Extending the Enabling Accessibility Fund (EAF) on an ongoing basis, at \$15 million per year, to support capital costs of construction and renovations related to improving physical accessibility for persons with disabilities, including workplace accessibility. The new Workplace Accessibility Stream, introduced as part of the EAF in 2013, provides funding to eligible recipients for capital cost projects that improve accessibility in workplaces across Canada in order to create or maintain job opportunities for people with disabilities.

### ***Immigrants***

Supporting Canada's economy through immigration is a key priority for the Government of Canada. Recognizing that quick and seamless access to jobs in Canada is essential for the integration of newcomers, the Government has tripled investments targeted to immigrants since 2006, by dedicating approximately \$900 million annually to settlement programming to identify and address the individual settlement needs of newcomers, including labour market participation. Building on existing initiatives, the Government is taking action to integrate and harness the skills of internationally trained individuals and other immigrants in jobs that match their knowledge and skills. Both the "National Job Bank" tool and the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications (the Framework) facilitate newcomers' integration into the labour market. Created in 2009, the Framework is a joint vision for federal, provincial and territorial governments to work together to ensure that regulatory authorities have foreign credential recognition (FCR) processes in place that adhere to the Framework's principles of fairness, consistency, transparency and timeliness. Under the Framework, foreign-trained workers in 14 occupations know within one year whether their qualifications will be recognized, or be informed of the additional requirements necessary for registration, or be directed toward related occupations which commensurate with their skills and experience. Over the next two years, the Government will:

- Work with provinces, territories and stakeholders to support improvements to FCR processes in an additional 10 occupations, to address the demand for skilled workers in Canada. In addition, a project is currently

underway to improve and make more consistent the foreign qualification recognition processes that province and territories use to assess internationally-trained tradespeople in the Red Seal trades.

Looking ahead, the Government remains committed to immigration that contributes to job creation and economic growth. To that end, the Government will continue to enhance and modernize programs with a view to support improved labour market and settlement outcomes for newcomers, address skills shortages and mismatches and support the skills requirements of the labour market. To better align and transform the immigration system into one that is fast, flexible and supports Canada's economic and labour market needs, the Government will:

- Provide \$14.0 million over two years and \$4.7 million per year ongoing, starting January 2015, to launch the Express Entry system, a new active recruitment model in which candidates interested in immigrating to Canada, and meeting certain eligibility requirements, will be placed in a pool. The Government of Canada will invite the best candidates, including those with in-demand skills, job offers or provincial nominations, to apply under key economic immigration programs, including the Federal Skilled Worker Program, the Federal Skilled Trades Program and the Canadian Experience Class.
- Reform the Temporary Foreign Worker Program (TFWP) to ensure that domestic talent is considered first before foreign workers are hired on a temporary basis to fill immediate skills and labour shortages. In particular, to ensure that the program is used as a last and limited resort, reforms will focus on reorganizing the TFWP to offer greater clarity and transparency; restricting access to the TFWP to ensure Canadians are first in line for available jobs; and enforcement of tougher penalties.

### ***Aboriginal Canadians/First Nations***

In 2009, the Government of Canada launched the Federal Framework for Aboriginal Economic Development. This Framework focuses on federal Government actions, including programs, legislation and partnership, in order to increase the participation of First Nations, Inuit and Métis peoples in the Canadian economy, as well as improve economic outcomes for Aboriginal Canadians across Canada. A key priority of the Framework is to support demand-driven labour market needs with strategic investments in human capital development to prepare the young and growing Aboriginal population for jobs.

The Government also offers a number of Aboriginal labour market programs to increase workforce participation and help First Nations, Métis and Inuit prepare for, find and maintain jobs. Canada's current Aboriginal skills development and training investments include three main programs. The Aboriginal Skills and Employment Training Strategy (ASETS), funded at \$1.68B over 5 years (2010-2015), is designed to increase labour market participation of Aboriginal Canadians. A broad-based foundational labour market program available to all Aboriginals across Canada, it provides a full suite of skills development and training. The program aims to improve labour market outcomes by fostering partnerships with the private sector and provinces and territories to support demand-driven skills development. In addition, the Skills and Partnership Fund (SPF) is a project-based and opportunity driven program that supports the training of Aboriginal Canadians for in-demand jobs. Funded at \$210M over 5 years (2010-2015), partnerships with a range of stakeholders, including Aboriginal organizations, industry, provincial and territorial governments, educational institutions, and service delivery providers, is a mandatory element of the program.

The Government of Canada also introduced a four-year investment of \$241 million (2013-2017) to improve the on-reserve Income Assistance Program. The reforms introduced incentives that require young, employable recipients of income assistance and those likely to become recipients, to participate in skills training with the goal of securing employment. One component of this initiative, funded at \$132 million over four years, aims to support First Nations communities with Enhanced Service Delivery. Measures include improved case-management capacity, providing transitional supports to help individuals find employment, as well as providing direct support to service providers (e.g. tribal councils, training institutions). The second component of the initiatives includes an investment of \$109 million over 4 years in the First Nations Job Fund. In partnership with First Nation communities, the Government of Canada will provide personalized job training to young on-reserve Income Assistance clients aged 18-24 to help them access available jobs.

Beyond these programs, the federal Government recently launched an improved Urban Aboriginal Strategy by investing \$53.1 million from 2014-2016. The Strategy brings together all levels of government, urban Aboriginal





communities and the private and non-profit sectors, to identify the needs of urban Aboriginal Canadians and develop coordinated approaches to address local priorities and increase the participation of urban Aboriginal Canadians in the economy.

### **Women**

Over the past several decades, the increase in Canada's labour force participation rate has been principally driven by the increased participation of women in the labour market. Women began joining the labour force during World War II and their participation rate increased steadily until the 1990s. Further, rising educational attainment among women has been a key driver of boosting women's labour force participation and improved labour market outcomes. Their participation rate (74.6 per cent in 2013) has been converging towards that of men (81.6 per cent), and this advance has led to Canadian women having among the highest participation rate in the G20. However, some women continue to experience challenges in certain areas of the labour market. Women's employment continues to be concentrated in the service industry, administrative, healthcare and social services work, and not in the more high-demand and high-paying fields such as management and natural and applied sciences. In addition, women are underrepresented in some of the most rapidly growing sectors, including the skilled trades.

Although there is a significant proportion of women in part-time work, for most women, working part-time is a choice. Only about a quarter of women in this category are involuntary part-time workers. The main reason women work part-time is to provide care for children or to take care of other personal and family responsibilities. Women are responsible for more of the informal care provided in Canada, both to children and to friends and family in need. For many, this has negative employment impacts. Given Canada's tightening labour market and the rising care needs of an aging society, strengthening the labour force attachment of employed caregivers will be increasingly important for overall economic growth and prosperity. To that end, the Government will:

- Launch a Canadian Employers for Caregivers Plan to help maximize caregivers' labour market participation. The aim of the Plan is to engage with employers on cost-effective workplace solutions to help maximize caregivers' labour market participation.

Female entrepreneurs are also gaining ground in Canada; however, there continue to be significant barrier to women accessing funds to grow their businesses and gain access to investment opportunities. The Government of Canada is committed to helping women entrepreneurs. Through *Economic Action Plan 2013*, the Government provided \$20 million over three years to help small and medium-sized enterprises, providing women entrepreneurs with greater access to valuable support. To build on existing efforts, the Government is:

- Providing \$150,000 to Status of Women Canada in 2014-2015, to increase mentorship among women entrepreneurs, while also conducting consultations to determine how best to support women to start and grow their businesses.

## **SKILLS DEVELOPMENT**

While Canada ranks well internationally in developing its human resources and providing its workforce with the skills and education needed to succeed in a competitive economy, there is room for improvement given the shift to a knowledge-based economy. To better match skills development to labour market needs and connect Canadians with available jobs over the short- and long-term, Canada is moving forward on a number of initiatives that will enable individual Canadians, and Canada's workforce as a whole, to develop and maintain the right mix of skills to remain competitive and better link post-secondary education and business.

### **School education**

Constitutionally, the education system in Canada is under the primary jurisdiction of the ten provinces and three territories. A ministry or department of education in each of the 13 jurisdictions is responsible for the organisation, delivery, and assessment of the jurisdiction's education system. Decision-making is entrusted to school boards or districts and the level of power delegated is at the discretion of the provincial/territorial government. While Canada does not have a national education system, the federal government has direct responsibility for some aspects of

learning in Canada, for example, First Nations K-12 on reserve, and also has a strong interest in supporting post-secondary education to meet national priorities.

## Apprenticeships, vocational training and higher education

### **Skills Training**

Canada's Vocational Education and Training (VET) systems share many common characteristics; however, post-secondary VET has developed and is delivered in differing ways in each of Canada's 13 jurisdictions. Regional differentiation allows VET to respond to both local needs, and to the broader needs of the Canadian economy. While there is no federal ministry of education, the Government of Canada has a responsibility for ensuring that a well-functioning labour market and skilled labour force support the national economy.

Given the skills and labour shortages emerging in certain sectors and regions, the training system must continue to assist Canadians to develop the skills they need to obtain high-quality jobs. Improving private sector and employer participation in skills training decisions will therefore be critical going forward as they are the main source of new jobs and can identify the skill sets needed to fill available jobs. The Government currently provides a number of labour market active measures to increase labour market participation; however, Canada is taking additional actions to transform its skills training system to ensure that federal funding responds to the hiring needs of employers. Central to the Government's jobs and growth strategy, and as part of the Government's effort to connect Canadians with available jobs by helping them to acquire the skills that will get them hired or help them get better jobs, the Government is taking steps to better align labour market transfers and programs, including:

- Launching of the Sectoral Initiatives Program which provides relevant and timely sectoral labour market intelligence, and in turn, helps employers, job-seekers, students, workers, and educational institutions respond to labour market pressures, and proactively address skills shortages and mismatches.

### **Apprenticeship**

Apprenticeship is a key component of Canada's post-secondary education and training system and an important contributor to Canada's competitive edge. The Government of Canada is working with its partners to increase apprenticeship opportunities for Canadians, particularly in the Red Seal trades, to promote a highly skilled and mobile workforce in Canada. Apprenticeship is an industry-based model of learning that combines workplace training under the mentorship of a qualified trades worker and in-school technical training leading to a certified trade worker/journeyperson designation. Employers play a fundamental role in apprenticeship as the employer or sponsor must be willing to enter into an agreement with the apprentice to provide the required workplace training and then register that agreement with the provincial or territorial apprenticeship authority. In Canada, apprenticeship training and trade certification are provincial and territorial responsibilities. Employers also play a key role in the design of the apprenticeship system through Program Advisory Committees, which help shape the direction of college courses, including the in-classroom portion of apprenticeship training.

The Government of Canada works closely with provinces and territories to manage and deliver the Interprovincial Standards Red Seal Program. Through the Red Seal Program, interprovincial standards and examinations are developed and maintained through a rigorous industry-driven process for 55 Red Seal trades. The Red Seal ensures automatic recognition of certified skilled trades workers across Canada and represents a standard of excellence. The Red Seal trades account for approximately half of all registered apprentices. The Red Seal Program also provides a forum for inter-jurisdictional collaboration on challenges facing Canada's apprenticeship systems. To encourage mobility across the country and help to ensure more apprentices complete their training, the Government continues to work with provinces and territories to harmonize apprenticeship training and certification requirements for apprentices, and examine the use of practical hands-on tests as a method of assessment in targeted skilled trades. Governments are currently working together to harmonize apprenticeship requirements for ten Red Seal trades within 18 months, with a commitment to expand this work to further trades. This work will facilitate the movement of skilled trade apprentices across the country.

The Government of Canada offers a number of programs and services to encourage apprenticeships and careers in the skilled trades. For example, existing Apprenticeship Grants, including the Apprenticeship Incentive Grant and the



Apprenticeship Completion Grant, provides apprentices with federal grants up to \$4,000, to increase access to the skilled trades, promote progression within an apprenticeship program, and encourage program completion and certification in the Red Seal trades. In addition, other existing financial supports include the Apprenticeship Job Creation Tax Credit and the Tradesperson's Tool Expense Deduction.

Building on these commitments, as well as current federal programs to help Canadians obtain the training and skills they need to fully participate in the labour market, the Government, as announced in the 2014 federal Budget, will:

- Create the Canada Apprentice Loan by expanding the Canada Student Loans Program to provide apprentices registered in a Red Seal trade with interest free loans of up to \$4,000 per period of technical (in-class) training. The Canada Apprentice Loan is expected to be available in January 2015.
- Introduce the Flexibility and Innovation in Apprenticeship Technical Training pilot project to expand the use of innovative approaches to apprentice technical training. The pilot projects are expected to begin in late 2014-early 2015.
- Take steps to ensure that apprentices are aware of the existing financial supports available to them while they are on technical training through the EI program.
- Take additional steps to ensure that apprentice employers are aware that they have the ability to top up the EI benefits of apprentices to 95 per cent of their normal wage through Supplemental Unemployment Benefit Plans (SUBs) payments which can be made to an employee receiving EI benefits during a period of unemployment due to temporary stoppage of work, training, illness, injury or quarantine.

### **Higher Education**

As part of Canada's broader effort to support jobs, economic growth and long-term prosperity, the Government's commitment to support post-secondary education access and affordability has resulted in a number of positive outcomes, including equal opportunity, greater social mobility, higher earnings and lower unemployment for post-secondary education graduates, as well as greater productivity and competitiveness as a result of skills development. In fact, over the last two decades, the proportion of Canadians whose highest level of educational attainment is less than high school has declined significantly. Canada ranks first in the OECD for total post-secondary education attainment with 51.3 per cent of 24 to 64 year olds having either a college diploma or university degree. In addition, Canadian youth are also well prepared to transition into post-secondary education as evidenced by decreasing high school drop-out rates from 16.6 per cent in 1990-1991 to 8.0 per cent in 2011-2012. As part of Canada's effort to provide youth with access and affordable post-secondary education, the Government currently provides:

- Student loans to eligible students to help them access and afford post-secondary education through the Canada Student Loans Program, which also offers repayment assistance to help borrowers who have difficulty repaying their student loans.
- Non-repayable Canada Student Grants for underrepresented groups in post-secondary education, including: students from low- and middle-income families, students with permanent disabilities, low-income students with dependants, and low-income part-time students.
- Incentives to encourage Canadians to use Registered Education Savings Plans (RESPs) to save for a child's post-secondary education. Savings in RESPs grow tax-free until they are withdrawn to pay for full- or part-time studies for college, apprenticeship, trade school or university.
- PSE students enrolled in an accredited institution can claim tax credits on: tuition fees, education expenses (e.g., a non-refundable credit for each month of study), and text books. These tax credits can be carried forward until an individual owes taxes, or can be transferred to a parent, spouse or grandparents. Students with government loans are also eligible for tax credits on interests paid on their loans. In addition, there is a full tax exemption for post-secondary scholarships and bursaries.

## 4. Monitoring of commitments

The following section reports on the implementation of Canada's commitments made under recent G20 presidencies, including the Los Cabos Jobs and Growth Plan and the St. Petersburg Action Plan. In the Los Cabos Jobs and Growth Plan, Canada committed to two key measures, including improving employment opportunities for targeted groups such as youth and persons with disabilities, and undertaking unemployment insurance reforms to make it more effective and efficient in supporting job creation. In addition, in the St. Petersburg Action Plan, Canada outlined its commitment to strengthen active labour market programs to create jobs. The following highlights the major measures we have taken to address these commitments, as well as identifies the steps we have taken to follow through on recommendations made to G20 Labour and Employment Ministers.

### Commitment: Strengthening Active Labour Market Programs to Create Jobs

The Government of Canada is renewing and transforming the Labour Market Agreements (LMAs) with the P/Ts through the introduction of the Canada Job Grant (CJG), which will directly connect skills training with employers and jobs for Canadians. This commitment was reiterated under the 2013 St. Petersburg Action Plan, when Canada committed to provide funding for businesses to train those who are unemployed or underemployed through the CJG. Final agreements with P/Ts have concluded. Employers with a plan to train Canadians for an existing job or a better job will be eligible to apply for a Canada Job Grant. The Government has also announced that it will renegotiate the \$2.1 billion per year LMDAs to reorient training toward labour market demand. The renegotiation of the LMDAs will focus on better preparing Canadians for the labour market of the future and ensure greater employer involvement in training decisions and processes so that individuals receive training specific to available jobs.

To support apprentices, Canada provides incentives to apprentices and employers to encourage apprenticeship training and stimulate employment in the skilled trades. The Apprenticeship Grants are designed to encourage more Canadians to pursue and complete apprenticeship programs in the Red Seal trades. To date, the Government has provided nearly \$600 million in apprenticeship grants to approximately 500,000 Canadians. The Apprenticeship Grants are an important part of a suite of supports that the federal Government provides for apprenticeship and the skilled trades, which includes a number of tax-based measures, such as the Apprenticeship Job Creation Tax Credit for employers and the Tradesperson's Tools Deduction. The Government of Canada also provides temporary financial assistance to apprentices through Employment Insurance benefits, which are available for eligible apprentices while attending technical in-school apprenticeship training.

#### **Youth**

As set out in the Los Cabos Action Plan, Canada has made progress to help Canadians improve their employment opportunities. In terms of measures targeted towards youth, the Government committed an additional \$50 million under the Youth Employment Strategy to assist more young people in gaining tangible skills and experiences, focusing on connecting youth with jobs in fields that are in high demand. The Government also announced a reallocation of \$19 million to promote careers in high-demand sectors to youth (science, technology, engineering, mathematics STEM)) and the skilled trades. These funds are expected to provide youth with information on job prospects and benefits of working in various occupations, as well as support new outreach efforts related to high demand occupations. Furthermore, Canada invested an additional \$70 million to support paid internships for recent post-secondary graduates. Of the \$70 million that was committed, \$40 million has since been directed to supporting internships in high-demand fields, such as STEM and the skilled trades. With respect to Aboriginal youth, to date, over 80,000 Aboriginal youth have received help to prepare for and obtain meaningful and sustainable employment through the Aboriginal Skills and Employment Training Strategy (ASETS) program. Complementary to ASETS, the Skills and Partnership Fund has assisted 7,500 Aboriginal youth get the skills they need to obtain sustainable, meaningful employment. The First Nations Job Fund is still in its infancy; however, 14,000 First Nations youth are expected to be served through the program.

### ***Persons with Disabilities***

With regard to removing barriers to labour market participation faced by persons with disabilities, the Government of Canada committed to helping persons with disabilities overcome barriers to employment, including:

- Enhancing skills training opportunities for Canadians with disabilities through a new generation of Labour Market Agreements for Persons with Disabilities beginning in 2014.
- Funding of \$40 million starting in 2015-16 for the Opportunities Fund for Persons with Disabilities to provide more demand-driven training solutions for persons with disabilities and make it more responsive to labour market needs.
- Extending the Enabling Accessibility Fund on an ongoing basis, at a level of \$15 million per year, to support capital costs of construction and renovations related to improving physical accessibility for persons with disabilities through projects with demonstrated community support, including workplace accommodation.
- Creating the Canadian Employers Disability Forum, which will be managed by employers and for employers, to facilitate education, training and sharing of resources and best practices concerning the hiring and retention of persons with disabilities.
- Committing \$7 million per year for the Social Sciences and Humanities Research Council of Canada to support research related to labour market participation of persons with disabilities.

### ***Older Workers***

Canada has also taken many steps to improve the participation and employment outcomes of older workers. Since 2006, the Government has invested \$270 million in the Targeted Initiative for Older Workers (TIOW) in order to assist unemployed older workers living in small, vulnerable communities with their reintegration into employment. By March 31, 2017, overall federal investment in TIOW will be \$345 million. Since the launch of TIOW, the program has helped over 32,230 unemployed older workers in communities across Canada. The Government also supports the ThirdQuarter project which provides an online job forum that helps experienced older workers find a job that matches their skills and helps employers find workers with the skills and competencies they need. As of November 30, 2013, the site had over 21,000 registered older workers and over 3,200 registered firms. In 2012, the Economic Action Plan provided \$6 million over three years to extend and expand the ThirdQuarter project to key centres across the country. Through this project, outreach activities are undertaken with employers that highlight the important contributions that older workers make in the workplace.

### ***Immigrants***

Since 2012, the Government has introduced or improved a number of economic immigration programs for immigrants. For example, the modernized Federal Skilled Worker (FSW) Program is intended to improve economic outcomes by selecting immigrants who will be able to integrate more rapidly and successfully into Canada's economy. In addition, the Federal Skilled Trades Program aims to address serious labour shortages in some regions and respond to the needs of employers in many industries across the country. Furthermore, the Canadian Experience Class aims to retain skilled individuals who have already demonstrated their ability to integrate into the Canadian labour market. Canada also continues to support arrangements with other countries through the International Experience Canada, which seeks to balance outcomes with immigration and labour market priorities. In 2012, over 19,000 Canadian youth took advantage of the opportunity to develop their skills in an international environment through the 32 youth mobility agreements Canada has with foreign governments.

### **Commitment: Undertaking employment insurance reforms to make it more effective and efficient in supporting job creation**

As part of the 2012 Economic Action Plan, the Government of Canada introduced a number of measures to provide Employment Insurance (EI) claimants with additional support to enable quicker returns to work. Through the Connecting Canadians with Available Jobs initiative, the Government is seeking to better connect unemployed Canadians with jobs that match their skills and are in their local area. These improvements to the EI program are



intended to better encourage and support Canadians to find work. As a result of these changes, EI claimants receive better labour market information, including comprehensive job postings on a daily basis. The Job Alerts system has been enhanced to provide a more comprehensive list of available jobs in a claimant's chosen occupation and community. A claimant may also choose to receive additional information that can help them decide how and when to expand a job search. In addition, the changes clarify the responsibilities of EI claimants by defining what constitutes a reasonable job search and suitable employment. Under the new definitions, EI claimants, including seasonal workers and fishers, are categorized according to their use of the EI program.

The 2012 Economic Action Plan also announced improvements to the EI program to make it more fair, efficient and responsive to regional economic conditions. Through the Variable Best Weeks approach to calculating EI benefits, a new national and legislated approach effective since April 2013, most EI claimants now have their weekly EI benefit rate calculated based on the highest weeks of insurable earnings during the qualifying period, generally 52 weeks (the number of weeks used for calculating the weekly benefit rate ranges from 14 to 22, depending on the monthly unemployment rate in a claimant's EI economic region). This approach helps to ensure that the program is more responsive to changes in local labour markets and that people with comparable work patterns and living in regions with similar unemployment rates are treated in a consistent manner. A new national three-year Working While on Claim (WWC) pilot project was also introduced to ensure claimants are not discouraged from accepting work while receiving EI benefits by allowing claimants to keep 50 cents of their benefits for every dollar they earn while on claim. The WWC pilot project, which came into effect in August 2012 and applies to all claimants except those receiving EI maternity or sickness benefits, helps to ensure that EI claimants benefit from accepting more work.

Through the 2013 Economic Action Plan, the Government took additional steps in supporting job creation by freezing the EI premium rate for 2014 at the 2013 level of \$1.88 per \$100 of insurable earnings, providing greater stability and predictability to employers. This change is expected to save employers and employees \$660 million in 2014, relative to a five-cent increase to \$1.93. The Government also committed to ensuring that the EI premium rate for 2015 and 2016 would be no higher than \$1.88 and would be set at the seven-year break-even rate starting in 2017.



## APPENDIX: LIST OF RECENT COUNTRY-SPECIFIC COMMITMENTS AND OTHER KEY DOCUMENTS FROM THE G20 EMPLOYMENT AGENDA

### SAINT PETERSBURG ACTION PLAN

#### Structural reforms

**Investing in infrastructure, including road, rail and energy** (Argentina, Brazil, **Canada**, India, Indonesia, Saudi Arabia, United Kingdom, United States).

Measures to strengthen service industries (China, Italy).

Reducing labour costs through tax credits (France).

Boosting foreign direct investment through tax and regulatory reform (Japan, Korea).

Reforms to streamline business regulation (Russia, South Africa, Spain).

Tax reforms to reduce the burden on business (China, United Kingdom).

A new disability insurance scheme (Australia).

Reforms to improve skills development through schools and tertiary education (Australia, Brazil, India, Korea, South Africa, United States).

**Strengthening active labour market programs to create jobs** (**Canada**, Italy).

Labour market reform to encourage jobs and growth (France, Mexico).

Implementation of the Youth Employment Initiative (European Union).

Reforming welfare and pensions to encourage growth and jobs (France, United Kingdom)

Reducing informality through incentives for SMEs (Indonesia)

Reducing the tax wedge (Italy)

Expanding childcare to encourage women to enter the workforce (Japan, Korea)

Increasing women's participation in the workforce (Turkey)

Implementing stronger financial regulations to increase the resilience of national financial systems (Brazil, France, Germany, European Union, Japan, Korea, Mexico, South Africa, United Kingdom, United States)

Measures to strengthen financial literacy and consumer protection in the finance sector (Russia, Saudi Arabia, Turkey)

Link: <http://www.g20.utoronto.ca/2013/2013-0906-plan.html>



## LOS CABOS JOBS AND GROWTH ACTION PLAN

Promoting investments in infrastructure to increase productivity and living standards in the medium term by addressing bottlenecks (Argentina, Australia, Brazil, India, Indonesia, Mexico, Saudi Arabia, South Africa, UK).

Promoting green and sustainable growth (Australia, Korea, Germany, Mexico).

Encouraging formal sector employment through better education or skill development (Brazil, Indonesia, Mexico, South Africa).

**Improving employment opportunities for targeted groups such as youth and persons with disabilities (Canada, Korea, UK).**

Encouraging the participation of younger workers through apprenticeships (UK).

Retraining of long-term unemployed (US).

Increasing wage flexibility, such as decentralized wage setting (Italy).

Reducing labour tax wedges (Brazil, Italy).

**Unemployment insurance reforms to make it more effective and efficient in supporting job creation (Canada).**

Tax and benefit reforms to enhance productivity and improve incentives to work (Australia, Germany, Italy, UK).

Skills development (Spain).

**Enhancing education, training and skills development (Australia, Canada, France, Germany, Italy, Turkey, South Africa).**

Providing targeted support for the poor or strengthening social safety nets (India, Indonesia, China, Mexico, Saudi Arabia, South Africa).

Encouraging the participation of females in the labour force through, for example, reforming benefit systems and providing affordable child care services (Australia, Germany, Japan, Korea).

Link: <http://www.g20.utoronto.ca/2012/2012-0619-loscabos-actionplan.pdf>

## OTHER KEY DOCUMENTS

G20 Strategies for Youth Employment through the G20 Labour and Employment Ministers Conclusions (17-18 July 2012) (<http://www.g20.utoronto.ca/2012/2012-0518-labour.pdf>)

'Key Elements of Quality Apprenticeships' (2012) ([http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_218209.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_218209.pdf))

'A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy' (2010) ([http://www.ilo.org/wcmsp5/groups/public/---dgreports/--integration/documents/publication/wcms\\_151966.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/--integration/documents/publication/wcms_151966.pdf))

G20 Labour and Employment Ministers' Declaration, Moscow, 18-19 July 2013 (<http://en.g20russia.ru/load/781649316>)

The G20 Labour and Employment and Finance Ministers' Communiqué, Moscow, 19 July 2013 (<http://en.g20russia.ru/load/781652947>)

