

# Towards an Economy that Works for Everyone

## *Policy options for an inclusive workforce development strategy*

June 2019

### Executive Summary

Alberta is a prosperous province, with a strong entrepreneurial spirit and a skilled and energetic workforce. Yet, for many Albertans good jobs remain out of reach. As a province, we must do more to ensure *all* Albertans—including individuals with lower skills, immigrants, Indigenous persons, women, persons with disabilities, and the long-term unemployed—can access the opportunities and resources they need to achieve their full potential.

Investing in Alberta's labour market makes good economic sense. While unemployment and unequal access to education and jobs are costly, government investment in training, specifically for those with lower skills, has a measurable impact on GDP and productivity. It is also a viable approach to reducing poverty and dependence: for people living on a low income, the chance to pursue training that leads to a good job often creates a steady path to a brighter future.

At Momentum, we see these benefits first hand. Just six months in duration, our Self Employment program for individuals with barriers to employment demonstrates a level of impact on earnings comparable to that of an undergraduate degree.<sup>1</sup> Meanwhile, our Trades Training program for immigrants and Indigenous persons delivers a high return on government investment: the Government of Alberta's financial contribution to the program is returned in only three years due to graduates receiving substantial wage increases—and paying higher taxes as a result.<sup>2</sup>

Though Alberta's workforce development system has good foundations, it is lacking strategic direction. In 2018, Alberta's auditor general released a report that pointed to this reality, warning that, without a strategy and system to measure and report on outcomes, "long-term results will succumb to short-term needs and not support the needs of vulnerable Albertans."<sup>3</sup>

The time is right for the Government of Alberta to chart a new strategic course in the area of labour market policy.

We recommend that the Government of Alberta lead the **creation and implementation of an updated, cross-ministerial workforce development strategy** that builds on existing strengths, ensures all Albertans can access the training and opportunities they need to get good jobs, and finds innovative ways to respond to a changing world.

Undertaking the development of a new strategy also represents an opportunity to explore policy options that advance the following objectives:

1. Identify poverty reduction and labour market inclusion as workforce development priorities
2. Support local workforce initiatives advancing poverty reduction and economic development
3. Increase investment in workforce programs—like integrated training—that provide pathways to good jobs
4. Empower employers, Alberta’s job creators, to train and hire workers with lower skills
5. Leverage social procurement strategies to build a skilled and inclusive workforce
6. Address emerging economic and social trends proactively

This document builds on an earlier Momentum publication, [Towards an Economy that Works for Everyone: The case for building a workforce development system focused on poverty reduction and labour market inclusion](#), which provides an overview of the current workforce development system and identifies opportunities for reform. In responding to these opportunities, this policy paper explores policy options that would advance the priorities of inclusive workforce development, good jobs, and poverty reduction.

## About Us

Momentum works with people living on low incomes and partners in our community to create a thriving local economy for all. We offer programs to increase people’s connections, skills, income, and assets; support communities and businesses with resources to build the local economy; and advance systems change for poverty reduction and community economic development through policy research and advocacy.

Contact our Public Policy Manager at [publicpolicy@momentum.org](mailto:publicpolicy@momentum.org) or 403 204 6180.  
Access our policy publications here: <https://momentum.org/publications/policyandresearch/>

## The Opportunity

Alberta's workforce development system has strong foundations, but the province's approach is fragmented across four ministries and numerous programs. One consequence is that there is no wide-ranging, integrated strategy to create good jobs, advance economic inclusion, and reduce poverty.

The time is right for the Government of Alberta to chart a new strategic course to ensure a more comprehensive, coordinated, and efficient approach to labour market policy—one that increases opportunities for individuals living in poverty and supports the labour market attachment of under-represented groups.

### Meeting the need for skills training pays off

Under-represented groups and workers with lower skills are seeking job opportunities.

Last year, there were 600 applicants for 91 available training spots at Momentum.

Momentum's Trades Training program for immigrants and Indigenous persons delivers a high return on government investment: the Government of Alberta's financial contribution to the program is returned in only three years due to graduates receiving substantial wage increases—and paying higher taxes as a result.

**Momentum recommends that the Government of Alberta lead the creation and implementation of an updated, cross-ministerial workforce development strategy.**

In developing a new strategy, government has the opportunity to adopt an approach that reflects the perspectives of employers, training providers, post-secondary institutions, community-based organizations, and workers.

We also ask that the strategy incorporates, where relevant, the policy options discussed in detail in this brief so that all Albertans can access the training and opportunities they need to get good jobs, achieve their full potential and contribute to our economic prosperity.

## Policy Options

### 1. Identify poverty reduction and labour market inclusion as workforce development priorities

Strong workforce development strategies are constructed with the understanding that a well-functioning labour market is one that allows *all* individuals to gain in-demand skills, access good jobs, and work toward their full potential. For example, the G20 Training Strategy outlines a number of "building blocks" for effective strategies, one of which is ensuring broad and equal access to training and supports (e.g., education, vocational training, workplace learning, etc.) for lower-skilled groups such as immigrants, the long-term unemployed, and individuals from

disadvantaged communities.<sup>4</sup> The Government of Alberta can ensure this principle is reflected in its new workforce strategy by naming poverty reduction and labour market inclusion as key priorities.

In building these priorities into a government-wide strategy, the province can better leverage the federal funding for workforce development it receives each year through the Labour Market Transfer Agreements (LMTAs) to support labour market inclusion. Worth nearly \$500 million annually, these agreements support a range of programming and policy tools, including skills development, job creation partnerships, and self-employment training, and can be better directed toward opportunities for individuals with lower skills or weaker attachment to the labour force.

Canadian jurisdictions have achieved success in advancing poverty reduction goals using workforce development approaches, and Alberta can look to these examples. One of three main outcomes of [Working as One](#), Toronto's workforce strategy, has the poverty reduction and inclusion focus of "ensuring that services available to jobseekers get the best outcomes for unemployed residents and for groups who find themselves outside the labour market or without the opportunities they need."<sup>5</sup>

*Working as One* is also closely linked to Toronto's poverty reduction initiative—particularly through the connecting role that Toronto Employment and Social Services (TESS) plays as a central implementer of both bodies of work. Over the past several years, TESS has been successful in fostering additional inclusive sector strategies, which bring together stakeholder groups in growing sectors to understand needs, create pathways that increase access, and help jobseekers attain quality employment.<sup>6</sup> In addition, through the Investing in Neighbourhoods initiative, TESS has connected nearly 1,200 Ontario Works recipients with valuable work experience placements in over 270 non-profit organizations.<sup>7</sup>

## **2. Support local workforce initiatives advancing poverty reduction and economic development**

Workforce development is inherently local: employers and workers interact within local labour markets, and though they are funded and supported by provincial and federal frameworks, programs and services are delivered within cities or economic regions.<sup>8</sup> For this reason, many strategic workforce development activities are carried out most effectively through local workforce partnerships or stakeholder networks.<sup>9</sup>

Alberta's municipalities are aware of this reality. In fact, both Calgary and Edmonton have identified employment and skills training as opportunity areas within their respective economic development and poverty reduction strategies (see Box 1).

**Box 1: Local strategies in Alberta with a workforce development and poverty reduction focus**

	<p><a href="#">Enough for All 2.0</a>, Calgary’s refreshed poverty reduction strategy, identifies adult literacy and foundational learning, as well as employment, as two of ten levers of change.<sup>10</sup> In addition, an initiative identified under Goal 2, “All Calgarians have sufficient income and assets to thrive,” is “convening Calgary-based businesses, government representatives, and employment training providers to create long-term pathways to employment focused on poverty reduction.”<sup>11</sup></p>
	<p>Calgary Economic Development’s <a href="#">Economic Strategy</a> highlights the importance of increasing work-integrated learning opportunities<sup>12</sup> and also mentions “increas[ing] economic participation for the underrepresented and underemployed” as part of its initiative to actively support diversity and inclusion.<sup>13</sup></p>
	<p>Edmonton’s plan, <a href="#">End Poverty in a Generation</a>, contains a priority to “improve skills training to help people gain sustainable employment,” including by “advocat[ing] for targeted employment support strategies for those who face labour market barriers.”<sup>14</sup> Further, Action #17 in the <a href="#">Road Map</a> is to “initiate a community dialogue to remove systemic barriers and improve coordination of training and employment opportunities.”<sup>15</sup></p>

**Introduce a framework for local workforce partnerships**

Local workforce partnerships bring together diverse labour market stakeholders to support the delivery of employment programs and services, including integrated training and other work-integrated learning opportunities like co-ops, internships, and practicums. At their most effective, they include government representatives, local employers, industry, training providers, educational institutions, community organizations, and philanthropists.<sup>16</sup> Some are sector-driven, while others convene to address specific workforce challenges such as skills shortages or labour market attachment among under-represented groups.

Governments can play an important role in initiating and supporting local workforce strategies by providing the policy context, resources, infrastructure, and institutional frameworks necessary for success.<sup>17</sup> This is the case in Ontario, where the Ministry of Advanced Education and Skills Development has, since 1994, funded a network of 26 workforce planning boards to coordinate community responses to local labour market needs,<sup>18</sup> and more recently, launched a pilot of eight Local Employment Planning Councils, like the Ottawa Employment Hub,<sup>19</sup> to bolster local workforce efforts. In the United States, local workforce development boards are legislated through the federal *Workforce Innovation and Opportunity Act*. For example, in Washington twelve workforce development councils must create their own four-year workforce plans offering a vision for their local systems. Seattle’s group has established as a key goal “to deliver job-driven, effective training and aligned employment services to meet the needs of employers and

job seekers, especially those with barriers to employment.”<sup>20</sup> By introducing a similar framework, the Government of Alberta would elevate the work already underway in cities like Calgary and Edmonton.

### Provide resources for targeted Labour Market Intermediaries (LMIs)

Labour Market Intermediaries are organizations that link low-skilled workers with employment in targeted sectors by facilitating relationships among employers, education and training institutions, government, funding agencies, unions, and community-based organizations. They are hubs that link labour market players, align partners and funding streams towards common goals, and provide labour market services to employers.<sup>21</sup> LMIs also fill a policy gap by supporting participants after program completion: they provide long-term, comprehensive, community-based supports to multi-barriered individuals after they exit their programs and throughout the transition to employment.<sup>22</sup> The role of LMI can be taken on by a range of organizations, from a city agency, to a community-based non-profit.



LMIs could play an integral role in bridging the gap between individuals with employment barriers and prospective employers—and in supporting the advancement of priorities within broader local workforce partnerships. By supporting LMIs, the provincial government can spur the creation and implementation demographic- or sector-focused LMIs within Alberta municipalities and economic regions. Importantly, support must include capacity building and operational resources, as well as financial assistance.

### 3. Invest in workforce programs—like integrated training—that provide pathways to good jobs

The Government of Alberta is responsible for delivering and supporting workforce programs—which range from low-touch rapid re-employment supports, to foundational learning, to work-integrated learning opportunities—to ensure individuals can develop the skills they need to get good jobs. For individuals who are unemployed or working in survival jobs, integrated training (see Box 3) is an appropriate and sensible way to gain the skills necessary to get back to work, but in a context that is more comprehensive and supportive than other shorter-term options.

## Box 2: A Labour Market Intermediary for urban Indigenous youth in Calgary

*“It seems that what many employers are naively looking for are Aboriginal people who have escaped colonization unharmed—fully assimilated. An Aboriginal LMI mandated to work with both employers and employees could play an important role in educating those employers interested in better understanding the challenges they have identified—about what they can do to improve the workplace experience of their Aboriginal employees, and about the benefit that will come to them as a result.”*

- from Decolonizing Employment: Aboriginal Inclusion in Canada’s Labour Market<sup>23</sup>

An LMI focused on urban Indigenous youth in Calgary, potentially housed within the Aboriginal Friendship Centre, would connect youth, support services, community-based training providers, and employers looking to hire Indigenous persons. Importantly, the LMI would help urban Indigenous youth access comprehensive supports prior to, during, and following completion of training programs, filling an important support gap that many community-based training providers cannot, while also providing stability to the individual during a transition period. In addition, the LMI would contribute to reconciliation by fostering relationships between employers and Indigenous youth, and by strengthening employers’ understanding and appreciation of unique circumstances of Indigenous Canadians.

An emerging programming gap is limiting access to integrated training opportunities for individuals with barriers to employment, a client group that receives significant benefit from this type of training. At present there are fewer integrated training and foundational learning spots than there are eligible applicants, which is a result both of high demand, as well as the fact that much of government-funded skills training is inaccessible to those with employment barriers and weak labour market attachment.

Importantly, the programming gap exists for individuals eligible for Labour Market Development Agreement (LMDA) programs through Employment Insurance, as well as those who qualify for training supported through the Canada-Alberta Workforce Development Agreement (WDA) and are eligible to receive Learner benefits through the Income Support system. Within this context, Momentum’s experience is that government contracts are increasingly emphasizing admitting EI-eligible applicants—a focus that further limits opportunities for those who are further from the labour market. To achieve poverty reduction and labour market attachment goals, the provincial government must shift more funds to support skills and employment training for individuals with barriers to employment.

See Momentum’s [Towards an Economy that Works for Everyone: The case for building a workforce development system focused on poverty reduction and labour market inclusion](#) for further information and illustration.

## Redirect funding to fill the integrated training gap

Recently, the Government of Alberta has prioritized funding for short-term training opportunities that support the rapid re-employment of individuals impacted by the economic downturn. Though these investments are necessary to get many Albertans back to work, they have exacerbated the integrated training gap and should not be made at the expense of training opportunities intended for those with greater employment barriers.

One way the Government of Alberta can address this issue is ensuring that additional funding provided under the Canada-Alberta LMDA goes to support integrated training for individuals with employment barriers. It is sometimes assumed that individuals who are eligible for EI-supported programs have stronger labour market attachment; however, many EI-eligible individuals have employment barriers, making them ideal candidates for integrated training programs that offer comprehensive supports. There is also room for the Alberta government to contribute more provincial funding to support integrated training, as trends suggest an overreliance on federal transfers in recent years.

## Reimagine Alberta's skills training framework to support poverty reduction

In 2018, the Governments of Canada and Alberta negotiated updated Labour Market Transfer Agreements, which include the LMDA and the WDA. In addition to a funding increase, the new LMTAs include greater flexibility for the province in choosing which programs to deliver, expanded eligibility, and an increased focus on labour market inclusion of under-represented groups. In this new context, the Government of Alberta can envision its own workforce development strategy. We recommend that the province revisit its skills and employment training framework to ensure that programs and supports align with demand and better support poverty reduction and labour market inclusion.

### Box 3: Integrated Training in Alberta

Training for Work programs provide full- and part-time training opportunities for unemployed and underemployed Albertans, and include Immigrant Bridging, Integrated Training, Self-Employment, Transition to Employment Services, and Workplace Training.

Integrated Training occupies a critical place along the continuum of employment training and supports and has three key components:

- **Foundational skills training (e.g., employability and essential skills)**
- **English as a Second Language**
- **Technical, occupation-related skills training; and work experience.**

Integrated Training programs are currently funded by the Ministries of Labour and Immigration (contract) and Advanced Education (tuition) and delivered by community-based and private training providers.

Source: [Government of Alberta - Training for Work programs](#)

Alberta can look to other Canadian jurisdictions in reimagining how it allocates funding for skills and employment training. In British Columbia, the Ministry of Advanced Education, Skills & Training has used the opportunity of renegotiated LMTAs to design a new program framework for skills training and employment supports. Developed in consultation with stakeholders to ensure that the WDA and BC's programming meet labour market needs, the framework adopts a multi-pronged approach that targets individuals, employers, sectors, and communities.<sup>24</sup>

Three key programs will be supported under BC's framework: Skills Training for Employment (STE), the BC Employer Training Grant, and the Community Workforce Response Grant. The new STE will receive \$26.8 million each year for six programs that provide pre-employment assistance, skills training, and employment supports for under-represented and vulnerable groups, regardless of EI eligibility.<sup>25</sup> A government press release indicates that programs will include wraparound supports, such as counselling, mentoring, child care, transportation, disability supports, and wage subsidies, to address barriers to employment.<sup>26</sup> These comprehensive supports, as well as expanded eligibility, align with Momentum's vision for increased investment in and access to skills programs, such as integrated training, for individuals who experience barriers to employment.

To ensure the perspectives of under-represented groups are given appropriate consideration in a new framework, we suggest that the province also appoint an advisory committee on labour market inclusion to support the recommended review. This committee would also serve an ongoing purpose as the government creates and reports on a workforce development strategy.

### **Adjust the Canada-Alberta Job Grant so more Albertans benefit**

The Canada-Alberta Job Grant (CAJG) was introduced in 2014 as the cornerstone of the Canada-Alberta Job Fund Agreement. Since its creation, the program has failed to increase labour market attachment for under-represented groups.<sup>27</sup> In reality, 99 per cent of Albertans supported through the CAJG in 2017-18 were employed prior to participating in training, which suggests that the program is not reaching those with weaker labour market attachment despite being funded through an Agreement that is focused on this outcome.<sup>28</sup>

The new WDAs provide the Government of Alberta the flexibility to alter the design of the CAJG, adjust the amount of funding directed to it, or discontinue the program altogether. We encourage the province to review the structure, policy goals, and funding source of the CAJG and make changes that will result in increased opportunities for under-represented groups.

Several options exist. One approach taken in other provinces is to adjust the CAJG to incorporate a Foundational Training stream intended for employers wishing to train unemployed, underemployed, and low-skilled individuals to obtain better jobs. Another option is to discontinue the CAJG entirely. In 2017-18, the Government of Alberta allocated \$19 million to this program, and this investment could instead be used to fund opportunities, such as integrated training, that are better aligned with poverty reduction goals.

## **4. Empower employers, Alberta's job creators, to train and hire lower-skilled workers**

As job creators, employers have important insight into the skills and training opportunities current and potential workers need to be valuable assets in the workplace. Yet, they are too often missing in workforce development conversations. In addition, Canadian employers do not invest as much in training as they used to, and when they do provide training it often benefits workers who are already highly-skilled. The Government of Alberta is well-positioned to create and nurture a culture of employer engagement and investment in skills training, whether it is through increased support for businesses and organizations that are ahead of the curve, like social enterprises, or by providing resources and introducing new initiatives to incentivize the training and hiring of vulnerable workers, as is done in other jurisdictions.

### **Create resources, tools, and subsidies to support diversity and inclusion in the workplace**

The Government of Alberta can support employers to train and hire under-represented groups by providing resources and tools to businesses on diversity and inclusion, and by adapting existing training, hiring, and wage subsidies to include individuals with employment barriers.

Subsidies address structural barriers to employment and support labour market inclusion by incentivizing employers to train and hire individuals traditionally under-represented in the workforce, including new immigrants, Indigenous persons, women, and people living with disabilities. During economic downturns, subsidies also target employment for vulnerable individuals and provide employers with the opportunity to retain and hire workers despite economic pressures.<sup>29</sup> In Finland and Germany, subsidies have been a useful policy tool in addressing skills shortages and in shifting people from occupations in decline into those for which there is increased need.<sup>30</sup>

In the Canadian context, wage subsidies have been effective in increasing employment among under-represented groups. Targeted Wage Subsidies (TWS), which are one type of Employment Benefit and Support Measure (EBSM) delivered under the Canada-Alberta LMDA, encourage employers to hire unemployed individuals by providing financial assistance to cover a portion of the new hires' wages. A 2016 Statistics Canada evaluation revealed that TWS is effective in increasing both earnings and employment for participants: TWS led to the largest increase in incidence of employment among all EBSMs, including employment training.<sup>31</sup> To ensure more Albertans can benefit from this effective workforce development approach, the Government of Alberta should direct more LMDA funding to TWS and streamline administration.

### **Support social enterprise development**

Social entrepreneurship is on the rise, which points to a larger shift in the way businesses are operating in today's economic and social context. As noted in a 2018 Deloitte report,

“organizations are increasingly judged on the basis of their relationships with their workers, their customers, and their communities, as well as their impact on society at large.”<sup>32</sup>

Social enterprises are organizations that use business strategies to take on complex societal challenges—from poverty to food insecurity—while contributing environmental and local benefits in the process. For example, 68 per cent of Ontario’s social enterprises have a poverty reduction focus.<sup>33</sup> In addition, many social enterprises provide important community-based services, such as child care and affordable housing, and at the same time create training, employment, and mentorship opportunities for vulnerable individuals.

Across Alberta, social enterprises like Ethnicity Catering are supporting labour market inclusion and normalizing employer involvement in training for individuals with employment barriers.<sup>34</sup> For this reason, the social enterprise sector has a key role to play in Alberta’s workforce development future. However, if the sector is to grow and thrive, increased government investment and partnership is necessary. The Government of Alberta can achieve this by facilitating connections, networks, and capacity building among existing and emerging social enterprises; championing the social enterprise model; encouraging investment in the sector; adopting enabling regulatory and policy frameworks; and helping social enterprises measure and share positive results and successes.

Many Canadian provinces, including Quebec, Ontario, Nova Scotia, Manitoba, and Newfoundland, have adopted social enterprise strategies that incorporate the above approaches and objectives. Similar action plans also exist internationally, in Scotland and Australia, and the European Commission’s Expert Group on Social Entrepreneurship has advocated for a European Action Plan for the Social Economy and Social Enterprises.<sup>35</sup>

Government-supported strategies are proven tools for advancing social enterprise. An evaluation report on the impact of Manitoba’s Social Enterprise Strategy indicated that the initiative enabled more social enterprises to make demonstrable progress in lower-income communities and resulted in greater impact overall; supported organizational, network, and market development; and increased awareness and sector readiness for future growth.<sup>36</sup>

#### **Box 4: Spotlight on Calgary-based social enterprise, EthniCity Catering**

EthniCity Catering is a social enterprise of the Centre for Newcomers that supports immigrants and refugees through transitional employment and training.

Through EthniCity’s program, individuals receive ten weeks of training to work in a commercial kitchen, temporary employment, a Canadian job reference, the opportunity to develop a social network and to practice English, and support to look for permanent work.

In 2018, EthniCity provided nearly 10,000 hours of paid employment to 64 participants. As a result of the program, some accepted employment positions in daycare centres, restaurants, and office environments, while others opened their very first bank account and learned to take public transit in Calgary.

Source: <http://centrefornewcomers.ca/ethnicity-catering/>

## 5. Leverage social procurement strategies to build a skilled and inclusive workforce

Social procurement is a way for governments to leverage existing purchasing power to increase community and local benefits, including support for social enterprise, targeted employment or training of marginalized people, local economic development, and environmental benefits—all at no additional cost to government. When making purchasing decisions, governments that use social procurement frameworks still impose a competitive and transparent bidding process, they simply seek added value by including social impact criteria.

Both the City of Edmonton and the City of Calgary are advancing social procurement for their corporate purchasing. The City of Calgary is working on implementing its strategy and a series of pilots to test social procurement, while the City of Edmonton's social procurement pilots are tied to their poverty reduction initiative.

To learn more about opportunities for social procurement at the provincial level, read the policy brief on [social procurement in Alberta](#).

### Implement a Community Benefits Policy Framework

Community Benefit Agreements (CBAs) are formal agreements between a developer—usually of a large-scale real estate or public infrastructure project—and a community-based coalition that represents those impacted directly by the project. These agreements allow communities to participate in identifying and defining the benefits that they will receive as a result of the project. Benefits can include workforce development, like access to jobs, training, and apprenticeships (particularly for those with employment barriers); local economic development through opportunities for small- and medium-sized businesses, and social enterprises; community initiatives that improve neighbourhoods, including through affordable housing and recreational facilities; and environmental initiatives.<sup>37</sup>

A University of Glasgow study of community benefits clauses in Scotland indicated that, across 24 contracts, more than 1,000 individuals from target groups were recruited, 650 accessed a work placement, over 6,700 received training, and 200 were recruited as apprentices.<sup>38</sup>

Prevalent in jurisdictions across the United States and the United Kingdom, CBAs are now emerging as a standard approach in Canada. Ontario is the first Canadian jurisdiction to pass legislation related to CBAs and infrastructure planning and investment. Outlined as part of the Ontario government's Long-Term Infrastructure Plan, the Community Benefits Framework will be developed and launched in 2019 following five pilot projects.<sup>39</sup> The Government of Ontario intends to ensure all major public infrastructure projects comply with the Framework by 2020.<sup>40</sup>

### **Box 5: CBAs in action – the Eglinton Crosstown Light Rail Transit project**

The Eglinton Crosstown Light Rail Transit project is a infrastructure development project under Ontario’s Community Benefits Framework, and the first of several Toronto transit projects that will include a community benefits requirement.

The developer, Crosslinx Transit Solutions (CTS), is contractually obligated to ensure that local communities and historically disadvantaged and equity seeking groups directly benefit from the province’s investment in the project. To fulfill this requirement, CTS has committed to “making the pathway to Professional, Administrative, and Technical (PAT) roles in the construction industry more accessible to people facing barriers to employment.” Between January 2017 and July 2018, the project employed 131 people from historically disadvantaged communities and communities along the transit corridor in professional, administrative, and technical roles. In addition, CTS purchases goods and services from local suppliers and social enterprises.

Source: CTS - [Community Benefits Program Quarterly Report; Eglinton Crosstown - Community Benefits and Liaison Plan](#)

## **Establish Community Employment Benefit Initiative targets for all public infrastructure projects with a budget of \$25 million or more**

The Government of Alberta can leverage existing initiatives to improve investment in skills and employment training opportunities for individuals with employment barriers. One such opportunity is through the [Community Employment Benefits Initiative](#), which, as a part of the Investing in Canada Infrastructure Program, requires projects of \$25 million or more to report on community employment benefits for three target groups.\* A commitment by the Government of Alberta to exceed this requirement would enhance the potential of this initiative to achieve social and workforce development goals. Such an approach would also serve the purpose of laying the foundation for a community benefits agreement framework.

## **6. Address emerging economic and social trends proactively**

Emerging economic and social trends stand to have a considerable and long-lasting impact on Alberta’s workforce. As we adjust to a changing world, the Government of Alberta must develop a plan to tackle these challenges head-on. With the creation of a new workforce development strategy comes an opportunity to ensure the plan addresses emerging economic and social trends and takes into consideration specific implications for vulnerable populations.

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\* Target groups include Indigenous peoples, women, people with disabilities, veterans, youth, apprentices, recent immigrants, and small-to-medium sized and social enterprises.

## Shifting demographics due to immigration and an ageing population

Our population is ageing: projections indicate that in the next 25 years, each person over the age of 65 will be supported by three working adults (today, it's five working-age adults for every retiree),<sup>41</sup> and by 2036, 25 per cent of the Canadian population will be 65 or older.<sup>42</sup> The implications for the care work system are considerable. By providing more opportunities for under-represented and low-skilled individuals to train for living wage careers in care work, the Government of Alberta can meet the increased demand produced by the pressures of an ageing population.

Changing demographic realities also stand to impact the availability of skilled labour in Alberta. For example, from now until 2026, the Ministry of Labour expects more than 3,000 workers in the trades, transport, and equipment operation to retire each year.<sup>43</sup> In addition to elevating apprenticeship learning and careers in the skilled trades for youth to address this trend, the Government of Alberta has an opportunity to increase opportunities for under-represented or marginalized adults to train for long-term employment in the trades. In so doing, the provincial government would not only be filling an emerging skills gap but would also be supporting many vulnerable Albertans to develop in-demand skills and move beyond poverty and dependence.

## Disruption, transformation, and decline of long-standing industries

Trends like automation and the decline of central industries will have impacts on all of us, requiring governments, employers, and workers to adapt to a context within which some jobs will disappear and new skills will be required. Policies which minimize the impact for workers, employers, and communities, are inherently linked to skills and employment training policy. It merits mention that disadvantaged individuals will require targeted assistance to ensure they are not left behind, as such transitions are especially difficult for low-skilled and older workers.<sup>44</sup>

## Increasingly precarious work

The nature of work is changing. In Canada, the gig economy has expanded to the extent that nearly one third of Canadians now participate in freelance, contract, part-time, or other precarious employment,<sup>45</sup> and more than one fifth of Canadian professionals are now employed precariously. The rise in unstable and non-traditional work raises questions about the overall quality of employment, job security and stability, and access to benefits that are often employer-provided. Though these trends stand to impact all Albertans, individuals with lower skill levels and those employed in low-wage jobs are particularly vulnerable. A workforce development strategy must address these realities, with a specific focus on immigrants, Indigenous persons, women, older adults, youth, and racialized persons, all of whom are disproportionately represented in precarious work.<sup>46</sup>

## Further Considerations

At the same time as it focuses on strategy and policy, the provincial government must review its service delivery model for employment and skills training. Community-based service delivery plays a central role in the employment training system, especially for individuals with barriers to employment; however, several elements of the current system do not support organizations to achieve the best outcomes. Areas for consideration include:

- Reviewing the structure of employment services within government with the goal of returning to local decision-making whenever possible. For example, the Ministry of Labour and Immigration currently makes decisions and offers program delivery support at a provincial level, with a limited regional or municipal perspective;
- Analyzing the merits of tuition-based funding (versus contracts) and longer-term contracts;
- Streamlining the funding approvals process;
- Reviewing reporting requirements, including outcomes of success; and
- Finding ways to support innovation.<sup>47</sup>

To ensure government-funded programs are as effective as possible, we recommend that the Government of Alberta convene stakeholders, including service providers, employers, and participant groups, to consider these opportunity areas.

## Conclusions

Taken together, the policy options presented in this brief represent an important shift in how the Government of Alberta can approach workforce development—a shift that is necessary to both achieve economic and social goals, as well as prepare for and address emerging workforce trends.

A vital first step in this process is the creation of a comprehensive, cross-ministerial workforce development strategy that would advance the priorities of good jobs, poverty reduction, and an inclusive labour market, while ensuring a more efficient and coordinated system.

## Endnotes

- <sup>1</sup> Momentum, Business Training: A Great Return on Investment, (Calgary: Momentum Community Economic Development, 2014), <https://momentum.org/wp-content/uploads/2018/02/Business-Training-A-Great-Return-on-Investment.pdf>.
- <sup>2</sup> R.D. Kneebone, Provincial Budgetary Implications of the Trades Training Program, (Calgary: Momentum Community Economic Development, 2004), <https://momentum.org/wp-content/uploads/2018/02/Trades-Training-ROI-update.pdf>.
- <sup>3</sup> Alberta Auditor General, Alberta Labour – Systems to Update Alberta’s Workforce Strategies (2018), 8, <https://www.oag.ab.ca/documents/640/2018-11-07 - PA-Labour-Workforce Strategies -November 2018 Report.pdf>.
- <sup>4</sup> International Labour Office, A Skilled Workforce for Strong, Sustainable and Balanced Growth: A G20 Training Strategy (Geneva: International Labour Organization, 2010), 28, <https://www.oecd.org/g20/summits/toronto/G20-Skills-Strategy.pdf>.
- <sup>5</sup> City of Toronto, Working As One: A Workforce Development Strategy for Toronto (Toronto, City of Toronto, 2012), 8, <https://www.toronto.ca/wp-content/uploads/2017/08/9691-WorkingAsOne.pdf>.
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