



# Summary of the Horizontal Evaluation of the Labour Market Development Agreements



## Program objectives

The Labour Market Development Agreements (LMDAs) are bilateral agreements between Canada and each province and territory for the design and delivery of Employment Benefits and Support Measures (EBSMs). The objective of EBSMs is to assist individuals to obtain or keep employment.

The following benefits and measures are examined in the evaluation:

- **Skills Development** helps participants obtain employment skills by giving them financial assistance in order to attend classroom training.
- **Targeted Wage Subsidies** help participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment** provides financial assistance and business planning advice to participants to help them start their own business.
- **Job Creation Partnerships** provide participants with opportunities to gain work experience that will lead to ongoing employment.
- **Employment Assistance Services** support individuals to find employment or to obtain a better job. Examples of services include, job search assistance and career counselling, job search skills, job placement services.
- **Labour Market Partnerships** seek to deal with labour force adjustments and meet human resources requirements by enabling employers, employee or employer associations, community groups, and communities to work together to develop or implement strategies.
- **Research and Innovation** supports initiatives seek to identify better ways of helping people prepare for, return to or keep employment, and be productive participants in the labour force.



## The LMDAs investment

In fiscal year 2020 to 2021, Canada transferred nearly \$2.5 billion to provinces and territories.



## Evaluation objectives

Building on previous LMDA evaluation cycles, the aim of this evaluation is to fill in knowledge gaps about the effectiveness, efficiency, as well as design and delivery of EBSMs across Canada.



## Evaluation methodology

The findings are drawn from 9 separate evaluation studies that use a mix of qualitative and quantitative methods, including:

- Incremental impact analysis for participants who began an intervention between 2010 and 2012
- Outcome analysis
- Cost-benefit analysis (including savings to health care)
- Key informant interviews with 287 provincial/territorial representatives, service providers, agreement holders and key stakeholders
- Provincial/territorial questionnaires
- A national survey of 2,023 self-employment participants
- Document and literature reviews





## Key findings

Participation in most EBSMs improved labour market attachment and reduced dependence on government income supports compared to similar non-participants.

With some exceptions, Skills Development and Targeted Wage Subsidies improved the labour market attachment and reduced use of government income support for most subgroups of participants. Female, Indigenous and recent immigrant participants who only received Employment Assistance Services improved their labour market attachment and decreased their use of EI benefits.

For most interventions, the benefits accrued by participants and governments exceeded the costs of investments over time.

The evaluation also found that:

- Based on a national survey of participants in the Self-Employment program, nearly half of program participants launched a business during program participation that was still in operation in winter 2020 (between 2 to 4 years after program completion). What is more, 73% of all participants maintained or improved their level of income compared to the pre-program period.
- After participating in Skills Development, apprentices increased their employment earnings and decreased their use of government income support benefits.
- Provinces and territories used Job Creation Partnerships to address various barriers to employment (such as, a lack of work experience) and the labour market needs of subgroups of individuals, employers, and communities.

- Provinces and territories used Labour Market Partnerships to assist employers, communities and industries to address their labour force adjustment and human resource needs. The current performance indicators do not reflect the diversity of funded activities.
- The Research and Innovation support measure was used by provinces and territories to fund labour market research and demonstration projects.



## Recommendations

The evaluation made 2 recommendations.

**Recommendation # 1:** ESDC and provinces/territories are encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of EI-funded provincial/territorial programming. Discussions are encouraged at the bilateral or multilateral levels as well as with service delivery networks if necessary.

**Recommendation # 2:** ESDC and provinces/territories are encouraged to pursue efforts to maintain and strengthen data collection provisions in support of reporting, performance measurement and data-driven evaluations at the national and provincial/territorial levels. To that regard, ESDC should:

- Continue to prioritize data integrity, including validating data uploads and documenting changes over time.
- Explore ways of accessing data on social assistance, unsuccessful EI applicants, and immigration and citizenship, in light of expanded eligibility to the LMDAs beyond active and former EI claimants.