



Summary: Evaluation of the Canada-Newfoundland and Labrador Labour Market Development Agreement



Program objectives

The Canada-Newfoundland and Labrador Labour Market Development Agreement (LMDA) is a bilateral agreement between Canada and Newfoundland and Labrador 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 training.
- **JobsNL** helps participants obtain on-the-job work experience by providing employers with a wage subsidy.
- **Self-Employment Assistance** supports participants in creating employment for themselves by providing them with a range of services.
- **Job Creation Partnerships** provide funds to sponsored organizations that implement a community-benefiting project while providing work experiences to Employment Insurance (EI) eligible participants.
- **Employment Assistance Services** support individuals as they prepare to enter or re-enter the workforce or assist them to find a better job.
- **Labour Market Partnerships** assist employers, communities or economic sectors and regions to address their labour force adjustments and human resource needs.
- **Newfoundland and Labrador Research and Innovation** program provides funding for research and demonstration projects.



The LMDA investment

In fiscal year 2020 to 2021, Canada transferred approximately \$150.3 million to Newfoundland and Labrador.



Evaluation objectives

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



Evaluation methodology

The findings are drawn from 8 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 29 provincial representatives, service providers, agreement holders and key stakeholders
- Questionnaires completed or validated by provincial officials
- A survey of Self-Employment Assistance participants in Newfoundland and Labrador
- Document and literature reviews

The incremental impacts are estimated for 2 types of Employment Insurance claimants:



- Active claimants are participants who started an EBSM intervention while collecting EI benefits.
- Former claimants are participants who started an EBSM intervention up to 3 years after the end of their EI benefits.



Key findings

Incremental impacts comparing the outcomes of participants to those of similar non-participants were estimated for 4 programs: Skills Development, Employment Assistance Services, JobsNL, and Job Creation Partnership.

- **Skills Development:** active and former claimants improved their labour market attachment and reduced their use of government income support.
- **Employment Assistance Services:** active participants increased their earnings and decreased their use of government income support (incremental impacts were not calculated for former claimants).
- **JobsNL:** active and former claimants improved their incidence of employment; other findings are not statistically significant.
- **Job creation Partnerships:** active claimants increased their incidence of employment; however, both active and former claimants decreased their employment earnings and increased their use of government income support.

A subgroup analyses shows that, with some exceptions, Skills Development and Employment Assistance Services improved the labour market attachment and reduced the use of government income support for most of subgroups of active claimant participants.

A regional analysis of incremental impacts for Skills Development finds that:

- In St. John's, former claimants increased their labour market attachment and reduced their use of government income support.
- Outside of St. John's, active and former claimant participants increased their labour market attachment; active claimants also reduced their use of government income support.

A cost benefit analysis was conducted for active and former claimants in Skills Development and JobsNL, and active claimants in Employment Assistance Services. With few exceptions, the benefits accrued by participants and the government exceeded the costs of investments over time.

The evaluation also found that:

- Based on a survey of participants in the Self-Employment Assistance program, nearly 45% 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, 69% of all participants maintained or improved their level of income compared to the pre-program period.
- After participating in Skills Development-Apprentices, participants increased their employment earnings and decreased their use of government income support.
- Newfoundland and Labrador uses JCP to:
 - Address a variety of barriers to employment experience by their citizens.
 - Address the various labour market needs of subgroups of individuals, professions, economic sectors, and communities.
- In Newfoundland and Labrador, the Research and Innovation support measure funds labour market research and demonstration projects.



Recommendations

The evaluation made 2 recommendations

Recommendation # 1: Newfoundland and Labrador is encouraged to share and discuss lessons learned, best practices and challenges associated with the design and delivery of programs and services. Discussions are encouraged with ESDC, at the bilateral or multilateral levels as well as with service delivery network if necessary.

Recommendation # 2: Newfoundland and Labrador is 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 levels.