



2008 CANADIAN CHAMBER OF COMMERCE RESOLUTION

Aboriginal Labour Force Strategy: Tapping Into An Underutilized Pool Of Labour Supply

The Aboriginal population represents the largest untapped labour force in the country. By the end of 2017, Aboriginal people of working age (15 and older) will number close to a million—about 3.4% of the working-age population overall (Statistics Canada 2005). With anticipated shortages in many areas of the labour force, this growing population may constitute an important pool of labour.

Aboriginal people have a much younger average age than other Canadians. According to the 2006 Census, approximately one in three Aboriginal people is less than 15 years of age, compared to fewer than one in five non-Aboriginal people.

Nationally, Aboriginal people have lower employment rates (65.8%) than non-Aboriginals (81.6%), and a much higher unemployment rate (13.2% versus 5.2%). With an Aboriginal/non-Aboriginal employment rate differential of 15.8 percentage points, at parity, this translates into an additional 88,000 workers for the Canadian economy in 2006.

Much of the Aboriginal/non-Aboriginal labour market disparity is linked to education. Approximately 50% of Aboriginal people possess less than a high school diploma, compared to 30% of the general population. Poor Aboriginal education and labour market outcomes can be attributable to both cultural differences, such as differing learning/ working styles and values, as well as social challenges, such as a high incidence of addiction, abuse, poverty and poor health.

Off-reserve Aboriginal people may face challenges integrating into the mainstream to secure employment opportunities while preserving their cultural identity. On-reserve, access to investment capital, isolation from major centres, a lack of social support services and the quality of local infrastructure limit economic opportunities. Differential education systems (federal versus provincial), the need for professional and life skills training and a lack of business development capacity can further exacerbate these challenges.

It is estimated that the opportunity cost of status quo Aboriginal programming, as measured through: [1] foregone income tax revenue; [2] excess expenditures on income support programs; and [3] excess expenditures on health, social service and correctional programs, was \$6.4 billion in 2001 (\$213 per Canadian per year). This amount is forecasted to increase to \$145 billion by 2020 (\$4100 per Canadian per year). (Source: *A Relinquished Opportunity: The Costs to Government of the Status Quo*. Brunnen, B. 2005. Prepared for the Office of the Federal Interlocutor for Métis and Non-Status Indians: Indian and Northern Affairs Canada).



While some large businesses have successfully developed Aboriginal employment and retention strategies, many small and medium organizations are unable to follow suit, as they often lack the expertise, networks and capacity to provide or connect with the necessary service delivery and training agencies to develop the holistic approach needed to implement successful Aboriginal workforce policies.

The Canadian Chambers of Commerce applaud government efforts to improve Aboriginal business development and labour market outcomes through projects such as *Aboriginal Business Canada*, the *Aboriginal Workforce Participation Initiative*, the refocused *Urban Aboriginal Strategy*, and the *Aboriginal Labour Force Survey*. However, many of the programs, services and initiatives offered by all levels of government and non-profit organizations can often be disjointed and duplicative, limiting their effectiveness.

Recommendations

That the federal government work with provincial and territorial governments and Aboriginal and business communities to:

1. Ensure holistic and integrated assessment, support, treatment, training and employment referral services are provided to Aboriginal individuals and entrepreneurs seeking to more fully participate in the economy and labour force.
2. Ensure small, medium and large businesses are able to access Aboriginal awareness programs and Aboriginal employment referral and training services to more effectively hire and retain Aboriginal employees, engage in commerce with Aboriginal communities and businesses, and establish linkages with Aboriginal skills training and service delivery organizations.
3. Continue to support industry in training and hiring Aboriginal people in the development of natural resources and other industries, particularly with respect to workplace education and safety.
4. Improve the collection and monitoring of Aboriginal employment outcomes by expanding the Aboriginal labour force survey to all provinces and on-reserve communities.
5. Ensure that any new programs and funding be provided only where there is a demonstrated demand and partnership with employers and/or businesses.