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Manitoba Office

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The Canada Jobs Grant: Perpetuating Aboriginal Exclusion

There are now many examples of policies introduced by the federal government that will have significant implications for Indigenous sovereignty, preservation of language and culture, environmental protection and social and economic inclusion.

Some government actions are explicitly targeted at Aboriginal people. Other policies are more broadly focused but have serious implications for those who struggle to overcome the deep damage caused by a long history of colonial policies.

The Canada Jobs Grant (CJG) is one such policy. It will make it more difficult for the most marginalized Aboriginal people to access employment training leading to well-paying and sustained employment, because it directs resources away from programs specifically designed with their needs in mind.

The idea behind the CJG is that Canada has a “skills mismatch” problem. Prime Minister Stephen Harper continues to assert that skills shortages are “the biggest challenge our country faces” in spite of the growing number of experts who argue otherwise. Well-known Canadian economist Don Drummond has said he “hasn’t found a shred of credible evidence that Canada has a serious mismatch between skills and jobs” and a recent study by BMO made similar claims. A bigger problem across Canada is the polarization of jobs. In Manitoba, while there has been some growth in high-skill high wage

sectors, the majority of jobs created have been in the low-wage service sector with jobs lost in many mid-income sectors.

While details of how the CJG will work are yet to be fully revealed, the intent is clear. It presents a radical shift in policy by pushing provincial governments aside and giving greater control to the private sector, which the federal government argues knows best what is needed. The federal government will contribute a maximum of \$5,000 toward an individual’s training costs, but only where similar contributions are made by a private sector employer, matched by provincial/territorial governments, and where training is job specific.

Implications for Aboriginal people

While employers might know what they need, they do not have a grasp on what Aboriginal people need. This was made clear in the 2012 Conference Board of Canada Report titled *Understanding the Value, Challenges, and Opportunities of Engaging Métis, Inuit and First Nation Workers*.

The Aboriginal population in Canada continues to measure poorly against several social and economic indicators including health, education attainment, labour market participation, and earnings. For example, the 2011 National Housing Survey¹ shows the median income of survey respondents identifying as Aboriginal was \$20,701 in 2010, compared with \$30,955 for non-Aboriginal respon-

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dents. Of those respondents identifying as Aboriginal and aged 25 to 64, 28.9 percent reported having 'no certificate, diploma or degree' while the proportion for non-Aboriginal people in the same age group was 12.1 percent.

This is of particular concern in Manitoba where the Aboriginal population is growing at a faster rate than the non-Aboriginal population. It has been projected that it will grow from 15.9 percent in 2006 to between 18 and 21 percent by 2031. For this reason alone, education and training that meets the needs of Aboriginal people should be a policy priority.

Federal/Provincial/Territorial (FPT) Labour Market Agreements (LMAs) are specifically aimed at assisting individuals who do not qualify for Employment Insurance and who have had weak labour force attachment. While far from perfect, funding through LMAs supports innovative programs that have been beneficial to marginalized workers, including those who are Aboriginal.

In Manitoba there are several community-based organizations currently supported through the Canada-Manitoba LMA that are specifically designed by and for Aboriginal people. They know from experience what their trainees need and they work closely with employers interested in hiring their graduates. Many graduates have found meaningful employment and many others have moved on to post-secondary education to pursue careers as doctors, nurses, lawyers, teachers, social workers and so on. As a result of the flexibility that the LMA provides, the Province has also used funds to integrate training for Aboriginal people into large infrastructure projects, such as Northern Hydro development and the expansion of the Red River Floodway. This has led to good jobs for many Aboriginal people.

There is a long way to go to close the gaps between Aboriginal and non-Aboriginal people, but there has been progress in part because of the creativity that LMAs have allowed. The CJG will limit creativity because the federal government will move 60 percent

of the funds currently allocated to LMAs to the CJG. In Manitoba this is about \$11 million. The Province will then have to find an additional \$11 million to match funding through the CJG, leaving far less available for existing programs.

Albeit for different reasons, employers seem not to like the CJG either. This raises questions as to whether the private sector will step up with the one third of funding required to access provincial and federal matching dollars. But even if firms do put money on the table, the CJG will only support very short-term training. It is also unlikely that private sector firms will implement the kinds of holistic training models that have been shown to be most effective for many Aboriginal trainees. Firms investing in the CJG model will be more inclined to hire and train those most "job-ready", or to focus on training existing employees, an option that is allowed through the CJG.

A final caveat brings us back to Manitoba's labour market realities. Less funding for the LMA will mean that individuals in most need of training to prepare them for a minimal number of good jobs will have greater difficulty accessing it, limiting many to the growing number of low-wage jobs that require fewer skills. But perhaps the preservation of a low-skill pool of labour is the real motivation behind the CJG.

End notes

¹The last mandatory census survey was conducted in 2006. The 2011 NHS was a voluntary survey with a 26.1 percent global non-response rate making it difficult compare with earlier census data.

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