



UNEARTHING HUMAN RESOURCES

Aboriginal Skills Development and
Employment in the Natural Resource Sector

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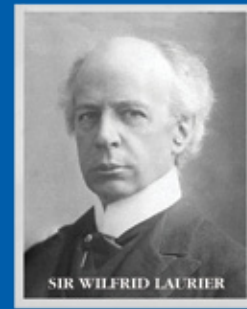
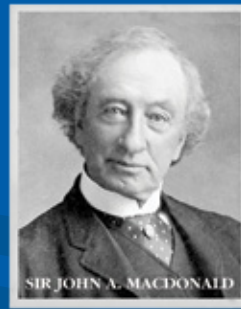


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PREFACE

The year 2013 was the 250th anniversary of the Royal Proclamation of 1763. The Royal Proclamation is widely regarded as having been one of the cardinal steps in the relationship between Aboriginals and non-Aboriginals in British North America – what eventually became Canada.

A quarter of a millennium later it is our judgment that that relationship has often not been carried out in the hopeful and respectful spirit envisaged by the Royal Proclamation. The result has been that the status of many Aboriginal people in Canada remains a stain on the national conscience. But it is also the case that we face a new set of circumstances in Aboriginal/non-Aboriginal relations. Indigenous peoples in Canada have, as a result of decades of political, legal, and constitutional activism, acquired unprecedented power and authority. Nowhere is this truer than in the area of natural resources.

This emerging authority coincides with the rise of the demand for Canadian natural resources, a demand driven by the increasing integration of the developing world with the global economy, including the massive urbanisation of many developing countries. Their demand for natural resources to fuel their rise is creating unprecedented economic opportunities for countries like Canada that enjoy a significant natural resource endowment.

The Aboriginal Canada and the Natural Resource Economy project seeks to attract the attention of policy makers, Aboriginal Canadians, community leaders, opinion leaders, and others to some of the policy challenges that must be overcome if Canadians, Aboriginal and non-Aboriginal alike, are to realise the full value of the potential of the natural resource economy. This project originated in a meeting called by then CEO of the Assembly of First Nations, Richard Jock, with the Macdonald-Laurier Institute. Mr. Jock threw out a challenge to MLI to help the Aboriginal community, as well as other Canadians, to think through how to make the natural resource economy work in the interests of all. We welcome and acknowledge the tremendous support that has been forthcoming from the AFN, other Aboriginal organisations and leaders, charitable foundations, natural resource companies, and others in support of this project.

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Image courtesy Mining Industry Human Resources Council.

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Cover image: Cree deer skin drum. Mining images courtesy Mining Industry Human Resources Council.

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EXECUTIVE SUMMARY

Canada's Aboriginal people for too long were kept on the outside looking in at Canada's natural resource economy, as mines and oil and gas developments proliferated on their traditional lands. This has begun to change, as Aboriginal legal rights have been recognized by the courts, and corporations have increasingly embraced their responsibilities with regard to Aboriginal communities.

There is a broad pattern of Aboriginal engagement and employment in the sector. So far, this change has been little understood by the broader public. This report provides a contextual overview of Aboriginal employment and skills training in the mining and oil and gas industries. And the good news is that there has been accomplishment at a level that will likely surprise most Canadians.

This study reveals that resource companies are indeed major employers of Aboriginal workers. In northern Saskatchewan for example, the two large uranium companies, Cameco and Areva, employ Aboriginal people as more than 50 percent of their northern workforce. And wages for resource jobs are significantly higher than most jobs available to Aboriginal workers. Corporate, government and Aboriginal training programs are proliferating.

All this is very positive.

But the situation is still far from ideal for either the companies or the Aboriginal communities. In many cases there is a mismatch between workforce requirements and local workers' skillsets. Mining activities are, in particular, short-term in nature; Aboriginal communities are looking for stable, well-paid employment. And many of the Aboriginal workers fill lower skilled positions.

The 2014-15 slump in the price of oil and other commodities has created another significant challenge. There have been mine closings and thousands of layoffs. The Canadian Association of Petroleum Producers has estimated that job losses in the Alberta oil and gas sector alone had topped 35,000 employees by August 2015.

In Canada the Aboriginal labour force population of individuals aged 15 and over grew 33.2 percent from 2007 to 2014, while the comparable non-Aboriginal population grew at a rate of 8.9 percent. By 2020, the Aboriginal labour force population will be in excess of 1,150,000 people with the largest concentrations being in the Prairie Provinces. At the same time, technological change, including automation of resource extraction and transportation, may see a shift away from low-skill jobs.

It is particularly useful to consider, through the inclusion in this paper of mini-case studies, some of the specific programs instituted by resource companies, which have shown considerable commitment and creativity in expanding Aboriginal employment.

As this study finds, there is no shortage of corporate strategies, government training programs, programs by high schools, universities and polytechnics, and increasingly Aboriginal-run institutes. It is evident that the country offers a variety of well-funded efforts to prepare Aboriginal people for work in the resource sector. Overall, however, this effort is not co-ordinated nationally and is often out of sync with employment realities.

The experience with Aboriginal skills, training, and employment programs suggests that the progress is greatest with long-term, large scale, and stable company operations, such as Vale's Voisey's Bay project which has strong collaborations with local Indigenous Communities.

This report makes the following key conclusions and recommendations:

The good news is that there has been accomplishment at a level that will likely surprise most Canadians.

Plan in advance of project development: The appropriate time to launch training, skills development and employment programs is a decade before exploration and project development commences. A greater focus on creating a stable, long-term Aboriginal workforce is required.

Create regional, rather than local, workforces: Too often the fortunes of an Aboriginal community are tied to the fortunes of one project. It would be more beneficial to all involved if workers in communities from a large area were trained and available to work in projects across the region.

A coordinated effort is required: All participants in the resource sector – Aboriginal communities, companies, governments, and post-secondary institutions – have shown a laudable commitment to training and employment programs, but the proliferation of programs has become complicated and inefficient. Where co-ordinated efforts have been undertaken – as with the Northern Labour Market Committee in northern Saskatchewan – there can be significant improvements in program delivery.

We need better data: There is significant lack of clarity in this field which makes studying this vital issue extremely difficult. To give one glaring example, Statistics Canada does not collect the Labour Force Survey on reserve. Industry should improve its data collection as well and greater effort should be made by Natural Resources Canada to collect, manage and disseminate these data.

A greater focus on creating a stable, long-term Aboriginal workforce is required.

Recognize the limits for Aboriginal employment in the natural resource sector: The Aboriginal demand for jobs will only become more acute. Aboriginal communities do not generally look to the banking sector, retail or government for large-scale employment, particularly in non-urban areas. The natural resource sector carries the burden of heightened Aboriginal employment expectations for the entire Canadian economy, but resource companies cannot, even with the very best of intentions, address all employment needs. Aboriginal people need greater access to education and skills training, and a greater effort on the part of companies in all sectors of the Canadian economy to train and hire Aboriginal workers.

SOMMAIRE

Les peuples autochtones au Canada ont été longtemps relégués au rang de simples observateurs du secteur économique des ressources naturelles, alors même que les projets miniers, pétroliers et gaziers se multipliaient sur leurs terres ancestrales. La situation a commencé à changer, car les droits des Autochtones ont été reconnus par les tribunaux, tandis que les entreprises ont de plus en plus accepté leurs responsabilités vis-à-vis des communautés autochtones.

Les Autochtones ont tendance à participer, de manière générale, aux activités du secteur des ressources et à y trouver des emplois. Jusqu'à présent, ce changement n'a pas été bien compris du grand public. Le présent rapport offre un aperçu contextuel de l'emploi et de l'acquisition des compétences autochtones au sein de l'industrie minière, pétrolière et gazière. Fort heureusement, il y a eu des progrès dont l'importance surprendra la plupart des Canadiens.

Cette étude révèle que les entreprises de ressources sont en effet les principaux employeurs des Autochtones. Par exemple, ces derniers comptent pour plus de 50 pour cent de la main d'œuvre nordique de deux grandes sociétés d'uranium au nord de la Saskatchewan, soit Cameco et Areva. De plus, le secteur des ressources offre aux travailleurs autochtones un niveau de salaire et d'emploi beaucoup plus élevé que celui de tout autre secteur. Les programmes de formation des entreprises, des gouvernements et des organisations autochtones sont de plus en plus nombreux.

Tous ces constats sont très positifs.

Toutefois, la situation est encore loin d'être idéale tant pour les entreprises que pour les communautés autochtones. Dans de nombreux cas, il y a une discordance entre les besoins de main-d'œuvre et les compétences des travailleurs locaux. D'une part, les sociétés minières en particulier poursuivent des objectifs à court terme; d'autre part, les communautés autochtones recherchent des emplois stables et bien rémunérés. En outre, les travailleurs autochtones sont nombreux à pourvoir à des postes peu spécialisés.

L'effondrement des cours du pétrole et des autres produits de base en 2014 et 2015 a rendu la situation encore plus difficile. De nombreuses mines ont fermé, de sorte que des milliers de travailleurs ont été mis à pied. L'Association canadienne des producteurs pétroliers estime qu'en août 2015, 35 000 emplois avaient été supprimés en Alberta dans le secteur du pétrole et du gaz à lui seul.

Au Canada, la population autochtone en âge de travailler a augmenté de 33,2 pour cent de 2007 à 2014, dépassant le taux de 8,9 pour cent enregistré pour la population non autochtone âgée également de 15 ans et plus. En 2020, la force de travail autochtone dépassera 1 150 000 personnes et sera la plus fortement concentrée dans les provinces des Prairies. Parallèlement, les changements technologiques, y compris l'automatisation de l'extraction et du transport des ressources, sont susceptibles d'engendrer une transition vers des emplois exigeant plus de compétences.

Il est particulièrement utile de se pencher sur certains des programmes ciblés qui ont été mis de l'avant par les entreprises de ressources et qui ont démontré l'engagement considérable et novateur de ces dernières envers l'emploi des Autochtones. Cet examen est réalisé par l'intermédiaire des mini-études de cas contenues dans le présent document.

Comme on le constate dans cette étude, il n'y a pas pénurie de stratégies d'entreprise, de programmes de formation gouvernementaux et d'initiatives parrainées par les institutions scolaires de niveau secondaire, les universités, les instituts polytechniques et, de façon croissante, les instituts dirigés par des Autochtones. Il est évident que le pays finance une variété de programmes visant à préparer les Autochtones à occuper un emploi dans le secteur des ressources. Dans l'ensemble, cependant, ces programmes ne sont pas coordonnés à l'échelle nationale et sont souvent peu conformes aux réalités de l'emploi.

L'expérience tirée des programmes axés sur le perfectionnement des compétences, la formation et l'emploi des Autochtones révèle que les entreprises dont les opérations sont stables, à large échelle et de longue durée obtiennent davantage de succès. Notons à titre d'exemple le projet Vale à Voisey's Bay, lequel a établi de solides collaborations avec les communautés autochtones locales.

Ce rapport présente les conclusions et les recommandations clés suivantes :

Planifier bien à l'avance le développement d'un projet : le moment approprié pour lancer des programmes axés sur le perfectionnement des compétences, la formation et l'emploi précède d'une décennie la phase d'exploration et d'élaboration. L'accent doit être mis sur la création d'une main d'œuvre autochtone stable et permanente.

Créer des bassins de main-d'œuvre au niveau régional, plutôt que local : trop souvent, le sort d'une communauté autochtone est lié à l'évolution d'un seul projet. Il serait beaucoup plus avantageux pour toutes les parties concernées si les travailleurs dans toutes les communautés comprises dans un vaste secteur étaient formés en vue de travailler dans les projets exploités dans n'importe quel endroit d'une région.

Un effort coordonné est requis : tous les participants dans le secteur des ressources naturelles – communautés autochtones, entreprises, gouvernements et établissements d'enseignement postsecondaire – ont fait preuve d'un engagement louable à l'égard des programmes de formation et d'emploi, mais leur grand nombre a rendu le travail inefficace et compliqué. Là où des efforts coordonnés sont entrepris – comme par l'intermédiaire du *Northern Labour Market Committee* dans le nord de la Saskatchewan –, d'importantes améliorations dans l'exécution des programmes peuvent se produire.

L'accent doit être mis sur la création d'une main d'œuvre autochtone stable et permanente.

Nous avons besoin de données de meilleure qualité : le domaine n'est pas suffisamment compris, ce qui rend l'étude de cette question vitale extrêmement difficile. Pour donner un exemple particulièrement révélateur, l'Enquête sur la population active de Statistique Canada ne recueille aucune donnée dans les réserves. L'industrie doit améliorer sa collecte de données, et Ressources naturelles Canada doit consentir des efforts plus importants pour recueillir, gérer et diffuser ces données.

Reconnaître les limites des possibilités d'emploi pour les Autochtones dans le secteur des ressources naturelles : les besoins des Autochtones en matière d'emploi vont s'intensifier. Les communautés autochtones ne s'attendent pas généralement à trouver de l'emploi à profusion dans le secteur bancaire, le commerce de détail ou les administrations publiques, en particulier dans les zones non urbaines. Parmi tous les secteurs de l'économie canadienne, c'est sur le secteur des ressources naturelles que reposent les attentes élevées des Autochtones en matière d'emploi. Or, les entreprises de ressources n'arriveront pas, même avec les meilleures intentions, à répondre à tous les besoins. Les peuples autochtones ont besoin d'un meilleur accès à l'éducation et à la formation professionnelle. Les entreprises dans tous les secteurs de l'économie canadienne devront consentir plus d'efforts pour former et recruter des travailleurs autochtones.

INTRODUCTION

In 2014–2015, a global downturn hit commodity markets. Around the world, resource companies reduced or halted development activity, responding to reduced demand and lower prices associated with the slowdown in the industrial economy. Across Canada, one of the world's most important natural resource producing countries, mining and energy firms cut back on exploration and project implementation, laying off thousands of employees. For Aboriginal workers, communities, and companies, the downturn happened after more than a decade of rapid expansion in employment and business collaboration, stalling one of the most extensive examples of Indigenous involvement in the Canadian market economy. The downward shift is likely to be short term but dependent upon forces beyond the control of Canadian governments, resource firms operating in Canada, and Aboriginal communities and businesses. Such, it seems, is the lot of an export- and resource-dependent economy during times of global uncertainty.

The shifts have been dramatic:

- Teck Coal Mines cut 600 jobs, which was 5 percent of the workforce;
- Cliffs Natural Resources closed its Wabush and Bloom Lake Mines;
- Walter Energy idled three mines under development in the Yukon;
- Suncor Energy cut 1000 jobs from its 13,000 person workforce;
- PotashCorp cut more than 400 jobs; and
- the Canadian Association of Petroleum Producers estimated in August 2015 that job losses in the Alberta oil and gas sector had already topped 35,000 employees.

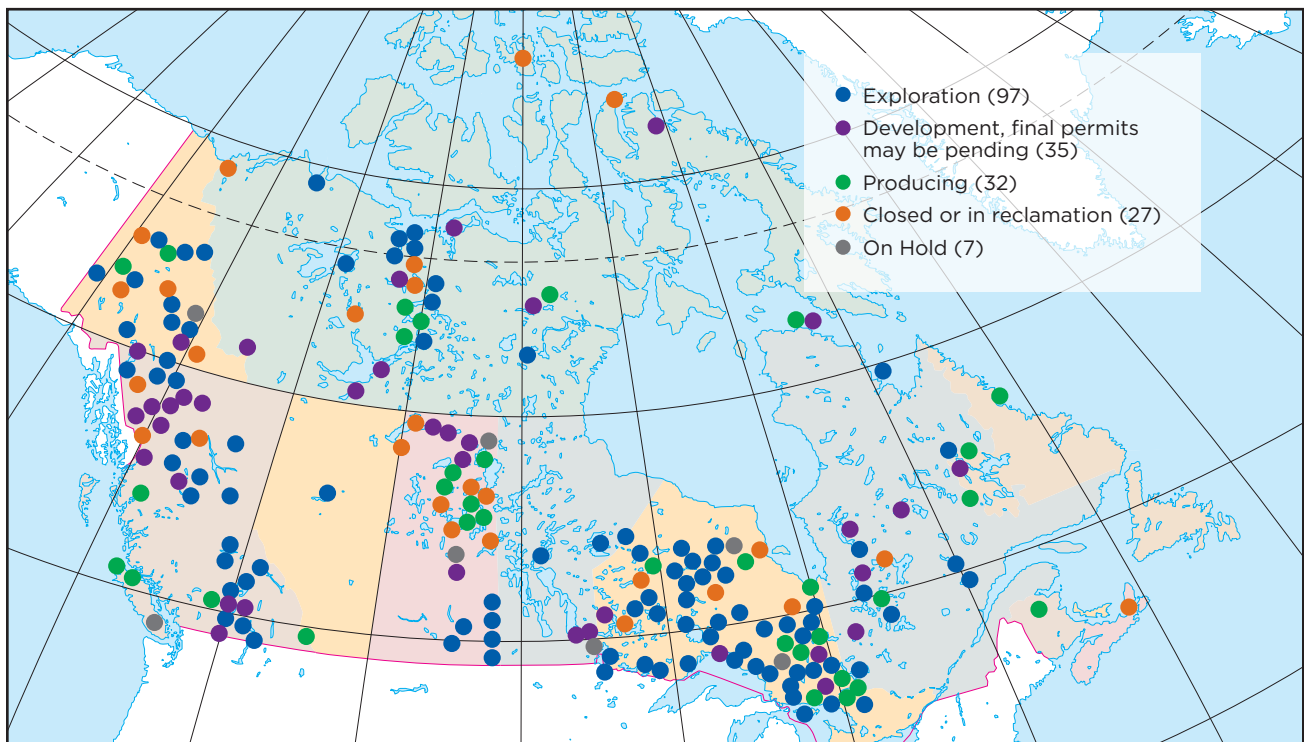
Employment within the natural resource sector continues to contract due to the global fall in prices and demand for commodities. While it is too early to know exactly how this is affecting Aboriginal employees, the workforce reductions will certainly have a significant impact. In the October 2015 *Labour Force Survey*, Statistics Canada reports, "Employment in natural resources continued on the downward trend that began a year ago, falling by 8000 in October and bringing total losses in the industry to 26,000 (-6.9%) over the past 12 months. Most of the declines were in Alberta." In addition, the report concludes, "There were 8900 fewer people working in 'other services' such as repair and maintenance, as well as personal and laundry services. In the 12 months to October, employment in this industry was down by 13,000 (-1.6%)." The latter category undoubtedly included workers associated with the resource sector. The number of active workers is likely to

continue to decline in the near future, with analysts variously calling for a return to significant growth between 2017 and 2020.

Given the importance that Aboriginal communities have attached to preparing their members for long-term work in the resource sector, the global market declines have occurred at a most unfortunate time. Remarkable progress was being made. Only 30 years ago, Aboriginal people were largely marginalized from the natural resource workforce. Now, a substantial number of Indigenous workers hold well-paying jobs with resource companies or in related service and supply firms. But continued progress in this area will require a sustained and co-ordinated commitment by all those with a stake in the prosperity of Canada's Aboriginal peoples.

The natural resource sector certainly provides high paying and stable employment in many remote parts of the country, even for those with little formal education (Statistics Canada; Coates and Crowley 2013). It is also the centerpiece of Aboriginal business activity, Aboriginal economic development corporations, and community efforts at developing economic self-sufficiency. While there are occasions – the conflict over shale gas exploration in New Brunswick and the debate over the Northern Gateway Pipeline (Coates and Newman 2014) – when Aboriginal communities protested against resource development, there is a much broader pattern of Aboriginal engagement and employment. With over 300 impact and benefit or collaboration agreements with mining companies alone (Newman 2014), and with thousands of Aboriginal people employed directly or indirectly in the sector, it is fair to describe the relationship with resource companies as perhaps the best example of Indigenous participation in the Canadian economy (Map 1 shows the distribution of agreements with mining firms).

MAP 1 Agreements between Aboriginal organizations and resource extraction firms, 2011



Source: Natural Resources Canada, "Interactive Map of Aboriginal Mining Agreements."

Employment in natural resource industries features prominently in Aboriginal aspirations for economic opportunity, government strategies for regional development, and company commitments to corporate social responsibility, specifically the employment of local residents. As Aboriginal communities negotiate impact and benefit agreements or collaboration accords, they typically place

a high priority on Aboriginal skills and training programs, preferential hiring arrangements, and career development initiatives. Clearly, as the expanding number of Aboriginal workers in the sector attests, there has been dramatic improvement in rates of participation and employment. However, despite considerable investment of time, money, and collective effort, the sector routinely fails to achieve employment targets, typically established through negotiations between the companies and the communities. There is, as a consequence, a serious desire to identify barriers to Aboriginal participation and to find new ways of ensuring greater Indigenous participation in the sector.

Getting precise information on Aboriginal engagement in the natural resource sector is quite challenging.

Getting precise information on Aboriginal engagement in the natural resource sector is quite challenging, in large measure due to difficulties with the reporting of employment within industry, the inadequate recording of Aboriginal on reserve employment, and the general fluidity of the workforce in the sector. The employment impacts show up in four distinct areas:

- skills and training programs targeted at preparing Indigenous workers for resource employment;
- direct work with the mining and oil and gas companies;
- support work in the service and supply firms that provide vital backup to the actual mining and oil and gas activity; and
- indirect or spin-off benefits that distribute the economic impact of natural resource developments further within a region or nation.

The effects of the third and fourth elements will not be examined here, although they feature prominently in government and Aboriginal calculations about the collective benefits of resource development activity. Consider this description of the broader impact of mining activity from “Mining Facts”, published by the Fraser Institute. The following is from a section titled “Indirect Employment”:

The formal mining industry not only creates mining jobs but also generates employment indirectly by stimulating demand for goods and services. Mines spend millions of dollars on equipment, maintenance, food, and other services and often use local contractors and suppliers. This creates jobs indirectly in processing and manufacturing mined goods, transportation, and providing equipment and services to the mining industry.

All industries will create these types of spillover effects, known as multipliers, but the mining sector generally creates a higher multiplier effect than other sectors. The multiplier effect can be significant but varies depending on the amount and type of outsourcing done.

Generally the amount of indirect employment generated by a mine exceeds its direct employment. For example, case studies found that for every job directly created by the Yanacocha mine in Peru, 14 jobs were indirectly created. In addition, the number of indirect jobs increases over time and can stimulate local entrepreneurship and new business development. (Mining Facts 2012)

“Mining Facts” also includes this statement under the heading “Mining Jobs in Canada”:

Canadian-owned mining firms are active internationally, with nearly 1000 exploration companies in more than 100 countries and more than 4300 mineral projects at various stages of development. Canadian mining companies employed more than 169,000 workers in Canada and abroad in 2011.

Mining also remains an important source of employment in Canada. In 2010, one out of every 50 Canadian workers was directly employed in mining, resulting in 308,000 jobs. In 2009, this sector accounted for 2.1% of Canada’s total employment yet contributed 2.7% (\$31.9 billion) of Canada’s total GDP, down from 3.2% (\$39.8 billion) in 2008.

Mining also generates significant indirect employment in Canada in both rural and urban

areas. Statistics Canada does not break down employment data in mining-related supporting activities (e.g., exploration, contract drilling, and transportation). However, the Mining Association of Canada reports that 3223 companies supply goods and services to mining companies such as accounting, environmental consulting, legal and technical advice, and finance. They also note that the Canadian mining industry also supports many jobs in shipping, rail, and transportation. A 2011 analysis of the economic impacts of mining in British Columbia found that 21,112 people were employed directly in mining (2% of BC's labor force), with an additional 16,590 jobs indirectly created. (Mining Facts 2012)

To provide but one example of the scale of indirect employment, consider the current hiring patterns at K+S Potash Canada GP, which is developing a new property in Saskatchewan and has almost 1500 people on site working for contractors and service providers. Of that number, more than 250 are First Nations or Métis, working in Aboriginally-owned businesses that have been drawn to K+S through the company's priority procurement program. This model is being used across the country, with employment in Aboriginal service and supply firms outstripping direct company hiring on many resource projects. K+S also has an aggressive program of hiring Aboriginal people into their core operations, although in the start-up phase the number of professional employees is, as it is across the sector, quite low.

As Philip Cross (2015) has recently demonstrated, the natural resource economy accounts for approximately 16.6 percent of the Canadian economy – a number at risk due to recent downturns – and close to 60 percent of private sector investment in capital and equipment in Canada. It is impossible to track Aboriginal participation in the flow-through sectors of the economy – workers in manufacturing plants or catering services, for example, or in the transportation work associated with delivering industrial goods across the country. But it is clear that natural resources are crucial to Canadian prosperity; and ensuring Aboriginal people a substantial and sustained role in the vital sector is likewise crucial to building opportunity and prosperity in Aboriginal communities.

Most of the new resource projects involved the construction of company towns.

ABORIGINAL ENGAGEMENT IN THE NATURAL RESOURCE SECTOR

During the resource boom in the 1960s and 1970s, mines and other resource projects opened up in rapid succession across Canada. From remote corners of Labrador to the Yukon-Alaska border in the far northwest, mining companies launched operations, often hundreds of kilometres from the closest community. Hydroelectric projects flooded large tracts of land in northern Quebec, northern Manitoba, and British Columbia. These resource activities happened on Indigenous homelands, ushering in new connections to the national economy and bringing sharp and often difficult transitions to Aboriginal communities, but also driving political advocacy. Most of the new resource projects involved the construction of company towns – Labrador City, Schefferville, Elliot Lake, Thompson, Uranium City, Granisle, Kitimat, Cassiar, Pine Point, Clinton Creek, Faro – with the newcomer populations numerically overwhelming the Indigenous people.¹

These resource projects relied on thousands of workers brought in from outside. Although Aboriginal people had been involved in resource work since the 19th century, they generally remained on the margins of the sectorial workforce and their numbers were small. Aboriginal workers often assisted with the prospecting and early development phases, doing some of the rough and preliminary work, such as clearing brush, packing in supplies, road building, and the like.

Jump forward to the early 21st century. The situation has changed dramatically. In northern Saskatchewan, the two large uranium companies, Cameco (2014) and Areva (2014), have Aboriginal people as half of their northern workforce. Companies as diverse as Vale (2014), Rio Tinto (2013), and Suncor (2014) are making good strides in meeting their employment and engagement targets. With few exceptions, new mines have much improved Aboriginal hiring and training programs. Across the country, the resource sector is considered to be one of the largest employers of Aboriginal people, with many companies having sustained and productive employment relationships with Aboriginal communities. For Indigenous peoples in northern and remote regions, moreover, work in the resource sector is the only realistic entry into the market economy and the only significant source of high income and stable employment.

However, the situation is still far from ideal, for either the companies or the Aboriginal communities. In many cases, there is a mismatch between workforce requirement and the skill sets of available local workers. Training and employment programs do not always work as well as intended or desired. Mining activities are, in particular, short-term in nature; ramping up workforce training for a mine that might last only 10 years can result in missed targets and dashed expectations.

Case Studies

In the discussion that follows, the focus will be on general patterns and changes over time. The essence of the changing relationships can, however, be found in the company and region-specific initiatives undertaken to facilitate greater Aboriginal engagement in the resource economy. To emphasize this point and to provide practical examples of the effective measures being taken by resource firms active in Canada, we have interspersed in this paper a series of case studies, short descriptions of specific initiatives by companies that illustrate the many different ways that resource firms and Aboriginal communities are collaborating on the creation of additional employment and training opportunities in the natural resource sector.

CASE STUDY #1

Cameco Corporation

www.cameco.com

Cameco, formed in 1988 through a merger of Crown corporations Eldorado Nuclear Ltd. and Saskatchewan Mining Development Corporation, has devoted considerable attention to improving Aboriginal and northern engagement in corporate mining operations. They have been a national leader in encouraging Aboriginal participation in direct mining operations and in related service and supply operations, including trucking, catering, aviation, construction, security, maintenance, and environmental services. As one senior official observed, “Essentially, what we’ve done is place the recruitment of northern and Aboriginal people at the top of the company’s recruitment agenda, particularly in our mining operations.”

Cameco has 800–900 self-identified Aboriginal employees, half of the firm’s operational workforce, making it the largest industrial employer of Aboriginal workers in Canada. The company seeks to have three-quarters of its operating workforce coming from northern Saskatchewan. The firm makes particular efforts to train and recruit Aboriginal people for middle management and professional positions, but has had difficulty finding and retaining such workers. Equally, Cameco promotes education and training efforts outside the mining sector, hoping to encourage the training of the northern work force in general. More recently, Cameco completed a ‘Barometer Workforce Assessment’ conducted by the Aboriginal Human Resource Council. The barometer examined company practices, programs, and procedures as it relates to the attraction, retention, and development of RSN employees (Residents of Saskatchewan’s North). The observations and recommendations provide a way for Cameco to drill down on specific issues, challenges, and opportunities. The barometer is another example of the kind of collaboration that is vital to including Aboriginal peoples in the workforce.

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Resource projects are not the corporate activities of a few decades back, which emphasized physical labour and low-to medium-skilled work. The needs of the resource sector at that time matched reasonably well with the skill set of Aboriginal people, but the assumptions and hiring practices of the pre-1980s period created few longer-term spots for Indigenous employees within longer-term company operations.

Statistical Overview

Finding consistent information on Aboriginal employment in the mining and oil and gas sectors in Canada is problematic (Friesen 2015; Statistics Canada 2011a). National scale sources are limited to the Statistics Canada *Labour Force Survey* (which provides monthly and annual data releases at the national and provincial scales), census reports, and the *National Household Survey of Canada, 2011*, which provides data at the national, provincial, and territorial levels and down to the community. The *Labour Force Survey*, while providing an Aboriginal/non-Aboriginal breakout, does not survey on Indian reserves, leaving many Aboriginal people out of the findings. This means that First Nations on-reserve citizens are under-represented in labour market reports and both employment and unemployment rates are under-reported.² Census data also pose problems as they are not time sensitive. Therefore, while the *Labour Force Survey* tracks the impact of the 2008 economic recession

CASE STUDY #2

Fort McKay Business Incubator

While a great deal of attention focuses on the development of direct Aboriginal employment with mining companies, Indigenous business development has provided one of the fastest growing segments of the Aboriginal workforce. The rapid growth of Aboriginal entrepreneurship and Indigenous employment with these companies has emerged as an integral part of the resource economy.

Preparing Aboriginal people for entrepreneurship requires careful attention, given the general educational challenges of smaller Indigenous communities, the relative absence of investment capital, and the standard difficulties associated with launching and maintaining a small business. With proper preparation, particularly through the supervised incubation of these emerging firms, Aboriginal companies can and have experienced considerable commercial success.

The Fort McKay Business Incubator (FMBI), established in 2009 with financial support from Suncor, Indian and Northern Affairs Canada, Alberta Aboriginal Relations, and Alberta Agriculture and Rural Development, is an example of such business support efforts. The FMBI connects with industrial firms in the oil sands of northern Alberta, identifies their commercial requirements, and connects them with emerging and existing Aboriginal businesses. FMBI provides Aboriginal clients with one-on-one coaching, workshops, training sessions, contract “readiness”, and industry liaisons, helping Aboriginal companies make the transition from concept to viable commercial operations.

FMBI works across the northern economy, with past clients including a convenience store, an industrial janitor service, a health and safety company, a surveying firm, a shuttle service, a traditional arts and crafts operation, and a restaurant. The first company supported by the incubator, ICEIS Safety, won the Alberta Chamber of Commerce Youth Entrepreneur Award of Distinction in 2011.

Today, the FMBI is the only on-reserve incubator in Canada. It works closely with industry and capitalizes on Fort McKay’s location in the centre of Alberta’s northern mining and oil and gas sector. The recognition of Aboriginal rights and recent collaboration agreements between resource companies and Aboriginal communities has created excellent business opportunities for Indigenous-run corporations. These firms, in turn, strive to train, hire, and retain Aboriginal workers, adding substantially to the number of Indigenous peoples working in the Canadian resource sector.

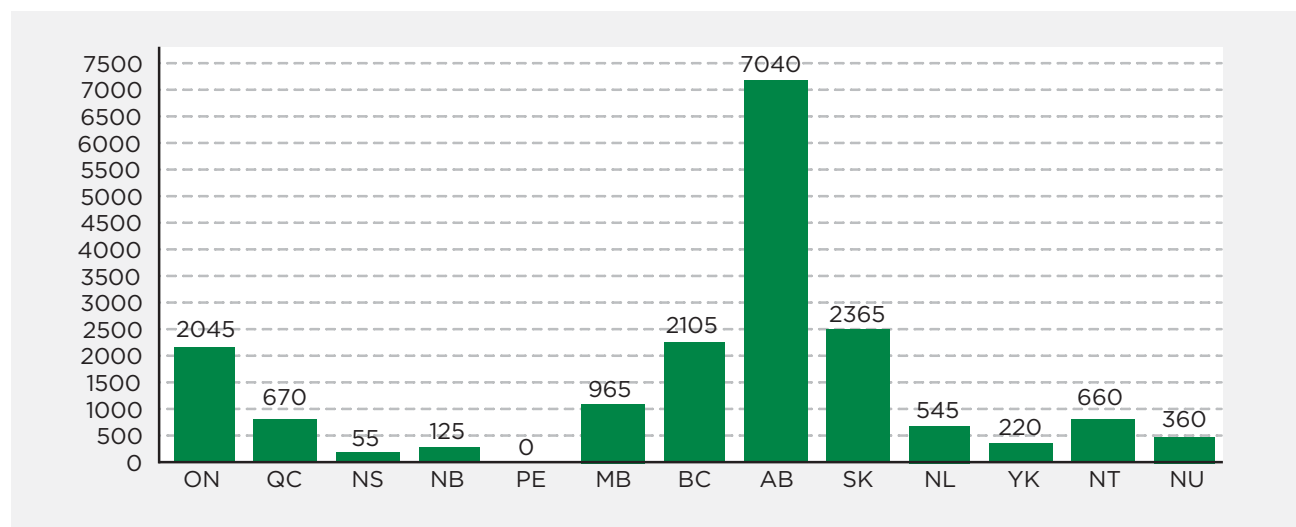
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on Aboriginal employment on a monthly and annual basis, the Census/NHS just brackets this event between the years 2006 and 2011. The available material is illustrative rather than definitive as a result (Cloutier and Langlet 2014).

Technical and data challenges notwithstanding, there is evidence of growing Aboriginal engagement in the resource sector. Statistics Canada information on the North American Industry Classification Standard (NAICS) 21 (Mining, Quarrying, and Oil and Gas Workers) for 2011 shows significant numbers of Aboriginal people involved in direct employment in this sector (see chart 1). Note that these numbers do not include the significant engagement of Indigenous businesses and workers in the service and support industries.

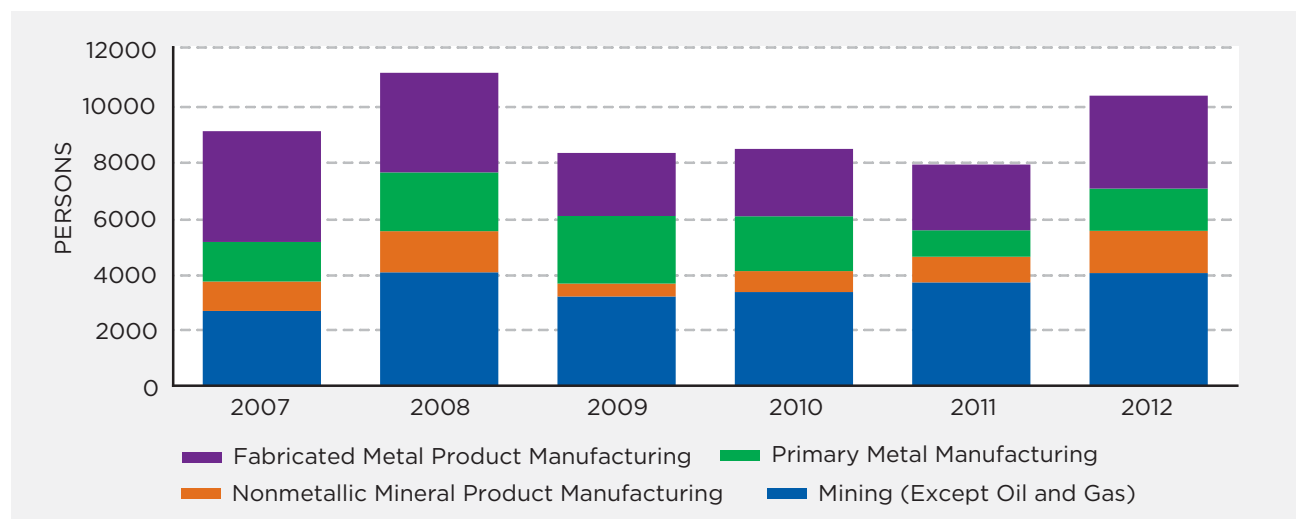
CHART 1 Number of Aboriginal workers in NAICS 21 by jurisdiction, 2011



Sources: Statistics Canada. 2013. National Household Survey Aboriginal Population Profile. *2011 National Household Survey*. Statistics Canada Catalogue no. 99-011-X2011007. Ottawa. Released November 13 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/aprof/index.cfm?Lang=E>

The *Labour Force Survey* documents the general contours of the Aboriginal workforce in recent years (see chart 2).

CHART 2 Aboriginal labour force in mining



Source: Jeannine Usalcas, 2011, *Aboriginal People and the Labour Market: Estimates from the Labour Force Survey*.

Using the example of the mining sector, we can see that the highest employment levels were reached in 2008 just prior to the start of the US-led housing crash and global recession, which reduced employment in the sector dramatically. There was an uptick in the labour force in 2012, although it fell short of the 2008 labour force engagement. This breakout also illustrates the labour force in the four subsectors of mining – mining itself, nonmetallic mineral production, primary metal manufacturing, and fabricated metal product manufacturing.

It is widely known that the majority of the Aboriginal workers in the resource sector operate at lower skill levels, a reality that companies, governments, and educational institutions are attempting to address. The 2010 Natural Resources Canada Minister's conference report on mining in Canada, for example, documented the substantial representation of Aboriginal workers with no high school certificate in the sector. The percentage of Aboriginal workers with 'no certificate' did drop from 35 percent in 2006 to 29 percent in 2011 census figures, but workers with university degrees declined from 5 percent to 3.6 percent (see chart 3).

CASE STUDY #3

Vale and Voisey's Bay

The development of Vale's Voisey's Bay mining project has become a symbol of the contemporary approach to Aboriginal engagement. When Vale bought the property, they inherited the high expectations of regional Aboriginal people and the Government of Newfoundland and Labrador, and new standards for engagement with Indigenous peoples.

Impact and benefit agreements negotiated with the Inuit and Innu made it clear that Aboriginal people wanted to participate in the mining project, but expected it to occur on their terms. Vale committed itself to a high level of Aboriginal participation in the workforce; at start-out, almost half the company's local workforce was Aboriginal. To keep its commitments, the firm created a team to implement employment and training plans, extended their commitments to contractors, and worked with trade unions to encourage Aboriginal employment. The company also made a considerable effort to award contracts to Aboriginal sub-contractors, thus expanding the employment impact of the mine in local communities.

Vale and its Aboriginal partners monitored their progress with Aboriginal workers, maintained an open list of Aboriginal applicants, monitored the efforts by contractors to hire Aboriginal workers, and facilitated Aboriginal integration into the workforce. The system worked well. The Aboriginal hiring preference was overseen by Inuit and Innu employment coordinators, and featured an extensive counseling and advocacy system, ongoing training to support career progress, cultural literacy training for non-Aboriginal workers, and outreach and support for schools and colleges.

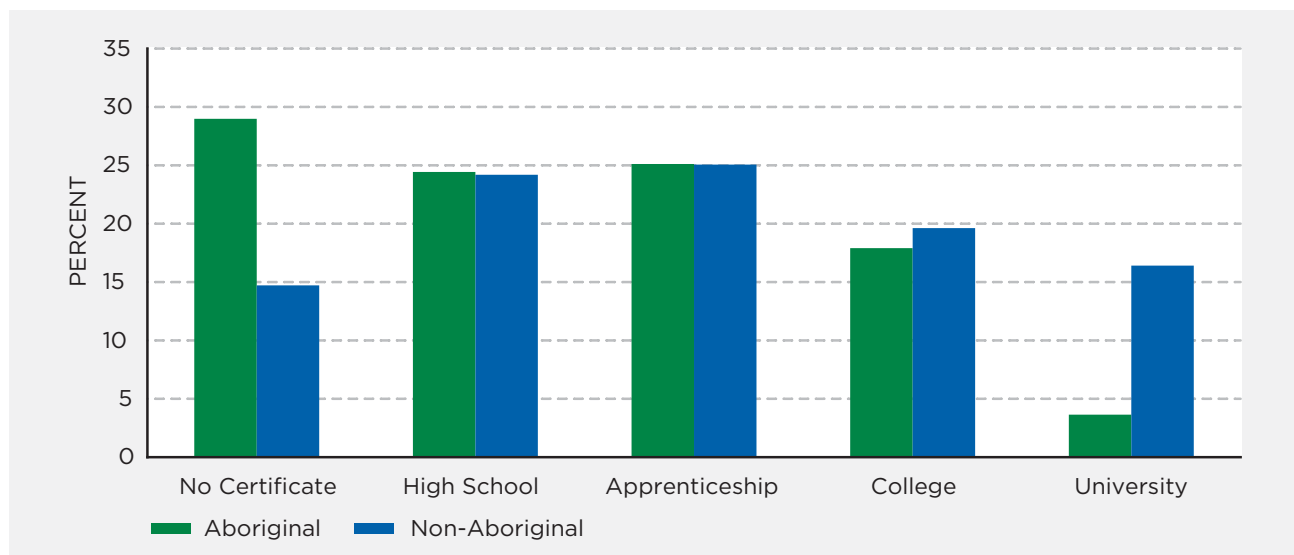
Vale's commitments went beyond hiring Aboriginal workers. The Inuit were very concerned about the impact of mining activity on sea ice and local habitat. After extensive consultation with local Aboriginal groups, they worked out a system that allowed the company to continue shipping through the winter – a core requirement for the viability of the Voisey's Bay mine – and that allowed the Inuit to make safe and secure use of traditional ice routes (through a floating pontoon system).

The results showed that Vale's attention to Indigenous participation and to cultural understanding had paid off. Over half the northern workforce was Aboriginal with more than 90 percent of the Indigenous workers coming from regional communities, and 85 percent of Voisey's Bay contracts had been awarded to Aboriginal businesses. From the company's perspective, the Aboriginal engagement strategy was a key pillar in the financial and operational success of the Voisey's Bay mine.

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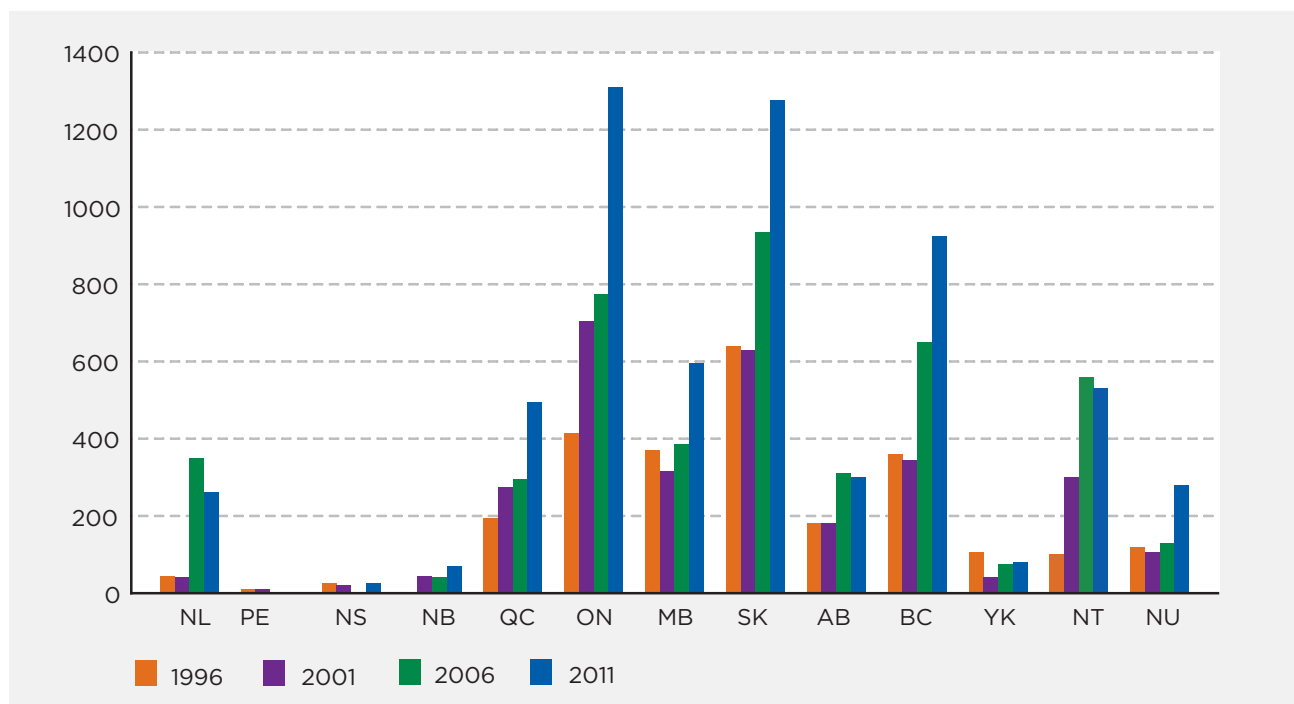
CHART 3 Low educational attainment and Aboriginal workers in mining



Sources: Statistics Canada. 2013. National Household Survey Aboriginal Population Profile. *2011 National Household Survey*. Statistics Canada Catalogue no. 99-011-X2011007. Ottawa. Released November 13 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/aprof/index.cfm?Lang=E>

There is certainly good news to be found as well. Again using the example of engagement in mining, we can see dramatic changes in Aboriginal employment in the resource sector since the mid-1990s, across the country (see chart 4).

CHART 4 Aboriginals employed in the mining and quarrying industry by province, 1996–2011

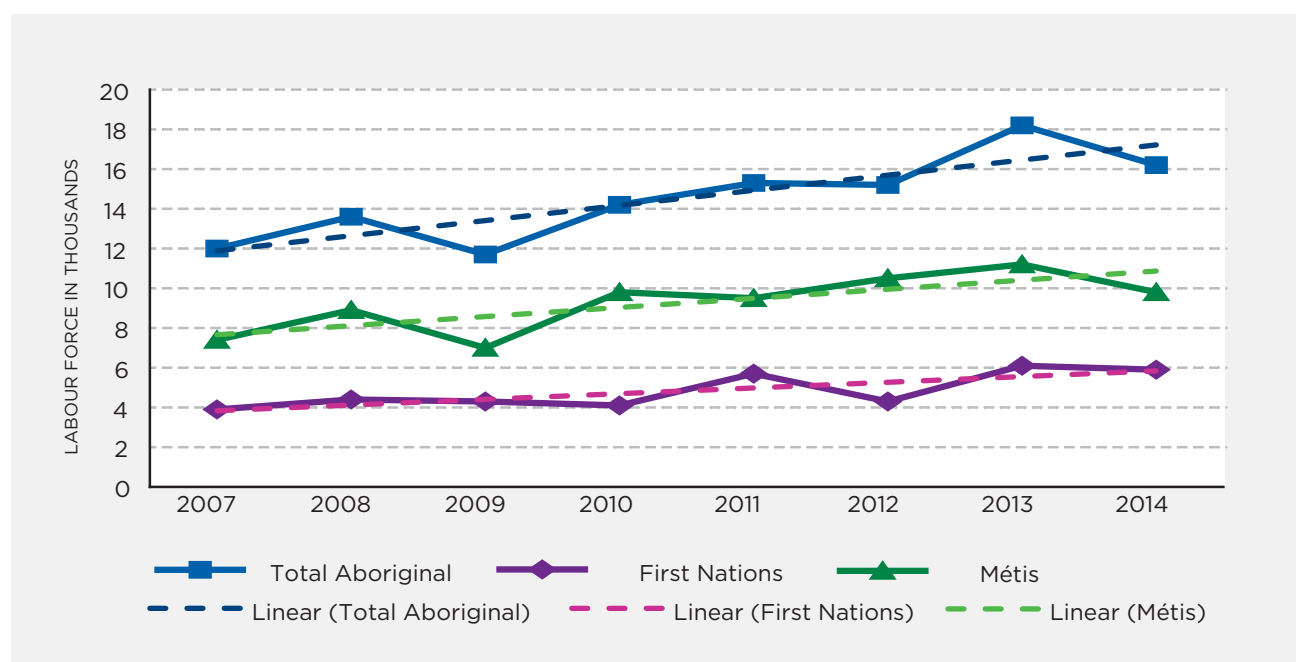


Sources: Natural Resources Canada, Special Tabulation, Aboriginal and Non-Aboriginal in Mining and Quarrying Sector, 1996 to 2006; Statistics Canada, 2011b, *Canada 2011 Census*; Statistics Canada, 2011c, *2011 National Household Survey*; e-mail correspondence with Denis Dupont, Statistical Economist, Minerals and Metals Sector, Natural Resources Canada / Government of Canada, November 19, 2015.

Indeed, from 1996 to 2011, the number of Indigenous people directly employed in the mining sector more than doubled, rising from 2565 workers to 6145 with the major gains being made in Ontario, Saskatchewan, British Columbia, and the Northwest Territories. The data refer to specific census categories for employment and do not capture the broad range of Aboriginal participation in the service and supply sector. Still, it is a useful illustration of the scale and pace of change.

Likely the best measure of Aboriginal engagement in the resource sector is the change to the labour force over time. 'Labour force' refers to the section of the population that is working in the sector or looking for work in the sector, with their most recent job placing them in the sector. Overall, the Aboriginal labour force in mining and oil and gas in Canada grew during the period 2007 to 2014, falling during the 2008 recession and heading into a slump again in 2014. What is particularly important about this transition is that the percentage of the resource sector workforce of Aboriginal ancestry grew significantly, offsetting some of the decline related to cyclical downturns (see chart 5).

CHART 5 Canada Aboriginal labour force in mining, oil and gas, 2007–2014



Source: Statistics Canada, Labour Force Survey 2007-2014

While total Aboriginal employment percentage is far from the aspirations of Indigenous people, government, and corporations, it does represent significant growth over the past decade. Importantly, the First Nations participation rate continues to lag well behind Métis engagement, suggesting that training and employment objectives in more remote regions continue to fall well short of targets. The current downturn will no doubt negatively affect Aboriginal employment and participation in the labour force, but statistical information is not yet available.

Another area of concern is that Aboriginal workers are often in lower-level positions that are unlikely to be well paid compared to non-Aboriginals, and requiring minimal skills that often do not transfer to other sites or occupations. Workers in these categories are often the first laid off during an economic downturn. On a national level, the Aboriginal workforce is remarkably young, with many northern communities having a median age of 20 years, compared to 40 years for non-Aboriginal communities. Proportionately more young Aboriginal people are entering the labour force for the first time, often in regions with few employment opportunities. As well, many of these young Aboriginal workers have limited educational attainment and little work experience. The

labour pool for the resource sector, particularly in northern areas, is overwhelmingly young, low skilled, and with limited work experience.

The View From Industry

The issue of Aboriginal engagement in the resource labour force has attracted considerable industry-wide attention over the past two decades. Companies, governments, and Aboriginal groups realize that securing an appropriate community return from development, particularly but not exclusively in employment, is crucial in securing support for resource projects. A 2010 report, produced for the Social Licence Task Group of the Intergovernmental Working Group on Minerals and Metals, provides valuable insights into the state of employment in the resource sector, taking a broad approach to evaluating the impact of resource engagement in Aboriginal communities. As the report states:

In Canada, mining exploration and development increasingly take place in areas on or near Aboriginal communities as accessible mineral deposits in southern Canada become depleted. In the last decade, the mining industry has become the largest private sector employer of Aboriginal people. Between 1996 and 2006, the number of Aboriginal people employed in the mining sector grew from roughly 2600 to over 4500, representing a 43% increase. In recent years, companies have undertaken targeted initiatives to engage the Aboriginal labour force and to establish partnerships with communities. Aboriginal persons hold 408 jobs at the Ekati diamond mine in the Northwest Territories, while half of the Voisey's Bay nickel mine labour force in Labrador is Aboriginal. At the newly opened Meadowbank gold mine in Nunavut, 35% of the workforce is Inuit.

Many of these young Aboriginal workers have limited educational attainment and little work experience.

Depending on future exploration levels, the number of new mine openings, and employee retirements, the mining industry is expected to need between 28,000 and 71,000 new workers over the next decade. The fact that some 1200 Aboriginal communities are located within 200 kilometres of producing mines and active mineral exploration projects could lead to significant future employment and capacity-

building opportunities for Aboriginal people, including women and youth. These opportunities range from the provision of catering and accommodation services during early exploration to direct employment at the mine during construction and operation, to spin-off opportunities such as transportation, road maintenance, and environmental monitoring during operations and following mine closure.

While Aboriginal workers represented 7.5% of the mining employment in 2006, they were predominantly concentrated in the trades, transport, and equipment operators sector (38.0%) and in the occupations unique to the primary industry (31.0%). The proportion of Aboriginal people in management remained relatively unchanged from 2001 at 2.0%. Data from the 2006 Census showed that 45.3% of First Nations, Métis and Inuit are employed in mining aged 25 to 64 had post-secondary qualifications, compared to 59.1% of non-Aboriginal people. In 2006, Aboriginal Peoples earned approximately \$18,000 less than their non-Aboriginal counterparts, compared with a gap of approximately \$12,200 in 2001. (Natural Resources Canada 2013, 25–26)

The report documents an industry in transition, with substantial changes in Aboriginal engagement and a realization of the considerable work that remained to be done.

Syncrude Canada Ltd.

www.syncrude.ca

Syncrude Canada, one of the key firms in the Alberta oil sands, has a long history of innovation and commitment to Aboriginal employment. Nearly 9 percent of Syncrude's direct workforce is comprised of self-declared Aboriginal employees, making it one of Canada's largest employers of Aboriginal people. "Syncrude always had a vision right from the outset," says Eric Newell, former chairman of the Syncrude Board of Directors (1998–2003) as well as president and chief executive officer from 1986 to 2003. "The company wanted the Aboriginal community to be equally represented and, in the process of pursuing that, it knocked the stuffing out of all those negative Aboriginal stereotypes."

"It was [an] overnight success story that took 30 years to get there," Newell explains. "We probably made every mistake we could but we learned a lot – the big lesson was that you cannot just throw Aboriginal workers into our corporate culture."

Over time, Newell says Syncrude came to understand the need for community involvement (in some cases, Aboriginal chiefs even hand-picked employees), the need for procurement from Aboriginal-owned businesses, and the need for education programs. "Education is a great equalizer," Newell says. "It's critical for Aboriginal workers and youth to give them the skills and job opportunities they need."

"One of the best things we did was to view Aboriginal employment, not as a hiring program, but, instead, as a native development program," he says.

Another former Syncrude president and chief operating officer (1997–2007), James (Jim) E. Carter offered similar observations. "Syncrude enjoys a rich relationship with its Aboriginal neighbours that began at the very beginning during facility construction but really accelerated when operations began in the late '70s and early '80s," he says. "It began initially with Aboriginal employment but then evolved into community development that also identified needs and opportunities in business development. It became, overall, an Aboriginal development program. The value of this to Syncrude and, subsequently, other oil sands developers, was access to a largely untapped source of available and willing human capital."

Syncrude's Aboriginal strategy not only resulted in the firm hiring hundreds of Aboriginal workers but generating considerable community loyalty. The firm speaks enthusiastically about a second generation of Aboriginal workers – employees whose parents or extended family first worked for Syncrude. Journalism graduate Lana Hill is a second generation Syncrude employee specializing in stakeholder relations. Her father, Wayne Mitchell, retired after a 24-year career with Syncrude. Hill credited Syncrude's native development program with helping her father to create a prosperous life for their family since Mitchell used Syncrude's encouragement to obtain his high-school equivalency diploma and his millwright journeyman certification.

Syncrude often plays a developmental role through the region, supporting Aboriginal businesses and such organizations as the Aboriginal Human Resource Council; Newell was the founding chairman of the Aboriginal Human Resource Council in 1998. "Syncrude's initiatives to advance Indigenous workplace inclusion has helped change the landscape of many workplaces across Canada and beyond," says the CEO of the Aboriginal Human Resource Council. "But, most importantly, its work has contributed to positive and life-changing pathways for many Aboriginal people and communities."

Syncrude's Aboriginal relations program emphasizes six areas: environment, community, business, education, employment, and leadership. It fosters relationships with local Aboriginal communities and supports company-wide engagement through its Aboriginal relations team. As well, investment in Aboriginal education, culture, and other community initiatives remains a priority. Syncrude also recognizes the importance and positive impact of doing business with Aboriginal communities and, since it began keeping track in 1992, investment with Aboriginal-owned companies has totalled more than \$1.7 billion.

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CASE STUDY #5

Trinidad Drilling

www.trinidaddrilling.com

The rapid expansion of the resource economy over the past decade has created numerous job openings and, in many areas, a shortage of skilled workers. With 350–400 new gas wells being drilled in northern BC alone and a shortage of trained drillers hampering growth, Trinidad Drilling, EnCana, and the Métis Nation of British Columbia (MNBC) joined forces to train 100 Aboriginal drilling rig technicians over a three-year period.

This educational training partnership helped create an Aboriginal workforce, which helped address a major challenge facing the resource firms. “As far as recruitment, we were very fortunate being able to link up with the Métis Nation of British Columbia because they do a lot of the front end work for us,” says Donna Hudson, formerly Trinidad Drilling’s manager of international human resources and Aboriginal relations. “We give them our criteria, what we expect a person coming into the course to be able to do – they’re very, very good at doing the pre-screening for us.”

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Fly-in Workers

The significant level of Aboriginal involvement in the resource sector masks some unexpected developments, particularly as relates to the residence of the workers. Recall that one of the primary objectives of the Aboriginal hiring priority is to provide stable, well-paid employment in or near Indigenous communities, addressing both personal needs and the communities’ desire for economic growth. But resource projects in Canada rely heavily on mobile workers, including many Aboriginal people. The fly-in workers fill positions for which local Aboriginal people could be trained but for various reasons are not. Finnegan and Jacobs (2015) have shown the strong relationship between the rise in fly-in/fly-out workers and the number of not-in-labour force and unemployed workers in Nunavut. In Nunavut, the rapid increase in receiving (fly-in) workers between 2004 and 2009 from 2635 to 3563 (or by 35.2 percent) was connected to a sharp increase in the number of unemployed and “not in the labour force workers in Nunavut.”³ In other words, fly-in workers were taking positions that might be filled by Indigenous peoples, although it is not certain that skilled workers were available.

THE LOGIC OF TRAINING AND EMPLOYING ABORIGINAL WORKERS

There are many reasons why resource companies are interested in working with Aboriginal communities, developing Indigenous skills, and employing more regional workers (Canadian Chamber of Commerce 2013; Caverley 2006; Deloitte 2013; Eyford 2013). These include the following:

- **Local/regional workforce stability:** Hiring Aboriginal people who live close to the work site makes solid commercial sense. The workers are familiar with local weather and living conditions. If properly trained and committed to the company, these workers provide a much less expensive, less mobile workforce. Importantly, between 20 percent and 40 percent of Aboriginal people hired at the local level relocate, often to southern or urban centres, (in essence becoming fly-in workers) (Finnegan and Jacobs 2015), a process that reduces the cost benefit of hiring regional residents but has proven to be an effective means of keeping the workers connected to the companies.

Mike Deranger: Aboriginal Business Owner and Visionary Tradesman

Mike Deranger is articulate and insightful in describing his “Aboriginal” solution: Train Aboriginal workers to be more than labourers by helping them develop additional skills. It’s a simple solution that, he said, would solve a host of societal problems for Aboriginal people living both on and off reserve. Give them the opportunity to earn a good income, provide for their families, and take pride in a job well done. The rest, Deranger observed, will fall into place.

“It’s such a simple idea for such a complex problem,” says Deranger, owner of Derantech, a 100 percent Aboriginal-owned mobile welding service based in Fort McMurray, Alberta. “Literally, overnight, we can have a huge workforce trained.” Although Aboriginal trades training programs exist, Deranger believes that they face significant barriers. His vision for Aboriginal trades training reaches far beyond the limits of these programs by selecting only the best candidates. “Even programs with good intentions can make us look bad. They accept almost anyone and that can produce a bad result,” he observed.

Deranger is straightforward with his assessments and the people he accepts for pre-apprenticeship training with his company. He does not believe in corporate “native quotas,” saying these efforts only create animosity. Aboriginal workers need no-nonsense training, support, and coaching, he explains, but they also need to earn the position the same way everyone else does.

“Many times, recruiters would prefer to hire immigrants rather than Aboriginals,” says Deranger. “I would ask them to go back and reconsider that.

“I know there are barriers working against us but this new generation is different and can’t be pushed aside. They are proud to be native,” he adds.

Deranger said another secret to successful trades training is to ensure that funding will not be pulled – a problem that has interfered with many government programs. Successful Aboriginal candidates also need to be mentored and coached for a much longer time as they typically need more time to integrate into the workforce.

“To build a workforce, we have to start with young people,” says Deranger. “In five years, I want to train 150,000 Aboriginal tradespeople . . . always taking the best candidates but also focusing on pulling from areas that have high suicide rates. These are areas where youth need hope for the future.”

With a projected future shortage of up to 300,000 tradespeople in the resource sector, Deranger’s dream of finding employment for his group of 150,000 well-trained Aboriginal workers would go a long way toward addressing Indigenous unemployment and meeting the needs of resource sector.

Deranger started by assembling a management team, developing a financial plan, and securing support from Keyano College, Alberta Advanced Education, UA Local Union 488, and the Athabasca Tribal Council. He is now working on getting more support from industry and major corporations. His broader goal is to develop a national Aboriginal trades training strategy, using his recruiting, training, and mentoring techniques, which would be implemented across the country, with a special emphasis on isolated northern communities.

“Many of our people have heard about careers but never had one,” Deranger says. “That has to change.”

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- **Corporate social responsibility:** Companies understand that they have to make a concerted good faith effort to ensure that affected Aboriginal communities benefit from the resource development activities.⁴ Providing stable and comparatively high-paid employment and business opportunities is one of the most effective means of demonstrating corporate commitment to Aboriginal people and the local area. Companies also benefit from having well-trained workers in the region, and understand in full the commercial benefits of having staff readily at hand. There is, in addition, a substantial difference in employment approaches by junior mining and exploration firms, which are highly speculative ventures, and the more stable, long-term operations of companies like Vale, Cameco, Suncor, and the northern diamond mines.
- **Impact and benefit agreements:** As a result of the duty to consult and accommodate requirements for resource development (mandated by the Supreme Court of Canada in the 2004 *Haida* and *Taku* decisions that require governments to ensure there is appropriate consultation

(cont. P. 20)

CASE STUDY #7

Manitoba Hydro

www.hydro.mb.ca

Manitoba Hydro's Building the Circle summer career exploration camp is a unique effort to promote scientific and technical career development among young Aboriginal girls. "Up until this program, most of the girls wanted to be teachers, nurses, or social workers," says Ron Richard, Manitoba Hydro's Senior Aboriginal Employment Relations Advisor. "Those are honourable careers but, by the end of the camp, all of the girls wanted to be in science and technology."

In general, women are seriously underrepresented in the technology fields. Aboriginal women are even more rare. With the impending retirement of millions of baby boomers, Canada is going to need as many people as possible to fill the impending shortfall of skilled technological workers.

Manitoba Hydro identified the province's Aboriginal youth as a key future workforce. This, on its own, is a major change in corporate culture. During the 1980s, less than 1 percent of Manitoba Hydro's workforce was comprised of Aboriginal employees. Generally, Aboriginal employees were under-represented in most occupational groups, concentrated in entry-level and lower skilled positions, excluded from numerous job families, ranked low in seniority, and have been terminated at a rate out of proportion to non-Aboriginal employees.

Manitoba Hydro endeavoured to overcome the barriers that Aboriginal people face in employment, advancement, and retention. As a result, Aboriginal representation rose to approximately 6 percent by the mid 1990s, when it plateaued. In 2000, the company recognized that its Aboriginal employment equity strategy had to be recalibrated to meet expanded objectives. "There were

numerous long standing employment practices that stood in the way of fully accessing the talent within Aboriginal communities," says Richard. "To address this, we formed a joint committee that was charged with removing the systemic barriers." Although Manitoba Hydro began experiencing successes in the employment of Aboriginal people, representation of female Aboriginal employees remained low. And that's where its unique educational, empowerment, and recruitment strategy came in. "It's a visionary thing," says Richard. "The more we teach, the more it takes on a life of its own. And the program has had a huge impact on the girls' lives that went way beyond what we initially expected. An unexpected outcome of the camp was the effect on the staff who were involved in developing and implementing the camp model. As Manitoba Hydro employees researched best practices with respect to youth programming, Aboriginal employment initiatives, and partnerships, they were then able to apply that learning to their human resource practices." The camp's values of mentorship, knowledge transference, and inclusion had come full circle.

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BC Hydro

www.bchydro.com

BC Hydro has made a priority of improving workplace diversity through wider advertising of job postings and greater outreach to Aboriginal communities, and more candidates are considering employment with the utility. Until recently BC Hydro had only 80 Aboriginal employees, about 2.1 percent of its 4200 workers.

While BC Hydro has had an Aboriginal relations statement of principles since 1992, it was the board of directors' approval of a new Aboriginal education and employment strategy in August 2006 that kickstarted several hiring and capacity building initiatives. Since 2009, BC Hydro has hired 150 Aboriginal employees.

Largely as a result of an outreach program that visited dozens of communities, including presentations to chiefs and councils, job postings in Aboriginal media, and interviews on community radio stations, more than 380 new Aboriginal applicants approached BC Hydro. The company now has 600 names of Aboriginal job applicants in its employment database, and receives 90 new Aboriginal applicants a month.

BC Hydro also has a trades trainee program, a two-year, entry level experience that prepares workers to continue onto a trade apprenticeship. "The trades trainee requirements are Principles of Math 11 and Physics 11, Class 5 Driver's License with Air Brakes, and no other formal training," said Jeannie Cranmer, former Aboriginal Education and Employment Coordinator with BC Hydro. "The expectation is that while they're on a power line technician crew, they're going to drive the bucket truck and assist the crew where possible. We're partnering them in a crew and saying, 'Don't you want to be one of them?' At the end of two years, if they haven't upgraded to meet the requirements to be an apprentice, they have to leave the program. We don't need more truck drivers. We need apprentices."

At the next level, BC Hydro's apprenticeship program requires Physics 12, Math Principles 12, and English 12, and historically hasn't attracted many Aboriginal people to the program.

BC Hydro also established a Youth Hire program, designed to encourage students to stay in school and graduate so they can qualify for college, university, or trades apprenticeship training. The utility recruits students from communities where it operates generating stations and pays them full wages. For half of the day they go to school, but they spend the rest of the afternoon on the job at the local generating station. Because they're 16-year-olds who don't have any formal training, they job shadow apprentices in the facility – an electrician or an engineer – and hopefully decide to finish school and

become skilled tradespersons, too.

BC Hydro started the Youth Hire program in Bridge River in 2004 and then added similar offerings in Peace River, Burrard, Thermal, and Campbell River.

The utility also creates more Aboriginal scholarships as part of its capacity development initiatives. In one year, the company received 80 applications from Aboriginal students for eight \$1000 scholarships. These have now been increased to \$1500 scholarships. There is another general \$2000 scholarship, as well as a \$4500 occupational health and safety coordinator scholarship that covers two years of tuition and books at the British Columbia Institute of Technology, leading to a four-year job opportunity at the company's GMS generating station in the Peace River Region.

In addition, BC Hydro is forming partnerships with a variety of Aboriginal Human Resource Development Agreement agencies (AHRDAs/Aboriginal employment centres), and other companies in the utility sector such as Terasen, BC Transmission Corporation, and Spectra to run summer Utility Boot Camps for Aboriginal students in BC. Cranmer said that as BC Hydro consults and builds relationships with First Nations, it strengthens the utility's commitment to support Aboriginal youth and provide job opportunities: "We're seeing Aboriginal education and employment strategies added into benefit agreements. We're identifying procurement opportunities on our capital projects. We're ensuring that the community is aware of what contracting opportunities are going to be available, and what job opportunities are available as well."

BC Hydro is currently undergoing a strategic renewal of its Aboriginal engagement processes under the direction of its new Director of Aboriginal Employment and Business Development, Laurie Sterritt. Sterritt has doubled the size of the Aboriginal team and is reorganizing BC Hydro's engagement efforts.

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(cont. from P. 18)

and compensation), companies have been negotiating complex accords that contain major commitments to Aboriginal communities. Parties have typically included promises of employment in the negotiated agreements. These commitments are buttressed by company- and government-run skills development and training to ensure that local workers are properly prepared for work with the resource companies. The workforce elements are among the highest profile elements of these community-corporate agreements.

- **Indirect participation:** A large and rapidly growing percentage of Aboriginal employment related to the natural resource sector relates to associated service and supply work.⁵ Through Aboriginal joint ventures with resource companies a growing number of Indigenous firms have secured contracts (often through preferential arrangements, also established through the impact and benefit agreements) with the resource projects. These firms, such as those operated by the Kitsaki Management Corporation (Saskatchewan), the Fort McKay First Nation (Alberta), James Bay Cree (northern Quebec), and the Shatu Dene (Northwest Territories), among many others, are Aboriginally controlled, in whole or in part, and typically have a high percentage of Aboriginal employees. This type of engagement is lower profile than the “guaranteed” corporate hiring commitments but has quickly emerged as one of the most important areas of Indigenous business development and employment in the country.

BARRIERS TO ABORIGINAL EMPLOYMENT

No one associated with the resource sector and the employment of Aboriginal people expects the situation to improve quickly or dramatically. At the most simplistic of levels, there is an obvious match between the availability of Aboriginal workers near resource sites and the companies’ needs for workers. This is where the easy part ends. Few of the Aboriginal workers have advanced training (such as an engineering degree) in resource-related fields. One of the characteristics of many northern communities, reflecting decades of educational shortcomings, long-term poverty, welfare dependency, and related social and cultural issues, is that relatively few Aboriginal people are “career ready.” While there are now thousands of skilled, reliable, and highly valued Indigenous workers in the resource sector, long-term unemployment and social challenges make it difficult for many Aboriginal people to transition to regular paid employment.

Long-term unemployment and social challenges make it difficult for many Aboriginal people to transition to regular paid employment.

A 2011 report, *Take Action for Diversity*, prepared for the Mining Industry Human Resources Council,⁶ reviewed the Canadian employment landscape and identified several key barriers to greater Aboriginal participation in the sector:

- The disconnect between industry workforce requirements and standards and the skill and educational levels of the potential Northern workforce;
- few opportunities at the community level for appropriate training and skills upgrading programs;
- hostility toward Aboriginal people in the workforce, with elements of racism and discrimination;
- companies’ difficulties with adapting corporate operations to Aboriginal values and customs;

- individual difficulties for workers hired by the companies but required to relocate to larger centres for training and/or employment; and
- challenges in adjusting company recruitment, selection, and relation strategies to fit with the needs of Aboriginal peoples.

To this list, one would add such well-known problems as sub-par elementary and high school systems in most northern regions, the challenges associated with Aboriginal people relocating to urban centres for advanced training, community pressures applied to employed and well-paid individuals (such as requests for personal loans and support), the limited culture of paid, long-term employment within local communities, and the rapid ramping up of the regional workforce in response to development project timelines.

The *Take Action for Diversity* report echoed long-held views about the most effective means of increasing Aboriginal participation in the resource sector labour force. The ‘solutions’ are hard to enumerate, expensive to provide on a long-term basis, and have had sufficiently uncertain results to stop companies and governments from assuming that they will provide workable and sustainable solutions. Most of the solutions are direct responses to the identified problems:

- invest in skills and training programs to ensure that regional workers are available for resource projects;
- provide appropriate work experience for prospective workers and trainees so that they learn about the workforce before starting formal employment;
- provide specialized and extensive support for incoming workers and those making a transition to the resource sector workforce. These initiatives would include supportive training programs and work environments, with extensive use of industrial mentors and community elders;
- adjust workplace practices, including scheduling, attitudes toward holidays, leaves, and ceremonial commitments, and accommodate cultural and community requirements; and
- provide extensive cultural awareness training for middle and senior management, and include programs for all workers and special activities for Aboriginal employees.

The country suffers from no shortage of programs and well-funded efforts to prepare Aboriginal people for work in the resource sector.

No Shortage of Programs or Funding

Other initiatives, many of which have been employed by one or more companies, include the promotion of educational attainment within the community and region; connecting training to preferential/guaranteed employment; involving community governments and agencies directly in recruitment, hiring, and retention; and accelerating programs designed to prepare Aboriginal employees for enhanced training and management positions. There are dozens of corporate strategies, many federal, and provincial government training programs, industry initiatives (such as those offered in Saskatchewan with the support of the International Mining Innovation Institute and the Yukon by the Centre for Innovation in Northern Mining at Yukon College), and a growing number of community-based preparatory initiatives. When the work of high schools, colleges, polytechnics, and universities, including a growing number of Aboriginal institutes, are added to the list, it becomes evident that the country suffers from no shortage of programs and well-funded efforts to prepare Aboriginal people for work in the resource sector (see table 1).

TABLE 1: Representative government programs for Aboriginal skills and training

CANADA
ASETS – Aboriginal Skills & Employment Training Strategy and Workplace Skills Initiative – Human Resources and Social Development Canada
Skills Development and Employment Projects – The Office of Literacy and Essential Skills (HRSDC)
SASKATCHEWAN
Mining Industry Pre-Employment Program – Saskatchewan Indian Institute of Technologies
Northern Career Quest (NCQ)
Mining Essentials Program – Mining Industry Human Resources (MiHR) Council
Women in Trades Program – Saskatchewan Indian Institute of Technologies (SIIT)
BRITISH COLUMBIA
Bladerunners Program – Ministry of Jobs, Tourism, Skills Training and Labour
Tricorp Employment and Skills Training Services (TESTS) Program – TRICORP
Stó:lō Aboriginal Skills & Employment Training (SASET) Program
Shuswap Training and Employment Program (STEP) – Shuswap Nation Tribal Council
Aboriginal Minerals Training and Employment Program (AMTEP)
MANITOBA
Hydro Northern Training Initiative – Government of Manitoba
Fifth Class Power Engineering Technician – Neeginan College of Applied Technology, Centre for Aboriginal Human Resource Development Inc.
The Skills Development Program – First Peoples Development
ONTARIO
Mining Engineering Technician Program – Haileybury School of Mines (HSM) – Northern College
Aboriginal Youth Work Exchange Program – Government of Ontario
First Nations Natural Resources Youth Employment Program – Government of Ontario
NUNAVUT
Nunavut Prospectors Program (NPP) and Introductory Prospecting Course – Government of Nunavut
NORTHWEST TERRITORIES
Underground Mining Program – Mine Training Society (MTS)
Mineral Processing Program – jointly by Diavik and Mine Training Society (MTS)
ALBERTA
Aboriginal Mine Works Program – Wood Buffalo Partners in Aboriginal Training Association
The Alberta Aboriginal Apprenticeship Project (AAAP)

There has been no systematic assessment of the large number of Aboriginal skills and training programs targeted at the resource sector. The initiatives range from basic skills and adult basic education to lifestyle training, company-specific preparation programs offered in collaboration with colleges or universities, and sector-wide training programs that use advanced simulators to prepare trainees for mine work.

The experience with Aboriginal skills, training, and employment programs suggests that the progress is greatest with long-term, large scale, and stable company operations, such as Vale's Voisey's Bay operation, which has strong collaborations with local Indigenous communities, or Cameco's engaging with First Nations and Métis people in northern Saskatchewan. The Aboriginal employment situation is improving with the oil sands companies in northern Alberta, including substantial Indigenous employment with Aboriginal-owned service and supply companies. The experience is uneven with early stage and junior firms, which typically operate on short time frames and considerable financial uncertainty; it is difficult, if not impossible, to make long-term commitments when company operations are not secure.

Indigenous employment also remains subject to the substantial booms and busts in the resource economy. The cyclical nature of the industry adds to uncertainty and can result in a significant mismatch between trained and available workers and jobs in the field. Lindsay Bell studied a training program in the southern Northwest Territories. In this instance, the students' graduation coincided with a sharp decline in the resource sector. Only one of the 90 graduates found employment. Bell concluded that mining training programs, by focusing on individual responsibilities rather than economy-wide challenges, could actually exacerbate regional and Aboriginal challenges.⁷

The skills and training effort is not coordinated nationally and is often out of sync with employment realities.

Overall, however, the skills and training effort is not coordinated nationally or regionally and is often out of sync with employment realities. This has resulted in situations where the results from training programs vary dramatically, determined by the state of local mining activity, the capacity of the indigenous employment providers and capacity of the community, the existing skills of entering trainees, and the willingness of trainees to relocate for work. In other instances, individuals have performed well in the skills upgrading but lacked the ability to make a transition to regular employment. In still others, a careful match of employment needs and workers' abilities resulted in strong employment outcomes. At present, Aboriginal skills and training programs are available in many parts of the country, demonstrate corporate and government commitment, and reveal the willingness of colleges and universities to adapt to Aboriginal needs. Collectively, these programs cost tens of millions of dollars each year, but produce uneven and often unpredictable outcomes (Wohlberg 2013).⁸

A recent study by the International Centre for Northern Governance and Development, University of Saskatchewan of existing Aboriginal skills and training concludes:

While little critical academic literature exists on Aboriginal skills training and workforce development strategies, there is a growing body of government and non-government authored reports and studies. This literature, in conjunction with stakeholder interviews, with representatives from government, industry, education, and Aboriginal organizations, revealed a number of barriers and challenges to skills training and workforce development:

- socio-economic issues (e.g., child care, addictions, housing, transportation, racism, and justice);
- lack of essential skills and educational attainment (e.g., reading, numeracy, document use, writing, computer use, communication, collaboration/teamwork, critical thinking, problem solving, English language skills, and continuous learning);

- inadequate programs and content (e.g., funding, delivery and availability, structure, and design, access, and content);
- lack of collaboration among stakeholders (e.g., government, industry, educational institutions, and service providers); and
- systemic issues (e.g., disincentives, lack of employment opportunities, union regulations, apprenticeship opportunities, and financial barriers).

On the other hand, many practices have proven to be successful, particularly when combined and used over time. In most cases, best practices have arisen as a direct result of addressing challenges and barriers. Problem solving also requires unique approaches to the myriad of situations occurring across different jurisdictions. Best practices largely run parallel to barriers and challenges and are categorized as follows:

- provide social supports to complement program delivery;
- focus on essential skills training and bridging programs;
- deliver community-based and engaged programming;
- use approaches to deliver culturally appropriate material in a manner consistent with learner styles;
- engage in stronger collaboration and coordination among stakeholders with a focus on long-term partnerships; and
- pursue systemic changes to policy and regulations that provide more flexibility, accountability, and opportunities. (Hall, Hessen and Coates, unpublished paper).

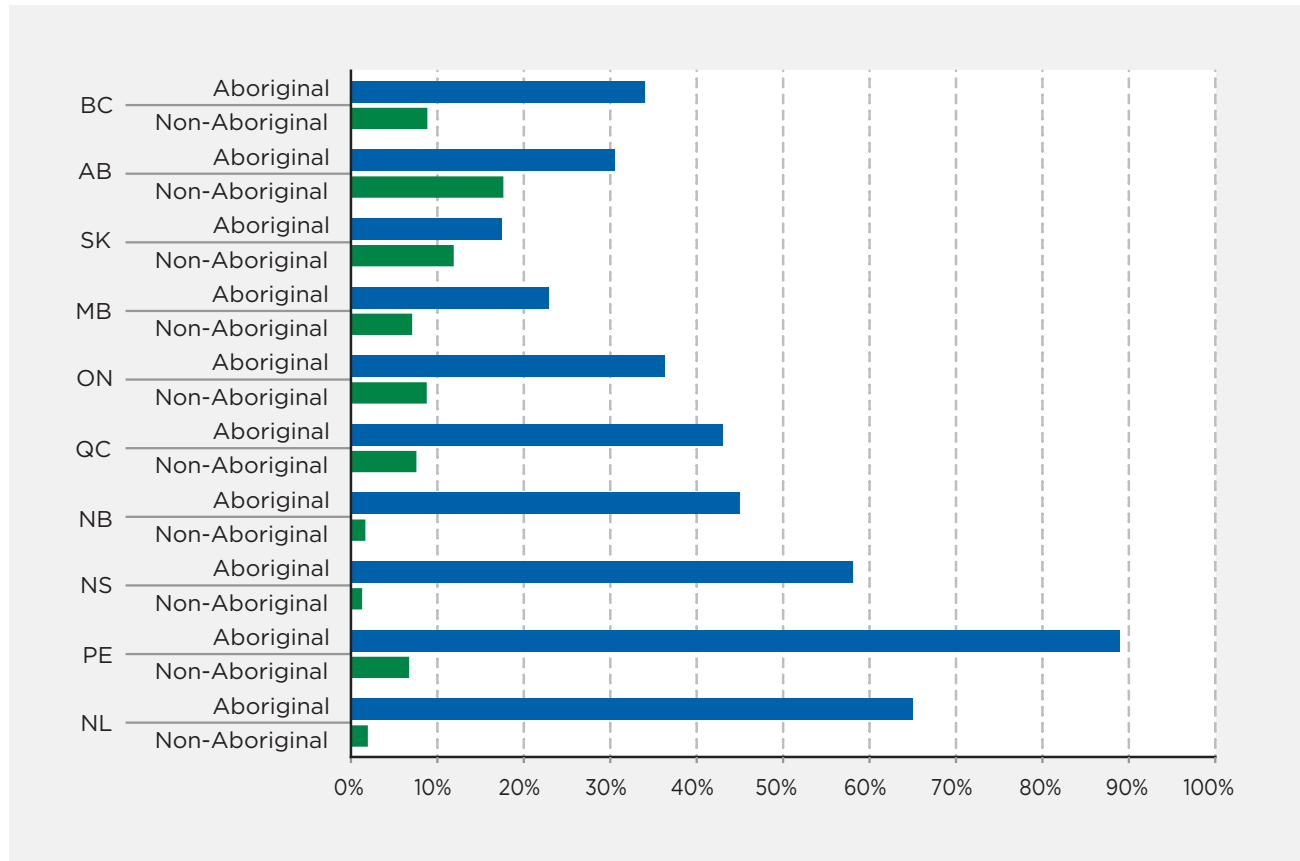
A careful match of employment needs and workers' abilities resulted in strong employment outcomes.

The national anecdotal evidence shows that the collective commitment is having a constructive and positive effect. The broader pattern of Aboriginal employment, poverty, and workforce disengagement, however, demonstrates that the underlying problems have not been solved. Nor, realistically, should the country expect that career and employment challenges over one hundred years in the making would be addressed in the two decades since the resource sector started making concerted efforts to engage with Aboriginal communities and workers in the companies. While there are obviously additional steps that can be taken, some of them enumerated below, it is also clear that it will take many years before a much greater number of Aboriginal men and women are properly prepared for work in the resource sector and fully engaged in the emerging industrial and resource economy.

The Demographic Challenge

Even once a more coordinated and effective program of skills training and career development is achieved, it is likely the resource sector cannot come close to fully meeting the needs for a rapidly growing Aboriginal population. One significant factor is demographics. The Aboriginal working age population will continue to grow in the coming years, increasing the pressure on governments and – indirectly – the natural resource companies to respond to demands for additional jobs (see chart 6).

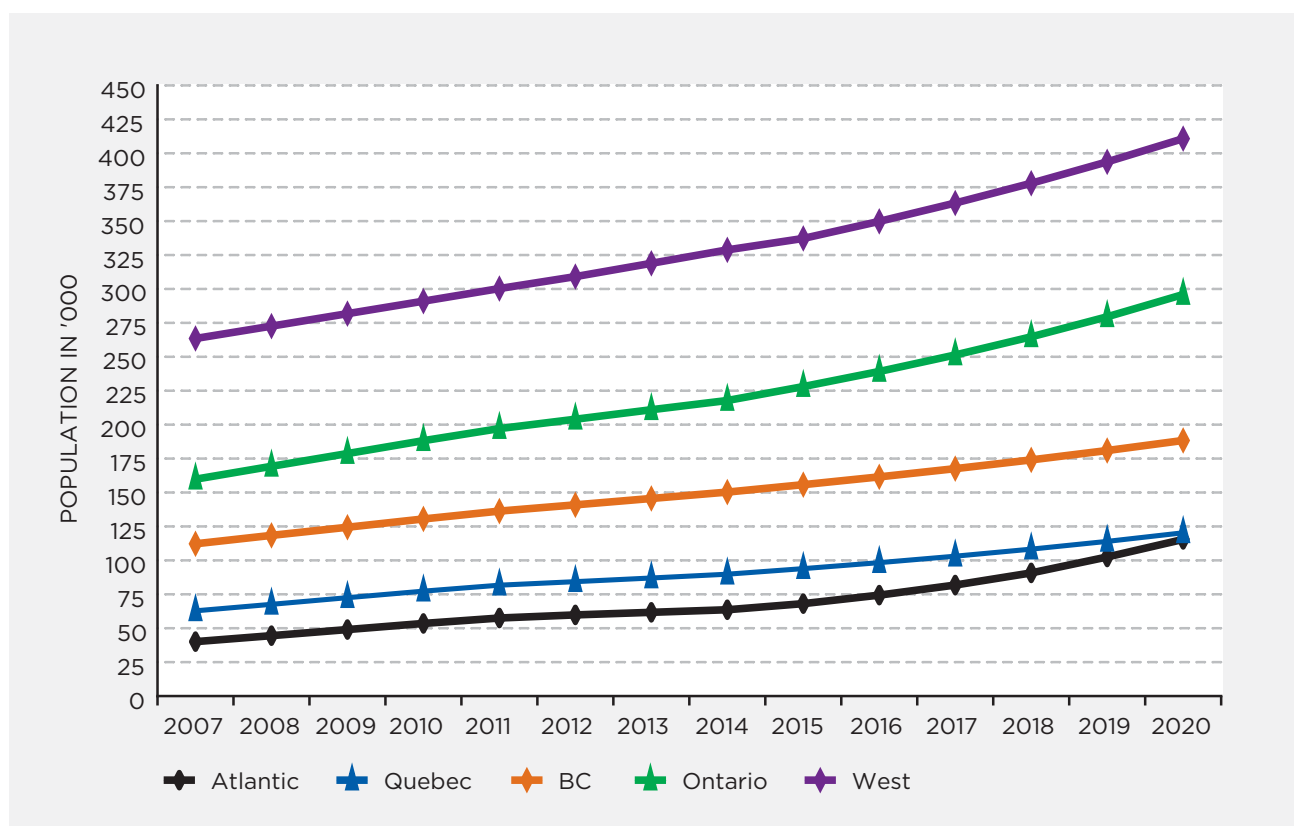
CHART 6 Growth in Aboriginal and non-Aboriginal working age populations by province, 2007–2014



Source: Statistics Canada, Labour Force Survey 2007-2014

In Canada the Aboriginal labour force population of individuals aged 15 and over grew from 638,300 in 2007 to 850,300 in 2014, a growth rate of 33.2 percent, while the comparable non-Aboriginal population grew at a rate of 8.9 percent. While still a fraction of the total labour force, about 2.4 percent in 2007 and 2.9 percent in 2014, the Aboriginal component of the labour force is growing rapidly and assuredly from natural increase, while the non-Aboriginal growth rate is heavily dependent upon immigration. By 2020, the Aboriginal labour force population will be in excess of 1,150,000 people with the largest concentrations being in the Prairie provinces at 414,100 potential workers (see chart 7). (It is important to note once again that census information and employment information of Aboriginal people is fragmented and incomplete, in large measure because of the data collection issues on First Nations reserves.)

CHART 7 Projection of Aboriginal labour force population to 2020 from 2007–2014 LFS data



Sources: Statistics Canada, Labour Force Survey 2007–2014, author calculations

These hundreds of thousands of new workers will inevitably be young and, given the current state of affairs in Aboriginal education, they will be lacking the skills required for the 21st century knowledge-based economy. Unless action on education is taken soon, it is likely the majority of these workers will be largely unskilled or under-skilled and will therefore have difficulties adapting to career opportunities in the natural resource economy.

Looking Forward: Technological Change and the Future of Aboriginal Engagement

As outlined above, the natural resource sector has enjoyed much more success in recruiting Aboriginal workers than most other parts of the Canadian economy. Aboriginal communities do not look to the banking sector, retail, or government for large-scale employment, particularly in non-urban areas.⁹ They look to resource companies. There is a separate story, one that we have not covered, about the forest industry, where Aboriginal-company engagement has been substantial, long term, and much more successful, particularly in the West, than most realize (Forest Products Sector Council 2011a).¹⁰ As such, the natural resource sector carries the burden of heightened Aboriginal employment expectations for the entire Canadian economy. Resource companies clearly understand the imperative associated with expanding Aboriginal employment in their firms. They also know that they cannot address all of the employment needs of Aboriginal populations.

In addition to the demographic issues described above, the improvement of industrial methods and equipment often carries labour saving capabilities. The prospect for rapid and disruptive change is considerable. Autonomous mining is a possibility, and could be implemented in part or in full at

resource sites across the country. Autonomous trucking is happening now (oil sands companies and the New Afton Mine in central British Columbia are implementing these new technologies). Major improvements in resource technologies, from using drones for exploration to developing labour-free or labour-reduction systems, could lead to a significant decline in the resource workforce in the years to come. Based on recent innovations and anticipated changes – imagine what the use of large scale dirigibles as supply vehicles would do to current long-distance trucking and airplane delivery¹¹ – it is possible that the role of human labour will taper off. Equally important, technological innovations would shift jobs from low skill work to more technical and highly skilled employment.¹²

The resource sector, even with the most optimistic growth forecasts, cannot accommodate this future Aboriginal workforce entirely. Even now, many of these potential workers are directly entering the ranks of the “Not-in-the Labour Force” segment of the Labour Force Survey population. Indeed, in many northern Aboriginal communities the participation rate drops well below 50 percent, meaning that there are more potential workers aged 15 and over out of the labour force than in it.¹³ (For comparative purposes, the Canada-wide participation rate stood at close to 67 percent in 2014, the lowest in 14 years [CBC News 2015].)

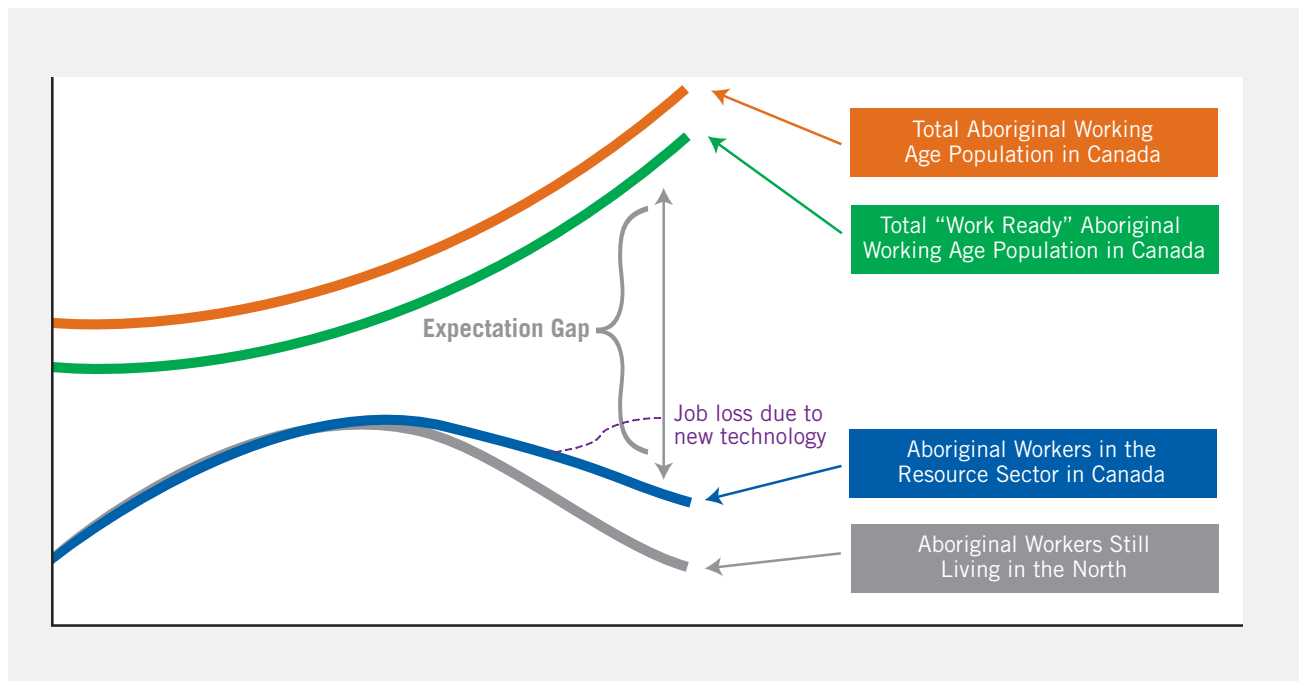
Technological advances are often a double-edge sword, disrupting certain elements of the regional or national economy and expanding opportunities in other areas. The possibility of significant displacement of workers in the natural resource sector is real – and is already underway. Innovations, however, are making it easier and cheaper to identify deposits, exploit the resources, and process the minerals or energy resources. The significant improvement of run of the river electrical generation, for example, has created new opportunities for Indigenous groups across the country. It is possible, therefore, that the reduction in traditional employment with resource firms will be offset – or more – by expanded development opportunities. Furthermore, technological advances have greatly improved environmental assessment, monitoring and remediation, potentially making it easier to secure community support for resource projects while also broadening the range of employment opportunities in the sector.

The possibility of significant displacement of workers in the natural resource sector is real.

However, for resource firms, the only significant private sector employers in vast parts of the country, the combination of the availability of labour-saving and efficiency-creating technological innovations and a surging Aboriginal population creates incompatible expectations for the near future. The potential impact of technology on the resource workforce is seldom discussed and little understood. A major expansion in employment will require a substantial growth in the ranks of highly skilled Aboriginal workers, which will be a tremendous challenge. It seems likely that the number of job opportunities with the resource companies and their service and supply firms is not well matched with the size of the future Aboriginal population.

The following schematic (see chart 8) illustrates one way of looking at the issue, showing the growing working age Aboriginal population, the smaller number of career ready workers, the actual number of workers, anticipated loss of jobs through technological change, and the outmigration of northern workers after they secured employment with a resource company.

CHART 8 The expectation gap: Northern Aboriginal workforce in the resource sector



Source: Ken S. Coates

Commercial and market forces will ensure that the resource firms adapt labour and money saving technologies, even though the implementation of these systems will reduce the total number of workers in the field and change the workforce toward a more technologically advanced and highly skilled group of employees. We must be realistic about the employment opportunities that resource companies can possibly provide. Indeed, a broader national effort designed to forge a new economy for Aboriginal people located in remote communities will be required.

POLICY RESPONSES TO CURRENT CHALLENGES

As companies, public governments, and Aboriginal governments contemplate the path forward, several key elements have to be given special attention:

- All participants have to appreciate that substantial and sustained change will take a generation or more. While short-term opportunities must be explored and exploited, it is vital that expectations be kept in check. Foundational efforts, from improving attention to the youngest Aboriginal children (ages 0 to 5, or pre-school) to developing strong cultures of work and reducing welfare dependency, must remain a shared national and regional preoccupation.
- Give the communities time to respond to opportunities. The appropriate time to launch training, skills development, and employment programs is a decade before exploration and project development commence. Convincing governments and the private sector to invest this far in advance is so very difficult. The current pattern, which is company-centric and tied to relationships

between the firm and one or more communities, tends to start working on workforce development in earnest once the project commences. General government efforts, tied to post-secondary and training institutions, are moving in this direction, but the broader approach tends to focus primarily on individual improvement and career development and less on the preparation of a stable long-term workforce that is connected to regional communities.

- There should be a greater emphasis on the creation of regional, as opposed to community, workforces. This is increasingly happening in Labrador (Voisey's Bay, in particular), northern Quebec (largely through Aboriginal companies), northern Saskatchewan (dominated by Cameco), and northern Alberta (regional employment has long been a characteristic of the oil sands industry). Given the inevitable transitions in resource activities (exploration, project development, openings, market fluctuations, closings, policy shifts), no one community is assured of permanent

CASE STUDY #9

Real Success: Northern Career Quest

www.northerncareerquest.com

There is a great deal of cynicism about Aboriginal training programs, in large measure because of mixed – and often unimpressive – achievements over the years. But some programs work extremely well. Northern Career Quest is a federally funded skills and training initiative, focused on northern Saskatchewan and undertaken in partnership with resource companies and educational institutions. The program's mandate is simple: "To provide training leading directly to long term full time employment in the Mining sector for Aboriginal people living in Northern Saskatchewan."

Northern Career Quest focuses on individual applicants but is directly connected with real and anticipated labour force needs. Companies play a critical role in selecting participants in large measure because they are committed to hiring those who complete their studies (with the prospect of a wage subsidy for the first year of employment). Program coordinators work with First Nations and government agencies to provide personal allowances to cover living costs while in the program but can provide direct assistance if other funds are not available.

The most important aspect of Northern Career Quest is its success rate. In Northern Career Quest 1 (NCQ1), which ran from 2008–2012, the program hoped to train 750 people Aboriginal people. It trained over 1800, of which 1412 found work with companies as diverse as Athabasca Labour Services, Civeo, Saskatchewan Environment and Resource Management, Cameco, and Athabasca Catering Services. NCQ1 had a remarkable total of 313 industry partners. The next iteration, NCQ2 (2013–2015), hoped to train 813 new workers. The actual number was 1710 trainees, with 1073

finding employment upon completion of the program. The top employers in the second offering of the program include Areva Resources, Bouchier Group, Cameco, and Norsask Forest Products. This offering of the program had over 170 industry partners.

In addition to dozens of community partners – the training of northern Aboriginal workers was a truly collaborative undertaking – Northern Career Quest worked with such diverse institutional partners as A2Z Safety Training, Northlands College, Northern Alberta Institute of Technology, Northern Mining Academy, Northern Resource Trucking, Saskatchewan Polytechnic, and the Saskatchewan Indian Institute of Technology and Wolfe Safety.

After several nervous months, Northern Career Quest learned early in 2015 that its funding had been extended into a third offering.

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work in the resource sector. Areas like the Ring of Fire in northern Ontario would benefit from a regionalization of workforce development and employment strategies rather than approaches that focus on one or two communities, and one major project. Reconciling this approach with community-focused impact and development agreements will be difficult, in large measure because communities focus on real and substantial local needs and not region-wide challenges. But the process could be more beneficial than current strategies if investments were made in initiatives to advance more coordinated regional and national efforts.

- The resource sector and provincial, territorial, and federal governments should improve their collective data gathering procedures related to Aboriginal employment, training, and skills. At present, far too little is known about the nature of Indigenous employment, work patterns, connections to community and cultural activities, and mobility between positions. The latter is particularly important, as companies report that it is commonplace for Aboriginal workers (and for non-Aboriginal workers) to sign on with a firm and subsequently leave for another employer. Under the terms of impact and benefit agreements, these mobile workers show up as a loss to the company (and are taken as a statistical sign that the firm may not be honouring its commitments). Learning more about the general pattern of work and the collective employment histories of Aboriginal employees in the resource sector is critical to the efforts to improve and stabilize the system. BHP in Saskatchewan for example created a 'skills database' with the communities which has proved invaluable.
- Companies and governments are committed to Aboriginal skills training and entry to employment programs, as shown by the many corporate recruitment and skills programs and government training programs detailed above. These are critically important and need to be maintained, if not expanded. At the same time, however, many companies and trainers highlight the underlying importance of attitudes to work. Training workers who are not, in the end, prepared to work is not likely to produce positive outcomes. Finding enthusiastic individuals who are ready for regular and high intensity work is crucial to changing the dynamics of Aboriginal employment

CASE STUDY #10

The Coordination of Aboriginal Skills and Training: The International Mining Innovation Institute

The International Mining Innovation Institute (IMII) was established by the Government of Saskatchewan, Cameco, and Innovation Saskatchewan with the goal of encouraging research and programming relating to the provincial mining sector. Among other responsibilities, IMII was to act on a 2009 report from the uranium industry which called for partners to "expand existing mining and exploration programs at universities, colleges, and training schools to train engineers, geoscientists, and other mining specialists and to develop innovation through research in the earth, environmental, engineering, and social sciences relevant to the exploration and mining sectors."

IMII has, by matching its resources with company contributions and funding from other government sources, undertaken an aggressive program of Aboriginal skills training through partnerships with the regional colleges (particularly Northlands), the Saskatchewan Indian Institute of Technology, Sask Poly, and the Universities of Regina and Saskatchewan. The program is designed to accelerate Aboriginal engagement in the sector, focusing on higher skilled and technical positions. Equally important, IMII plays a convening role with sectoral partners, bringing groups together to discuss challenges, constructive experiences, and policy matters. The IMII collaboration effort is aided by the commitment of the provincial government to improving workplace outcomes, the desire of companies to meet their contractual agreements with Aboriginal communities and their corporate social responsibility commitments, and the active engagement of Aboriginal groups in the planning for workforce development.

in the resource sector. Most observers agree that career readiness is the most serious challenge facing Aboriginal people seeking employment in the resource sector.

- The proliferation of programs and the assertion of responsibility for contributing to the training effort are occasionally complicated by an abundance of actors. Where co-ordination efforts have been undertaken – as with the Northern Labour Market Committee in northern Saskatchewan, which focuses on specific local and corporate situations and combines employment agencies, social support groups, and businesses – there can be significant improvements in efficiency and program delivery. Put simply, the preparation of Aboriginal people for work in the resource sector is too important to founder on inter-institutional and inter-agency conflict and overlapping initiatives.

CONCLUSION

The engagement of Aboriginal people in the natural resource sector has elements of a Canadian success story, while also revealing the employment uncertainties of the resource economy, the implications of a rapidly growing Aboriginal population, and the potential difficulties associated with the expanded use of new technologies. It is impossible to provide precise numbers of Aboriginal employment, but it is clear that the past half century has witnessed a dramatic transformation of the natural resource workforce. Aboriginal people are more actively engaged in the country's sector than at any time since the heyday of the continental fur trade.

The promising commitments of Aboriginal communities, resource companies, and government agencies suggests that conditions should continue to improve, provided that the global prices and demand for resources rebound. Further in the future, the potential impact of new technologies has to be taken into account, as the technological advances have the potential to transform the resource labour force in the years to come. This, however, is not an Aboriginal issue specifically but a challenge that overshadows large portions of the Canadian and global workforce. To the degree that Aboriginal people continue to engage with the resource sector, primarily through impact and benefit agreements, it is clear that employment in the natural resource economy will continue to be a major element in regional, community, and workforce planning.

Canadian companies, governments, and Aboriginal communities have created innovative long-term solutions to the employment challenges facing Aboriginal people in the North. While the movement commenced in large measure out of a combination of corporate social responsibility and Aboriginal demands for greater local and regional returns from resource development, participants came to realize that workplace integration of Aboriginal people was generally a good business practice. As a consequence, and tied to formal impact and benefit agreements, resource projects across Canada begin with the assumption that there will be local workplace engagement and substantial Aboriginal employment.

To date, the effort has been very much a “catch-up” operation to overcome years of economic marginalization of Aboriginal people. The success of contemporary efforts, connected with

It is clear that the past half century has witnessed a dramatic transformation of the natural resource workforce.

improvements in Aboriginal educational opportunities, suggests that the natural resource economy has a crucial role to play in improving Aboriginal prosperity.

This study of Indigenous employment in the resource sector fills in another part of the complex puzzle of Aboriginal participation in mining and energy development. As the Macdonald-Laurier Institute's series on Aboriginal People and the Natural Resource Economy has demonstrated, the response of Indigenous peoples, communities, businesses and governments to the expanding resource sector has been diverse and rapid. There are, as has been shown, hundreds of impact and benefit agreements, expanding Aboriginal equity investments, increased support for resource revenue sharing, significant growth across the country in Indigenous business engagement, and greater involvement in environmental assessment and monitoring. This is all based on the re-empowerment of Aboriginal people through court decisions and public policy changes.¹⁴ Direct and indirect Indigenous employment fits squarely in this broader context.

To date, the effort has been very much a “catch-up” operation.

When Indigenous communities choose to get involved in resource development – as numerous Aboriginal peoples have done – they find a complex set of options and possibilities. Challenges remain and Indigenous communities are far from uniformly enthusiastic about resource development. Across the country, however, many Aboriginal governments have found ways to increase employment and wealth, gain additional resources for their communities, generate revenue for Aboriginal businesses, and provide additional Aboriginal influence over development processes. Employment, and the associated efforts at training, hiring and retention,

have broadened the impact of resource development and provided jobs, opportunity and stability for Aboriginal families and communities. While significant challenges remain, the reality is that resource companies are forging better and long-lasting collaborations with Indigenous peoples.

It remains vital that the resource firms demonstrate sustained commitment to real partnerships with Aboriginal communities and governments. In one of the more important transitions in the Canadian economy, Indigenous peoples have started to share more equitably in the resource wealth of the country.

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He has previously published on such topics as Arctic sovereignty, Aboriginal rights in the Maritimes, northern treaty and landclaims processes, regional economic development, and government strategies for working with Indigenous peoples in Canada. His book, *A Global History of Indigenous Peoples: Struggle and Survival*, offered a world history perspective on the issues facing Indigenous communities and governments. He was co-author of the Donner Prize winner for the best book on public policy in Canada, *Arctic Front: Defending Canada in the Far North*, and was short-listed for the same award for his earlier work, *The Marshall Decision and Aboriginal Rights in the Maritimes*.

Ken contributes regularly, through newspaper pieces and radio and television interviews, to contemporary discussions on northern, Indigenous, and technology-related issues.



Greg Finnegan

Greg is a research associate at the International Centre for Northern Governance and Development, University of Saskatchewan, and holds a Ph.D. in Geography from York University. He lives and works in the north, being centred in Whitehorse, Yukon where he maintains a strong research interest in northern economic and social issues. He has recently published on labour issues in the Territories exploring employment and wages in Aboriginal self-government in Yukon and the potential impact of fly-in workers on the declining participation rates of Aboriginal workers in the NWT and Nunavut.



Craig J. Hall

Craig Hall has a diverse background in both the public and the private sector. He has held senior positions with government in Canada's far north in the areas of business development, culture, and corporate affairs as well as in trade and investment. He has a History degree from Carleton University and a Masters of Business Administration (MBA) degree from the University of Exeter in England.

His experience working in the public and private sectors as well as the not-for-profit sector provides him with unique knowledge and experience to understand the needs of small, medium, and large businesses as well as the relationships and alignments of business strategy and government policy.

In 1986, he began a 12-year career with the Government of the Northwest Territories starting as a project officer in Baffin Island and then moved to Yellowknife where he was a Director with Economic Development and Tourism.



Kelly J. Lendsay

Kelly Lendsay is an Indigenous leader of Canadian Cree, Métis, and European ancestry, and internationally recognized as one of Canada's foremost innovators of Indigenous social and economic inclusion, and corporate engagements and partnership.

He earned his MBA in 1993 and launched the first Aboriginal business education program in Canada at the University of Saskatchewan in 1995. He became the President and CEO of the Aboriginal Human Resource Council in 1988. He has served on over a dozen corporate, Crown, and non-profit boards in Canada and numerous advisory services.

Lendsay's study, *The Impact of the Changing Aboriginal Population on the Saskatchewan Economy: 1995-2045*, is one of the most widely cited sources on the implications of Indigenous demographics and the economy. Working with Craig Hall, he developed an innovative workplace inclusion system and diagnostic assessment to help benchmark a company's workplace performance, practices, and strategies.

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ENDNOTES

- 1 The historical evolution of the resource sector in Canada can be traced in the following works: Robert M. Bone, 2008, *The Canadian North: Issues and Challenges*; Morris Zaslow, 1988, *The Northward Expansion of Canada, 1914-67*; Ken Coates and Judith Powell, 1989, *The Modern North*; Ken Coates and William R. Morrison, 1992, *The Forgotten North: A History of Canada's Provincial Norths*; Kerry Abel and Ken S. Coates, 2001, "The North and the Nation"; Ken Coates and William Morrison, 2008, "The New North in Canadian History and Historiography"; Morris Zaslow, 1971, *The Opening of the Canadian North, 1870-1914*; Louis-Edmond Hamelin, ed., 1984, "Managing Canada's North: Challenges and Opportunities"; Louis-Edmond Hamelin, 1979, *Canadian Nordicity: It's Your North, Too*; Ken Coates, 1994, "The Rediscovery of the North: Toward a Conceptual Framework for the Study of the North/Northern Regions"; Daniel Francis, 1997, "Great White Hope".
- 2 The LFS data presented here also does not include the Territories due to limitations with design and sample size. Although the LFS produces employment estimates for the territories, it uses a different methodology than the one used for the provinces and does not provide estimates at the industry level required for this report. As such, the data included in this section are incomplete and may underestimate the number of Aboriginal peoples employed in the mining sector. Moreover, because of differences in methodologies, data prior to 2007 were not included in this section as it could not be compared with data from 2007 to 2011 (Natural Resources Canada 2013).
- 3 See also: Michael Haan, Deatra Walsh, Barbara Neis, 2014, "At the Crossroads: Geography, gender and occupational sector in employment-related geographical mobility"; Keith Storey, 2014, "'I'll work here, but I don't want to live here': Tensions between FIFO work and community visions"; Keith Storey, 2010, "Fly-in/Fly-out: Implications for Community Sustainability"; M. MacDonald, P. Sinclair, and D. Walsh, 2012, "Labour Migration and Mobility in Newfoundland: Social transformation and community in three rural areas"; S. Markey, K. Storey, and K. Heisler, 2011, "Fly-in/Fly-out Resource Development Implications for Community and Regional Development"; Heather Hall, 2014, "Regional Development, Nickel Processing & Labour Mobility: A Comparison of Sudbury, Ontario, and Long Harbour, NL".
- 4 See: Cameco, 2014, *Strength in Depth: Sustainable Development Report*; Areva, 2014, *Responsible Development: Report 2013/2014 on Areva's Mining Activities*; Vale, 2014, *2014 Sustainability Report*; Suncor, 2014, *Report on Sustainability 2014*; RioTinto, 2013, *Diavik Diamond Mine: 2013 Sustainable Development Report*; DeBeers Group of Companies, 2013, *Sustainability*; Natural Resources Canada, 2015, "Corporate Social Responsibility (CSR)"; Knowledge Impact Strategies, 2013, *Corporate Social Responsibility in Resource Mining*.
- 5 For an overview commentary on this, see Natural Resources Canada, 2012, *Aboriginal Participation in Mining*. As this relates to the Northwest Territories, see Northwest Territories and Nunavut Chamber of Mines, *Sustainable Economies: Aboriginal Participation in the Northwest Territories Mining Industry*.
- 6 See also: Mining Industry Human Resources Council, 2013b, *Take Action for Diversity – Project Results*; Mining Industry Human Resources Council, 2013a, *An HR Strategy for the Canadian Mining Industry: Activity Update 2012-2013*.
- 7 See also Lindsay Bell, 2013, "Diamonds as Development: Suffering for Opportunity in Canada's North."
- 8 For a full review of these programs see Heather Hall, Hayley Hessen, and Ken Coates, 2015, "Aboriginal Workplace Integration in the North."

- 9 See, for example, the Aboriginal Skills and Employment Training Strategy, *Aboriginal Labour Force Survey, 2013*.
- 10 See also: Forest Products Sector Council, 2011b, *Renewing Canada's Greenest Workforce: A Labour Market Intelligence Report*; National Aboriginal Forestry Association, 2000, *Aboriginal Participation in Forest Management: Not just another stakeholder*.
- 11 This idea is being presented by the Centre for Excellence in Mining Innovation, Sudbury, Ontario (<https://www.miningexcellence.ca>).
- 12 For further information on the impact of technical innovation on the workforce, see: Erik Brnjolfsson and Andrew McAfee, 2012, *Research Brief: Race Against the Machine: How the Digital Revolution is Accelerating Innovation, Driving Productivity and Irreversibly Transforming Employment and the Economy*; Erik Brnjolfsson and Andrew McAfee, 2014, *Race Against the Machine: How the Digital Revolution is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment*; Glen M. Schmidt and Cheryl T. Druehl, 2008, "When Is a Disruptive Innovation Disruptive?"; Deloitte Canada, 2014, *Tracking the Trends 2014: The top 10 issues mining companies will face in the coming year*; Peter Koven, 2014, *PDAC 2014: Digital Investment Poised to Transform Mining Sector, Survey Shows*; David Rotman, 2013, "How Technology is Destroying Jobs"; Margaret Caron-Vuotari and Gilles Rheume, 2013, *The Future of Mining in Canada's North*.
- 13 In a review of 14 Northern Saskatchewan Division 18 Aboriginal communities from the *National Household Survey, 2011* we found that the average percentage for "Not in the Labour Force" population stood at 63 percent, with the lowest, the Métis community of Buffalo Narrows, at 48.1 percent and La Loche Northern Village, at 100 percent and 73.2 percent respectively.
- 14 For more information go to <http://www.macdonaldlaurier.ca/aboriginal-canada-and-the-natural-resource-economy-series/>



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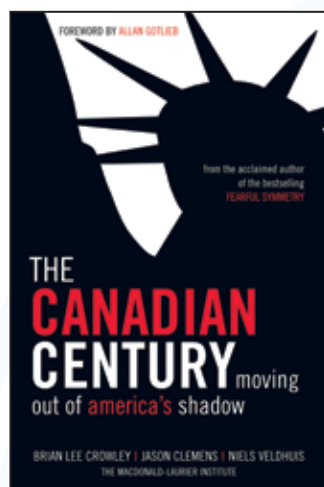
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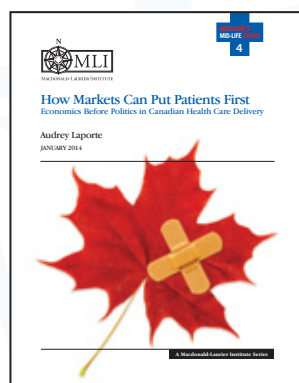
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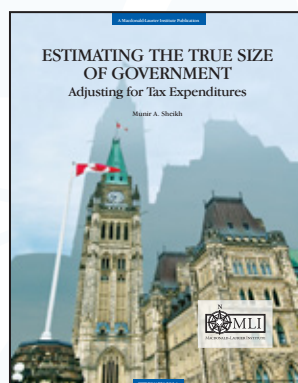
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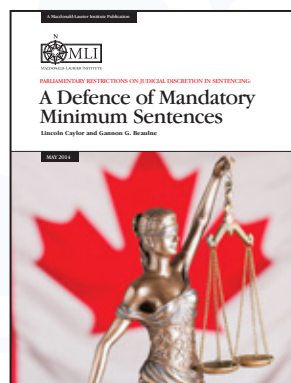
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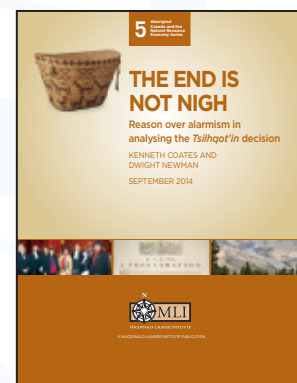
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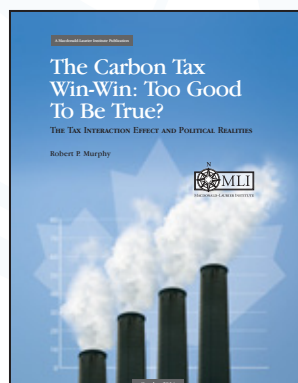
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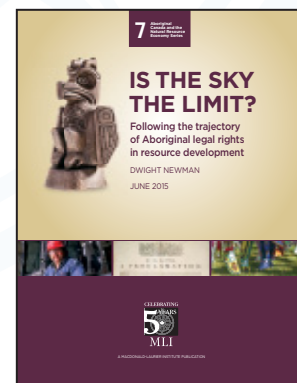
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