Tapping Into Our Potential

Occupational Freedom and Aboriginal Workers

Joseph Quesnel
Executive Summary

- Obsolete protectionist regulations are the reason Canadian employers are unable to employ more workers in the skilled trades, particularly Aboriginal workers.

- Canadian employers report difficulty in finding enough skilled workers and labour shortages will occur given the fact that many skilled workers are set to retire.

- Aboriginals are the fastest-growing population in many places, yet they remain one of the largest untapped labour markets.

- Historically, governments have turned to immigration to fill skills shortages. This study, however, calls for governments to attract talent that is already right here.

- Many of the job openings for skilled workers are located close to Aboriginal communities. For instance, nearly 500 First Nation communities across Canada are at the heart of $300-billion in oil, gas, forestry, energy and mining projects that are waiting to be developed.

- What is also significant is First Nations are one of the youngest and fastest-growing demographics in the country.

- Instead of regulating the rate of apprentice entry, governments should focus on regulating the quality of work and the safety standards. In other words, instead of regulating inputs, governments, it concludes, should focus on outputs.

- Lack of education is one of the most prominent impediments facing Aboriginal youth in accessing the skilled trades. For a host of reasons, many Aboriginal people have considerable work experience in a skilled trade yet lack the formal educational required to register as an apprentice.

- One potential solution is to introduce a skills-based assessment at the beginning and the end of the certification process.

- Most jurisdictions in Canada and the United States have ratios in certain trades that determine how many journeypersons must be employed for every apprentice. However, since 2000 there has been a relaxation of these ratios, especially in Canada where they have been reduced by provinces to 1:1 or even 1:2, or in some cases, 1:3 (as long as the apprentices are in their final year).

- While some critics argue that high apprentice ratios protect health and safety, the available evidence does not support, and may even contradict, the claim that relaxing apprenticeship ratios negatively impact workplace health and safety.
Higher ratios actually adversely affect employment and the economy as they force journeypersons to lay off apprentices.

The Aboriginal Apprenticeship Training Initiative (AATI) was one model for Aboriginal entry into the skilled trades. The program was to create employment and training opportunities in northern and rural communities. In 1996, the government of Manitoba amended three specific trade regulations for the trades of carpentry, electrical and plumbing to allow for a building technician apprenticeship program as a sub-trade within each of these trades. These programs concentrated on residential construction and were to meet the specific training needs in northern and rural communities.

All provinces and territories should move toward a 2:1 ratio for most skilled trades (two apprentices for one journeyperson).

Expanding the choice of trades within a provincial system will only increase the number of workers entering the skilled trades. British Columbia, in particular, has added new, innovative trade designations, such as residential construction framing technician, that expand the options available to those in the construction trade. This trade should receive Red Seal designation as well.

Educational requirements present a particular problem for Aboriginal students. This is why governments should introduce a skilled-based assessment for entering the trades, rather than an educational one. Some possible solutions include lobbying for an alternative method of achieving the Grade 12 requirement at the end of an apprenticeship rather than as an entry requirement.
Introduction

Jason Kenney, Minister of Employment and Social Development, made headlines last November when he urged the Canadian provinces to liberalize their apprenticeship programs. Kenney urged the provinces to “dump ‘antiquated’ ratio systems that limit the number of apprentices who can work, relative to the number of ticketed journeymen.

This paper argues that obsolete protectionist regulations are the reason Canadian employers are unable to employ more workers in the skilled trades, particularly Aboriginal workers.

A C.D. Howe Institute study found that according to the 2006 census, 2.1 million Canadians worked in a trade for some period in 2005, while 1.2 million of them worked full time for the entire year, comprising 13 per cent of the full labour force. In 2010, approximately 430,000 Canadians were registered for apprenticeships, and more than 35,000 completed them.

However, Canadian employers report difficulty in finding enough skilled workers. In 2009, 24 per cent said they could not do so. Since members of the skilled trades workforce are older than the members of the workforce as a whole are, shortages will worsen if new workers do not replace those who retire. Some sources say the shortages will worsen, as one million skilled trades workers are likely to retire within the decade. In provinces such as Ontario, the problem is particularly grave.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Average Ages of Skilled Tradespeople in Ontario</th>
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<tbody>
<tr>
<td>Plumber</td>
<td>49 years</td>
</tr>
<tr>
<td>Electrician</td>
<td>49 years</td>
</tr>
<tr>
<td>Air Conditioning Mechanic</td>
<td>49 years</td>
</tr>
<tr>
<td>Sprinkler and Fire Protection Installer</td>
<td>51 years</td>
</tr>
<tr>
<td>Roofer</td>
<td>51 years</td>
</tr>
<tr>
<td>General Carpenter</td>
<td>65 years</td>
</tr>
</tbody>
</table>

Source: Ontario College of Trades

The Construction Sector Council (now BuildForce Canada) and the Aboriginal Human Resource Council also forecast skills shortages. Since more than 62,000 construction workers across Canada are going to retire within the next 10 years, the shortage could represent a major opportunity for Aboriginal youth, irrespective of where they live.

Skilled tradespeople are in high demand. Yet, Aboriginals are consistently unemployed. Herein lies the mismatch and the potential opportunity.

As one glaring example mentioned in the literature review stated, in May 2012, the unemployment rate in Edmonton, Alberta, was 5.3 per cent. In Hobbema, less than an hour’s drive south, unemployment has stayed at around 50 per cent for some time.
Aboriginals are the fastest-growing population in many places, yet they remain one of the largest untapped labour markets.

Historically, governments have turned to immigration to bolster the workforce. This study calls for governments to attract talent that is already right here in Canada: its Aboriginal communities.

Many of the job openings for skilled workers are located close to Aboriginal communities.

For instance, nearly 500 First Nation communities across Canada are at the heart of $300-billion in oil, gas, forestry, energy and mining projects that are waiting to be developed. The new resource economy represents a significant source of employment for many Aboriginal people, and many of the positions are in the skilled trades. Court rulings have also gone in their favour, making the duty to consult on development that occurs within their traditional territory a necessary part of business.

Both Ontario and Quebec are currently exploring major mineral development in areas adjacent to First Nation communities. The Ring of Fire is a massive chromite/nickel mining project in the James Bay Lowlands of Northern Ontario. The Ring of Fire affects nine separate First Nation communities.

Tony Clement, Canada’s Treasury Board president and the Federal Economic Development Initiative for Northern Ontario (FedNor) minister responsible for the Ring of Fire, claimed it would be the economic equivalent of the Athabasca oil sands, with the potential to generate $120-billion.

A similar massive project is planned for Quebec. Plan Nord is an economic strategy to develop the northern reaches of Quebec. During the next few years, the plan should consist of 11 new mining projects that the government says will generate $8.2-billion in investments and create 11,000 jobs during the construction phase alone. Plan Nord, or Northern Plan, will touch on energy development, mining, infrastructure, tourism and conservation in a sweeping set of projects that according to the government will receive $80-billion in public and private investment over the next 25 years.

In fact, new mining and other resource industries in Northern Manitoba and other remote parts of the province are generating a skills shortage in those areas. Saskatchewan is also facing a shortage of skilled tradespeople. According to multiple sources, Alberta faces the worst skills shortage in Canada. This paper argues that instead of trying to bring in workers from outside the province or country, policy-makers should instead utilize more Aboriginals who are qualified to do the jobs.

Consider the results of a recent Fraser Institute study. First Nations are one of the youngest and fastest-growing demographics in the country. The median age for non-Aboriginals was 41 in 2011, whereas the median age for Aboriginals was 26. Moreover, the median age for First Nation communities that are in a position to benefit from the proposed oil and gas development ranges from 22 to 30. While the national unemployment rate is 7.1 per cent, the unemployment rate for First Nation reserves is a staggering 23 per cent. Unemployment rates are particularly high (20 per cent to more than 42 per cent) in First Nation communities that are located in areas identified for oil and gas development.
According to one report by Statistics Canada, by the end of 2017, Aboriginal people of working age (15 and older) will number close to one million—about 3.4 per cent of the working-age population overall.

While Aboriginals face many barriers to accessing the trades, this study will mainly look at the regulatory hurdles that are keeping young Aboriginal apprentices, and non-Aboriginal people for that matter, from entering the skilled trades.

### Apprenticeship in Canada

In Canada’s system, the provinces have the power to regulate apprentice programs and entry into the trades. This means that there are 13 different certification and training requirements for entering the trades. Some provinces require people to undertake an apprenticeship and obtain formal certification. The training alternates between on-the-job training (about 80 per cent to 85 per cent) and technical training (15 per cent to 20 per cent). Many regulate the rate at which firms in certain trades may hire apprentices relative to the number of certified workers—or journeypersons.

Labour mobility is not as much of a challenge for skilled tradespeople, given the existence of Red Seal certification. However, it is more problematic in Quebec where a person must be a member of a union to work in construction. Apprentices who have completed their training and become journeypersons are able to obtain a Red Seal certificate of qualification by successfully completing an interprovincial Red Seal exam. This allows qualified tradespeople to practice their trade in any province or territory without writing any additional exams. The Red Seal program includes more than 50 trades, which cover the vast majority of compulsory certified trades.

All the provinces have a formal process by which occupations become subject to regulation. Most provinces have a department or board within a ministry responsible for education, labour or training that deals with industry and labour representatives. For example, Ontario recently introduced the Ontario College of Trades, an arm’s-length body with a mission to lead the promotion of trades. Provincial accreditation bodies may define the number of apprentices that any journeyperson, or group of journeypersons as part of a firm, can take on at any given time.

Federal and provincial governments have targeted many grant and tax credit programs to encourage workers to become apprentices in the skilled trades. However, regulations at the provincial level that limit how many apprentices a firm may hire acts against opportunities for apprenticeship.

A C. D. Howe study concluded that instead of regulating the rate of apprentice entry, governments should focus on regulating the quality of work and the safety standards. Instead of regulating inputs, governments, it concludes, should focus on outputs. This study agrees with those conclusions.
Educational requirements

Lack of education is one of the most prominent impediments facing Aboriginal youth in accessing the skilled trades.

For a host of reasons, many Aboriginal people have considerable work experience in a skilled trade yet lack the formal educational required to register as an apprentice.

Educational achievement remains an elusive goal for many First Nations across Canada. One recent study by the C. D. Howe Institute found that rates of Grade 12 graduation were still quite low among First Nation populations. In Manitoba, the rate of non-completion is 63 per cent. In Alberta, the rate is 54.3 per cent. In Saskatchewan, it is 52.6 per cent. In Ontario, the rate is 42.5 per cent. In Quebec, the rate is 47.4 per cent. British Columbia has the highest rate of completion, with only a 38.5 per cent non-completion rate.

This creates a problem for entering the skilled trades because the minimal educational requirement of graduating high school or possessing advanced courses in certain subjects is not met. One potential solution is to introduce a skills-based assessment at the beginning and the end of the certification process.

Apprenticeship ratios

Most jurisdictions in Canada and the United States have ratios in certain trades that determine how many journeypersons must be employed for every apprentice. Prior to 2000, many of these jurisdictions had set these ratios at three journeypersons for every apprentice employed. However, since 2000 there has been a relaxation of these ratios, especially in Canada where they have been reduced by provinces to 1:1 or even 1:2, or in some cases, 1:3 (as long as the apprentices are in their final year). Ontario is the only jurisdiction that retains the 3:1 ratio, and Ontario and Quebec have some of the highest ratios. Manitoba moved to a 1:1 ratio for most trades in 2006. Alberta, Newfoundland and Labrador have gone further, moving toward a 2:1 ratio for most trades.

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>Primary Apprenticeship Ratios in the Western Provinces</th>
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<tbody>
<tr>
<td>British Columbia</td>
<td>No ratio, except for compulsory trades where the ratio is two apprentices per journeyperson</td>
</tr>
<tr>
<td>Alberta</td>
<td>Two apprentices per journeyperson for all trades</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>Two apprentices per journeyperson for all trades</td>
</tr>
<tr>
<td>Manitoba</td>
<td>One apprentice per journeyperson</td>
</tr>
</tbody>
</table>
However, the ratio may differ between the first apprentice hired and subsequent apprentices hired. For example, in Saskatchewan, boilermakers have a primary ratio of 1:1 and a secondary ratio of 5:1, meaning that an employer needs one journeyperson to handle the first apprentice but must have five journeypersons for every new apprentice hired.

An argument raised for retaining restrictive apprenticeship ratios is that it is necessary for health and safety. The claim is that too many apprentices and not enough journeypersons on the job lead to a lack of supervision and hence more safety concerns. However, this claim lacks evidence.

According to a study by the Canadian Centre for Policy Studies, in the last 10 years, many U.S. states and almost all Canadian provinces that had 3:1 journeyperson-apprentice ratios for electricians have relaxed the requirements with no discernible impact on health and safety. A separate study on the plumbing trade also found no discernible impact on health and safety. The study further concluded, “The available evidence does not support, and may even contradict, the claim that relaxing apprenticeship ratios negatively impact workplace health and safety.”

The authors also point out that if reducing the journeyperson-apprentice ratio for the electrical trade from 3:1 to 1:1 had a detrimental effect on the health and safety of employees, one would expect to see this reflected in an increase in the workers’ compensation accident and injury claims for the construction industry. For Alberta, there was no noticeable increase in 2005 or 2006, as the number of accidents remained the same. For example, the study showed the injury frequency per 100 workers of assessable employers from the Association of Workers’ Compensation Boards of Canada. It showed a downward trend in injury frequency in each province. Of particular note, in both Alberta and Manitoba—the two provinces where ratios were adjusted—the injury frequency was lower than the previous year in every year from 2002 to 2010. This means the change had no negative effect on the injury rate.

As consultant T. E. Armstrong concluded, there are no published studies or statistics that show that additional certification requirements or restrictions on entry necessarily increase worker safety.

All workplaces are responsible for health and safety and are subject to workplace health and safety legislation. Most companies bidding for work today are COR certified. Therefore, it looks as if the emphasis on higher ratios is more about protectionism than really being concerned about health and safety.

“The claim is that too many apprentices and not enough journeypersons on the job lead to a lack of supervision and hence more safety concerns. However, this claim lacks evidence.”
Effects on employment and the economy

Studies have found that strict apprenticeship regulations, including apprenticeship ratios, adversely affect the labour market. Chambers of commerce have concluded that restrictive apprenticeship ratios are forcing many companies to lay off apprentices and leave apprenticeship positions vacant.\textsuperscript{26}

Ratios are also more likely to harm smaller firms that do not have multiple journeypersons.\textsuperscript{27} They also reduce the incentive for a company to grow. If a company wishes to hire more apprentices, it would have to hire more journeypersons, increasing the cost of labour.\textsuperscript{28}

For example, one C. D. Howe Institute study found that where there is a journeyperson-apprenticeship ratio above one, there are 44 per cent fewer workers as a share of the provincial full-time workforce relative to otherwise comparable trades for which there is no fixed ratio.\textsuperscript{29} Further, a ratio above one has a much larger effect on employment than a 1:1 ratio. This suggests that a high ratio reduces entry into the workforce and contributes to a skills shortage in a trade.

The Ontario Chamber of Commerce estimated that the cumulative loss to Ontario’s economy caused by the shortage of skilled trades could reach $43-billion by 2020.\textsuperscript{30} Not only are the overly restrictive ratios a barrier to hiring and training apprentices, but the lack of employment opportunities is a significant reason why trainees abandon apprenticeships altogether.

Pilot Project – laddered training and certified program in Manitoba

First Nations and Métis peoples in remote and rural communities often find their exposure to all elements of a trade—particularly the industrial—quite limited. Thus, they are not experienced in all the components of their trade. In the mid-1990s, Manitoba embarked on an experiment to allow First Nations to receive trade certification in the area they are most often exposed to: residential.

First Nations in these communities had very low rates of completion, generally passing levels 1 and 2 and then failing technical training in levels 3 and/or 4 before dropping out. Consequently, they receive no formal recognition of the effort put into the trade and never qualify to take on projects.

In 1996, three Aboriginal organizations in Manitoba created the Aboriginal Apprenticeship Training Initiative (AATI). The program was to create employment and training opportunities in northern and rural communities. In 1996, the government of Manitoba amended three specific trade regulations for the trades of carpentry, electrical and plumbing to allow for a building technician apprenticeship program as a sub-trade within each of these trades.
These programs concentrated on residential construction and were to meet the specific training needs in northern and rural communities.

These trades were laddered so that apprentices could receive the Certificate of Qualification for Residential Construction and thus be recognized as a qualified tradesperson in the field in which they qualified. Later, an apprentice could re-enter the trade, complete the commercial and industrial components and then receive the Red Seal Qualification when an opportunity arose to participate in the broader application of the trade. The transition from residential to completing the additional training was seamless. An apprentice only had to show that a contractor who was engaged in all aspects of the trade employed him or her.

Unfortunately, Manitoba’s NDP government rescinded these amendments in the early 2000s. Building trade unions were opposed to the designations: They argued that these designations watered down the trades.

All provinces and territories should consider allowing this kind of laddered trade designation, especially for Aboriginals located in remote areas. This may help bring younger First Nations and Métis into the skilled trades.

Recommendations

1) Apprenticeship ratios

All provinces and territories should move toward a 2:1 ratio for most skilled trades (two apprentices for one journeyperson). This would provide companies with the opportunity to hire sufficient workers to meet project demands but still limit new entrants, which ensures work for both journeypersons in the system and apprentices as they become certified. The current 1:1 ratio used in most provinces leaves too many contractors struggling to meet contract requirements. Employers generally do not want too many apprentices, as they are not as cost-effective as journeypersons are. The current model generates problems: Governments want more contractors to apprentice young workers, but this only happens if they need workers. Few contractors with sufficient workers that they can retain will take on apprentices. Companies that are attempting to grow or bid for jobs while hoping to find enough journeypersons have the problem of not being able to hire enough workers.

2) Move toward a system that recognizes scope of trade

Expanding the choice of trades within a provincial system will only increase the number of workers entering the skilled trades. British Columbia, in particular, has added new, innovative trade designations, such as residential construction framing technician, that expand the options available to those in the construction trade. This trade should receive Red Seal designation as well.

Scope of trade as defined in the National Occupational Analysis for each individual trade is quite broad. If one Googles Occupational Analysis Carpenter, which is the basis for the Red Seal Carpenter trade, one will see how it attempts to incorporate everything related to the carpentry trade. Provincial authorities should recognize the various subtrades within carpentry.
The scope of trade for each trade has been defined to acknowledge the division of work that international building trades unions have accepted and/or promoted within the construction arena.

However, new methods and materials continue to evolve along with the advent of specialization to address new building models. To accommodate and adapt, companies and workers are specializing so that we have formers, framers, etc.

To expedite skills training, the apprenticeship system should look at how industry organizes work and how companies are dedicated to specialties and then establish training and skills certification that accommodates that reality.

This recommendation is for all provinces to adapt to the new reality and expand the choice of trades, as British Columbia has done.

3) Move toward skill-specific entry qualifications

First Nations living on reserves have the lowest rates of high school graduation. This presents a problem for them entering the skilled trades, as the minimum requirement for entering a trade in many provinces is a high school degree.

Some possible solutions include lobbying for an alternative method of achieving the Grade 12 requirement at the end of an apprenticeship rather than as an entry requirement.

Another measure, more controversially, is relaxing the educational requirements. This would be done through the creation of a skills-based entrance requirement for all skilled trades in the country and by the removal of unnecessary barriers for Aboriginal people. Many of the skills, particularly in mathematics and physics, are essential, but they can be learned on the job.

Aboriginals often cannot afford to travel to distant urban centres for apprenticeship training. They often live in remote areas. For the in-class educational component of the apprenticeship training, jurisdictions should increase community-based, distance education to allow apprentices to stay in their own communities. Some provinces are already doing this. All provinces and territories should increase this practice.

“For the in-class educational component of the apprenticeship training, jurisdictions should increase community-based, distance education to allow apprentices to stay in their own communities.”
Conclusion

Young Aboriginal people represent a significant supply source for the skilled trades. They are one of the fastest-growing demographics in Canada and have one of the highest rates of unemployment. Policy-makers, therefore, should accommodate this reality. Protectionist measures such as high journeyperson-apprentice ratios are adversely affecting the ability of employers to hire more apprentices. With baby boomers set to retire, these restrictive ratios are creating a skills shortage. Rather than focus on meeting this need through immigration, policy-makers should ensure that young Aboriginals are able to meet these needs. This would mean a relaxation of the apprentice to journeyperson ratio, an increased recognition of the scope of the trades, a relaxation of educational requirements and, finally, the introduction of laddered training and certification programs such as the rescinded AATI in Manitoba.

These steps taken together will ensure that First Nations and Métis peoples are able to effectively take advantage of the skilled trades shortage.
Endnotes


3. Ibid.


5. According to the 2006 census, in the workforce as a whole (excluding trades), 39.3 per cent of workers were over 45; in contrast, 42.1 per cent of workers in the trades, transportation and equipment operating were over 45.

6. Whitnall, C., Conservatives Call for Reduced Apprenticeship Ratios, Ontario Coalition for Accountability.


12. Ibid.


17. C. D. Howe Institute

18. Ibid.


22. Ibid.

23. Ibid.


25. The Certificate of Recognition Program (COR™) is an occupational health and safety accreditation program that verifies that a fully implemented safety and health program meets national standards. Available online at http://www.constructionsafety.ca/cor/.

27. C. D. Howe Institute study, p. 8.

28. Ibid.

29. Ibid.

About the author

Joseph Quesnel is a policy analyst at the Frontier Centre for Public Policy who focuses on Aboriginal matters. He is from the Sudbury region of Northern Ontario and has Métis ancestry from Quebec. Quesnel graduated from McGill University in 2001, where he majored in political science and history. He specialized in Canadian and U.S. politics, with an emphasis on constitutional law. He is completing a Master of Journalism degree at Carleton University in Ottawa, where he specialized in political reporting. For two years, he covered House and Senate standing committees. His career in journalism includes several stints at community newspapers in Northern Ontario, including Sudbury and Espanola. He also completed internships at CFRA 580 AM, a talk radio station in Ottawa, and at the Cable Public Affairs Channel. He is past editor of the Drum/First Perspective newspaper, a nationally distributed Aboriginal publication. He writes a weekly column in the Winnipeg Sun and contributes to The Taxpayer, the flagship publication of the Canadian Taxpayers Federation.

Further Reading

August 2012

Admitted But Excluded: Removing Occupational Barriers to Entry for Immigrants to Canada

By Brian Schwartz


September 2012

Freshwater Fish Monopoly is Impoverishing Aboriginal Fishers

By Joseph Quesnel