

Aboriginals can't sustain growing labour demands: Study

Immigration critical in coming years, even with domestic labour sources

BY CAITLIN CRAWSHAW

NOW THAT THE economy is slowly changing course, Canada's labour supply is in the spotlight once again. With an expected surge in retirement in the next few years, and a lack of young people to fill the gap, some wonder if domestic talent will be enough in the coming years.

"Labour force growth is a key driver to our economic growth," said economist Glen Hodgson.

Without enough talent, businesses in almost every industry will need to radically change how they work, using technology to boost productivity in lieu of workers. This will inevitably increase the amount of education needed to do many jobs, and potentially increase the cost of goods and services for consumers.

It's an issue the Conference Board of Canada has tackled many times. In the summer, the organization released a study, authored by Hodgson, suggesting higher immigration rates will be needed to support the country's economic growth. Not long after its publication, Hodgson encountered unexpected feedback: "People kept saying, 'Can't we do this through domestic sources?'"

Given that First Nations people are one of the fastest growing populations in Canada, but traditionally under-represented in the labour pool, he was interested to find out whether

they could provide a solution to the looming labour deficit.

"This was a chance for me to do something I've wanted to do for a long time, which is put the numbers in place," said Hodgson. So, using population statistics from the 2006 census, he crunched the numbers.

The results may come as a surprise to many Canadians. Even if the workforce participation rate of First Nations people (currently 63 per cent) increased to the national average (67 per cent), the Canadian workforce would only gain another 46,000 workers.

"It doesn't give you many more bodies," said Hodgson.

From the perspective of the labour shortage, this increase would make a very small dent in the numbers, although it's hard to pin down exactly how many more workers will be needed in the next few years, he said.

However, improving Aboriginal engagement has other important economic and social benefits, such as reducing poverty and improving social cohesion, said Hodgson.

Kelly Lendsay, president and CEO of the Aboriginal Human Resource Council, said he has long known First Nations, Métis and Inuit talent won't entirely solve the labour crunch.

"Canada does need immigration. We're going to be in a net-negative growth market by 2017," he said.

That said, Aboriginal people

can play a critical part in mitigating the problem.

"Aboriginal people want to work, they want to contribute, they want to be financially independent and they need opportunity," said Lendsay.

Traditionally, governments have turned to immigration to bolster the workforce, instead of turning to the country's First Nations peoples, he said, referring to it as a "history of disconnect."

"For many historical reasons, people haven't seen Aboriginal people as a solution. The good news is, once you point this out and talk about it, and explain the social and business cases for it, the majority of employers get excited," he said.

The business advantages of hiring First Nations people are many and include: improving workplace diversity; cost benefits to hiring domestically; joint business opportunities; and better relationships with Aboriginal consumers, said Lendsay.

The solution to increasing the number of Aboriginal people in the workforce — and working in skilled positions — is complex but the "one silver bullet is education and quality of education," said Lendsay.

First Nations people who graduate from high school have virtually the same workforce participation rate as the general population, said Hodgson in the report.

But the graduation rate for First Nations youth is only 50

per cent on reserve and 67 per cent off reserve — much lower than the 90 per cent average for non-Aboriginal Canadians.

"That's tragic," said Hodgson.

Without finishing high school, people lack the minimum qualifications for most trades and can't qualify for post-secondary education.

"If you don't keep going with your education, what you lose out on is choice," he said.

But things are changing for the better, said Lendsay. The gap in workforce participation between First Nations and non-First Nations people has been steadily narrowing.

In some sectors, such as resource extraction, companies have long appreciated the benefits of hiring skilled First Nations workers, rather than looking abroad.

Companies that put Aboriginal recruitment strategies in place now will be better off when labour becomes tough to find in the coming years, said Lendsay.

"If you talk to Aboriginal people, you basically find that they want the opportunity to develop their career wings and dreams with employers that care and are inclusive," he says. "It's the same answer for all people, Aboriginal and non-Aboriginal."

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