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Engagement on the future of Indigenous labour market programming

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Introduction

The Government of Canada recognizes the need for better integration of Indigenous people into the labour market. To achieve this, Employment and Social Development Canada (ESDC) supports skills development and job training for Indigenous people.

The Aboriginal Skills and Employment Training Strategy (ASETS) has been in place since 2010, but was built on previous programs in place since 1991:

- Pathways (1991 to 1996);
- The Regional Bilateral Agreements (1996 to 1999);
- The Aboriginal Human Resources Development Strategy (1999 to 2004); and
- The Aboriginal Human Resources Development Strategy II (2004 to 2010).

ASETS is set to expire on March 31, 2018. To prepare for its renewal, in Budget 2016 the Government announced it would engage with Indigenous partners to help shape the future of Indigenous labour market programming. To find out the strengths and weaknesses of current programming, the Minister of Employment, Workforce Development and Labour and departmental officials engaged:

- National Indigenous Organizations and Indigenous leaders;
- ASETS agreement holders;
- provinces and territories;
- industry; and
- academic institutions.

The feedback obtained will help ESDC ensure that future labour market programming meets the needs of Indigenous people.

The engagement began with a national ASETS meeting from June 27 to 29, in Gatineau, Quebec. ASETS agreement holders and Indigenous leaders from across Canada participated. They shared their views on what is working, what could be improved upon, and what a future Indigenous labour market strategy might entail. A discussion guide was made available in hard copy and online to meeting participants.

Following this meeting, a series of engagement was held across Canada. Four separate forums were also held to ensure we heard the views of all Indigenous partners: one for First Nations, one for Métis, one for Inuit and one to discuss urban Indigenous labour market programming.

Indigenous partners were encouraged to submit completed discussion guides ¹ and comments to ESDC, along with any other relevant material.

This report summarizes the main themes and perspectives shared over the course of these sessions. The goal of the sessions was to hear participants' diverse opinions—not to reach consensus.

Executive summary

Throughout the engagement process, participants expressed that ASETS has many strengths, but that lingering gaps prevent Indigenous people from integrating into the labour market. Challenges identified include:

- lack of child care spaces;
- lack of flexibility to support post-secondary education (for example, university) through ASETS;
- inability to support youth through earlier interventions;
- the need for many clients to upgrade essential skills before beginning training; and
- the many barriers encountered by ASETS agreement holders in remote locations.
 - high costs related to remoteness;
 - lack of necessary infrastructure for economic development;
 - lack of training opportunities; and
 - lack of job opportunities (in some areas).

Operational and administrative challenges were mentioned, including:

- the task of reporting;
- stagnant funding levels;
- short agreements;
- one-year extensions (which are taxing on resources);
- an inflexible agreement structure; and
- inadequate limit for administrative funding.

What we heard

The key messages are categorized into the following five themes:

1. [Program strengths](#)
2. [Gaps in support](#)

3. [Program administrative challenges](#)
4. [Renewed relationship](#)
5. [Future vision](#)

1. Program strengths

The program strengths expressed were consistent across regions and among First Nations, Inuit and Métis partners. They include:

- experienced staff who are dedicated, knowledgeable and work hard to produce strong results and to provide local training so clients can stay in their communities with their families;
- sharing of best practices and information among agreement holders and regional committees to discuss local labour market trends and how to better work together;
- partnerships with local industry and institutions to help clients find and keep jobs in their communities; and
- flexibility of the agreement holder's budget and the ability to carry forward funding (in other words Consolidated Revenue Fund portion).

2. Gaps in support

Identified gaps in supports available to clients varied across regions and among Indigenous partners. However, certain common concerns were routinely raised, related to: child care; supporting youth; post-secondary education; essential skills; skills upgrading; people with disabilities and urban clients; remoteness; and economic development.

Indigenous child care

As a labour market support, ASETS allows for dependent care costs for First Nations, Inuit and Métis people while they participate in skills development and job training activities. However, it is hard to find affordable, high-quality and culturally sensitive Indigenous child care services. Reasons include high operational costs, inability to meet demand, and difficulty retaining qualified staff. This negatively impacts clients who need child care to participate in skills development and job training.

Additional funding is required to support the creation of new child care centres, provide more child care spaces, increase staff wages, fund professional development training for staff, address the needs of children with disabilities, and repair facilities. The North has a particular need for increased funding to build child care facilities, because there are not enough child care spaces to meet the demand.

Population growth—in particular, more parents attempting to access skills development and employment training opportunities—is increasing the pressure on child care supports.

Métis partners have also advocated for access to federal child care funding, specifically to the First Nations and Inuit Child Care Initiative.

Post-secondary education

Partners emphasized that to succeed at post-secondary education, Indigenous people require more financial and social supports than are currently available.

ASETS fills the gap left by other post-secondary education programs and is sometimes the only post-secondary support that clients have. However, ASETS agreement holders have supported post-secondary education for a maximum of two years. This is either to manage their limited funds, or due to a lack of clarity about eligible expenditures. It is important to note that increasing flexibility to fund post-secondary studies would likely result in more demand for support, with increased expenses for the agreement holder.

Academics also supported the general views on post-secondary education and provided in-depth insight into the financial barriers often faced by Indigenous students as one of the main roadblocks to success. Financial stress, the need for social supports and the lack of required skill sets make it difficult for academic institutions to retain Indigenous students through the completion of their studies.

Essential skills

A recurring concern raised by ASETS agreement holders was their lack of opportunity to focus on pre-employment interventions, such as acquiring numeracy or literacy skills. Participants shared that many of their clients—even those with a high school diploma—lack necessary literacy, numeracy and life skills, and need to upgrade their essential skills. In short, a significant proportion of clients need longer-term and more costly training. This has placed increased financial and human resource pressure on agreement holders, who provide long-term interventions along the full continuum of supports. It also affects the results reported by agreement holders, in that only employment results are captured, while skills development along the continuum of support is not.

Remoteness

In remote and northern regions, ASETS agreement holders generally:

- face higher costs;

- lack local/regional training and job opportunities;
- accept clients with low essential skill levels;
- lack access to classrooms/equipment for training; and
- lack child care spaces

Skills upgrading

Where possible, agreement holders would like the opportunity to support clients who are already employed, to upgrade their skills and make them eligible to move beyond entry-level positions.

Indigenous youth

Youth present an ongoing challenge for agreement holders. They struggle to support youth who mature beyond the secondary school education system but who have not obtained skills required to find meaningful employment or to pursue post-secondary education. Many ASETS agreement holders would like the ability to support youth who are in the secondary school system, to provide career exploration opportunities and support employment learning opportunities such as summer jobs and internships.

Indigenous people with disabilities

There are higher rates of disability in Indigenous communities²; however, Indigenous people with disabilities have limited access to the resources and supports they need to fully participate in society and in their own communities.

Agreement holders lack the required funding and resources to support people with disabilities who would like to access employment and skills training opportunities. There is no formal strategy to address their needs and the gaps in the system.

Urban clientele

Indigenous people living in urban settings struggle to find out where to access services. For example, Inuit clients are underserved in urban settings because there may not be a culturally relevant centre where they can access supports.

The approach to urban clients varies across Canada. For example, in many urban centres, Friendship Centres are accessible to urban clients to receive supports for essential skills development, job training and education, among other things. However, some Friendship Centres act as points of service within the ASETS network and receive limited ASETS funds.

In addition, ASETS agreement holders are inconsistent in their approach to determining whether it is a client's home community or the urban service provider that is responsible for providing funding for urban services. In some cases, this is aggravated by the disputes that arise over which agreement holder is able to claim the client result when more than one ASETS centre supports a client. In this way, current program outcomes (performance results) can negatively affect the development of strong partnerships between urban and non-urban agreement holders.

Partners also noted that urban clients would benefit from increased access to child care funding in urban settings.

Economic development (employment services)

Stronger connections need to be developed between Indigenous partners and potential employers, to better align training opportunities and economic development/employer needs.

In remote and northern communities with uncertain economies, it can be difficult to plan and prepare for emerging economic opportunities. The Inuit have proposed that a Northern economic development strategy be established to address the need for economic opportunities in regions where market forces are inadequate to drive economic growth.

3. Program administrative challenges

Program duration

One of the most common recommendations expressed by partners was to extend the program duration beyond the current five-year cycle. Most agreement holders advocated for a minimum 10-year program, while some requested an ongoing program. The consensus on the need to extend the length of the program was to allow agreements holders to undertake longer-term planning, to support clients for longer interventions, and to identify results achieved over long-term interventions.

Program funding

Throughout the engagement process, partners noted repeatedly that the current funding levels are insufficient to address:

- the skills development and training needs of a young and growing population;
- the increase in the cost of living since 1999, when funding levels were established (in other words no increases to address inflation);
- the needs of clients with multiple barriers or disabilities that require longer and more costly interventions;

- increased training costs and the need for higher-skill training; and
- the high costs of doing business in the North and in remote communities.

In addition, partners expressed that the 15 percent cap on administration limits their ability to administer the program and to acquire the resources needed to deliver services, especially for service delivery organizations that are remote and/or small.

There were also concerns expressed about the Employment Insurance portion of ASETS funding. Employment Insurance funding is linked to clients who have a previous connection to the labour force and cannot be spent by ASETS agreement holders on clients who have not met this eligibility criterion. It was proposed that any new ASETS funding should be made accessible through the Consolidated Revenue Fund so it is applicable to all clients, ensuring better use of funds.

In general, there was agreement among all partners that ASETS funding needed to be increased to address population growth and inflation. This includes increasing the current volume of funding allocated throughout the network to ASETS. However, no consensus was reached on how to address issues with the current funding mechanism and allocation model.

Throughout the engagement, Indigenous partners and ASETS agreement holders discussed a number of funding options.

A block funding agreement seems to be preferred, where multiple programs could be funded through one agreement and funds distributed among these programs based on the priorities of the organization. Reporting could be similar between programs to reduce duplication and inefficiency.

In addition, Modern Treaties and Land Claims organizations recommended that ASETS Consolidated Revenue Funding flow through INAC as a direct transfer.

In the Northwest Territories, there is a desire for a tripartite agreement with the territorial government for all labour market programming. This would streamline service delivery with a single vehicle that serves Indigenous and non-Indigenous clients.

Capacity of service delivery organizations

Partners expressed a need for additional and separate funding to strengthen the network's capacity. This funding increase could be used to support capacity development for employment training officers and ASETS agreement holders' coordinators and managers. In addition, funding for increased capacity building would allow ASETS agreement holders to: hire full-time employees to support partnership building; expand employment counsellor training; improve case management; and receive training on data collection and analysis.

Capacity building and support may also be required for any newly established service delivery organization.

In addition, it was proposed by members of the Assembly of First Nations that there is a need to build capacity both at the agreement level and at the nation level through a secretariat or other arms-length body that would provide support to agreement holders. Inuit have also advocated for a similar function to support Inuit agreement holders.

Reporting burden

Most ASETS agreement holders requested decreased reporting requirements and oversight by Service Canada, saying that this would allow more resources to be dedicated to program delivery and client services.

Key reporting requirements were challenged by the current ASETS agreement holders. They said that requirements for the Annual Operational Plan should be more flexible, allowing the document to be updated throughout the year to address changes in the labour market without having to be re-approved by Service Canada. Agreement holders said that the requirement for the strategic business plan needs to be reviewed to assess its true value and relevance to program delivery.

Partnerships

There is evidence of successful partnerships across Canada with educational institutions and local businesses. Sometimes these partnerships provide financial and in-kind contributions, and help ASETS funding go further. Partnerships may be easier to develop and maintain in urban than in rural areas, where there may be less access to employers, academic institutions, and other potential partners.

Strong partnerships between ESDC and the ASETS agreement holders are also necessary to improve Indigenous labour market outcomes. Some of these partnerships have been strained under the ASETS program, because of the reporting burden and oversight of Service Canada.

Program results

Partners indicated that there has been too much emphasis placed on employment results, resulting in pressure for service delivery organizations to provide increased support to clients.

In addition to employment and returns to school, other results need to be captured in the performance reporting. Agreement holders spend a lot of time and resources helping clients move ahead on the employment continuum, but this does not always lead to immediate employment. This is especially true with clients with multiple barriers to employment and clients living in remote or rural

communities where jobs are not readily available. These positive movements need to be captured and included in the overall evaluation and success of the program. Examples of these additional captured results could include completion of a training course or completion of a soft skills course.

4. Renewed relationship

It was widely supported that a distinctions-based approach is best suited to meet the Government's promise of a renewed nation-to-nation relationship; a pan-Indigenous approach should no longer be used.

Generally, partners called for community-based decision making and client-centred labour market programming through specific strategies for First Nations, Métis and Inuit. The Assembly of First Nations has advocated for a First Nations labour market strategy, including a First Nations-specific commission and secretariat.

Some Indigenous partners have called for political accords, with ESDC to formalize shared priorities and demonstrate a commitment to continuing and investing in the relationship.

Inuit partners shared that a renewed relationship should include programs designed by Inuit with local partners to maximize effectiveness and benefit to Inuit clients. They expressed that to improve results, more Inuit organizations should deliver programming to Inuit clients, especially in urban settings.

5. Future vision

Federal programs with similar activities should work more closely together. A more complete and holistic suite of federal services to address socioeconomic challenges would greatly benefit clients, and would reduce confusion and reporting burdens for service delivery organizations.

In keeping with the spirit of reconciliation and the United Nations Declaration on the Rights of Indigenous Peoples, new programming must better address underlying socioeconomic barriers to employment, such as lack of education and limited economic opportunities.

Additional investment is needed to ensure that service delivery organizations receive the necessary funding to provide training to a young and growing population.

Future programming should be supported by longer-term agreements (minimum 10 years), with less burdensome reporting requirements and greater funding flexibility.

Conclusion

The Government is fulfilling its Budget 2016 commitment to renew and expand ASETS.

Policy work is underway for a new Indigenous labour market strategy, to be implemented in April 2018.

Annex B

Details on 2016 engagement sessions

Ministerial bilateral meetings

Multiple bilateral meetings were held between Indigenous leaders and the Minister of Employment, Workforce Development and Labour.

Deputy Minister's bilateral meetings with National Indigenous Organizations

The Deputy Minister of ESDC met bilaterally with representatives from the five National Indigenous Organizations:

- The Assembly of First Nations
- The Métis National Council
- The Inuit Tapiriit Kanatami
- The Native Women's Association of Canada
- The Congress of Aboriginal Peoples

National ASETS meeting

The engagement process was launched at the national ASETS meeting held on June 27 to 29, 2016, in Gatineau, Quebec.

Participants included representatives from ASETS agreement holders, Indigenous partners and Indigenous leaders.

Forums

In 2016, the National Indigenous Organizations held four forums, with funding support from their strategic partnership agreements with ESDC:

1. **First Nations forum:** July 27 and 28 in Winnipeg
2. **Inuit forum:** October 25 to 27 in Ottawa
3. **Métis forum:** October 27 in Ottawa
4. **Dialogue on the Future of Indigenous Labour Market Programming:** September 27 and 28 in Ottawa.

Modern Treaty engagement

ESDC senior management met with modern treaty agreement representatives across Canada to discuss the future of Indigenous labour market programming and potential funding options. To date, ESDC has met with representatives of 20 of the 28 Modern Treaty agreements.

2016 regional engagement sessions

- Saskatchewan: August 16 in Saskatoon
- Atlantic: August 29 in Truro, Nova Scotia
- British Columbia: September 13 in Terrace
- Ontario: September 21 in Toronto
- Alberta: October 12 in Edmonton
- Northwest Territories: October 18 in Fort Smith
- Departmental officials met with l'Assemblée des Premières Nations du Québec et du Labrador on October 4; the Kativik Regional Government on October 25; the Cree Regional Authority on November 8; and the Algonquin Nation Human Resources and Sustainable Development Corporation on November 28.

Academic perspectives

A teleconference was held December 5, 2016, with Colleges and Institutes Canada, including representatives from all provinces and territories and about 20 academic institutions.

Footnotes

1 The discussion guide was provided to all participants at the National ASETS Meeting, and was available online from July to December 2016. The guide contains questions about the current ASETS program and how ESDC can renew and enhance future Indigenous labour market programming. Participants were encouraged to complete the guide and return it to ESDC through the generic delivery mailbox: NC-ASETS-ENGAGEMENT-SFCEA-HR-RH-GD@hrsdc-rhdcc.gc.ca

2 According to the United Nations' Special Rapporteur on the rights of Indigenous people

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