



OFIFC

Ontario Federation of
Indigenous Friendship Centres

Federal Economic Agenda for Ontario

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ABOUT THE FEDERAL ECONOMIC AGENDA FOR ONTARIO

The forthcoming federal election, expected in October 2015, has prompted the Mowat Centre, the Institute for Competitiveness and Prosperity, and the Northern Policy Institute to engage key stakeholders in developing a federal economic agenda for Ontario.

The Ontario Federation of Indigenous Friendship Centres (OFIFC) is submitting a response to the discussion paper for consideration in developing a federal economic agenda for Ontario. Our response recognizes the critical role of increasing economic opportunities for urban Aboriginal people in developing a strong Ontario economy, as well as addressing the unique challenges experienced by this population.

Over the course of the past decade, Ontario's economy has experienced significant changes. In part due to global pressures, such as the 2008 recession and increased globalized trade, and due to the labour market challenges associating with transitioning into a knowledge economy. Together, these variables have significantly impacted the provincial economy, resulting in income inequality, an increase in minimum wage and precarious employment, high youth unemployment, a decline in key manufacturing industries, and high levels of public debt.¹

A strong Canadian economy requires strong economies across all regions of the country, in particular Ontario. As such, there is a need for a federal agenda that responds to the challenges and opportunities that have been present within Ontario's economy and which support Ontario in strengthening its economy.² In light of this, the Mowat Centre and its partners have undertaken an initiative to help inform dialogue and develop a federal policy agenda on key economic issues for Ontario.

To guide the engagement on developing a federal economic agenda for Ontario, Mowat Centre's discussion paper focuses on a number of key issues that would support economic objectives in Ontario:

- Infrastructure;
- Workforce Development;
- Immigration;
- Trade and Investment;
- Innovation; and
- Federal Transfers.³

¹ Mowat Centre. (2014). *A Federal Economic Agenda for Ontario Discussion Paper*, 2.

² Ibid.

³ Ibid, 1.

ABOUT THE ONTARIO FEDERATION OF INDIGENOUS FRIENDSHIP CENTRES

The OFIFC is a provincial Aboriginal organisation representing the collective interests of twenty-eight member Friendship Centres located in towns and cities throughout the province of Ontario. The vision of the Aboriginal Friendship Centre Movement is to improve the quality of life for Aboriginal people living in an urban environment by supporting self-determined activities which encourage equal access to, and participation in, Canadian society and which respects Aboriginal cultural distinctiveness.

The OFIFC administers a number of wholistic, culture-based programs and initiatives which are delivered by local Friendship Centres in areas such as justice, children and youth, health, family support, long term care, healing and wellness, education, and employment and training. Friendship Centres respond to the needs of tens of thousands of community members requiring culture-based and culturally-appropriate services every day.

The Friendship Centres represent the most significant off-reserve Aboriginal service infrastructure across Ontario and are dedicated to achieving greater participation of all urban Aboriginal peoples in all facets of society, inclusive of First Nation – Status/Non-Status, Métis, Inuit and all other people who identify as Aboriginal. The OFIFC manages \$45 million in direct delivery funding across the province, not taking into account the direct resources procured by Friendship Centres at the community level.⁴

KEY FACTS:

- **84.1 percent of Aboriginal people in Ontario live off-reserve.**
(Source: Statistics Canada. (2011) *National Household Survey*.)
- **Between 2006 and 2011, Ontario's Aboriginal population grew five times faster than the non-Aboriginal population, increasing 24.3 percent compared to 4.8 percent.**
(Source: Ministry of Finance. (2013). *2011 National Household Survey Highlights: Factsheet 3*)
- **33.9 percent of the Aboriginal in Ontario are under the age of 19, compared to 23.8 percent of the non-Aboriginal population.**
(Statistics Canada. (2011). *National Household Survey*)
- **In 2012, the unemployment rate of off-reserve Aboriginal youth in Ontario was 23.5 percent compared to 16.8 percent for the non-Aboriginal youth population.**
(Source: Ministry of Training, Colleges, and Universities. (2013). *Canada-Ontario Labour Market Agreement, 2013-14 Annual Plan*.)
- **In 2012, the unemployment rate of off-reserve Aboriginal people (aged 25-54) was 9.2 percent compared to 6.3 percent for their non-Aboriginal counterparts in Ontario.**
(Source: Ministry of Training, Colleges, and Universities. (2013). *Canada-Ontario Labour Market Agreement, 2013-14 Annual Plan*.)

⁴ OFIFC. (2013). *Annual Report 2012-13*, 47.

THE CHALLENGES AND POTENTIAL OF URBAN ABORIGINAL COMMUNITIES IN ONTARIO

As the youngest and fastest growing population in Ontario, it is critical to consider the unique challenges faced by urban Aboriginal people when developing federal policy to support economic development and prosperity in Ontario. In fact, according to the 2011 National Household Survey, 84.1 percent of Aboriginal people in Ontario now reside off-reserve in towns, cities and rural communities. Aboriginal people in Ontario have a significantly lower median age than the non-Aboriginal population, 24.5 compared to 37.2.⁵ Further, more than 50 percent of Ontario's Aboriginal population is under the age of twenty-seven⁶ and the Aboriginal population is growing at nearly double the rate of the non-Aboriginal population, 1.8 percent compared to 1 percent.⁷ As a result of the growing urban Aboriginal population, it is estimated that more than 100,000 Aboriginal youth will come of age to enter the labour market by 2026.⁸

For over forty years the OFIFC has worked towards advancing urban Aboriginal social and economic issues with all levels of government. Friendship Centres play a crucial role in supporting urban Aboriginal people through the provision of key services to improve outcomes and opportunities. It is in large part due to such efforts, and federal and provincial investments, that a proportion of urban Aboriginal people are considered middle income earners in the province of Ontario,⁹ a rather recent phenomenon that must be both sustained and increased.

While the upward socio-economic mobility of one segment of the urban Aboriginal community represents an impressive milestone, a far larger proportion of urban Aboriginal families continue to experience poor social determinants of health. Specifically, urban Aboriginal people continue to experience challenges transitioning along the education to employment continuum, which results in higher rates of precarious employment, lower earned incomes, lower rates of educational attainment, and an over representation in minimum wage employment for urban Aboriginal people in comparison to their non-Aboriginal counterparts.

A key factor influencing the increased migration to urban centres by Aboriginal people, is the perceived educational and employment opportunities, as well as the perception of greater access to supports and services, and hope of adequate housing. Nonetheless, for many, the socio-economic problems that have influenced the migration continue to

⁵ Government of Ontario, *Breaking the Cycle, Ontario's Poverty Reduction Strategy*, 2008, 15. Available at: http://www.children.gov.on.ca/htdocs/English/documents/breakingthecycle/Poverty_Report_EN.pdf.

⁶ Ibid.

⁷ Government of Canada. (2008). Hope or Heartbreak: Aboriginal youth and Canada's future. *Horizons: Policy Research Initiative*, 10(1), 14.

⁸ Ibid.

⁹ In 2007, more than 22 percent of Urban Aboriginal Task Force (UATF) respondents belonged to the middle class. OFIFC, OMAA and ONWA (2007). Urban Aboriginal Task Force (UATF) Final Report. Toronto, Ontario, 91. Available at <http://www.ofifc.org/pdf/UATFOntarioFinalReport.pdf>.

impact their daily lives and a disproportionate percentage continue to live below the poverty line.¹⁰

Recognizing the opportunities of the young and growing urban Aboriginal population, there is tremendous potential for their contribution to the diverse needs of Ontario's labour market and economy. Research on the labour market trends in Ontario indicates that Ontario will be facing a labour and skills shortage, in large part due to an aging population.¹¹ Contrarily, the urban Aboriginal population is growing exponentially and represents a critical population that, with the adequate investments in culturally-appropriate education and training, and tangential supports such as housing and mental health, can help to address the labour shortage.

To support this, strategic and Aboriginal-specific resources and programs must be available to meet the needs of the young and growing urban Aboriginal population. This will require effective collaboration from the different levels of government and coordination with urban Aboriginal service providers, namely Friendship Centres, to support urban Aboriginal people in improving their economic outcomes. With access to culturally-appropriate education and training, the urban Aboriginal population can provide a sustainable solution to the anticipated skilled labour shortages. This would also support increased economic agency among urban Aboriginal people and communities in Ontario.

Reducing the socio-economic gap between the urban Aboriginal population and the non-Aboriginal population through increasing economic opportunities for urban Aboriginal people will help to support the development of a strong Ontario economy, and by extension, the Canadian economy.

¹⁰ Urban Aboriginal Task Force (UATF) Final Report. Toronto, Ontario, 185-186. Available at <http://www.ofifc.org/pdf/UATFOntarioFinalReport.pdf>.

¹¹ Rick Miner (2010). *People Without Jobs – Jobs Without People: Ontario's Labour Market Future*.

OUR POSITION

Infrastructure

Transportation

Throughout Ontario, urban Aboriginal people accessing services from Friendship Centres cite current transportation infrastructure as a limiting factor in seeking services and/or for obtaining and maintaining employment. In many communities, public transportation is not available, and, in some of the more remote communities, transportation to outside of the community is also not available. In communities where public transit is available, the high cost of transportation services is a barrier for people who are accessing Friendship Centre services.

Infrastructure investments, including transportation, in Ontario can contribute to broader policy goals, such as the development of healthier communities and connecting urban Aboriginal people to the labour market. To achieve this, policy makers must give consideration to community members' ability to access public transportation both within the community and to outlying regions to engage in the labour market and access services. The importance of accessing transportation outside of the community is further impacted by a lack of local labour market opportunities. For example in communities like Dryden, where there are few employment opportunities, individuals looking for work must expand their search beyond the local community. Seasonal work including hunting and fishing guides, tourism guides, outdoor maintenance positions and resource extraction opportunities may be available in surrounding areas; however community members are unable to access these opportunities as a result of limited public transportation.

Workforce Development

Culturally Relevant and Appropriate Employment and Training Approaches

The need to engage Aboriginal people in the labour force will become critical in order to meet increasing labour shortages, as a result of an aging population. As indicated above, urban Aboriginal people are a significantly younger and rapidly growing population. The OFIFC believes that federal employment and training approaches in Ontario must be culturally relevant and engage urban Aboriginal people.

The OFIFC is an Aboriginal Skills and Employment Training Strategy (ASETS) agreement holder. The ASETS is a federally funded strategy that aims to assist Aboriginal people in accessing employment opportunities through education, skills development and training opportunities. Through ASETS, the federal government has provided a specific urban/off-reserve component to provide labour market programs to Aboriginal clients in urban areas. When created, urban/off-reserve ASETS programs were placed in communities that had a demonstrated need and where no existing

services were available for urban Aboriginal people. Allocation of funding for the ASETS is currently based on the National Aboriginal Resource Allocation Model (NARAM) that uses data from the 1996 Census. As a result, the population demographics of the urban Aboriginal and off-reserve population are not adequately represented in the current funding model.

The current ASETS agreement received a one-year extension until March 31, 2016. OFIFC continues to advocate for a renewal of Aboriginal labour market programming that meets the needs of urban and off reserve peoples, including those without status, or affiliation to other First Nation, Metis, or Inuit ASETS agreement holders. This includes increased funds for employment and training interventions for individuals who are not EI-eligible. The current funding model is imbalanced, providing significantly more employment supports for EI-eligible individuals.

The OFIFC believes Aboriginal labour market programming, like ASETS, when coordinated with preventative and wrap-around supports for families – such as those provided within Friendship Centres – are critical for increasing employment opportunities and outcomes for urban Aboriginal people.

Changes to Employment Insurance (EI)

The OFIFC believes that important changes need to be made to the use of EI eligibility as a criterion for accessing federally funded employment and training programs in Ontario. In comparison to the rest of Canada, Ontario has a lower share of unemployed people receiving EI benefits (in 2013, only 27.8 percent of unemployed Ontarians were EI eligible compared to the rest of Canada at 45.2 percent).¹² As a result, the majority of unemployed Ontarians are not eligible for a number of employment and training programs and supports, including Employment Benefits under the Labour Market Development Agreement (LMDA).

While a reasonable focus should remain on supporting individuals who are unemployed or severely underemployed and EI eligible, a greater proportion of the urban Aboriginal population seeking work is not EI eligible, for example, youth and social assistance recipients. This cohort of the urban Aboriginal population is looking for supports to enter employment and training with limited to no work experience, as well as part-time and seasonal workers, particularly in Northern Ontario, and do not have enough hours worked to qualify for EI-eligible supports funded through federal transfers. For example, Employment Ontario (EO) programs and services are primarily designed to provide programs and services to EI-eligible clients, currently, 17 percent¹³ of people receiving services from EO are social assistance recipients, with some EO service partners

¹² Ministry of Training, Colleges and Universities. (2014). *Canada-Ontario Labour Market Agreement 2013-14 Annual Plan*. Available from:

http://www.tcu.gov.on.ca/eng/training/labmark/LMA_Plan2013_14.html.

¹³ Commission for the Review of Social Assistance in Ontario. (2012). *Discussion Paper 2: Approaches for Reform*, 15.

reporting a client base where more than 40 percent¹⁴ are receiving social assistance. Individuals receiving social assistance want to access the same range of employment and training programs that are available to other unemployed Ontarians, including those who are EI eligible. Further, a re-investment in dedicated youth training and supports, regardless of EI eligibility status would make a significant impact on the level of employment and training services available specifically for urban Aboriginal youth.

System Processes

Canada-Ontario Job Fund Agreement/Canada Jobs Grant

The OFIFC is concerned with the impact of the replacement of the Labour Market Agreement (LMA) with the Canada-Ontario Job Fund Agreement. The previous LMA was intended to support marginalized and vulnerable Ontarians that were not employed or EI eligible. With the implementation of the Canada-Ontario Job Fund Agreement, both EI eligible and non-EI eligible Ontarians are now able to access these once-targeted supports. This will be achieved through two streams: Canada-Ontario Job Grant Program, and Employment Services and Supports. According to the Agreement, by 2017/2018 Ontario must invest the equivalent of 60 percent of the total yearly contributions for the Canada-Ontario Job Fund Agreement to the Canada-Ontario Job Grant.¹⁵ This means that by 2017/2018 the vast majority of transfer-funded programs will be geared to EI-eligible, employment ready clients; with little support for clients needing pre-employment services. By cutting opportunity for urban Aboriginal people to access these programs (programs funded by the previous LMA), the federal government will be creating additional barriers for individuals seeking to transition into employment.

The Canada-Ontario Job Grant is designed to benefit employers rather than for unemployed or underemployed Ontarians. Employers have the ability to choose which individuals will receive training and the type of training that is required, with all training provided by an eligible third-party institution. Employers must also be able to financially contribute to this training and have a job available for the beneficiary upon completion of training. This model is problematic for many urban Aboriginal people, who experience racism when seeking employment. The Urban Aboriginal Taskforce found that 54 percent of respondents experience racism in schools and universities, and 50 percent of respondents experience racism in the workplace.¹⁶ In a system that provides employers with the authority to choose eligible beneficiaries of employment and training supports, such as the Canada-Ontario Job Grant, systematic racism will be a substantial barrier for urban Aboriginal people in accessing these supports. Further, the Canada-Ontario Job Grant does not meet the community-identified needs of urban Aboriginal people.

¹⁴ Ministry of Training, Colleges, and Universities. (April 2014). *ES Snapshot 2013/14 Year End*, 12. Available at: http://www.tcu.gov.on.ca/eng/eopg/publications/es_snapshot_6_q4_201314.pdf.

¹⁵ Employment and Social Development Canada. (2014). *Canada – Ontario Job Fund Agreement*. Available at: http://www.esdc.gc.ca/eng/jobs/training_agreements/cjf/ontario_cjf.shtml.

¹⁶ OFIFC, OMAA and ONWA. (2007). *Urban Aboriginal Task Force: Final Report*, 106.

The Canada-Ontario Job Grant is designed to provide short-term training without providing the types of supports needed to address complex and systematic barriers that have impacted an individual's work experience.

Labour Market Development Agreement (LMDA)

The proportion of the Aboriginal population residing in Ontario and the percentage of Aboriginal people living in urban areas should be considered when negotiating and allocating the funds under the LMDA and the Canada-Ontario Job Fund Agreement. The OFIFC believes that there should be an Aboriginal-specific allocation within the LMDA (and Canada-Ontario Job Fund Agreement) to support urban Aboriginal labour market interventions. Current LMDA funded programs through EO have been overall inadequate in addressing the complex training needs of urban Aboriginal people. Funding must be made available to Aboriginal multi-service agencies that can best serve individuals, and not only through existing EO service providers or employers.

In the signing of the new Canada-Ontario Job Fund Agreement, it was agreed that the federal government will continue to provide its own labour market programs for Aboriginal people. It was also agreed that there should be better coordination between provincial and federal Aboriginal employment and training programs.¹⁷ Better coordination between EO programs and federally funded Part 1 and Part II EI service providers that support urban Aboriginal populations is required. Coordination of employment services in Ontario have been impacted by issues of systemic discrimination, organizational misinformation and limitations of legislation and policies that prevent active partnerships.

The OFIFC shares the federal and provincial governments' view that the goal of investments under the LMDA should increase the participation of Ontarians in the labour force and help develop skills necessary to find and keep meaningful and long term employment. Urban Aboriginal people seeking employment and training services and supports want careers – not jobs – that are sustainable and meaningful for them and their families. This must extend past natural resource extraction and seasonal employment opportunities.

Labour Market Data

The OFIFC believes that there is an immediate need for better, more accurate and timely labour market information (LMI) available to government, service delivery agencies and individuals. Of particular importance is the need for locally reliable and valid data. As an ASETS agreement holder, the OFIFC administers the Apatisiwin Program. Apatisiwin means employment and jobs in Swampy Cree. Local LMI is critical for making informed employment and training decisions; a lack of local LMI

¹⁷ Employment and Social Development Canada. (2014). *Canada – Ontario Job Fund Agreement*. Available at: http://www.esdc.gc.ca/eng/jobs/training_agreements/cjf/ontario_cjf.shtml.

creates challenges in the delivery of demand-driven programming. Availability of detailed and local LMI is particularly important for urban Aboriginal youth in their transitions along the education to employment continuum. This is of particular importance when considering that the urban Aboriginal population is significantly younger and growing faster than the rest of the population in Canada¹⁸, yet Aboriginal youth in Ontario are more likely to be unemployed than non-Aboriginal youth, 23.5 percent compared to 16.7 percent.¹⁹

To optimize employment outcomes, LMI needs to provide specific details on job vacancies and occupational opportunities at the community level rather than general statistics. The current LMI provided in the monthly *Labour Market Bulletin* by Employment and Social Development Canada (ESDC) is too high level to be useful in assisting students, unemployed and underemployed individuals select education and training that is in demand in their community. Further, these LMI tools contain very little community-specific or even region-specific statistics and useful local LMI tools such as the *Local Market Monitors* have been discontinued. The need for local LMI has also been echoed by the federal government, in a November 2013 speech at the Ontario Economic Summit, the Honourable Jason Kenney, then Minister of Employment and Social Development indicated that “we all need to do a better job of getting relevant, robust, detailed sector- and region-specific labour market information”.²⁰ Increased access to good quality, timely and local LMI will enable Friendship Centres to better support urban Aboriginal people in transitioning into employment and training.

Federal Transfers

The OFIFC believes, as indicated above, that the federal government should allocate dedicated transfers to support urban Aboriginal labour market interventions. This is based on the growing urban Aboriginal population compared to non-Aboriginal population growth. There are opportunities to leverage existing resources and anticipated resources from ASETS. Federal transfers must also recognize that, most often, the needs of urban Aboriginal clients requiring education and employment training and supports are often complex and unique, and can require significant time and resources.

Dedicated transfers to support urban Aboriginal labour market interventions would provide the opportunity to support Aboriginal people seeking to participate in the labour market. Current federal programming does not often recognize the multiple barriers to employment that many urban Aboriginal people face, which requires pre-employment supports including stabilization supports such as housing, food, and child care.

¹⁸ Government of Canada. (2008). Hope or Heartbreak: Aboriginal youth and Canada’s future. *Horizons: Policy Research Initiative*, 10(1), 14-15.

¹⁹ Ministry of Training, Colleges, and Universities. (2013). *Canada-Ontario Labour Market Agreement, 2013-14 Annual Plan*.

²⁰ Kenney, Jason (November, 2013). *Canada’s Employment and Labour Market Needs*, Speech presented at the Ontario Economic Summit, Niagara-on-the-Lake, ON.

CONCLUSION

A federal economic agenda for Ontario must recognize the high number of urban Aboriginal people living in Ontario, in particular youth, and increased supports needed to raise the number of urban Aboriginal people engaged in the education to employment continuum.

In particular, the federal economic agenda should recognize the impacts of the significant and wide sweeping changes that have resulted, and may continue to result, from the changes to federally funded labour market programs in Ontario.

The OFIFC's key issues of concern for federal labour market programs in Ontario are:

- 1) Urban Aboriginal people are the fastest growing population in Ontario and face higher rates of unemployment than the non-Aboriginal population. Yet, changes to federally funded employment programs will likely further exacerbate the already chronic and inadequate under-funding of provincial and federal Aboriginal-targeted employment programs.
- 2) Pre-employment skills development is critical to address the complex barriers urban Aboriginal people face in transitioning into employment. The OFIFC is concerned of the effect of changing federal employment programs will have on existing Aboriginal-specific programming.
- 3) The cut in transfers under the Labour Market Agreement to fund the Canada-Ontario Job Grant will negatively impact those who are not eligible for Employment Insurance. Larger proportions of urban Aboriginal people do not qualify for Employment Insurance as a result of working in precarious employment, including part-time, seasonal and contract work.
- 4) The Canada-Ontario Job Grant will not address the community-identified needs of the urban Aboriginal population, in particular youth and social assistance recipients. Employers often do not understand the complex needs of the urban Aboriginal population and it is unlikely that they will be able to provide the wholistic training and pre-employment supports that are necessary. Furthermore, the Canada-Ontario Job Grant model enables employers to favour those who are most job-ready.