

MAKING THE CASE

Canada

Case Studies on Inclusive Economic Development



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1.0

Background



1.1 Context: Canada and the Indigenous Economy

Indigenous peoples in Canada remain among the country's most marginalized groups. Since the arrival of European settlers, Indigenous communities have endured significant injustices, including attempts to erase their cultures through acts of genocide, such as residential schools. While the Canadian government has made some efforts to address these historical injustices, they remain insufficient, and Indigenous communities continue to face significant inequalities in health, income, education, and access to resources.

Indigenous peoples in Canada experience higher unemployment rates, lower levels of educational attainment, and face substantial employment discrimination. In 2023, the unemployment rate for Indigenous people was 8.8%, compared to 5.3% for non-Indigenous Canadians, highlighting the persistent employment barriers.¹

Recently, the Canadian government has acknowledged the need to address these disparities and create a more inclusive and equitable economic landscape for Indigenous peoples. This commitment has resulted in targeted programs focused on skills development and employment access. [The Aboriginal Skills and Employment Training Strategy \(the Strategy\)](#) and the [Skills and Partnership Fund \(the Fund\)](#) are two initiatives that have emerged in this effort.

1.2 Increasing Employment Opportunities for Indigenous People: The Strategy and the Fund

From 2010 to 2018, the Strategy focused on closing the employment gaps between Indigenous and non-Indigenous Canadians. Since then, its successor, the [Indigenous Skills and Employment Training \(ISET\) Program](#), has continued this mission. Funded by the [Employment and Social Development Canada \(ESDC\)](#), these programs collaborate with Indigenous organizations and training institutions to deliver tailored skills development and employment support. Launched in 2010 alongside the Strategy, the Fund uses a project-based approach to workforce development to align training with current labor market demands. This demand-driven model partners with Indigenous groups and employers to address specific workforce needs, particularly in high-demand sectors.²

76,625

Strategy Participants

4,487

Fund Participants

Since the establishment of these programs, significant progress has been made. From 2011 to 2012, around 72% of Strategy participants (76,625 individuals) and 80% of Fund participants (4,487 individuals) participated in one or more **Skills Development and Employment Assistance Services** interventions ('Interventions').³ Employment outcomes improved significantly among participants, with increases in annual earnings and employment rates for those previously receiving **Employment Insurance (EI)**.



2.0

Built For All: Applied



2.1 Pillar One: A Level Playing Field for Work and Competition

The interventions provided under the Strategy and the Fund have helped create more equitable employment opportunities and outcomes for Indigenous people. The most widely used Interventions were ‘Skills Development,’ which offers funding for training, and ‘Employment Assistance Services,’ which funds organizations that provide employment assistance, including workshops, counseling, and computer access. Other interventions included targeted wage subsidies, apprenticeships, work experience, and self-employment support.⁴

Over a three-year period following the interventions, active EI claimants among Strategy participants saw the largest gains in earnings – \$10,920 over three years – and a 3.9 percentage points increase in employment incidence per year. Among Fund participants, former EI claimants experienced the largest earnings increase – \$6,010 over three years – and 5.3 percentage point increase in employment incidence per year.⁵

Opportunities for Enhancing Inclusion

Active and former EI claimants experienced greater improvements in labor market outcomes than non-claimants, but they only represent a small minority of the Strategy and the Fund’s participants.⁶ Future iterations of the Strategy and the Fund could enhance inclusion by increasing participation among active and former claimants.

Lessons for Action

Tailoring Skills Development and Employment Assistance Services interventions to participants’ employment history and their participation in the Strategy or the Fund can maximize the interventions’ effectiveness.

2.2 Pillar Two: Equitable Access to Resources and Opportunities

Canada's Strategy and Fund demonstrate a commitment to improving access to essential resources for Indigenous communities. These initiatives address the historical and systemic barriers Indigenous individuals face in accessing education, skills development, and employment opportunities, helping to close the equity gap. Both provide Indigenous people with structured pathways to employment through targeted skills training and job placement, prioritizing equitable participation in Canada's labor market. In terms of geographical equity, the Strategy provides critical support by funding over 85 Indigenous organizations, across more than 600 locations nationwide,⁷ to deliver culturally relevant employment and skills training programs.

These programs have had a significant impact: recipients received funding for skills development, which includes training programs tailored to industry-specific needs. For instance, the Strategy has significantly expanded access to essential services, especially for young adults under 30, many of whom were previously unemployed. Indigenous Agreement Holders, with insights into local labor market demands, help ensure training programs align with community needs. This fosters inclusivity, ensures that training programs resonate with the community, and builds on existing resources and relationships.

Opportunities for Enhancing Inclusion

While Strategy and Fund have succeeded in expanding access, they could improve reach by increasing digital and remote learning resources in isolated areas. Additionally, to enhance inclusion, there is a need to enhance engagement with women and older Indigenous workers.

Lessons for Action

To strengthen these initiatives, continuous data collection on participant outcomes is necessary. By incorporating continuous feedback from Indigenous partners, the ESDC can ensure that programs adapt to the evolving needs of Indigenous communities, creating a more equitable and sustainable economic landscape for Indigenous people in Canada.

2.3 Pillar Three: Collective Stewardship of Shared Resources for Future Generations

The Strategy and the Fund align with the Built for All framework's third pillar by promoting stewardship for future generations.⁸ Their positive impact on participants' labor market attachment demonstrates a balance between meeting immediate job needs and long-term economic sustainability. By increasing employment earnings and decreasing reliance on social assistance, these programs encourage both immediate economic engagement and future financial independence.

The Skills Development intervention stands out as a key strategy, highlighting the value of investing in human capital to enhance labor market outcomes. This commitment not only benefits individuals but also strengthens community wealth, ensuring that future generations can thrive economically. Sustainable partnerships with Indigenous Agreement Holders further exemplify collective stewardship, as these collaborations pool resources and expertise to strengthen program effectiveness despite challenges like administrative burdens.

Opportunities for Enhancing Inclusion

To foster greater inclusion, specialized technology skills development programs should be introduced, focusing on digital literacy to prepare Indigenous communities for emerging job markets. Additionally, community health and wellness initiatives can be integrated into employment training to address participants' holistic well-being. Family support programs, including childcare services and counseling, can also be implemented to alleviate barriers that might prevent participants from engaging in training.

Lessons for Action

These initiatives require ongoing collaboration with Indigenous communities to ensure their unique needs are addressed effectively. Establishing robust feedback mechanisms will allow for continuous adaptation of programs, ensuring they remain relevant and responsive. Additionally, fostering open lines of communication will encourage sustained participation and empowerment within the community.

3.0

References



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³ Ibid., p. 9

⁴ Ibid., p. 6

⁵ Ibid., p. 15

⁶ Ibid., p. 11

⁷ Ibid., p. 7

⁸ Handouyahia, Andy, Momath Wilane, and Charles Bouwer. *Incremental Impact Analysis of the Indigenous Skills and Employment Training Program*. Accessed November 2, 2024.

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Photos: All pictures are from circa.ca – a Canadian Stock Photo library only showing Indigenous people from Canada. <https://www.cira.ca/en/stock-gallery/>