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024 Northern Employment
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**NORTHERN EMPLOYMENT AND TRAINING
IN THE OIL AND GAS INDUSTRY**

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ABBREVIATIONS

The following acronyms are used in this report:

JNAC	Joint Needs Assessment Committee
GNWT	Government of the Northwest Territories
DIZ	Development Impact Zones
YTG	Yukon Territorial Government
DIAND	Department of Indian Affairs and Northern Development
INAC	Indian and Northern Affairs, Canada
COGLA	Canada Oil and Gas Lands Administration
CEIC	Canada Employment and Immigration Commission
NEP	National Energy Policy
EIS	Environmental Impact Statement
RETC	Regional Employment and Training Committee
PITS	Petroleum Industry Training Service
ILA	Inuvialuit Land Authority
IPL	Interprovincial Pipeline Ltd.
YBC	Yukon Benefits Committee
DRIE	Department of Regional Industrial Expansion
NBC	Northern Benefits Committee
COPE	Committee of Original People Entitlement

EXECUTIVE SUMMARY

In 1984 the Social Issues North Committee of the Environmental Studies Revolving Fund commissioned a study to:

determine the key factors which enhance or inhibit the abilities of oil and gas companies in northern Canada to train and employ northern residents; and make recommendations on strategies that will enhance the nature and extent of northern participation in northern oil and gas activities.

The principal aims of the study are to develop practical, implementable recommendations that will lead to better industry/government communication and understanding, and improved employment policies for all companies and agencies involved. The study also pays close attention to regional differences in labour force characteristics and employment opportunities.

The primary study method was an extensive consultation and interview process that drew heavily on the knowledge of people in the fields of northern employment and training. This was complimented with a careful review of previous reports on the subjects. An industry and government workshop was held in November, 1984 to obtain agreement on the key issues and barriers to employment, to rank the issues and barriers in order of priority and to produce strategies and action programs for dealing with the higher priority issues. The first two objectives were achieved and progress was made on the third.

To be effective, any programs must recognize the economic, political and social history of the North. In particular, the petroleum industry has been active in the North since the 1940's and the Canadian Oil and Gas Lands Administration (COGLA) has had regulations in place since 1981. Thus many companies, both acting on their own initiative and in response to COGLA requirements, have developed fairly comprehensive programs to promote the employment

of northerners. These efforts can involve for example, rotational work schedules with transportation back to the home communities (or point of hire), northern employment offices and supervisors, regular community visits, and cross cultural awareness programs for northern supervisors. One consequence of this effort is that some companies are only hiring at the margin (i.e. because of turnover) - they already have a large established northern work force. A second key aspect is seasonal nature of the exploration activity that currently dominates the industry.

Conceptually barriers exist at each stage of the employment process from obtaining a basic education, through pre-employment training, the hiring decision and post-hire training to advancement or promotion. The report presents a conceptual model of the barriers and shows how basic underlying factors such as the sparse population over the large geographical region and the cultural differences impact on the employment process in complex and reinforcing ways. For example, the low density of people creates a high cost to delivering community-oriented or -based education and training programs. Thus few high schools and training courses exist outside the largest communities. Also the distance between communities creates a mobility barrier, information on opportunities is less available in the smaller communities, and the lack of nearby opportunities means that gaining a job and then gaining sufficient experience for promotion is very difficult for some northerners. In communities such as Inuvik and Tuktoyutuk, many of these barriers have been overcome because of their proximity to the continuing exploration activity, and there is relatively full employment of the employable northerners in these communities.

Recognizing the efforts of the industry, the communities and the government to date, there are still ways in which the situation could be improved. The primary recommendations of the report are that:

- all companies designate northern employment coordinators or use some other mechanism such as employment brokers to stimulate more northern hire;
- CEIC establish employment of northerners as its primary objective in this region and actively seek opportunities for northerners;
- companies target their job catalogues to the potential applicant rather than the experienced employment officer;
- a simple skills inventory be maintained in each community to expedite the employment search procedure;
- companies strive to develop realistic advancement expectations with their employees by emphasizing the need for a good formal education and clearly identifying career opportunities and constraints at the time of hire;
- northerners recognize what efforts and sacrifices they must make in order to gain promotion and achieve their career goals;
- the GNWT consider off-seasonal employment outside the Territory as a special form of training and financially support such a program;
- the emphasis for pre-employment training shift from oil industry specific courses to more general business and money management offerings;
- industry continue to strive to develop more opportunities for joint venturing and subcontracting arrangements with northern firms as this is one of the primary mechanisms to increase northern experience and has the additional benefit of stabilizing the territorial economies;
- both northern and southern subcontractors be subject to the same northern hire requirements; and
- COGLA continue to improve its Canada Benefits Plan requirements; and
- COGLA consider moving its headquarters functions to the Territories or establishing regional offices.

Industry and government efforts have been reasonably successful in overcoming some of the employment and training barriers facing northerners but more needs to be done. This report represents one step in that continuing effort.

RÉSUMÉ

En 1984, le Comité sur les questions socio-économiques du Nord du Fonds renouvelable pour l'étude de l'environnement a commandité une étude pour:

déterminer les facteurs-clés qui améliorent ou limitent la capacité des sociétés pétrolières et gazières au nord du Canada de former et embaucher les résidents du Nord; et formuler des recommandations sur les politiques susceptibles d'encourager le genre et l'amplitude de la participation du Nord aux activités touchant l'exploitation du pétrole et du gaz dans cette région.

Les objectifs principaux de l'étude sont d'élaborer des recommandations pratiques et réalistes qui engendreront une meilleure communication et une compréhension mutuelle entre l'industrie et le gouvernement, ainsi que des politiques d'emploi améliorées pour toutes les sociétés et agences concernées. L'étude porte aussi une attention particulière aux différences régionales des caractéristiques de la main-d'oeuvre ainsi qu'à celles des perspectives d'emploi.

La méthode fondamentale d'étude comprenait un processus intensif de consultation et d'entrevue avec des experts dans le domaine de l'emploi et de la formation dans le Nord. Cette étape fut complétée par un examen attentif des rapports antérieurs sur ces sujets. Un atelier impliquant l'industrie et le gouvernement eut lieu en novembre 1984, afin d'obtenir un accord sur les questions essentielles ainsi que sur les obstacles à l'emploi; de classer ces questions et ces obstacles par ordre d'importance et de formuler des politiques et des programmes d'action pour faire face aux questions prioritaires. Les deux premiers objectifs furent atteints. Quant au troisième, il est en bonne voie de l'être.

Pour être efficace, tout programme doit reconnaître l'histoire

économique, politique et sociale du Nord. L'industrie pétrolière, notamment, a joué un rôle actif dans le Nord depuis les années 1940, et l'Administration du pétrole et des terres du Canada (APGTC) a émis des règlements depuis 1981. Ainsi, plusieurs sociétés agissant, soit de leur propre gré, soit en conformité avec les règlements de l'APGTC, ont élaboré des programmes relativement complets afin d'encourager l'embauche des résidents du Nord. Ces initiatives peuvent inclure, par exemple, les horaires de travail rotatifs comprenant les frais de déplacement de l'employé pour son retour à son lieu de résidence (ou point d'embauche), les bureaux d'emploi ainsi que les surveillants dans le Nord même, des visites systématiques dans les localités, et des programmes multi-culturels de prise de conscience pour des surveillants dans le Nord. Un des résultats de ces tentatives est que certaines sociétés n'embauchent qu'un minimum (à cause du roulement) - elles disposent déjà d'un personnel sur place dans le Nord. Un deuxième aspect important est la nature saisonnière des activités d'exploration qui domine actuellement l'industrie.

Les obstacles existent essentiellement à chaque étape du processus d'emploi, de l'acquisition d'une instruction de base par la formation pré-emploi, à la décision d'embaucher et à la formation après l'embauche, jusqu'à l'avancement ou la promotion. Ce rapport présente un modèle conceptualisé des obstacles et démontre comment des facteurs de base sous-jacents - tels qu'une faible population dispersée sur une grande région géographique, ainsi que des différences culturelles - influencent le processus d'emploi de facons complexes et accentuées. Par exemple, le coût de la livraison de programmes d'instruction et de formation, orientés vers les localités ou basés sur celles-ci, est élevé vu la faible densité de la population. Ainsi, il n'existe que peu d'écoles secondaires et de cours de formation en dehors des localités les plus importantes. De même que la distance entre les localités représente un obstacle aux déplacements, les renseignements sur des possibilités d'emploi sont

les renseignements sur des possibilités d'emploi sont moins disponibles dans les petites localités et l'absence de ces possibilités dans les environs complique, pour certains gens du Nord, l'obtention d'un emploi et l'acquisition d'une expérience suffisante en vue d'une promotion. Dans des localités telles que Inuvik et Tuktoyutuk, la plupart de ces problèmes ont été résolus grâce à la proximité des opérations continues d'exploitation, et ces localités connaissent un plein emploi relatif des gens du Nord susceptibles d'être embauchés.

Malgré les efforts déployés jusqu'à ce jour par l'industrie, les localités et le gouvernement, la situation peut encore être améliorée. Les principales recommandations de ce rapport sont que:

- toute société nomme des coordonnateurs d'emploi dans le Nord, ou se serve d'un autre mécanisme tels des agents d'emploi pour encourager l'embauche dans le Nord;
- CEIC établisse l'emploi des gens du Nord comme objectif principal dans cette région et qu'elle recherche activement des possibilités d'emploi pour ceux-ci.
- toute société établisse les qualifications d'emploi requises basées sur un éventuel candidat plutôt que sur un agent expérimenté;
- l'on maintienne, dans chaque localité, un inventaire des aptitudes de base afin d'accélérer le processus de recherche d'emploi;
- toute société cherche à forger des espoirs réalistes chez ses employés, en soulignant le besoin d'une instruction de base solide, et en identifiant clairement les possibilités de carrière ainsi que les obstacles au moment de l'embauche;
- les gens du Nord reconnaissent les efforts et sacrifices nécessaires afin d'accéder à la promotion et d'atteindre leurs buts de carrière;
- le GTNO envisage l'emploi hors-saison au-delà du Territoire sous un genre de formation particulière et qu'il finance un tel programme;
- l'importance d'orienter la formation pré-emploi vers des cours plus généraux dans le domaine des affaires et de la gestion des finances personnelles soit reconnue, plutôt que de

l'orienter vers des cours réservés en particulier à l'industrie pétrolière;

- l'industrie continue à s'efforcer d'obtenir plus de possibilités de contrats de collaboration et de sous-contrats avec des sociétés du Nord, car il s'agit ici d'un des mécanismes de base pour accroître l'expérience des gens du Nord et qui a l'avantage supplémentaire de stabiliser les économies territoriales;
- les sous-contractants du Nord et du Sud soient assujettis aux mêmes exigences d'embauche pour le Nord;
- l'APTGC continue à améliorer ses exigences pour le Plan canadien de prestations; et
- l'APTGC envisage de déménager son administration centrale dans les Territoires ou à établir des bureaux régionaux.

Les efforts de l'industrie et du gouvernement ont assez bien réussi à surmonter quelques-uns des obstacles à l'emploi et à la formation, auxquels font face les gens du Nord. Cependant, il reste encore du pain sur la planche. Ce rapport représente une étape de plus dans cet effort constant.

INTRODUCTION

PURPOSE AND OBJECTIVES OF THE STUDY

The primary purpose of this study is to determine the key factors that enhance or inhibit the ability of oil and gas companies operating in northern Canada to train and employ northern residents.

This project is supported by one of two Environmental Studies Revolving Funds (ESRF) that are financed by industry but administered by the federal government. The purpose of these funds is to assist in the production of environmental and social studies directly related to oil and gas exploration and development decision-making on Canada Lands.

The study focuses on possible improvements that industry could make not only in its employment and training initiatives but also in its interaction with government agencies in the delivery and monitoring of programs. Seven study objectives were established:

- to assess the northern labour force in terms of numbers, characteristics by region, skill levels, and penetration levels by region;
- to assess the range of jobs available to, and the access to them by, northerners;
- to identify the constraints to the use of the northern labour force;
- to assess industry's success and failure in its use of northern labour force;

- to assess the expectations of government, industry, and the public in relation to the realities of northern oil and gas work;
- to recommend guidelines, strategies, and policies that can be implemented by industry and government to ensure a high level of effective northern participation; and
- to assess in a complementary, but less detailed manner, industry, government, and other training programs and to determine the need for, and effectiveness of, such programs.

Particular attention was to be paid to the regional differences in the labour force characteristics, opportunities, and barriers. Also this study was to build on previous work such as that done for the Beaufort Sea Environment Assessment Panel and by the Joint Needs Assessment Committee (JNAC). It was also to complement ongoing studies such as the Native Employment Training Study by the Arctic Institute of North America. The research objectives of this latter study are to describe native training programs and opportunities and, through a case study approach, to identify key success factors from the perspectives of the individual trainees and their communities.

It was hoped that the results of this ESRF study would lead to a better understanding of the complex question of northern employment and training in the oil and gas industry as well as practical recommendations for improvement that could be implemented. It is generally acknowledged that considerable progress has been made in the last few years. The established companies all generally have extensive programs in place that, conceptually at least, address the full spectrum of issues around this question. There is, however, disagreement on whether the rate of improvement in northern employment is sufficient.

SCOPE OF THE STUDY

In producing a current assessment of the northern employment and training situation at this time, the study was to describe the programs and efforts by both industry and government both to increase the employment of northerners in the oil and gas industry and to provide the training necessary to facilitate this goal. It would also measure the extent of northern employment and the barriers still inhibiting the process.

The primary methodology chosen by the consultants and advisory committee to best develop this information was an extensive interview process of a broad range of industry participants, supplemented by an extensive literature search. (Appendix 1 discusses the methodology used in the study in more detail.)

The reader should be aware that although this approach should provide a good understanding of the current employment situation in the industry, it is not as useful as other methodologies in identifying future requirements and opportunities for major new developments that arise such as a gas or an oil pipeline from the Beaufort Sea.

Much of the report deals with employment in the exploration sector rather than in production, because this is the dominant current activity. Nevertheless, stable long-term opportunities for employment are mostly in the production phase rather than the seasonal, short-term employment that characterizes the exploration phase. Continuous employment is more conducive to training programs and promotion based on experience, but one justification for the focus on exploration is that very few people will be required to operate the gathering systems and pipelines once they are in place.

Many companies have been established in the North for a number of years and many different programs to reduce the employment barriers have been tried. These companies have also developed a fairly stable northern labour force and hire only at the margin, to fill vacancies created by turnover for example. Therefore, the expense of new training programs and other investment in human resources must be weighed carefully against the number of people assisted by the particular program.

BACKGROUND

A review of the history of the industry in the North, together with a brief discussion of some of the social and governmental issues and the labour demand and supply conditions, help provide some background the northern employment questions.

HISTORY OF THE OIL AND GAS INDUSTRY IN THE NORTH

A brief history of the industry's involvement in the oil and gas industry is useful to understand its role in the North. Its involvement in the North began with Imperial Oil drilling the first oil well near Norman Wells in 1920. There had, however, been geologic investigations as far back as the late 1800s. Oil field development accelerated in the early 1940s leading to the building of the Canol crude oil pipeline in 1944 linking the Norman Wells field to a refinery in Whitehorse. However, this pipeline closed in 1945 with the end of World War II. Imperial then opened a refinery in Norman Wells in the same year.

Drilling began in Yukon in 1957 in the Eagle Plains region with the first discovery in 1960. Then development in the southern corners of the two territories began when the Pointed Mountain gas pool was discovered in 1966 by Pan American Petroleum Corporation and a gas dehydrator plant, gathering facilities, and a pipeline to Westcoast Pipeline Company's transmission facilities were completed in 1972. The Beaver River gas field, primarily in British Columbia but extending into Yukon, was developed at the same time.

In the Beaufort Sea -- Mackenzie Delta region, geological and geophysical programs began in the late 1950s. Exploratory drilling commenced in 1965 on the BA Shell 10E Reindeer D-27 well and the first discovery was made by Imperial Oil in 1970. Imperial began

drilling offshore in 1973, and Dome Petroleum was the first to use drillships in 1976.

The first well in the Canadian Arctic Islands was completed by Dome Petroleum in 1962 on Melville Island. Panarctic began exploring for oil and gas in the Arctic Islands in 1968.

Since the early drilling in the 1920s, more than 800 wells have been drilled on the mainland in the Yukon and Northwest Territories. In addition, more than 200 wells have been drilled in the Beaufort Sea -- Mackenzie Delta area and in excess of 160 in the Arctic Islands. Currently, three gas fields, near the southern boundaries of the two territories have been put on production, and a major extension of the Norman Wells oil field is nearing completion. Interprovincial Pipelines finished a 12 inch line connection from Norman Wells to the Zama --Edmonton pipeline in early 1985.

Since 1943, the Norman Wells field has produced more than 4 million m³ of oil (25 million barrels) and the new expansion will permit average daily production rates to increase from 410 m³/d in 1984 to 2,000 m³/d. This has been the only oil production to date north of 60° but Panarctic has received approval to ship a nominal amount of oil south by tanker early in 1985.

In monetary terms, up to 1981, the industry had spent in excess of \$3.7 billion for geological and geographical works drilling and exploration research. This figure is probably over \$5 billion through to 1985 and includes the various incentives provided by the Canadian government. As one measure of the return from this expenditure, the Canadian government has received about \$120 million (to 1981) for licence fees, exploration rights fees, transfer and lease fees, rental

royalties, and other fees from NWT-based activities and another \$10 million (to 1981) from Yukon-based endeavors.

CURRENT ACTIVITIES IN THE NORTH

COGLA reports that as of 18 February 1985, two wells were being drilled for Esso in the Mackenzie Delta, two for Panarctic in the Arctic Islands, and another 12 on the mainland territories for Esso, AT&S, Forward Resources, Home, Petro-Canada, and Gulf Oil. This represents the winter drilling activity only. Both Dome and Beaudril operate from drillships during the summer in the Beaufort Sea. In addition, Amoco (Northcor farming in) Chevron, Paramount, Hunt, Pan Mackenzie, Shell, Sulpetro, Suncor, Texaco, and Westmin have exploration agreements in either the Northwest Territories or the Yukon. There are 12 seismic crews working in the North as of February 1985, and Esso and Interprovincial Pipelines (IPL) are completing the construction of the Norman Wells gathering facilities and the pipeline to Alberta.

Many of the industry participants have been operating in the territories for 20 years and some for more than 40 years. Through this involvement and experience, many policies and practices have been developed that enhance the employment and training of northerners. With the growth and evolution of the industry, however, many firms are getting involved in the North for the first time, and their northern preference commitment, experiences, and programs are often less satisfactory. In addition, there are the questions of whether the established firms could be doing more, and if so, how.

SOCIAL AND GOVERNMENTAL CONTEXT IN THE NORTH

To understand the issues surrounding employment and training of northern residents in the Canadian oil and gas industry, it is necessary to place these issues in the social and governmental context of the territories. Rather than to provide a comprehensive discussion of the evolution of government institutions in the North, the purpose here is to establish a general framework for further discussion.

Whittington, in an excellent paper (1983), provides a cogent discussion of the social and political institutional environment of the Canadian North. This paper forms the basis of the following discussion and has three parts. First, the different people of the territories are identified in very brief terms. Secondly, the causal links between the economic development patterns and the development of northern political institutions are reviewed. Thirdly, the linkage between these institutions and the separate cultures is considered. Generally, the political forms and structures that have evolved are adaptations of southern structures in response to the unique needs and cultures of the people of the North.

Whittington points out that a common error is to try to generalize about the northern people. The population of about 46,000 in the Northwest Territories is 17% Dene, 35% Inuit, 6% Metis, and 42% non-native. Of the 23,000 people in the Yukon, slightly more than 25% are Indian and Metis. There are significant differences between the natives and the non-natives as well as major differences among the native groups.

The Dene

The native Indians of the Northwest Territories, refer to

themselves as Dene. They speak several distinct languages, all of which share the Athapaskan root. People of different language groups can generally understand each other, but with some difficulty.

The geographical range of the tribe or band and, hence, the economic base of the regions that the tribes inhabited accounts for the major cultural differences among the Dene groups.

Today, differences among the Dene are probably more related to "lifestyle" (urban versus rural) than to traditional tribal distinctions. Strong differences also exist between the older people in the communities who continue to rely on a land-based subsistence economy and the younger people who, most often out of necessity, have turned either to the wage economy or to social assistance.

The Metis

The Metis of the Northwest Territories are often viewed as a group separate from the Dene even though the two have combined to bargain with the federal government on land claims. The Metis have a reasonable claim to being a distinct cultural group but one problem is developing an acceptable definition of who is, and who is not, a Metis, particularly for the purposes of land claims.

The Inuit

The Inuit live above the tree line and have had very little in common with the Dene. From Greenland to the Soviet Union, the Inuit share a common language, Inuktitut. Although there are several dialects, these are similar enough to permit communication among members of the various dialect groups. Traditionally, the Inuit were a nomadic, hunting and gathering society. Most Inuit have relied on fishing and have lived close to the sea.

For the most part, while the Inuit communities have had a longer association with the southern culture they are also more remote than the Dene and Metis communities of the Mackenzie Valley. This remoteness from the South has served to mitigate the cultural disruption engendered by contact with white society. The early fishing contacts did not impact on the Inuit culture as the fur trade did on the Dene and Metis cultures. Thus the integration of the southern culture with traditional ways has occurred at a slower pace. This is not to say that the Inuit have been free of generational and lifestyle problems, but rather that these have generally been less severe and divisive than among the Dene and the Metis.

The Inuvialuit are an important sub-group of Inuit living in the Mackenzie Delta region. They are generally more advanced economically and educationally than the eastern Inuit and were the first northern native group to sign a land claims agreement with the Canadian government.

The Yukon Indians

The native people in Yukon are Indian, primarily of the Athapaskan language group. There are no Inuit in Yukon, although the Inuvialuit of the Mackenzie Delta region traditionally hunted along the northern coast. The Indian groups are the Kutchin (or Loucheux) in the north, the Tutchone in west and central Yukon, the Teslin, Tagish, and Tlingit to the south and the Mountain Kaska and Goat along the Laird River, and in the Nahanni region. The Teslin and Tagish traded extensively with the coastal Tlingit from along the Alaska Panhandle, and developed a complex social system. The Kutchin also adopted many of the customs of the Tlingit, but were also influenced by the Inuvialuit. The Tutchone were the only group to resist Tlingit dominance, but the growing flood of newcomers after 1878 swept away most of the tribal life of all native groups. Today,

the distinctions between the Indian groups are relatively less important, and all Indians in Yukon have joined together in the Council of Yukon Indians to seek a land claims agreement.

The Non-Natives

The non-native population of the North is as diverse as the population of southern Canada, but within the context of the Yukon or Northwest Territories, the most important variable is length of residence. A significant source of conflict between the non-native and native communities is the perception among the natives that the non-natives are transient, only interested in exploiting the resources and people of the North before returning to the South.

It is useful to distinguish among different levels of permanence. The first category can be referred to as the transients. Among these, the most transient are the non-resident workers who are flown in for a work shift of a few weeks, live in work camps, and return to their homes in the South at the end of the shift. Another group are the young who migrate up the highways to work in resource development projects, mines, bars, or hotels. Finally, there is also a group who come to the Yukon or Northwest Territories for reasons of lifestyle or to "experience the North." They are often university-educated and sometimes seek employment with native organizations and community development projects. In the Yukon particularly, many stay for extended periods of time.

A second category includes those whose stay is indefinite. These include federal public servants, RCMP, bank and chain store employees, as well as employees of southern-based industries, whose stay is generally determined by their employers. For the most part, these people live in the major urban centres. Territorial public servants could also be included in this class, although they are more likely to stay for extended periods of time.

The third category includes whites who have chosen to make their permanent homes in the North. Most of these are small business and professional people. This group is politically significant and sets the political tone for the non-native segment of the population in both territories. They view the North as their home and feel strongly about their stake in its future.

The Native Value System and the Political Culture of the North

Although the basic political values, the institutions, and the dominant patterns of political attitudes are essentially those that the white residents imported with them from the South, the political culture of the territories is distinctive to the extent that the traditional value system of the native community influences the basic values of the white community in the North. The most significant difference between the political values of the natives and whites in the Yukon and Northwest Territories is that both the native people place a much higher value on collectivity, namely the community, than they do on the individual. This collectivism is rooted in the precarious nature of life in traditional hunting and gathering societies where the survival of the extended family and tribe is more important than the fate of the individual. A corollary of this basic concept of the social structure is the weakness of the notion of private property, replaced with the principle of community sharing. Individuals do not own things but rather they simply use them. This concept is especially prominent in the native concept of the land. In both the Dene or Indian and Inuit cultures, the land and its resources are held in reverence, because the survival of the community depends on the fruits of the land.

Thus, the native people approach the world around them as a homeland to which they must adapt in order to survive, rather than as the frontier that must be conquered and adapted to human use. Part

of the native opposition to non-renewable resource development in the North is the very practical fear that such developments do irreparable harm to the environment and, thus, to the renewable resources upon which the native economy and the traditional way of life depend. Although this concern has decreased over the past several years, it remains an important underlying consideration.

A logical extension of this collectivist view is the commitment to consensual modes of decision making. Everyone in the community has the right and an obligation to participate in political decisions.

The influence of the native cultures on the structure of government in the two territories has varied dramatically. There has in fact been little influence in Yukon for three reasons:

- by far, the majority of the population are non-native (75%);
- the introduction of the white culture was essentially first through the Klondike gold rush, and many of the migrants from the South stayed to establish their own "southern" culture and to own and operate mines; and
- this, together with further development resulting from the building of the Alaskan Highway, meant that the traditional culture and lifestyle of the native people were irreparably altered.

The native communities were relocated next to the highways so that society would be better able to help the natives with the social problems with which they were beset after the loss of their traditional lifestyles.

The Yukon Territorial Government with its predominantly white population developed along typical southern governmental lines based on the concepts of "one government for all Yukoners" and "equal opportunity for all."

Economic and political development came much later to the Northwest Territories. The initial interaction with the white society for the Mackenzie Dene was through fur trading, an activity that generally complemented the traditional economy. In the eastern Arctic, the principal contact was through the Church, the RCMP, and the Hudson's Bay Company. These institutions did not threaten the native society the same way as did development in the Yukon, for "...in the early years in the NWT, the whites were there because of the natives and in the Yukon they were there in spite of the original inhabitants". (Whittington 1983).

Until 1967, the Northwest Territories was administered completely out of Ottawa by federal civil servants. In that year, the Government of the Northwest Territories (GNWT) was moved to Yellowknife, and elected representatives were added to the Territorial Council. Over time, the appointed representatives have all been replaced by elected officials, and now the role of the Commissioner is more ceremonial. (In contrast, despite shifts in levels of responsibility, the Executive Council in the Yukon has been fully elected since 1908, and the capital has been in the Territory since 1898).

The native groups constitute a majority of the population in the Northwest Territories, and now that the Dene participate fully in the Legislative Assembly, the native groups have a majority of members in both the Assembly and its Executive Council.

The GNWT operates much more on a consensus basis than that of the Yukon; and political parties have yet to become a part of GNWT elections. Also their committee structures are more oriented toward consensus building. For example, the Constitutional Alliance, a body formed to explore the possibility of the division of the Northwest Territories, is a coalition of native groups and the Legislative Assembly.

The Yukon civil service evolved earlier than that of the Northwest Territories, and partly because of the sizable non-native population, developed more local autonomy. The latter, however, is now more decentralized to reach its very diffuse population, and has a policy of indigenization.

The Government of the Northwest Territories

The GNWT will approve a resource development project when the overall economic, social, and environmental implications are judged to result in a net benefit to its people. With regard to employment and training, the GNWT applies the following criteria:

- "- NWT residents shall have the right of first refusal on all jobs for which they are qualified or for which they can be trained prior to start up, so that the NWT unemployment rate can be brought into line with that in the remainder of Canada and so as to reduce the social and economic disadvantages to which many NWT residents are subject.
- Industry shall cooperate with GNWT and other agencies in developing a manpower delivery plan.
- Industry shall cooperate with GNWT to encourage unions to meet preferential hire requirements for NWT residents.
- Industry, in concert with GNWT, shall develop training programs to develop a pool of qualified labour.
- Industry shall develop, in consultation with the GNWT, career counselling and orientation programs for NWT and other workers.
- Industry shall attempt to instill in each group an appreciation of what may be new working and living experiences.
- Industry shall recognize the importance of renewable resource harvesting activities to some NWT workers, and where possible, accommodate work schedules for NWT workers who want to continue their participation in these activities. Industry shall examine various means to achieve this objective.

- Industry shall stress the concept of transferability of skills when developing training programs." (GNWT 1983)

To help facilitate the process, the GNWT has established Development Impact Zones (DIZ), where a zone is a group of communities or geographic areas experiencing or expecting to experience extraordinary or adverse effects as a result of resource development. Each DIZ Group is made up of representatives of each community in the DIZ, and the various native organizations that have a direct interest in the area. Their mandate is to liaise with the communities, to identify local impacts, and to recommend mitigative measures.

Government of Yukon Territory

The Government of Yukon's (YTG) position paper on Beaufort development proposals expresses its overall policy on oil and gas development in the North as follows:

- "- The Government of Yukon supports the recruitment of Yukon residents for jobs in Beaufort development projects. It holds that the jobs available to Yukoners should be stable and should have the potential to start employees on long-term career paths. It views an increase in the number of Yukoners employed in the Beaufort as being consistent with its primary goals of promoting the diversification, orderly expansion and stability of the Yukon economy.
- The Government of Yukon expects that the manpower requirements of the Beaufort operators will be identified with sufficient lead time to allow the government to channel potential employees into suitable training programmes.
- The Government of Yukon is prepared to work with industry and with the federal government in establishing job training, upgrading, apprenticeship and specialized skills training programmes. It holds that both governments and industry have responsibilities to ensure that no Yukoners are barred from employment because of the absence of suitable training opportunities.

- The Government of Yukon expects the major operators to disseminate information about job opportunities in Yukon communities. It sees school career days, recruitment drives and advertising as being among the more successful ways of doing this, and it is encouraged by the present activities of the industry in this regard.
- The Government of Yukon strongly favours the rotation of Yukon workers from their home communities in Yukon. It is an objective of the Government of Yukon to strengthen the social and economic structure of our communities and the ability of Yukoners to rotate from their Beaufort jobs to their Yukon residences supports this objective. The Government of Yukon views job rotation from Yukon communities as being an extension of a programme that is already operating successfully in the Beaufort Sea area communities.
- The Government of Yukon strongly encourages the proponents of Beaufort development to facilitate the employment of native Yukoners and women. In particular, it supports the development of work schedules that would allow native people to engage in their traditional pursuits of hunting, fishing and trapping." (YTG 1982)

In both territories, the departments of Education play the major role in delivering training programs in their communities.

The Federal Presence

The Department of Indian Affairs and Northern Development (DIAND), also known as Indian and Northern Affairs, Canada (INAC) has had full responsibility for the territories. Both legislative assemblies report functionally to the Minister of Indian and Northern Affairs, and the department is ultimately responsible for the territorial budgets. Over time, as the territories have evolved toward provincial status, responsibilities have been transferred from the federal to the territorial level. This process has resulted in considerable duplication of responsibilities. In one sense, this is natural because each territory must build the capability to manage a particular responsibility before it can assume fully the duties. Also,

the choice of activities to be transferred, and the timing of these transfers are determined by an ongoing political process. As a result, the duplication is extensive and this causes more than a little confusion.

The general mandate of the Canada Oil and Gas Lands Administration (COGLA) is to manage oil and gas exploration and development in the Canada Lands, and in the Territories. COGLA reports to the Minister of Indian and Northern Affairs. The Canada Benefits Branch advises operators on possible means whereby Canadians can be assured full and fair access on a competitive basis to the industrial and employment benefits arising from exploration programs.

The Branch requires operations to file a Canada Benefits Plan and once a Plan is found to be satisfactory by the Minister and a work program is approved or specific activity authorized, the operator's activities are to be monitored by the appropriate government organization to ensure the anticipated benefits are realized. The Minister may require that any plan submitted to him includes affirmative action programs to ensure that disadvantaged individuals or groups have access to training and employment programs. One of the main areas of overlap and confusion concerns determining which is the appropriate government organization to ensure that training and employment programs are implemented.

The Canada Employment and Immigration Commission (CEIC) also has a major role to play. It advises COGLA on the employment and affirmative action plans submitted by the operators. Its regional offices have a large job placement function, and CEIC also acts as the financier for many of the training programs delivered in the North.

FUNDAMENTAL UNDERLYING FACTORS

The question of the effectiveness of northern employment and training efforts in the oil and gas industry is a complex one because each activity or program has its own unique identifying characteristics. There are, however, some broad underlying factors. The first factor is the high degree of uncertainty inherent in the industry, particularly in the exploration phase that currently dominates activities north of 60°. Exploration programs essentially depend upon:

- the federal government's energy policy. (e.g., National Energy Policy (NEP), Western Accord);
- the world price of oil;
- the results of the exploration activity in the previous years; and
- financial and strategic decisions at head office.
(i.e., where does northern exploration fit in their national or worldwide exploration and capital investment programs?)

It should be remembered that in contrast to the massive expenditures by industry and government to date in the North, only Esso's Norman Wells operation and the three gas fields along the southern boundary have generated any revenues for the industry. This long lead time before any payback to exploration expenditures only adds to the uncertainty.

The second factor is the size and remoteness of the geographical area involved, which means that a particular activity can have a major influence on a single community yet not affect any other communities. Also, any programs, from basic education to life skills training and industry specific courses, will be expensive to deliver to the dispersed communities. For example, few communities in the Northwest Territories have high schools, yet it is generally

accepted that to be most effective and useful, most education and training should be delivered in the communities.

Discussion of the various underlying factors and barriers must be sensitive to differences within both communities and projects. For example, permanent camps have been established in Tuktoyaktuk by Dome, Esso, and Beaudril for staging their Mackenzie Delta and Beaufort Sea exploration efforts. Esso has land-based and offshore programs; Beaudril currently operates in relatively shallow waters; and Dome has deep sea operations further offshore. Despite these differences and the seasonality of the exploration programs, however, the relative permanence of their camps means the companies have an ongoing interaction with the nearby communities, particularly Tuktoyaktuk. (The employees in the camps on the other hand have strictly limited access to the town.) Over time, these companies have built up a sizable and well-qualified northern component in their labour force. Thus, further employment opportunities exist only at the margin where vacancies are created by advancement, turnover, or expansion in the size of the exploration program.

Seismic activities are more transient; one company may operate near one community one season and then, because it has been awarded subcontract work by another company, will move on to another region the following season. They may, however, be in one area for several seasons. Firms involved in pipeline construction are the most transient because they will only be in a particular area for as long as it takes to finish the pipeline through that area; usually less than two years.

The relative permanence of a program in a particular area has a major effect on the perceived quality of northern hire efforts. First, most companies have adopted the policy of hiring first from the communities most affected by their activities. During the first year

of operation in a new area, the northern work-force for any one company will essentially consist of new hires. Turnover is often fairly high in these situations because both employers and employees explore their compatibility. In subsequent years, many of the people with good employment relationships will return. This natural filtering process and stabilizing of the work-forces should create higher levels of satisfaction with both the quality of the northern work-force and the company's employment policies.

A final point is the definition of a northerner - the individual toward whom the northern employment efforts should be targeted. COGLA uses the Revenue Canada definition of a northerner i.e. a resident in the Yukon Territory or in the Northwest Territories, at year-end. CEIC has adopted the working definition of having an established northern residence, but at times stresses its national mandate to assist all Canadians. For other agencies and for several companies, a six-month or one-year residency requirement are reasonably common. For the purposes of this study, all these definitions are reasonably consistent with only minor changes at the margin. What is more important is the distinction between sub-groups of northerners such as between residents of the Yukon and Northwest Territories. Also within the classification of northerners are the designated target groups, that is native people, women, and disabled persons. Specific government programs are designed for these designated target groups, particularly native people. In general conversation, the term "northerner" is often used synonymously with "native person." In this report, northerner refers to a person with a northern residence as already defined. When it is important to distinguish between native and non-native northerners, this distinction is made.

LABOUR DEMAND AND SUPPLY

One of the key issues identified at the industry-government workshop held as part of this study was that the companies lack information about the skills available in communities close to their job sites, and conversely, that applicants lack information concerning the numbers and types of jobs available from the petroleum industry. Unfortunately, there is very little information at present available to allow for in-depth analysis of the demand and supply for labour, particularly on a community basis. There are a number of inconsistencies among oil companies in the definitions used to collect statistics. For example, the definitions of northerner and employment are inconsistent across companies. In addition, some oil companies include contractors in their figures and others do not. In terms of the supply of labour, the definitions used by Statistics Canada for labour force (which include all people over 15 years old) and employment (which focused on full-time, permanent employment) are not as appropriate to the North as they could be. Nevertheless, while the figures available are not completely accurate, an impression can still be gained of the issues and problems in the northern labour pool.

The first point to be made about the demand for labour is that petroleum-related employment for the five major employers in 1983 amounted to about 4,600 people (Table 1.) This compares to total employment in all industries in the Northwest Territories of 18,910 and in the Yukon of 12,850. (This 4600 figure includes employment by Dome, Esso, Gulf, Petro-Canada, and IPL. There are other smaller players that are not included, so overall employment is underestimated. At present, there are at least nine additional rigs contracted to small operators, and five additional seismic crews. In assessing employment impact however, it must be remembered that many petroleum industry jobs are short-term and seasonal.)

Employment of northerners as a proportion of total employment among the major companies averages about 36% (Table 1). This average disguises significant differences, however, among different companies and different communities. Larger petroleum firms generally have programs in place to encourage the employment of local residents. These may be costly to administer, and it is not clear that contractors and sub-contractors have the resources to undertake such efforts on their own. As illustrated in Table 2, the more accessible centres such as Inuvik, Tuktoyaktuk, and Yellowknife gain significant benefits from oil and gas employment, but smaller isolated settlements still have very few petroleum employees.

Given current unemployment levels of 10-12%, the question that must be asked is whether this supply of labour can be matched to the needs of the oil and gas sector. The following discussion looks at the existing labour force and its characteristics to determine if there are indeed any similarities between the labour supply and what is required by the petroleum industry.

The total potential labour force (individuals 15 years of age and over) in the Northwest Territories as of the 1981 census was 26,670, of which 1,385 individuals were unemployed and 9,025 were not actively looking for work. Out of the total labour force in the Yukon of 16,990 in 1981, 975 were unemployed and 4,030 were not in the active labour force.

For a variety of reasons, the potential labour force statistics can be misleading. Not all of the people in the potential labour force are interested in, or able to participate in, the petroleum industry. For example, most companies do not employ those under age 18, and most men over age 45 are not attracted to oil and gas employment because they either have employment in their communities or wish to maintain a traditional lifestyle harvesting resources. Similarly, many older women have family commitments and are not interested in

TABLE I

Northern Employment

Firm	Total employment	Northern employment	Northerners (%)
Petro Canada	220 (a)	75 native positions ^(a)	34.0
Gulf/Beaudril	589 (b)	185 ^(c) (103 native)	31.4
Esso/Home Oil Beaufort Operations	418 (d)	143 ^(d)	34.2
Esso-Norman Wells Project	909 (e)	439 ^(e)	48.3
Dome/Canmar	1,288 (f)	388 ^(f)	30.0
IPL	1,166 (g)	not available	not available
Total	4,590	1,230	36.0^(h)

- (a) 1982 estimate representing average employment. Not clear whether this figure includes contractors. Also not clear whether non-native northerners are covered.
- (b) 1983 figure representing peak employment. Includes contractors.
- (c) In addition, there are 7 northerners (2 native) now residing in the South.
- (d) 1983 figure representing average employment. Includes contractors. From Esso's Canada Benefits Annual Report - 1983, Figure 13.) 1984 employment was 220 people on average.
- (e) 1983 figure representing monthly average work force. Includes contractors. (From Figure 3 of Esso's Socio-Economic Annual Report, Norman Wells Project, 1983.)
- (f) 1983 figure, representing peak employment. Does not include contractors. (Source is section 4.1.2, 1982 Beaufort Sea Operations Evaluation.)
- (g) 1982 figure representing peak employment.
- (h) Does not include IPL total employment for the purposes of calculating average northern employment.

TABLE 2

Petroleum Employment Versus Potential Labour Force, by Northern Community, 1981

Community	Petroleum employment (positions) ^a	Potential labour force,(15-45 yr)			Potential labour force (15+) with more than gr. 9 education
		M	F	T	
Beaufort/Delta	660	1,930	1,755	3,685	2,780
Inuvik	265	1,020	885	1,905	1,785
Aklavik	83	160	185	345	220
Tuktoyaktuk	128	215	180	395	240
Fort McPherson	89	160	160	320	220
Arctic Red River	3	25	20	45	20
Paulatuk	6	55	40	95	40
Sachs Harbour	21	35	35	70	45
Holman Island	17	75	80	155	45
Coppermine	48	185	200	385	180
Mackenzie	458	1,025	875	1,900	1,360
Fort Liard	-	95	80	175	50
Fort Simpson	26	280	245	525	430
Jean Marie R.	-	15	5	20	15
Nahanni Butte	-	30	15	45	10
Trout Lake	-	15	10	25	5
Tungsten	2	110	70	180	195
Wrigley	5	30	30	60	40
Colville Lake	-	10	5	15	-
Fort Franklin	55	125	135	260	125
Fort Good Hope	29	110	105	215	115
Fort Norman	31	55	60	115	85
Norman Wells	310	130	105	235	245
Port Radium	-	20	10	30	40
Great Slave	414	5,790	5,275	11,065	11,090
Enterprise	-	10	15	25	35
Fort Providence	9	155	125	280	190
Fort Resolution	3	135	95	230	145
Fort Smith	59	655	625	1,280	1,335
Hay River	77	805	755	1,560	1,655
Kakiska	-	5	5	10	-
Paradise Gardens	-	20	30	50	20
Pine Point	20	560	485	1,045	1,100
Detah	-	20	15	35	20
Lac La Martre	-	60	45	105	15
Rae-Edzo	6	305	275	580	270
Rae Lakes	-	40	20	60	20
Reliance	-	5	-	5	unknown
Share Lakes	-	10	-	10	5
Snowdrift	-	65	40	105	60
Yellowknife	240	2,940	2,745	5,685	6,220

Table 2 (cont.)

Community	Petroleum employment (positions)	Potential labour force (15-45 yr)			Potential labour force (15+) with more than gr. 9 education
		M	F	T	
Eastern Arctic		505	435	940	405
Resolute	-	85	40	125	45
Arctic Bay	-	85	80	165	90
Pond Inlet	-	160	150	310	115
Igloodik	-	155	140	295	125
Grise Fiord	-	20	25	45	30
NWT unspecified	130				
Total NWT	1,673^b	9,250	8,340	17,590	15,635
Total Yukon	146^b	6,805	6,405	13,210	14,860

Sources: Canada Benefits Submissions, Dome, Esso, Gulf, 1983.
Statistics Canada, Catalogues 93-X-948, 93-X-947.

^a Based on number of positions of varying duration. Therefore, employment benefits may be overstated.

^b Includes employment at Dome, Esso, and Gulf. Petro-Canada and IPL figures were not broken down on a community basis. Total northern employment is higher than that illustrated in the Table because the community breakdown used here by Esso is based on its total annual employment; the figure in the Table 1 is based on a monthly average of employment.

Note: The potential labour force (15 yr or older) with more than a Grade 9 education may be greater than the potential labour force (15-45 yr) (i.e., Norman Wells, Tungsten) because of the inclusion of people over 45 years old with more than a grade 9 education.

taking employment away from their communities. These last two examples are especially true of the native people in the smaller communities in the Northwest Territories. Many of the Yukon unemployed are skilled, experienced workers from the mining industry and are more willing to relocate.

Education is another factor that can act as a barrier to the employment of northerners. Most petroleum industry jobs require a functional education level of grade 9 or higher. Although oil companies have been fairly liberal about accepting equivalents gained through experience, there are many basic language and mathematical skills that are difficult to pick up outside of a school environment. Furthermore, if a large number of workers are taken on as trainees who do not have educational qualifications necessary to advance, the lower ranks will become plugged and will present a barrier to the training of further workers. Also, in the Northwest Territories, acquired skills are often less than what is indicated by education achievements levels. Results on standardized educational achievement tests such as the Test for Adult Basic Education are on average, about 2 years below the formal education levels achieved. There are also considerable differences between native and non-native education levels in the affected regions; 40-50% of the former have less than grade 9 education, as compared to less than 5% for non-natives.

Some account must also be taken of the regional placement of these individuals. Most of the labour supply comes from areas closest to oil and gas developments because of the high transportation costs. Table 2 presents a break-down by region and community, of numbers of individuals currently employed by the petroleum industry, and compares them to the labour force available aged 15-45 years (the closest classification to our requirements available from Statistics Canada) and the labour force available 15 years and older with an education of grade 9 or higher. These figures may overstate the

petroleum employment in Inuvik and Norman Wells because these statistics may show point of hire rather than home community. Thirty per cent of the labour force eligible on an educational basis in the Beaufort -- Delta region are already employed with oil and gas firms; the corresponding figure for the Mackenzie region is 33%. Taking the needs of other industries into account, this appears to be a sizeable percentage. However, there appears to be more slack in the Great Slave, Eastern Arctic, and Yukon regions, however the companies must incur substantial transportation premiums to employ residents of these areas. With a relatively skilled work-force and improved road and air links between Whitehorse and the Mackenzie Delta, the Yukon has the greatest potential of these regions.

Finally, the petroleum industry requires many specific and highly technically skilled workers such as welders, pipefitters, and electricians. Very few data are available on specific skills, and occupational data from Statistics Canada have had to be used as a proxy. Table 3 presents statistics on the labour force in each community and region who have occupational skills that might be appropriate for oil and gas industry employment. Table 4 indicates the numbers of unemployed workers who have some of these skills. Although there appear to be an adequate number of skilled individuals on a territory-wide basis and in some major centres in the Yukon and Northwest Territories, there are many smaller centres that have few workers with appropriate skills.

Table 5, taken from the 1983 Beaufort Sea -- Mackenzie Delta Environmental Impact Statement (EIS), illustrates the quantities of labour with various skills that may be required by the proponents (Dome, Esso and Gulf) in future years. Table 5 does not have the same skill break-downs as Table 3 and therefore is not directly comparable. Another drawback is that it shows only total supply and demand, rather than incremental changes from 1981 to 1987, or 1991.

TABLE 3

Occupational Breakdown by Northern Community, 1981

Community	Occupation				
	Adminis- trative and managerial	Clerical and related	Machining, product fabricating and related	Construc- tion trades	Trans- portation equipm't operating
Beaufort/Delta	285	415	180	205	175
Inuvik	205	265	110	115	95
Aklavik	10	30	25	20	15
Tuktoyaktuk	20	25	15	15	15
Fort McPherson	10	25	-	20	10
Arctic Red River	-	5	-	5	-
Paulatuk	-	5	5	5	10
Sachs Harbour	5	10	-	-	10
Holman Island	10	20	15	5	5
Coppermine	25	30	10	20	15
Mackenzie	140	135	80	230	70
Fort Liard	5	15	5	40	10
Fort Simpson	50	20	30	70	15
Jean Marie R.	-	-	-	10	-
Nahanni Butte	-	-	-	5	-
Trout Lake	5	-	-	-	-
Tungsten	10	15	20	15	5
Wrigley	-	10	-	-	-
Colville Lake	-	-	-	-	-
Fort Franklin	15	15	-	20	5
Fort Good Hope	10	10	-	5	5
Fort Norman	5	5	5	10	10
Norman Wells	35	35	15	25	20
Port Radium	5	10	5	10	-
Great Slave	1,250	1,955	640	765	495
Enterprise	-	-	-	5	5
Fort Providence	20	20	10	25	10
Fort Resolution	15	20	-	10	5
Fort Smith	115	190	60	95	40
Hay River	145	320	130	165	135
Kakiska	-	-	-	-	-
Paradise Gardens	-	5	5	5	-
Pine Point	35	120	170	95	45
Detah	-	-	5	-	-
Lac La Martre	-	-	5	-	-
Rae-Edzo	20	15	5	15	20
Rae Lakes	-	-	-	-	5
Snake Lake	-	-	-	-	-
Snowdrift	5	10	-	5	5
Yellowknife	895	1,255	250	345	225

TABLE 3 (cont.)

Community	Occupation				
	Adminis- trative and managerial	Clerical and related	Machining, product fabricating and related	Construc- tion trades	Trans- portation equipm't operating
Eastern Arctic	45	70	25	60	45
Resolute	5	10	5	5	5
Arctic B.	5	15	5	10	10
Pond Inlet	20	25	5	20	10
Igloolik	15	15	5	20	10
Grise Fd.	-	5	5	5	10
Total NWT	2,165	3,300	1,180	1,720	1,030
Total Yukon	1,470	2,410	905	1,240	635

Note: For reasons of confidentiality, Statistics Canada rounds data to the nearest multiple of five.

TABLE 4**Northern UIC Claimants With Skills Applicable to Petroleum Industry,
and Yukon, February 1985**

Occupation	No. of UIC Claimants	
	Yukon	NWT
Welders and flame cutters	24	17
Electricians	28	n.a.
Truck drivers	115	28
Heavy equipment operators	198	62
Construction labourers	61	303
Plumbers and Pipefitters	12	n.a.

n.a. = not available

Sources: NWT Labour Market Review, Employment and Immigration Canada, October 1984. Rob Smelzer, Economic Services Branch, Employment and Immigration Canada, British Columbia/Yukon Region, 15 February 1985.

TABLE 5

Beaufort Sea Planning Model: Comparison of study area labour supply and Beaufort development labour demand in 1987

Classification	Supply of labour by zone					Beaufort labour demand under various scenarios							
	Beaufort Delta	Mackenzie Valley	Great Slave	Northwest Passage	Total	Tanker only % of Total supply	16" pipeline % of Total supply	Tanker/pipeline % of Total supply	42" pipeline % of Total supply	Total supply	Total supply	Total supply	Total supply
Management, admin.	329	99	1,165	293	1,887	258	13.7	265	14.0	217	11.5	440	23.3
Clerical occup.	416	190	2,014	551	3,171	232	7.3	232	7.3	274	8.6	243	7.7
Service occup.	670	191	1,363	534	2,758	715	25.9	690	25.0	860	31.2	1,630	59.1
Mining, oil & gas	90	75	440	52	656	423	64.5	433	66.0	433	66.0	755	86.9
Processing	14	21	148	46	230	72	31.3	56	24.3	104	45.2	356	154.8
Machining	13	0	113	23	149	146	97.9	140	93.9	140	127.5	233	156.4
Excavating	52	92	143	46	333	135	40.5	135	40.5	210	63.1	2,091	627.9
Electrical power	39	21	170	63	294	243	82.7	228	77.6	290	98.6	897	305.1
Construction	375	308	1,325	661	2,669	522	19.6	484	18.1	854	32.0	3,322	124.5
Trans. equipment	181	84	535	213	1,012	1,361	134.5	1,266	125.9	1,619	160.0	1,651	163.2
Materials Handling	63	16	212	75	366	378	103.3	370	101.1	443	121.0	1,265	345.6
Other classifications	<u>1,105</u>	<u>553</u>	<u>3,753</u>	<u>1,453</u>	<u>6,865</u>	<u>816</u>	<u>11.8</u>	<u>824</u>	<u>12.0</u>	<u>443</u>	<u>6.5</u>	<u>3,121</u>	<u>45.5</u>
Totals	3,350	1,650	11,380	4,010	20,390	5,309	26.0	5,123	25.1	5,937	29.1	16,004	78.5

Source: Beaufort Sea - Mackenzie Delta Environmental Impact statement;
Supplementary Information, Socio-Economic Issues, 1983

Note: Estimated in 1983, scenarios and employment figures may no longer be appropriate.

TABLE 5 (continued)

Beaufort Sea Planning Model: Comparison of study area labour supply and Beaufort development labour demand in 1991

Classification	Supply of labour by zone					Beaufort labour demand under various scenarios							
	Beaufort Delta	Mackenzie Valley	Great Slave	Northwest Passage	Total	Tanker only		16" pipeline		Tanker/pipeline		42" pipeline	
						Total	% of supply	Total	% of supply	Total	% of supply	Total	% of supply
Management, admin.	366	112	1,251	346	2,076	192	9.2	207	10.0	270	13.0	614	30.4
Clerical occup.	462	214	2,163	652	3,491	187	5.4	187	5.4	221	6.3	514	15.4
Service occup.	744	215	1,464	631	3,055	509	16.7	502	16.4	703	23.0	2,212	70.1
Mining, oil & gas	100	84	472	61	718	366	51.0	401	55.8	519	72.3	1,585	230.7
Processing	16	24	159	54	254	76	29.9	60	23.6	116	45.7	2,060	851.2
Machining	15	0	121	27	163	66	40.5	66	40.5	95	58.3	849	544.2
Excavating	58	103	154	54	369	--	--	--	--	75	20.3	1,778	506.5
Electrical power	43	24	183	75	325	204	62.8	170	52.3	257	79.1	719	232.7
Construction	416	347	1,424	781	2,968	263	8.9	239	8.1	375	12.6	2,449	86.7
Trans. equipment	201	94	574	251	1,121	1,079	96.3	957	85.4	1,384	123.5	2,809	263.3
Materials Handling	70	18	228	88	404	199	49.3	199	49.3	250	61.9	1,539	399.7
Other classifications	<u>1,227</u>	<u>623</u>	<u>4,032</u>	<u>1,618</u>	<u>7,600</u>	<u>428</u>	<u>5.6</u>	<u>458</u>	<u>6.0</u>	<u>483</u>	<u>6.4</u>	<u>1,885</u>	<u>26.0</u>
Totals	3,720	1,860	12,225	4,739	22,544	3,569	15.8	3,446	15.3	4,748	21.1	19,013	88.5

It also does not include the Yukon labour supply. (Table 4 should give some idea of the surplus skills at present available in the Yukon that might be transferable to the petroleum industry.) Even at the lowest level of development, the demand for particular skills such as operating transportation equipment and handling materials far exceeds the supply in the Northwest Territories.

In conclusion, although there are many persons unemployed in the territories, they cannot in any simple or easy way be matched to existing employment opportunities in the oil and gas industry. Because many of the companies have established northern workforces, opportunities exist only at the margin, i.e., vacancies created by advancement of others, turnover, or new companies beginning operation. In the absence of any major new program such as either an oil or gas pipeline from the Mackenzie Delta, and now that IPL has completed the pipeline from Norman Wells to Alberta, the total employment in the industry will probably decline in the next few years.

New employment, should it be required, will probably require either higher transportation costs or specialized training, and possibly both. (The reader is referred to Appendix 2 for a more detailed discussion of the labour demand and supply issues.)

BARRIERS TO NORTHERN EMPLOYMENT

A conceptual framework for understanding the diversity and complexity of barriers to northern employment provides another context for exploring northern employment issues.

The ultimate objective of northern employment programs is to have northerners play a significant role (both participation and management) in the industrial development of their regions just as Albertans took an increasingly important role in the development of the oil industry in Alberta in the 1950s (Texan accents are much less noticeable in Calgary now). At present, some northerners generally have difficulty accessing employment opportunities, whether it is initially obtaining a job, holding the job, or gaining promotion to a higher level position.

The approach taken here is to identify and examine the factors behind those difficulties, i.e., the barriers that inhibit or preclude successful employment of northerners. A conceptual model is presented that highlights the interacting and mutually reinforcing nature of the barriers. An effort is made to identify which people or groups are affected by which barriers, and to discuss the various programs to alleviate these barriers. (This model is presented in more detail in Appendix 4.)

A BARRIERS MODEL

There are some relatively discrete steps in any employment sequence. Problems or barriers at any step in the sequence will become magnified at subsequent steps. It is useful to look at what creates a block at each step. For example, why is there a lack of basic education and what causes an inability to obtain training?

The first step in the employment process is obtaining a good basic education (Figure 1). If the lack of a basic education is a major barrier to someone, that person will face additional reinforcing barriers throughout the employment process. Without this formal education, people generally lack fundamental communication and computational skills. These skills are often necessary to perform entry level positions, and are invariably needed to undertake on-the-job training for job advancement. They become more important as one moves up the promotional ladder where supervising and working with written reports become a larger component of the job. Figure 2 illustrates the cumulative effects of a lack of basic education.

The Northwest Territories, where a disproportionate part of the population have not completed their basic education, has the lowest level of schooling in Canada. This situation is much more prevalent among the dominant native population than among other groups. To a lesser extent, this problem also applies to the Yukon, and again primarily with respect to the native population. One of the fundamental factors behind this lack of basic education is the sparse population spread over a vast geographic territory. A second factor relates to the differences in culture and lifestyle. The formal education is not an integral part of the native cultures as it is in the non-native cultures because knowledge was primarily transferred to the younger generation by the family and the elders. Moreover, topics studied have limited relevance in a traditional lifestyle -- which involves hunting, fishing, trapping, and related pursuits. Thus, in some native communities school, a high absentee rate is a major problem. Both factors also have major effects on the problems encountered at the other steps.

Three other fundamental problems create barriers at each stage of the employment process: large geographical distances and sparse population; cultural and lifestyle differences; and attitudes and policies of the employer. The first of these is illustrated in Figure 3.



Figure 1. Steps in the employment process.

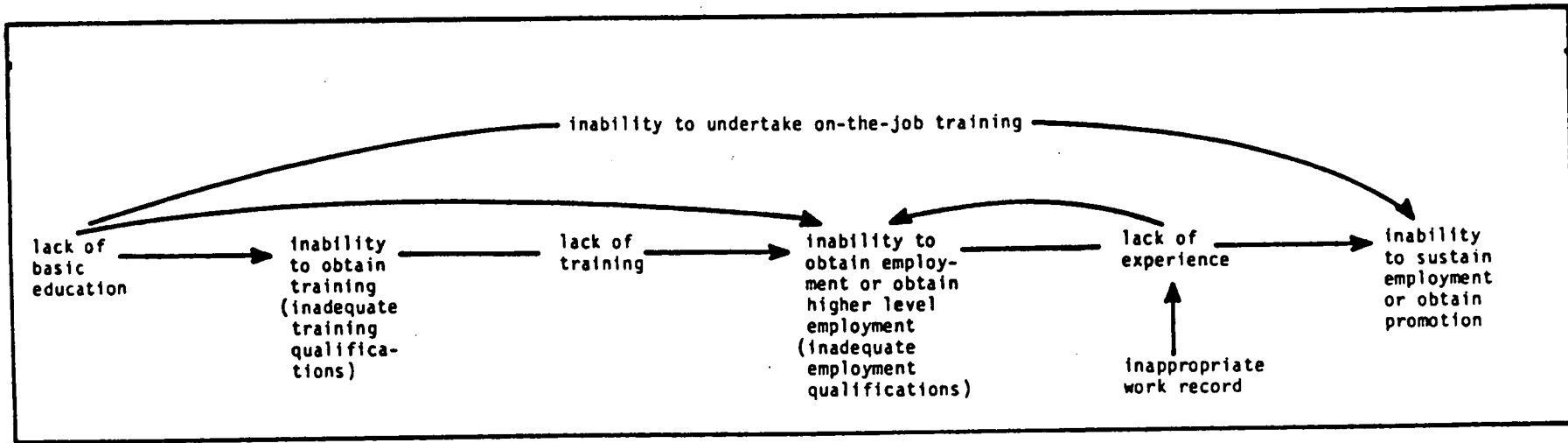


Figure 2. Barriers related to education, training, and experience.

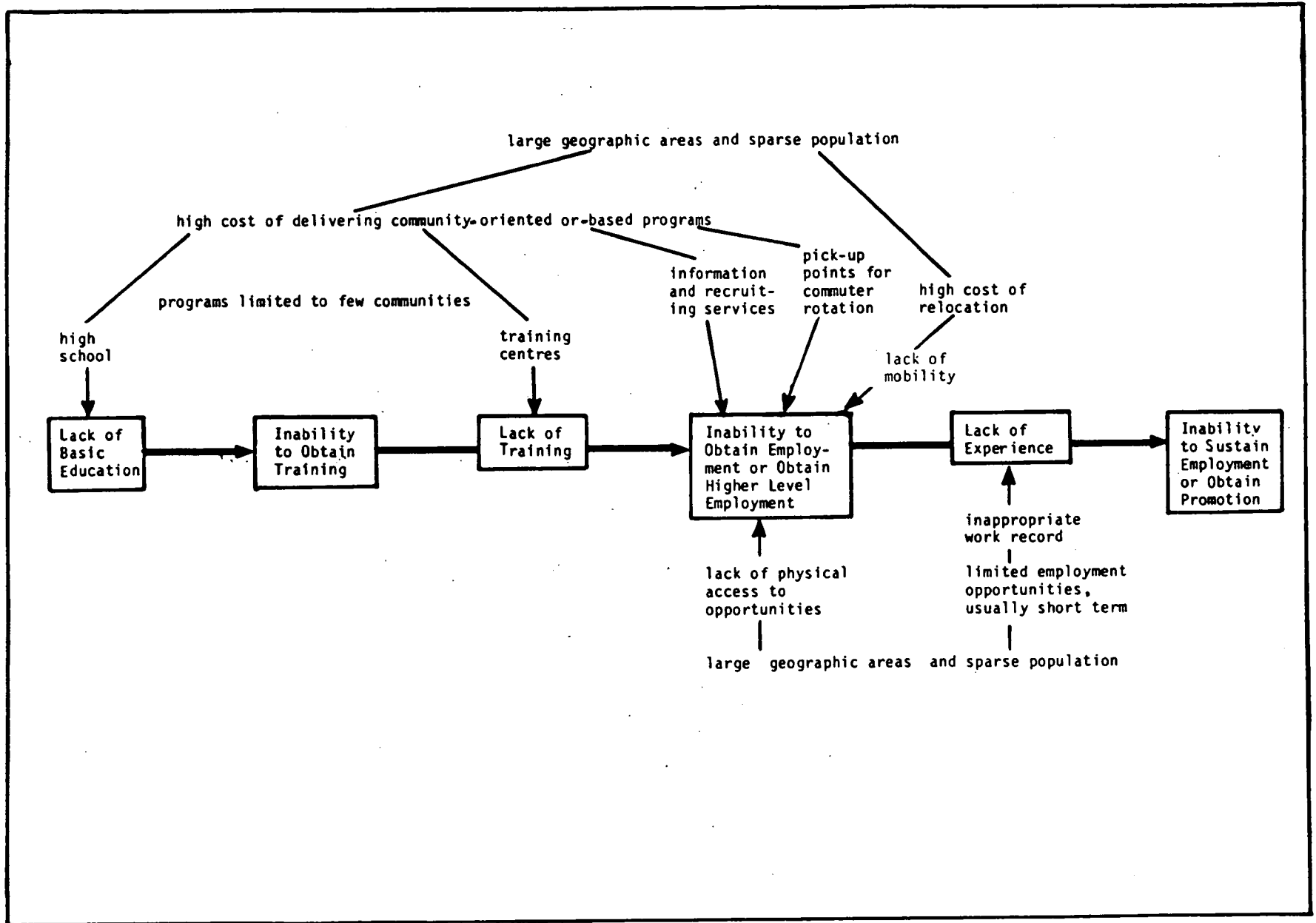


Figure 3. Barriers related to large geographic areas and sparse population.

The small size of the native communities in particular means that it is prohibitively expensive to have a high school in each community, and most native children in the western Northwest Territories must go outside their home community to complete Grade 12 because only Yellowknife, Inuvik, Hay River, Fort Smith, and Pine Point have the full complement of grades. Many of the communities have schools that go only to Grades 6 or 8, levels which do not even qualify the students for many of the training programs. This problem is not as large in the Yukon because almost all communities have schools that go to Grade 10, and many have schools that go further.

Community-oriented and community-based training programs are also expensive to deliver because of the large geographic areas, which means that the programs are often limited to a few of the larger communities.

Similarly, job rotation programs with transportation to the employees' home communities can quickly become very expensive unless the company can attract enough qualified workers from each community. This situation is because of the poorly developed and narrowly defined transportation corridors, long travel distances, and circuitous transportation routes in the North. For example, it is less expensive for Panarctic to draw workers from Edmonton to its operations in the High Arctic (\$440 return/person) (as of Nov. 1984) than from Pond Inlet and Arctic Bay, their two target communities (\$939 return/person assuming a full planeload of 13 employees). If Panarctic were able to recruit six employees from the very small work-force at Grise Fiord, their transportation cost would be nearly \$1,800 per person. Similarly, some Yukon workers in either the Mackenzie Delta or Norman Wells areas have found it more convenient to relocate to Edmonton from Whitehorse and commute to work from there (thus ceasing to be northerners) because of the travel times involved.

The sparse population, particularly in the Northwest Territories, has also meant limited employment opportunities, typically of a short-term or seasonal nature and, thus, it has not been possible for many northerners to develop experience without relocation.

The two territories have a unique richness and vitality from the mix of different cultures and lifestyles which must be supported and encouraged by all involved in the North. However, there are barriers to northern employment that derive from cultural differences. Figure 4 presents some of the barriers to northern employment from the perspective of the native northerner. First, starting from the bottom of the chart, formal education, one of the qualifying standards for employment, has historically had less relevance in the native communities. It has traditionally been the responsibility of the family to transmit knowledge. Moreover, the typical classroom education does not impart the skills that are most relevant to their lifestyle and value systems. This has resulted in a high drop-out rate in the schools. Males in particular have tended to drop out at lower grades to do manual work or to pursue a traditional lifestyle through trapping.

The lack of formal education and subsequent lack of training result in a lack of familiarity and practical experience with structures, protocol, and attitudes of the industrial learning and work environments. This barrier in turn inhibits the person's ability to obtain training, employment, or promotion. Also the lack of familiarity with education, training, and work programs and negative experiences with programs that are not sensitive to the needs of the individual generate a lack of motivation that reduces a native northerner's mobility and effectiveness outside of the home community.

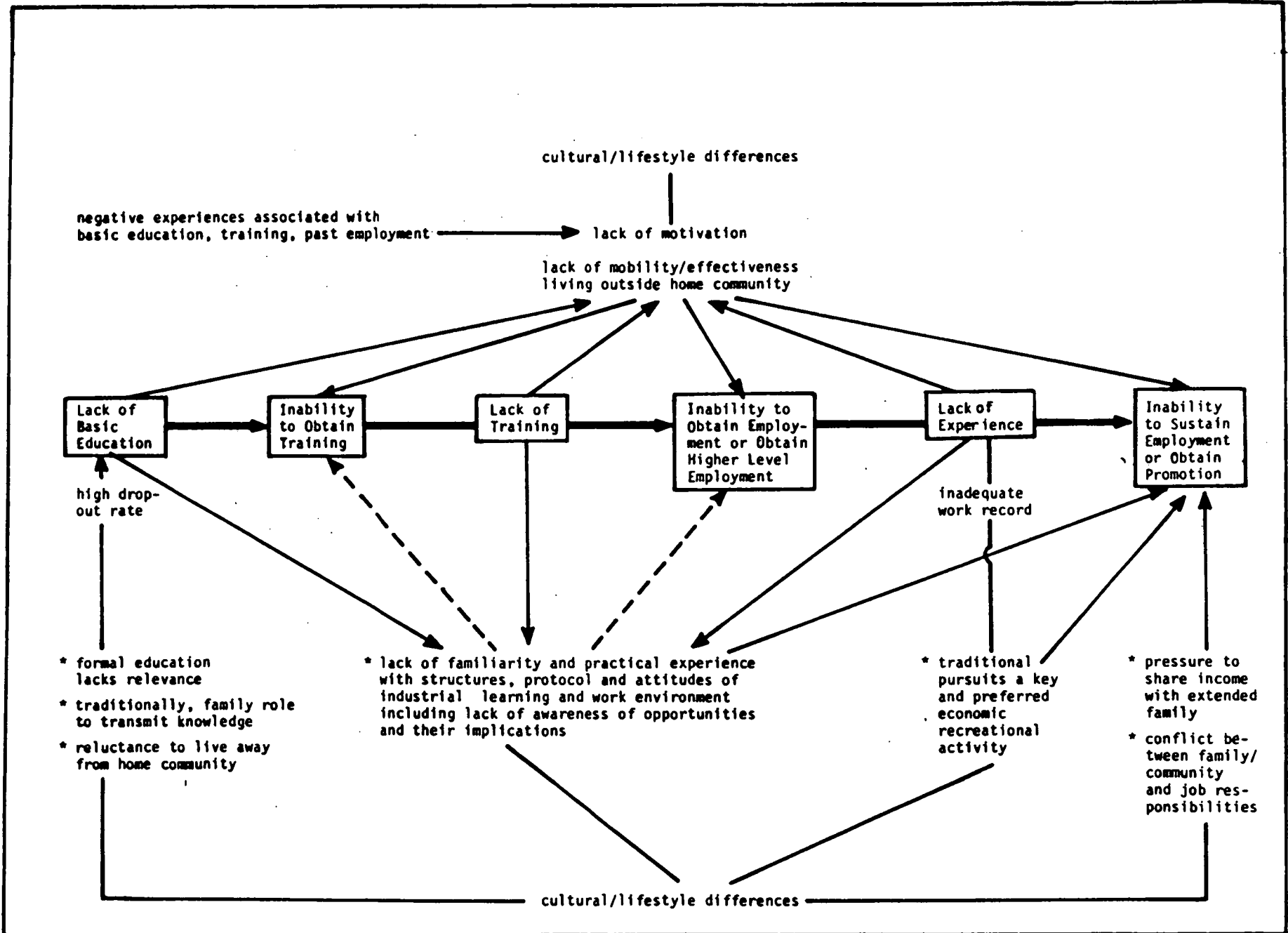


Figure 4. Barriers related to cultural and lifestyle differences.

The importance of traditional pursuits and the structure of one's lifestyle around the seasons has not always meshed well with the demands of the industrial work-place. This difference has created problems with respect to the ability to sustain employment or to obtain promotions. Different priorities, the job versus the family and community, and the more egalitarian nature of native societies have resulted in barriers to employment and advancement.

However, much of the responsibility for overcoming these barriers must rest with the individual. If they expect to get either full-time employment or advance to higher positions, they must be willing to invest in their own future by, for example, getting a good basic education, perhaps being willing to relocate to where the work is, and leaving the territories for off-season employment and experience. Government and industry can create opportunities by alleviating some of the barriers, but the individual must also take the initiative and take advantage of the opportunities created. Some individuals do avail themselves of opportunities; others do not because they are unaware of the assistance available. In many instances, however, the people are aware of the opportunities and support, but are not willing to make the individual sacrifices necessary to realize the opportunities.

Another set of cultural barriers relate to the employer (Figure 5). First, the nature of the industry, with its high uncertainty and short seasons for some of the activities, makes it difficult to plan pre-employment training programs. Secondly, the commitment to northern hire often conflicts directly with the industry's commitments to their employees. This situation is particularly true of the smaller subcontracting companies with regular crews who move seasonally from one area to another. Implementing a northern hire policy could mean less than full employment to their own staff. In addition, the companies know the capabilities of their regular staff

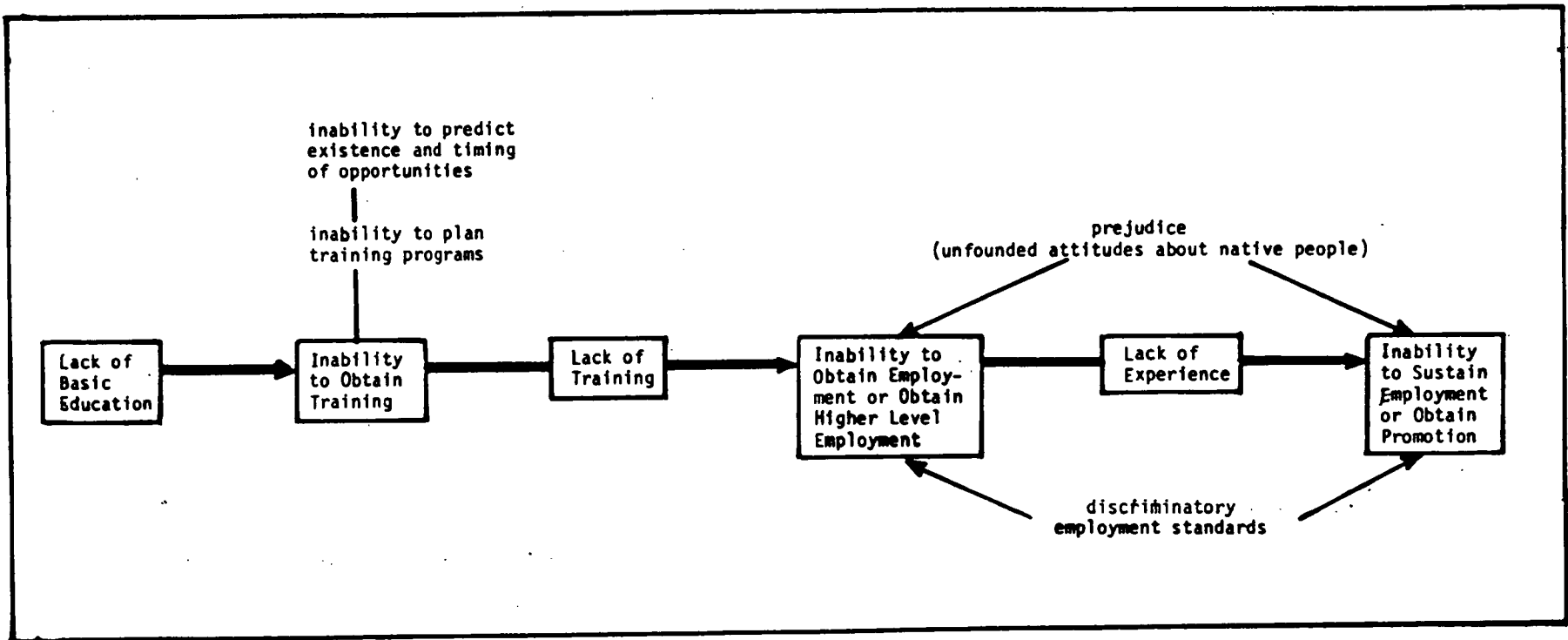


Figure 5. Barriers by employers and supervisors.

and know they will be able to meet their productivity commitments. There is more uncertainty with new northern staff. Thus, there is a tendency to look to the Alberta market, should more staff be required, and especially for the skilled positions.

Lack of cross cultural awareness can be manifested in either prejudices or discriminatory employment practices. Both create barriers to northerners in either obtaining or sustaining employment, or securing promotions, and also create negative experiences for the northerners and decrease their motivation.

PROGRAMS TO ALLEVIATE THE BARRIERS

Several programs have been instituted by industry, government, and the communities to remove or alleviate the barriers that inhibit northern employment. Appendix 5 discusses the programs of several major companies, and Appendix 6 reviews government mandates programs and policies. In discussing the issues and problems surrounding these programs it is important to remember that not every comment applies to every firm.

First, two broad comments should be made. It is generally agreed that the major companies all have fairly complete northern hire programs in place. However, many people interviewed questioned whether the pace of implementation was adequate. Second, there was considerable dissatisfaction with the northern employment efforts of many of the smaller companies and subcontractors. Many saw the primary employment problem in the north as the compliance of contractors to the principles of northern hire.

There are many dimensions to a company's employment program. These could, and often do, include:

- corporate commitment to the principle of northern employment, that is, hiring qualified northerners first;
- rotational work schedules with transportation to and from the place of hire;
- regular community visits both to keep the communities informed and to recruit;
- cross-cultural awareness programs for northern supervisors;
- on-the-job training programs;
- self-study improvement programs;
- distribution of job catalogues to inform northerners of the jobs available;
- participation in career days at the local school;
- support for the DIZ Groups and their predecessors;
- participation on the regional employment and training committees RETC's;
- special-leave provision for traditional pursuits;
- extensive interaction with territorial and federal departments with northern employment responsibilities;
- clauses included in subcontractor agreements to bind the subcontractors to the company's northern employment policies;
- encouragement of the development of northern companies through subcontracting and joint venture arrangements;
- provision of incentives for employees to participate in, and improve their skills through, training programs; and
- integration of the on-site training programs with existing apprenticeship training programs.

These represent a complex array of programs. It is useful first to examine the issues surrounding those programs that relate directly to recruitment and hiring for the entry level positions because this is where the majority of northern employment efforts have been placed to date.

Recruiting and Hiring Process

Initially, some of the problems at this stage are;

- northerners not being aware of job opportunities,
- northerners not having the basic skills and educational levels required;
- northerners not understanding the requirements of the industrial work environment; and
- southerners carrying strong prejudices as to the inadequacy of the northern work-force.

In most situations, these problems have now been resolved. For example, Dome, Esso, and Beaudril (Gulf) all have sizeable northern components in their Beaufort Sea - Mackenzie Delta operations. These firms have northern-based Northern Employment Supervisors who co-ordinate their programs; an essential factor in successful programs.

Dome was one of the primary driving forces in the establishment of Tuk Tech. Beaudril and Esso have also been strong supporters. Initially, as each firm was developing their work-force, they were able to guarantee employment for successful graduates of the school. Now such guarantees are not possible as each firm has an established and qualified work-force. (Dome has taken some criticism in the last two years for not offering such guarantees when the other two firms did, but this criticism did not recognize the different stages of development.) As a measure of its past success, Tuk Tech must now evolve away from industry-specific pre-employment training courses toward more advanced courses or more general programs directed toward the community at large, i.e., small business or money management courses.

Also, because each firm has an experienced work-force, turnover has decreased substantially. This reduction has led to pressures to increase the promotion rate of northerners so that more can move into the entry level positions. This issue is addressed more fully under "Experience and Advancement."

Complaints of native northerners not being reliable (missing scheduled planes, poor work habits) are no longer valid, particularly with those communities that have had a long-term exposure to the industry. Most northerners are comfortable with the rotational work schedule as it permits regular involvement with their home communities.

Another point of debate is the adequacy of the local CEIC offices in fulfilling their employment responsibilities. Several companies are more satisfied with the effectiveness of the more distant CEIC offices than with the local office, partly because of natural structural biases and partly because of differing objectives. First, companies usually maintain their own applicant files, particularly those firms with established northern offices. More aggressive and committed job seekers sign up directly with the companies, perhaps in addition to CEIC. Thus CEIC is likely to have what might be termed a residual labour pool, the average quality of which is less than that of the companies' own applicant pools. Companies often go to their own applicant files before accessing the local CEIC files. If they do have to recruit through CEIC, they are likely to be less satisfied with the potential recruits supplied by CEIC offices than with those obtained through their own efforts.

Secondly, the more distant CEIC offices are only accessed for the vacancies requiring a high level of skill because of higher transportation costs. It is not practical to bring in people for entry level positions when local people are willing to fill these positions. However, the higher skilled people, by definition, will have more

industrial work experience and should fit into the work environment more easily than the typical unskilled worker. Thus, the companies should find less turnover and fewer problems generally with the people hired through the more distant CEIC offices than through the local one. Company employment officers in the Delta were generally pleased with the employment assistance provided by the Yukon CEIC office in Whitehorse, but even there CEIC could take a more active stance in identifying employment opportunities for Yukoners.

Finally, CEIC has several national mandates to encourage the employment of disadvantaged groups generally. One is to stimulate northern employment through affirmative action programs but others are, for example, to help all those having trouble finding employment, including those with poor employment records. In some cases, adherence to these national objectives has translated into sending any applicant rather than the best one to the company, or even sending those with poor qualifications because they too have a right to CEIC support. Unfortunately, these objectives, although valid from CEIC's perspective, do not always serve the company well. Given the high unemployment encountered in the North, sending the most qualified applicant would do more good from a global perspective than trying to satisfy the multiple CEIC objectives.

This discussion of CEIC's employment responsibilities has some implications for the smaller firms. These and newer companies are likely to be less satisfied with and committed to northern employment objectives than the established companies for several reasons. First, the commitment to provide year-round employment to their own employees, has been mentioned earlier. These smaller companies are more inclined to bring their people up from the South than to hire northerners for just the season there. Secondly, these companies, unlike larger, more established ones, often do not have Northern Employment Co-ordinators in the North, so their contacts are not as well developed. Thirdly, the new companies would be

hiring their entire northern complement at one time and would be likely to experience more turnover and dissatisfaction than established companies that have only a small porportion of new hires in their work-forces. Lastly, the small new companies' primary access to the northern labour pool would be through CEIC, a pool that would be on average, of lower quality than that of the applicant pools of the large established companies.

There are several possibilities for improving the access to the labour market for the smaller firms. One suggestion is that all companies share their applicant information. The quality of a firm's work-force is one of the ways they can develop a competitive advantage, however. Therefore, this suggestion is not likely to be implementable. The GNWT attempted to develop a territorial-wide profile of its labour force though its TERIS program but this work was later abandoned. It has recently completed a rudimentary labour force survey that covered employment, education, training, and aspirations.

The YTG assembled a skills inventory in 1982 for the oil and gas industry, but this was a one-time, voluntary effort and has not been maintained. Finally, several of the major proponents provide recruiting support for their subcontractors and this process could be encouraged.

Generally, in the Northwest Territories, direct contact with the communities has been more effective than territory-wide programs for identifying potential employees, but establishing effective communication channels between each community and each company has been an elusive task. In the Northwest Territories the CEIC has established Outreach workers in many of the larger communities and the GNWT have supplemented these with Employment Officers in some of the smaller communitis. The GNWT would like to expand the role of their Community Employment Officers as contact people,

where they would collect data, advertise programs, and identify and expedite training needs. These officers are hired by the community but are paid by GNWT.

Personal visits do provide the opportunity for considerable direct contact with the communities but frequent visits to the smaller communities with which a company does not have direct involvement cannot be justified economically. Also, the residents of small, relatively remote communities have generally had only very limited involvement with industrial wage economy. Thus, an information barrier is likely to exist. Generally, these smaller communities face many more of the barriers to employment that were identified in earlier. Part of the problem can be seen as an evolutionary process where the interaction with the larger and more directly involved communities such as Inuvik and Tuktoyaktuk will naturally be more developed than with the smaller, more remote communities.

Job opportunity catalogues are produced by many of the large firms but often these are more appropriate for their own staff or CEIC staff whose sole responsibilities are recruitment related. To improve the recruitment process, it would be particularly useful to have an alternative version of the job opportunity catalogue specifically targeted to the potential applicant and the person with employment responsibilities in the small communities. (See Appendix 3 for a more complete discussion of this option.) Panarctic's catalogue, is for example, produced in both English and Inuktitut.

Another question frequently raised in discussions on entry-level northern employment is the relevance of the job requirements established by each company. Education standards often do not seem to correlate with the skill requirements of the job and the comment is made that there is not enough recognition for experience in lieu of education. This criticism of the process is valid for that part of the

labour force in their thirties or older. These people generally went to residential schools and have better communication and computation skills than those in their twenties who generally have attended school in their home communities. The people in their thirties also have more extensive experience in their traditional economy and, thus, have some alternative credentials. However, for the younger people, particularly those just entering the work-force and those who do not have the work experience, education is the only criterion available to the companies by which to measure the individual's potential.

Communication and computation skills become more important as one goes up the promotion ladder; producing and interpreting written information, communicating instructions to others and working with mathematics all become more important. These skills are typically best acquired through the formal education system as the traditional culture tends to use written communications much less. Thus, skills developed in the education system are important for advancement. Many companies set their entrance requirements to reflect these promotional requirements.

A person can be performing a very responsible job at his or her present level but not be able to obtain a promotion because the advancement depends not on the capability to do the lower level job, but rather on the skills required to do the new job. Replacing educational standards with equivalent work experience in traditional pursuits might be a short-term solution to improving the number of northerners employed in the oil and gas industry at the entry level but it restricts the individual's opportunities for advancement to positions where the skills learned in the formal education process are more important.

A related concern involved how expectations are established. Young people can question the need for a good basic formal education when they see people successfully gain employment without the education. They may not fully realize that educational achievements are one of the few measures available to recruiters to distinguish between potential applicants. With the influx of young people into the labour market in the next few years, good educational credentials will be a prerequisite for employment.

A final point here is that good communication and computational skills are also essential if northerners are to operate their own companies successfully on subcontracting or joint venture arrangements with the oil companies. Straight employment positions typically do not have the management component that would be part of a similar position in the small company.

Thus, the short-term strategies to increase the numbers of northerners hired may inhibit increased participation in the industry at all levels over the long term.

Pre-employment Training

The second set of possible barriers to employment relate to the training process prior to the hiring decision. Figures 2 to 5 show that these training barriers relate to the lack of qualifications to take the training, lack of information, the expense of delivering the training to the potential employees, lack of mobility on the part of natives, and a lack of familiarity and practical experience with industrial learning and the work environment.

People interviewed during this study expressed, first, general agreement on the adequacy of the regular process of defining the required pre-employment training programs but there was much less agreement on the content of these pre-employment training programs. Secondly, there was less agreement on the relevance of one-time training programs such as were established for the Norman Wells Pipeline Project. Thirdly, they were concerned at the required lead time to provide these programs.

In both the Yukon and the Northwest Territories, delivery of pre-employment training is a Territorial responsibility, while CEIC typically provides most of the funding required for the courses. In the latter, the courses to be offered are defined by a consultative process through the use of RETCs that have GNWT Department of Education, CEIC, and industry representation. This approach has generally worked well.

Both territories recognize the importance of basic literacy and life skills courses, but a major problem is delivering the courses directly in the communities where they would be most effective because there is a minimum economic size to the courses.

Although there is general agreement that pre-employment training is a government responsibility, there is no such agreement on the content of the courses. One point of view is that more training is required specifically to develop entry level skills for the oil and gas industry. This training would increase the immediate employability of the students and increase their motivation, for often the students themselves do not wish to take the training unless it leads directly to employment. Another view is that basic literacy courses and life skills training in such areas as money management are in critical demand. Others argued that general training to permit

northerners, and particularly native northerners, to develop small companies and to provide more of the community infrastructure services should receive the highest priority.

In one sense, the training provided for the pipeline project was impressive in that about 180 people were trained in a very short time, and were subsequently hired. This number was well in excess of the approximately 70 positions committed to in the original Canada Benefits understanding with COGLA. On the other hand, the federal government set aside \$10.5 million to ensure that northern residents, especially, the Dene and the Metis, could be trained and thus be in a position to participate more equitably and to benefit from the Norman Wells Pipeline Project. However, very little of this money was actually used, and from this standpoint, the level of training provided was very poor.

There also were some quirks in the system. For example, northerners with experience were not eligible to take the training for the pipeline project, and without the training, could not get employment.

On another dimension, the whole concept of providing training on very short-term projects such as the construction of a pipeline is questionable. Training can only be for the lowest paying jobs because high- and middle-level positions generally require experience. The short time-frame for the work is also important. The entire project was scheduled to be completed in less than two years with the majority of work to be done during the first year. Additional pipeline work is possible if the Polar Gas Project is approved or if an extension of the Norman Wells pipeline is built to the Delta, but these projects will not be undertaken until well into the future. The training must therefore be for each project individually. Investing

large sums of money in such short-term, project-specific training is of dubious value. The money could probably be better spent developing skills that will be of long-term use in the communities. Encouraging the development of local companies that can fill a need for other projects and development, and thus develop a regular workload over a number of years would be preferable. The subcontracting and joint venture arrangements that are emerging should be encouraged and expanded.

Another major problem concerning pre-employment training is the problem of effective lead times. The educators generally do a good job providing training within the existing structural constraints, but at times the government bureaucracy inhibits effective delivery of training programs except Apprenticeship Training. For example, in the Yukon, Yukon College has responsibility for delivering all adult education and training programs. All programs must be identified in the College's budget at the start of the fiscal year, even if the course is fully funded by another agency such as CEIC. Although some supplemented funding may be available on an exception basis, this requirement severely restricts the Yukon's ability to respond to training needs that arise during the year. A similar situation exists in the Northwest Territories with Thebatcha College. With the complex process of approvals required for any major industrial development, it is difficult for industry to meet the lead times required by the governments.

Experience and Advancement

In this study, some of the greatest diversity of opinion was found with regard to whether the rate of progress of employees into the higher-level skill positions is satisfactory. There are a number of different dimensions to this question. First, the

pyramid nature of any work group means that there is a decreasing number of positions as one goes up the hierarchy. Thus, advancement may not be either regular or predictable. This is just a fact of life in the work-place. The second point is the problem, discussed earlier, of inadequate communication and computational skills for many employees. This barrier severely restricts their opportunities for advancement.

The seasonal nature of the work in the North also restricts northerners' advancement possibilities because one year of employment over several seasons is not equivalent to a year's experience. Instead, it is the first few months of experience repeated several times. Native northerners have generally been reluctant to leave the North and travel to the South for year-round employment and further experience. Thus, if it takes 2-3 years experience to progress to a higher level, a northerner might find it takes a minimum of 8-10 years of seasonal work to gain the equivalent experience. Clearly, this does not meet with their expectations of advancement, but promotions cannot be given to people without the required experience just to increase northern hire statistics. Native northerners must be willing to make the commitments and personal sacrifices to gain experience if they are to advance to more senior positions. Moreover, senior positions in which one can influence policy decisions cannot be filled by part-time or seasonal employees so that a person can maintain a traditional lifestyle at the same time. This tradeoff between promotion and advancement within the oil industry and the person's involvement with traditional culture is one of the difficult choices the native northerners must make.

One reasonably frequent comment was the unwillingness of some native northerners to assume supervisory positions. In part, this may be a result of cultural differences because the superior-subordinate relationship is not common in the native cultures. But it

may also result from the uncertainty and lack of familiarity of the situation, and the "problem" is likely to disappear as more native northerners gain supervisory experience and provide role models for their colleagues.

Another major concern is the widespread belief that the companies have preconceived ideas of which jobs can be filled by northerners. In addition, in "northerner-designated" positions, if a skilled person cannot be recruited in the immediate region, the recruiter will then draw from the provinces. This ties back to the barriers identified in Figure 5. Most companies have the stated policy that they will try to hire first from the immediate area, then from the North generally before recruiting from the South. Several people expressed the opinion that the second step was often omitted from the search process and that companies should be doing more recruiting of skilled people in the major centres in the two territories.

One problem is the inadequacy of scheduled airline transportation. For example, in the first year of the Norman Wells Pipeline project, the only scheduled service between Norman Wells and Whitehorse was on the weekends. This schedule did not coincide with Esso's mid-week crew rotation; thus Yukoners always had to fly via Edmonton. The additional travel time induced some Yukoners to move to Edmonton. This problem has now been resolved for the second year of construction because the airline is providing mid-week service, but the employment opportunities are reduced considerably in the second year. Similarly, the six-hour flight and infrequent service between Whitehorse and Inuvik have historically been a barrier to the extensive employment of Yukoners in the Delta, despite its pool of available skilled workers. Part of this problem has now been eliminated with the improved service

between the two communities, but again with the established workforces in the major companies operating in the Delta, many of the opportunities have been lost.

There is a second side to this issue. The companies generally have a good idea of the skilled personnel in the South and where they can be located. The same is not true in the territories although several attempts have been made to develop such a data base. For example, the GNWT developed the TERIS system as a territory-wide employment and skills inventory data base, but the project has been abandoned. Similarly, the YTG collected a skills inventory on a voluntary basis, but although this provided some useful information, it was neither maintained nor developed further after the first year. Neither project could be justified as cost-effective on an ongoing basis.

The CEIC offices in Yellowknife, Hay River, and particularly Whitehorse have been complimented for the quality of their employment efforts in response to requests from companies in the Delta. Their approach is relatively passive, however, responding to requests as they are received. They could take a more active stance and push for the oil companies to hire more skilled people from their areas. Dissatisfaction was expressed about the efforts of the Inuvik office. The perception was the CEIC Inuvik office was not as responsive to the needs of the companies as it could have been and did not always try to identify the best applicants for the companies to interview.

Post Hire Training

There are two primary concerns about the adequacy of post-hire training: whether the firms' on-the-job training efforts are sufficient to prepare an employee for advancement and whether the Territorial Apprenticeship Training programs are being fully utilized.

Each of the firms interviewed has specific on-the-job training programs to develop a person's skill and knowledge for the position he is currently holding. In addition, each had designed self-training programs for the individual to gain the skills necessary to progress to the next level. These latter programs are at the discretion of the individual and are self-paced. Each employee is evaluated in the normal course of the work and promising employees are encouraged to take the improvement courses. There are also special development programs. For example, some northerners are sent to the Petroleum Industry Training Service (PITS) school in Alberta each year to enhance their skills on the drilling crews. As the amount of post-hire training is at the discretion of the employee, it is difficult to evaluate whether the firms are doing all they can or should to encourage the employees. A primary problem is that long-term training programs are difficult to justify for seasonal employment opportunities. Once the industry begins producing gas and oil and there is stable year-round employment, these training programs become more practical. However, the production process requires few employees.

One possibility is for Tuk Tech to offer more advanced courses in lieu of the pre-employment courses offered now as there is little new hiring taking place. This change in focus has in fact been taking place in the last two years.

A frequent suggestion was that the companies offer money management courses because many employees have difficulty budgeting the money earned during a season so that it lasts over the entire year. Industry people generally stated, however, that it was company policy not to interfere in employees' personal lives.

Both territories have apprenticeship training programs but each of the major firms has only three to five apprentices on their payroll. One reason given is that the types of jobs available in the oil and gas industry, particularly in the exploration phase, do not fit well with the traditional apprenticeship programs because of the different skills required. There are programs for cooks, electricians, heavy duty mechanics, and welders, however, and to some extent, all skills that are used in the industry. It is also not clear what the demand for the type of training is on the part of industry employees. A second reason is that there is considerable confusion concerning rules of eligibility and of transferability, partly because of the low numbers of students involved. Several industry people commented on the difficulty in transferring students or credits between jurisdictions. Both territories have Apprenticeship Boards that are recognized nationally, and there should not be any problems with a Yukon student, for example, working for a firm in the Delta, yet this was generally perceived to be a problem. This appears to be an underused training opportunity with resolvable problems in communications.

Monitoring and Compliance

To some extent, the question of monitoring and compliance cuts across the topics already discussed. For many people, these are the most important issues outstanding in the area of northern employment today, and thus deserve special attention.

The proponents must set employment and business opportunity goals in their exploration and development programs, for themselves and their subcontractors, before they receive approval to proceed from COGLA and, more recently in the case of Esso, and Gulf from the Inuvialuit Land Authority (ILA) for activities on Inuvialuit

lands as defined in the land claims settlement in the Delta. Two questions on compliance arise here. First, how does one know that the companies are living up to the spirit of the agreements? Secondly, if they are not, what can be done about it? These questions both relate to the compliance of a company's own staff to its northern employment objectives and, what is more difficult to control, the compliance of the firm's subcontractors.

The primary responsibility of any operations field personnel is production efficiency. To the extent that northern personnel have less experience, a northern employment objective conflicts with this primary responsibility, at least in the short-term, and thus is likely to meet with some resistance. Part of the reason for this resistance is the avoidance of uncertainty. Field personnel have specific production goals to reach, and the use of new relatively untested workers creates some uncertainty as to the achievability of these goals. Well-developed cross-cultural awareness programs, which many companies already have, will alleviate some of these problems. Some companies, such as Esso, involve native people as resource people in these programs with considerable success.

The degree of corporate commitment to the northern employment objectives perceived by the supervisors is also essential. One method of clearly establishing this understanding of corporate commitment is to make northern employment efforts part of the supervisor's formal evaluation. This is not to suggest that it be given equal weighting with productivity criteria, but rather that it be recognized formally and be evaluated.

The second source of problems is simply prejudice on the part of the supervisor. This represents a serious dilemma, especially for the smaller companies who may not have much choice of potential supervisors. Nevertheless, the necessary solution is often the removal of that supervisor. This action is especially important in the North because of the direct relationship between the company and the community. Because of the sparse population, wide geographic area and limited employment opportunities, many of a company's northern employees may come from a single community, and the community equally may be dependent on the company for much of the employment of its residents. Thus, one inappropriately placed individual can have major implications for the success of a company's northern employment program and the community's perception of the project and the firm.

There is a parallel situation with subcontractors, but one that companies are less able to control. Many firms require northern employment clauses as part of their agreements with their subcontractors and some subcontractors such as Majestic have an excellent reputation for their commitment to employing northerners. There are, however, problems with others and one question is how the agreement can be enforced effectively.

Some contractors also require northern employment commitments in work that they then subcontract out further. But others do not impose the same requirements, which creates a problem for the proponents who have then lost control of their ability to live up to their commitments to COGLA and ILA.

The type of contract may also hamper the achievement of their goals. For example, fixed-fee contracts are more conducive to

efficiency but this emphasis is more likely to detract from the northern hire requirements than the cost-plus type of contract. Hiring northern subcontractors is one mechanism by which to improve the northern participation in the industry but there are complaints of a double standard in that these northern firms do not have to meet the same northern hire requirements as do southern firms. There are instances of northern firms winning the contract then bringing in southerners to do the work rather than hiring qualified northerners. (The same comment of a double standard was heard with respect to the territories' hiring policies.)

One problem the subcontractors have is that their recruiting networks and files are likely to be less developed than those of the large established firms. This problem was discussed earlier in the report and several of the proponents are providing recruiting and employment support for their subcontractors.

COGLA can only enforce the commitments made by the companies in their original Canadian Benefits Plans submission, but has no authority to require amendments to these plans. Thus it is particularly important that the initial agreement between the company and the Minister of Indian and Northern Affairs has sufficiently well documented commitments on northern employment and training, especially for the smaller operators. COGLA should strive to see that these agreements have a clause regarding follow-up action in the case of non-compliance.

Another possibility is for the northern authorities or agencies that grant business licences to suspend the operating licence of a firm not living up to its northern hire commitments. This action is equivalent to imposing a very large monetary penalty and the question arises as to whether "the punishment fits the crime."

The role of the unions in the oil and gas industry is limited and occurs primarily at the construction stage. The YTG requires any union operating in the Territory, establish a Yukon hiring hall. The GNWT is considering similar legislation. The compliance problem is complicated in the construction phase of development when the firm may not control the hiring process because this aspect might be under the authority of the unions. It has been generally said that unions do not understand northerners and northerners do not understand unions. There are very few unionized activities in the petroleum industry in the north. Only the Labourers International established a northern office but this was just for the duration of the Norman Wells project. Most of the hiring for the more-skilled jobs was done through southern hiring halls and with the high unemployment amongst union members, northern hire objectives found little sympathy in the unions.

As two measures of union activity in this sector in the north, in the first year of the Norman Wells Project the employment and training figures with respect to the seven unions active on the Project were:

Northern Employment Figures for the Unions:

• Labourers International	320
• Operating Engineers	28
• Carpenters	54
• Plumbers and Pipefitters	44
• Teamsters	10
• Culinary Workers	N/A
• General Workers	N/A

Training Figures for Northerners with Unions:

• Labourers International	152
• Operating Engineers	28
• Carpenters	20
• Plumbers and Pipefitters	44
• Teamsters	10
• Culinary Workers	N/A
• General Workers	N/A

The Labourers International was the notable exception. Not only did it establish a northern office, it pushed IPL and its major contractors to establish the training program mentioned earlier, but it also absorbed the delinquent dues of northern members so that they would be eligible for re-employment during the second construction season. It encouraged, or did not block, subcontracting work to northern firms and communities that in normal construction projects would be this union's responsibility.

As another alternative, the firms and four of the unions involved in the Norman Wells project agreed on some unique conditions not normally allowed in southern jurisdictions such as:

- allowing non-union northern workers permits to work, sometimes up to six months, before applying for union membership; and
- allowing major union contractors to subcontract to non-union northern firms provided certain conditions were met.

The question of compliance leads to the question of monitoring and there are various monitoring agencies in both territories. The DIZ Groups (mentioned previously) have responsibilities to analyse resource development issues and activities, to identify adverse local effects and to recommend mitigative actions. They play a particularly important role in obtaining community input.

Benefits committees have been established in both territories, but their mandates and activities differ dramatically. In the Yukon, the Yukon Benefits Committee (YBC) is a joint Yukon and federal committee, established by the Minister of Indian and Northern Affairs to promote regional and community participation in benefit issues related to all oil and gas activities north of 60°.

In particular this mandate is:

- to review and to provide advice from a regional perspective on the Canada Benefits policies and plans; through DIAND, Ottawa;
- to provide advice to assist oil and gas companies as they prepare the Northern Benefits elements of their Canada Benefits Plans;
- to provide a point of contact for industry with federal and territorial government representatives in Yukon regarding the use of government programs that can assist the companies in maximizing benefits from oil and gas activities;
- to assist, when requested by companies, in the implementation of the Canada Benefit policies and programs;
- to advise the respective governments in the implementation of Canada Benefits plans based on monitoring by the appropriate agency or other sources of information;
- to participate in the assessment of Canada Benefits annual reports and updates to provide advice to COGLA;
- to participate, as required, in COGLA-company discussions regarding companies' performance in implementing the Yukon aspects of Canada Benefits plans;
- to co-ordinate, as required, consultation between industry, government communities, and interest groups on matters concerning benefits issues relating to oil and gas activities in the North; and
- to assemble and advise on socio-economic information that could assist in the analysis and assessment of northern benefits and impacts resulting from oil and gas projects in the North and to advise governments of significant information gaps.

The terms of reference for the YBC have been approved by both DIAND and the YTG and the membership of the committee is strictly government representatives.

In contrast, the Northern Benefits Committee (NBC) established by DIAND for the NWT is not supported by the GNWT. It has representatives of both Northern Development and Indian Affairs within DIAND, the Department of Regional and Industrial Expansion (DRIE), COGLA, CEIC, the three DIZ Groups, the Delta Regional Council and the Hudson Bay Oil and Gas Committee, but it has no clear terms of reference.

The NBC has not met regularly in the past but is now becoming more operational. It could serve as a useful information conduit between the community groups and the various federal departments. The Committee has set several tasks that it wants to accomplish in the coming year:

- to establish public participation guidelines for both industry and government (i.e. to define the minimum expectations for both sides);
- to monitor and facilitate the program (i.e. to identify and resolve regional concerns where possible);
- to provide information on a community or regional level; and
- to provide COGLA with comments on inconsistencies and problems with the information collected by COGLA.

If the NBC can successfully accomplish these tasks, it will provide a useful communication link between the communities and the federal government.

A major problem is that these benefits committees have no regulatory power and so must use moral suasion to get their concerns addressed. Similarly, COGLA has little enforcement capability and has no power to negotiate new obligations for existing agreements. Again, moral suasion is the only alternative for modifying existing exploration agreements.

With the mandates for monitoring unclear and moral suasion the primary mechanism for change, there is considerable duplication and confusion in the monitoring function.

A frustration expressed frequently during the interviews was that although the COGLA requested input from CEIC, Yukon Benefits Committee, Northern Benefits Committee, and others on the adequacy of the various Canada Benefits submissions, no feedback was received indicating the outcome of their suggestions. Part of this is because COGLA can only monitor existing agreements, not negotiate amendments and often the suggestions go beyond COGLA's scope. Nevertheless, there should be a feedback mechanism. COGLA is currently evaluating its operating framework, and this problem should be addressed in this process.

Another query had to do with the timeliness of the Canada Benefits monitoring process. By the time a company submits its analysis of the previous year and targets for the coming year (November for onshore, 1 April for offshore) the new season is about to begin. By the time the review process is completed, little can be done to influence company objectives and programs. Thus, there is virtually a one-year lag in the monitoring process.

One surprising note is that despite the volume of information that is required by COGLA from each of the major companies in their annual Canada Benefits submissions, no one has the responsibility or has taken the initiative to aggregate the data on a territorial or northern basis.

Finally, there is considerable debate about how northern employment efforts should be measured. COGLA has the legal mandate to monitor the companies' commitments and achievements but, in addition, both territories, the communities, and the native organizations all have vested and legitimate interests in the success of these policies. Each has a different perspective on exactly what the northern employment objectives should be, what measures most appropriately reflect these objectives, and the data that should be provided by the companies. However, this leads to an impressive array of possible measures and demands for data. For example, the objectives of increasing the number of northerners employed and improving their rate of progress to higher levels of responsibility require different measures and different data sets.

Not surprisingly, the companies question who is responsible for monitoring, because they cannot be expected to develop all the statistics and analysis required by each of the interested participants.

COGLA is in the process of revising its requirements, but currently has a "fast-track" reporting system for the small land-based programs and a more complete system for the larger programs onshore as well as for all offshore programs.

The simplest indices used to measure northern participation are the number of northerners hired, both in absolute terms and relative to the total hire. However, these mask two important considerations; the rate of turnover, and the skill levels at which the northerners are participating. Person-months of work, again both in absolute and relative terms, give a better appreciation of the number of positions, on average, that northerners hold. Similar aggregate statistics on salaries earned by northerners and these salaries as a percentage of the total provide some information as to their

relative position in the job hierarchy. Taking all three measures together, one can gain some appreciation of the relative turnover rates and the relative skill levels at which northerners are employed.

The ratio of the relative statistics for consecutive years is useful because it identifies the percentage rate of improvement in northern hire over time.

The time frame over which these measures are calculated is important. Some companies report peak employment statistics whereas others give the averages over the year. Comparative evaluations cannot be made when the reporting time frames are different.

The second important dimension of the indices collected has to do with the level of disaggregation. The measures presented above are all at the aggregate level, and represent the company's success at meeting its corporate targets. Important information can and should be provided on a territorial, regional, and community level. Matrices of employees' skill levels or years of experience by community, or years of employment by number of promotions, present useful information on the advancement of northerners. These and additional criteria together with an assessment of their strengths and weaknesses are presented in Appendix 7. Also presented are possible measures of achievement for some of the governmental departments. For example, the employment services in CEIC could be measured in terms of the ratio of successful placements to requests; the number of placements resulting from CEIC initiatives; or the qualified applicants identified and placed in response to CEIC advertisements.

DISCUSSION

In this section, the major outstanding issue affecting the employment and training of northerners are discussed.

RECRUITING AND HIRING PROCESS

A primary barrier for the companies is inadequate information on the labour pool. The companies need information such as who is interested in employment, where they are, and what their skills and experience are. Similarly, the communities have long identified the need for effective employment information. This need was stressed at the time of the Beaufort Environmental Assessment Review Panel and during the interviews for this study.

The basic problem is the "thinness" of the labour market, a sparse population spread over a vast geographic region. This is in contrast to the labour markets in southern cities with many prospective employers and employees and several intermediates such as personnel placement firms that facilitate the hiring process. In the North, the organizations and individuals must do more than would be required in the South to close these gaps. The question is how best to accomplish the task.

It would be possible to develop and maintain data bases of territorial labour skills, but these would not be as effective as direct interaction between company and community if measured in terms of accuracy and timeliness. The latter also has the advantage of responding better to other native concerns, i.e., the need to be consulted and the need to have their concerns acted upon when consulted. The companies, the communities, and the various government agencies all can contribute to more effective recruitment at the community level.

One of the most important mechanisms a company has to ensure that its northern employment objectives are met is to have a Northern Employment Co-ordinator, preferably stationed in the North. This person's responsibilities would be to become familiar with the capabilities of the northern work-force and to co-ordinate the company's hiring of northerners. Most of the major firms have such a position, but more companies should be encouraged to develop this position within their firms.

It may not be feasible or efficient for some of the small operators to develop such a position, however. They may, for example, be operating only one seismic crew in the region. It would be the responsibility of the crew supervisor to hire a northern crew. The immediate question is how could this person quickly identify good potential employees. In some cases, if the firm is subcontracting to a major proponent, the employment offices of the latter may be able to provide some support. Otherwise, the supervisor will have to rely on the CEIC Employment Centres or contacts that might have been established in previous seasons.

In the larger communities in both the Yukon and Northwest Territories, CEIC can, firstly, take a more active stance in support of potential applicants. Currently, it matches job applicants to requests from the companies. This role is relatively neutral, and the Commission could more aggressively encourage the companies to use more northerners. This would require that they know more about the skills available in the community, but fairly simple mechanisms such as periodic advertisements in the newspapers or on the radio inviting people with particular skills to register with the Commission would allow it to develop more information about the untapped skills in the community. A danger of this approach is the possibility of raising expectations unrealistically. A carefully worded program would seem to be worth the risk, however. Secondly, CEIC's goal of improving the employment of northerners should take precedence over other

national objectives. CEIC should always be recommending the best qualified northerner.

Another possibility, particularly for the smaller communities, is for the smaller firms to subcontract the work out to employment brokers. Subcontracting arrangements have worked well for other facets of oil industry operations, and if the right person or persons could be identified who are knowledgeable and have a good working relationship established with the communities, the arrangement could be effective there as well. Because many of the small operators are in the Central Mackenzie region, the brokers could be reasonably specialized regionally. The idea of an employment broker has been tried before but only with limited success, i.e., Panarctic in the eastern Arctic. However, it may now be more appropriate in some regions, such as the Central Mackenzie. Here, many individuals have had some experience in the industry so that there is a mix of different skills and the brokerage function of identifying the right individuals with the right skills and experience can operate more effectively. The skills of the broker are very important. To be successful the person must have good industry employment experience as well as good rapport with the communities.

The employment broker would be the agent of the firm, and would work on its behalf. They would likely interact closely with the Community Employment Officers and CEIC Outreach Workers who act more on behalf of the communities and prospective employees.

The small communities, particularly in the Northwest Territories, can help provide the necessary information on the labour pool by maintaining a simple inventory of skills for their community. This inventory need not be elaborate; what is required is that some advance work be done by the community so that they are able to respond to requests in a timely fashion. All that would be needed is a file of names; basic biographical information such as age, sex, address, and telephone; as well as education, skills, experience, and

desired positions. It could be done by a GNWT Community Employment Officer or the person in the community with designated employment responsibilities.

The firms will have to describe the possible positions for which they might be recruiting, which is generally done through a job catalogue. Many firms have developed these catalogues, but they are often targeted toward the company's own experienced employment officers. It is important to supplement these detailed catalogues with a version that is targeted toward the individual and the community. Persons interested in the oil industry but uninformed as to the possibilities would first want to know what positions might be open to them, given their level of skills, experience, and education. Then they would want to know more about the jobs that interest them, written in easy-to-understand terms. A simplified version of the job catalogues addressing these questions would be a useful preamble to the more complex job catalogues to which they could turn to next. (An example of such a catalogue is presented in Appendix 3.)

It would be useful if the communities were informed, by COGLA for example, on a regular basis (quarterly, semi-annually) of the firms (and contact persons) that are requesting permission or have received approval to operate in the region. The communities could then anticipate and prepare for requests from the firms.

The community people with employment responsibilities may require periodic training and upgrading courses, probably to be delivered by the territorial Departments of Education. (In the Yukon, the only community affected would be Old Crow.)

It is a bit surprising that no one integrates all the data that are collected by COGLA. The responsibility could fall either to COGLA or to CEIC. The former actually collects all the data, but the latter might be better able to interpret the resulting statistics. Each of the territorial governments could also aggregate the data pertinent to their region, all this could lead to duplication of effort, and the various committees and agencies should come to some agreement as to who will accept the task. COGLA or the Research and Planning Unit in the CEIC seem to be the most logical candidates. (This suggestion presumes that improvements will be made in the consistency of the data collected, which issue is discussed in the section on the monitoring process.) These aggregated statistics should, for example, provide useful information to companies on the types of skills recruited from the various communities. To say that five derrickmen or heavy duty mechanics have been employed from a community such as Fort Franklin does not mean that there are unemployed derrickmen or heavy duty mechanics in Fort Franklin but it would provide an indication of the types of skills in each community. Although the data would be a bit dated, it would nevertheless be a large help to the firms.

On a slightly different note, Yukoners have had difficulty accessing possible employment opportunities because of poor transportation connections. The carriers want some volume commitment before adding the service, but industry operators want to see an established transportation schedule before committing to extensive recruiting efforts. The YTG Department of Economic Development should take a strong lead role in encouraging the carriers to revise their schedules at an early stage of any major development.

The scarcity of good labour market statistics has been noted earlier in the section on Labour Demand and Supply. In particular, the lack of a regular Labour Force Survey, done monthly in the provinces, causes major problems in the availability of data. The Census is the primary source of information, but now that it may only be compiled every ten years, even the Census will be of limited use. Special studies such as the JNAC report are of some use but they are necessarily one-time studies and lack universality. The information generated by the companies and CEIC is the most current, but again is very partial and designed for specific and limited purposes.

EXPECTATIONS

Developing agreement on realistic expectations is a difficult task given the diversity of perspectives and objectives among participants in the employment process. Again, as in the preceding discussion of the hiring process, a combination of several approaches offers the best opportunity for improvement.

From the company's perspective, it is essential that the firm develop good cross-cultural awareness programs for their field supervisors, because the supervisors and their sensitivity to conditions in the North are fundamental to the company's success. A poor supervisor can have an adverse effect on the attitudes and expectations in a particular community, and can seriously hamper any working relationship with that community.

Whereas most firms have these programs, some can be improved by the use of native northerners as resource people. First, in terms of content of the courses, industry field employment officers commented that there seemed to be a high number of situations where the supervisor believed the native employee had understood the message or instruction when, in fact, there had been very little comprehension. Culturally, there is a different method of

communication feedback, which is especially important in the areas of reprimand and discipline. Secondly, supervisors must be aware that native employees need to be given more direction on the job, at least initially, because they do not seem to initiate tasks on their own. Thirdly, orientation to the work location could be increased because the difference between the workplace and community life can be very great for some young northerners.

Although the employment officers or personnel people are available to provide counselling upon request, more use might be made of designated native mentors, experienced employees who can counsel new employees.

Community visits and career days at the local high schools provide valuable opportunities to establish expectations. Although these visits and presentations necessarily have a public relations component, the companies must also stress what the northerners might reasonably expect as a career path. The firms must stress the importance of a good formal education to young northerners just entering the work-force. The sheer number of people entering the labour-force in the next few years and the expected growth rate in the industry may soon render special hiring considerations a thing of the past. The individual will have to meet the education standards just to be the best-qualified northerner or native northerner.

The role model that must be encouraged is the person who succeeded because of an education rather than the one who succeeded and progressed in spite of a lack of education.

The companies must also clearly indicate to each individual at the time of hire what they might reasonably expect with respect to advancement, given their level of education and training. Many people seem to believe that employment is similar to education and training in that you can automatically proceed to the next level upon completion of the current level. Both education and training are flow

processes whereas employment is a stock process with a limited number of positions available and generally one cannot advance until a position becomes available. Opportunities develop mainly through attrition, and people travelling in from the South will not volunteer to give up their job to make room for northerners if they in turn become unemployed; nor should they be expected to.

All people involved in northern employment, particularly the native northerners, must also bear in mind that one season's work is not equivalent to a year of experience. In fact several seasons of work totalling one year of employment are not necessarily equivalent to a year of experience. A complaint heard frequently is that an individual has been working on the same job for three or four seasons without a promotion. However, the short seasons (about three months long) provide a relatively short span of time in which to develop the skills necessary for the next level.

There are two basic alternatives. First, firms can continue to encourage northerners to relocate in the off-season so that they are able to work the full year. This assumes that the individual wants to be part of the wage economy for the entire year. Many native northerners find that seasonal work allows them to participate comfortably both in the wage economy and in their traditional lifestyle. The second alternative is to accept a slower rate of advancement.

There are examples of northerners who are qualified for promotion yet remain at the lower level, but this is a common occurrence in any work environment. It does not necessarily imply prejudice and the existence of artificial barriers. The companies must ensure that all qualified employees have an understanding of the situation and an equal opportunity for any job openings that do arise. This means scrupulous attention to job postings and other mechanisms to ensure that all employees are aware of job openings as they arise.

Northerners, and particularly native northerners, must recognize what efforts and sacrifices they must make if they are to succeed in industry. Every person must earn their employment and advancement by obtaining a good basic education and by being willing to work year-round to gain the necessary experience. Both could require major sacrifices such as moving from their home communities.

To promote the advancement of northerners, government has the option to interpret off-seasonal employment as a special form of training for advancement and to provide financial incentives to the firms and employees in the form of transportation support, bonuses to the individuals, and other incentives. The cost implications of this option will have to be investigated carefully before CEIC or either of the territorial governments could undertake such a commitment.

PRE-EMPLOYMENT AND POST-HIRE TRAINING

The content of pre-employment training programs is the responsibility of the territorial governments. CEIC, however, does provide extensive funding support, and the value of this role and its execution must be acknowledged.

There are many diverse opinions as to the most appropriate or necessary pre-employment training. First, development of the North is entering a new phase and the level of activity in the oil and gas industry will likely remain stable. A construction project would have a major influence on the economy of the North, but the short-term nature of such projects should limit the demand for pre-employment training. Secondly, with the current qualifications of the work-force, there will not be major demands for industry-specific pre-employment courses. However, in the last few years, there has been a substantial growth in northern firms participating in the industry through subcontracting and joint venture arrangements. This

participation implies an increasing demand for courses such as small business management, bookkeeping, personnel management, and money management. Also, the native communities continually have identified the need for non-work-related training, i.e., basic industrial experience, and the need for more general skills so that employment can be beyond the one specific job. Finally, both territorial governments and the native organizations are assuming increasing responsibility for their own affairs. This change implies a movement away from courses specifically related to the oil industry and the need to develop skills more generally useful courses, such as small business management.

On the individual level, instruction in money management is one of the most pressing needs for native northerners, and there will be ongoing requirements for basic literacy and basic lifeskills programs.

With the decreasing demand for entry level skills in the Beaufort Sea - Delta region, the need to offer the industry specific pre-employment courses at Tuk Tech is diminishing. As Tuk Tech evolves to a more community-oriented program, it will need a more permanent residence as Dome, Gulf/Beaudril, and Esso cannot be expected to provide the facilities support which they have in the past.

There will still be a role for Tuk Tech to provide advanced courses for people already employed in the industry. The companies should be encouraged to promote the delivery of these programs on-site, where appropriate. These courses should be compatible with the apprenticeship programs available in the two territories. (In the past, in some instances, they were not compatible; for example in 1983-84, no credits were transferable from the Tuk Tech Food Services course to the Cook Apprenticeship program.)

As of October 1984, an RETC has operated effectively in the Beaufort region with representatives from CEIC, GNWT Advanced Education, Dome, Esso, and Beaudril. With the change in priorities to more community-oriented training, a wider cross-section of industry and community interests may be appropriate.

Both the Yukon and the Northwest Territories have well-established apprenticeship training programs with clear mandates, policies, and programs. These programs are portable between the two territories and between each of the territories and the provinces, yet relatively little use is made of them. Several industry people commented on the difficulty of getting people registered in the programs, part of the problem being that the oil industry does not have many positions that are suitable for apprenticeship. Cook, industrial electrician, industrial mechanic, heavy duty mechanic, and welder are perhaps the only opportunities. Because they are support functions for exploration activities, these positions make up a small proportion of the industry work-force. When the Norman Wells Pipeline project is completed, apprenticeships may be possible in the operations phase, but both the Esso and IPL staffs will be very small. For example, IPL will only need about 30 people to operate the pipeline. People in both the YTG and the GNWT stated strongly that there should not be any portability problem for a Yukon apprentice working for the GNWT for example; they were interested to know where some of the problems had occurred. Direct dialogue between industrial northern employment staff and senior officials in the two Departments of Education is required to improve the situation here.

EXPERIENCE AND ADVANCEMENT

The principal problem with respect to advancement is developing the experience necessary to progress to the more highly skilled jobs. Some people in the North would say that under-employment is a more pressing issue than unemployment. One aspect

is that it often takes several seasons, however, to gain a year's experience, and several years of experience are usually needed to qualify for promotion beyond the first one or two levels. The second aspect is that a vacancy must exist before promotion can occur. Looking at the second dimension, as long as the work remains seasonal, the men in the senior positions on the drilling and seismic crews will probably continue to be southerners rather than northerners. A seasonal program does not require residency, and each of the companies have experienced senior people available to manage these programs. Thus, there will be little opportunity for northerners in these positions. Also, unless northerners are willing to work year-round, southerners are accumulating experience three or four times faster than are northerners, which puts the northerners at a severe disadvantage.

The relatively recent efforts to create joint venture and sub contracting arrangements with northern firms is a potential solution to this problem that should be actively encouraged. Shehtah Drilling, Beaufort Foods, and the drilling arrangements recently announced with Petro-Canada all offer northerners opportunities to gain more experience, not only in the field but also at management levels. Esso is a 50% partner in Shehtah with the Denendeh and Metis Development Corporations each having 25%. Drilling in the Central Mackenzie region can take place both in winter and in summer, allowing firms such as Shehtah to develop the necessary drilling experience. It is currently operating one drilling rig and one service rig on contract to Esso, but is not locked into working only for them. It is free to develop contracts with any firm requiring its services, which means that it is not tied to a single firm's development program as a group of employees of a single company would be. Beaufort Foods is a joint venture between Beau-Tuk Marine and the Inuvialuit Development Corporation to supply foods services to the

Gulf/Beaudril and Dome camps. This venture provides the base volume of business required to exist economically, and permits it to expand operations to supply several of the northern communities. With this developing base of customers, a decision like Dome's to close its Tuk base during the winter season does not cause Beaufort Foods to suspend operations. These types of arrangements should be strongly encouraged as a primary avenue to stimulate the acquisition of experience by northerners.

Another method of getting northerners into some of the skilled positions is to hire skilled northerners. If the required skills have not yet been developed by internal promotion and training, an alternative to bringing up someone from the South is to attempt to hire a northerner with the requisite skills. The Yukon is one source that has been relatively untapped. Recommendations have already been made to CEIC to take a more active role in promoting these people to the industry, and for YTG Economic Development to ensure that transportation does not create a barrier to employment.

Similarly, recommendations have been made to stimulate the development of northerners through off-seasonal employment in the South.

COMPLIANCE

The first question is compliance to what? The Dene, Inuit, and Metis organizations, the communities, the GNWT and YTG, COGLA, DIAND, and CEIC all have northern employment objectives.

The ILA has responsibility administering Inuvialuit lands that were established as part of the Committee of Original Peoples' Entitlement Land Claim. COGLA has legal responsibility for administering the agreements on federal land, in this case, the rest of the land north of 60°. As more land claims are settled, responsibility with respect to the land involved will probably be transferred to native organizations. Similarly, as the territories increasingly assume responsibility from the federal departments for management of more aspects of the government of the north, responsibility for ensuring compliance will evolve to the territories. If the ILA situation can serve as a prototype, compliance will be easier to enforce because those responsible for ensuring compliance will have more of a vested interest in enforcing adherence to the agreements.

Companies must be concerned with developing compliance to their northern employment objectives and commitments both with their own employees and with their subcontractors. Obtaining employee compliance can be accomplished by selecting the right employees, providing training in the form of cross cultural awareness courses, having a Northern Employment Coordinator located in the North, and making achievement of northern employment goals part of the employee's formal evaluation process. The first three options have been discussed already; the fourth is more controversial. Productivity is, and must, continue to be the primary objective of any field manager, but efforts made toward developing and enhancing more northern employment could also be made a part of the individual's job description, just as any manager will have the development of his staff as part of his evaluation. Specific quotas would not be appropriate unless the supervisor had direct control of the hiring process, but turnover, formal complaints, employees completing training, and employees promoted are all indicators of a supervisor's success in meeting the northern employment objectives.

By making these efforts a part of the formal evaluation, northern employment becomes an objective to be achieved rather than just a cost to be borne but avoided where possible in the achievement of the productivity objectives.

Contractor compliance is more difficult to design and implement effectively. Northern employment objectives are often made an explicit part of the proponent's contract with their primary subcontractors, but they are not always incorporated as part of the formal contracts should these firms further subcontract some of the work. Yet the proponent remains responsible for meeting the northern employment objectives for all the work done on their lease.

Even if it were part of the legal contract, the proponent has relatively few mechanisms to enforce the terms of the contract other than moral suasion. Penalties for failure to achieve certain levels of northern hire are one mechanism, but often this type of penalty system is not politically acceptable because the penalty is interpreted as the price the subcontractor has to pay to avoid hiring northerners. Bonus schemes are more acceptable, but unless the bonus is set high enough, no additional hiring takes place, and the program fails. Establishing the right level of bonus is an extremely difficult task unless the economic situation is stable and enough time is available to move incrementally to the right price through trial and error. Therefore, while establishing a "market price" for northern employment activities is a theoretically (academically) popular solution, it is generally not a practical one, especially in as variable a situation as oil and gas development in the North.

MONITORING PROCESS

The purpose of the monitoring process is to ensure compliance. Three questions arise regarding monitoring; Who should monitor, how should monitoring be done; and what data should be collected?

Most, if not all, of the major companies in the North offer to assist the subcontractors with their recruiting of northerners. This help reduces the problems of access to labour pool experienced by the smaller companies. The major firms however, cannot influence other dimensions of the northern employment objectives such as advancement and promotion, which are internal company matters.

The Inuvialuit Land Authority has jurisdiction over lands included in the Inuvialuit's land claims settlement. It negotiates contracts directly with the companies and does its own monitoring. The question to be considered here is who should do the monitoring on COGLA administered lands.

The communities, the two territorial governments, DIAND, CEIC, and COGLA all have employment and training objectives they would like to see fulfilled. For this, each requires information both from the companies and from independent sources. The diversity of organizations with monitoring objectives means that the companies are faced with a conflicting array of information requests. Legally, however, the companies only have to meet the commitments they make in their Canada Benefits agreements. Thus, COGLA must ensure that the employment and training commitments over the life of the exploration agreement are sufficient and clearly specified. The two benefits committees could serve as very useful mechanisms for the DIZ Groups (and, thus, for the communities), the YTG, and the various federal departments to communicate their concerns to COGLA.

They could also serve a useful co-ordinating role with the companies **provided** that the benefit committees do not require additional meetings over and above what their constituent members require.

One issue is the remoteness of COGLA from the area of operations. With headquarters in Ottawa, they are directly involved with the industry and must rely on indirect information. Several people interviewed in this study mentioned that even though COGLA requested their evaluation of the Canada Benefits plans, COGLA rarely provided feedback on their comments. COGLA in the last few months has been working to improve its operation and to be more responsive.

One possibility is to have that part of COGLA with northern responsibility located in the territories. Other federal departments have successfully decentralized their head office functions. For example, the Department of Veterans Affairs has recently completed a move to Prince Edward Island. An argument for maintaining the status quo would be the natural separation between the local operational function and the policy setting function, the latter being best accomplished in Ottawa. However, with COGLA's fairly straightforward mandate and major monitoring responsibilities being "closer to the action" may be advantageous. A second option would be to have COGLA representatives in each of the territories, and COGLA is currently considering establishing a one-person office in Yellowknife.

Another alternative would be to have the companies first negotiate with the territorial government responsible, and then present the agreed-upon arrangement to COGLA. As it is now, COGLA must operate with relatively long information channels. It is reasonable to expect that the YTG and the GNWT, because of their closer involvement with the people in their region, could establish monitoring criteria that identify information more relevant to the problems in their communities. This issue is part of the larger question of the evolution of the territories to provincial status, however, and thus must be resolved in the larger forum. While legal responsibility for land rests with the federal government, it must have primary responsibility for negotiating agreements.

On another dimension, as a CEIC official pointed out, one should not assume that information filters either quickly or effectively in any large organization, and complex committee structures simply compound the problem. Thus it is with the monitoring process.

The concept of Development Impact Zones (DIZ) and DIZ Groups is a useful method of simplifying the consultation process which is working effectively in the Beaufort Sea -Mackenzie Delta. A DIZ Group has representatives of band and municipal councils and native organizations from communities affected by the development. Two other DIZ Groups are still getting established and developing credibility in their communities. The DIZ Groups' mandate is to provide information to the communities, to solicit information from community residents to assist in planning for the development, to identify the effects of development and to propose terms and conditions to mitigate or enhance potential effects of development. The DIZ Groups may also become involved in effects monitoring. The role of an information conduit is a vital one and should be emphasized. Developing the capability to monitor and evaluate effects would require developing a DIZ Group staff, and this over time may work counter to the information dissemination role. It may also conflict with the responsibilities of the band and municipal councils. Another bureaucratic structure should not be encouraged, even if small. The Groups should be able to specify to the GNWT Departments of Economic Development or Education, or DIAND in the NBC, the specific tasks they want done and the information required and then to have the staffs within these departments do the analysis.

Typically, the reporting requirements established represent a trade-off between sensitivity to local conditions and the need for consistency for comparability and aggregation purposes. Aggregate information is essential in situations where firms argue that in the

region where they are operating, the part of the labour force that is interested and capable is already fully employed. The Delta is one area where this argument may be valid but information from all companies on employment by community is required before this assertion can be evaluated.

Operators of exploration agreements are required to submit an annual Canada Benefits report to COGLA for each year during the term of the exploration agreement. The main purposes of the report are to provide an indication of the company's performance in achieving the objectives, or in implementing the actions plans specified in its Canada Benefits Plan or in both; and to identify any adjustments to the plan for the balance of the exploration agreement. COGLA cannot require changes to the original agreement, and, thus, it is vital that this agreement is reasonable.

Consistency in data has been a major problem in the past, and COGLA has moved to rectify this in the past year with two new format specifications, "Format of Annual Canada Benefits Report" (COGLA, 1985a) and "Canada Benefits Procedures For Small On-Land Programmes." (COGLA, 1985b) Four improvements are possible. First, in the latter document, number and duration (person-months) of northerners employed are the essential data required, but the companies must also provide a list of work positions occupied by northerners and the number and duration of northerners employed from the local communities affected by the development. It is not clear why the community breakdown is not for all northern employees rather than a subset. The extension should be minor, but it would allow for more accurate statistics when aggregated across companies.

Secondly, there is no attempt to define and measure turnover; instead, companies are asked to discuss the reasons for the turnover rates for northerners as compared to other employees. This more general qualitative analysis may not be sufficient.

Thirdly, for the major exploration agreements, the proponents are required to submit a more comprehensive report detailing information on northerners as well as special affirmative action programs for designated target groups: native people, women, and disabled people. A complete list of northern communities from which workers are recruited is required, with numbers and duration specified. Instead of providing a breakdown by work group, (seismic, drilling, construction, camp and catering support, transportation support, and other support), however, the major submissions only require an average wage by community. Data on the number of separations are requested but there need not be any qualitative discussion of the reasons for the turnover rates.

Finally, for both programs, no information is requested to measure the rate of advancement of northerners to higher level skill positions except in terms of the training supplied. If companies have well-developed policies and programs for hiring northerners at the entry level positions, then their focus should evolve to emphasize promotion and advancement.

The data now being required by COGLA, with these improvements, could then be analysed to identify relative proportions and yearly rates of progress.

The time schedule for submission of the proposals to COGLA, review, revision, approval, and publication means that there is a long time lag before the data are generally available, often only after the current year's operations are complete. Thus, revisions cannot be made to this year's programs but must be attempted for the next year. This proves to be an elusive goal because drilling and seismic firms may contract to different proponents in the interim. If there are problems with one particular subcontractor, those responsible for monitoring must then try to induce change through a second company whose policies may be very different from the first proponent.

Working more directly in the territories may shorten the effective time lag and permit more effective monitoring.

RECOMMENDATIONS

In this section, recommendations to improve the employment and training processes are made. The criteria used to evaluate recommendations are that they will lead to improvement, that they are practical and implementable, and that clear responsibility for the action can be identified. The three basic elements underlying most of the recommendations are improved information, more accurate expectations, and more effective interaction between industry and government (not necessarily more committees). The recommendations are also divided into those of primary and secondary importance.

RECRUITING AND HIRING PROCESS

Improving the recruiting and hiring process is the key element in realizing northern employment opportunities. Each company should have a designated Northern Employment Supervisor stationed in the North. If this is not economically feasible, the companies could subcontract these responsibilities out to employment brokers as they do other facets of their operations. The brokers would act on behalf of the companies, working closely with the CEIC staff or GNWT Community Employment Officers who would represent the prospective employee. The companies could also do more to assist the employment officers in the small communities, specifically by preparing job opportunities catalogues tailored to the applicants in these communities.

In a parallel manner, CEIC should take a more active stance in promoting northerners to the oil companies. The smaller communities can also play a role in making the recruiting and hiring process more efficient by maintaining simple skills inventories, which would enable them to respond quickly to company requests. Both the companies and the communities need better data on the labour market. COGLA has made some progress in this regard with the improvements to its Canada Benefits requirements but it could improve the consistency of the data collected still further. With a more consistent data base, aggregate information by community would be very useful; CEIC might be best positioned to compile these statistics from the benefits plans because of the labour market work they do already. CEIC, COGLA, YTG, and GNWT should decide jointly which is to be responsible for developing aggregate employment information from the Canada Benefits submissions.

Recommendations

To improve the recruiting and hiring process in the North, the authors recommend that:

Primary:

- **companies designate Northern Employment Co-ordinators, preferably stationed in the North;**
- **companies that cannot economically justify such a Co-ordinator because of the size of their operation, encourage the development of employment brokers who would act on their behalf;**
- **CEIC take a more active position in identifying the people with employable skills in the community, and then actively solicit the companies to increase the hiring of qualified northerners;**
- **CEIC establish employment of northerners as their primary employment objectives and always recommend the best-qualified northerner.**

- COGLA, CEIC, YTG, and GNWT decide jointly which will be responsible for developing aggregate employment information from the annual Canada Benefits submissions;
- companies provide the smaller communities with job catalogues that are targeted to the potential applicant rather than to the experienced employment officer; and
- the people in the smaller communities responsible for interacting with the firms, maintain a simple skills inventory so that they can respond quickly to industry requests.

Secondary:

- the major proponents with northern employment departments, provide hiring support to their contractors;
- the Departments of Education in both the Yukon and the Northwest Territories provide additional training for the community people responsible for employment if the community does not have a CEIC outreach worker;
- COGLA provide the communities with regular updates of the firms active in the North;
- COGLA develops fair, consistent, and well-understood measures of a company's achievement of northern employment;
- the YTG Department of Economic Development play a strong lead role in developing appropriate air transportation schedules to Yukon destinations for any major development in the Delta or along the Mackenzie River; and
- Statistics Canada undertake a regular, perhaps quarterly, Labour Force Survey for both the Yukon and Northwest Territories. It need not be as complex as the surveys in the provinces, but should be tailored to meet the needs of the North; (This last recommendation might require the CEIC, DIAND, and the two territories to present a co-ordinated proposal to Statistics Canada.)

EXPECTATIONS

Realistic expectations are basic to effective northern employment programs. Each company must develop effective cross-cultural awareness programs for their front line supervisors. The use

of native northerners as resource people is one way to improve the effectiveness of these courses. In addition, new entrants to either the labour market or the oil industry should have clear expectations of what job opportunities exist within the company given their skill level, education and experience. This will be particularly important in the next few years because a large number of young native northerners will be entering the work-force. Employees and prospective employees must recognize what efforts and sacrifices they must make to reach their career goals. For example, relocating to the South in the off-season to gain more experience may be necessary.

Recommendations

To establish realistic expectations the authors recommend that:

Primary:

- all oil companies involved in the North develop and emphasize cross-cultural awareness courses for their field supervisors; to be most effective, companies should use native resource people in these courses;
- companies strive to develop realistic expectations concerning employment and advancement by:
 - a. emphasizing the need for a good formal education to potential applicants, which could be accomplished on community visits or at career days in the high schools;
 - b. clearly spelling out career opportunities and constraints given the employee's education and experience at the time of initial hire, which also means identifying clearly what each employee can do to improve their opportunities; and

- c. ensuring that northerners have a fair opportunity at any promotion through job postings and announcements
- employees recognize what efforts and sacrifices they must make to reach their career goals, and that if they wish to maintain a strong involvement in the traditional economy, then they cannot expect to advance to the senior decision-making levels;
- Joint Employment and Training Management Committees identify off-seasonal employment outside the Territories as a special form of training, and, to encourage this method of gaining experience, develop a specific program . similar to the GNWT Department of Education's In-Service Training Program.

PRE-EMPLOYMENT AND POST HIRE TRAINING

The major operators in the exploration phase in the north all have established workforces and therefore will only be hiring at the margin in the next few years. This reduces the need for industry specific pre-employment training. Two new directions are recommended: a) that pre-employment efforts be directed toward more general business and money management skills and b) that more advanced or post-hire courses be offered. Developing experience is critical to advancement and as such, off-season employment in the south to develop experience could be recognized as a special form of training. The incremental relocation costs to the firm and the individual could be reimbursed by the government departments sponsoring post-hire training. Both industry and government people can look for more opportunities to utilize the Apprenticeship Training Programs.

Recommendations

To improve the training process, the authors recommend that:

Primary:

- Departments of Education move away from pre-employment training courses specific to the oil industry and instead concentrate on developing business management courses to permit northerners to access the increasing opportunities for northern small businesses;
- increased emphasis be given to money management courses for the individual, regardless of whether he or she is seeking or already has employment;
- Tuk Tech's course offerings evolve to reflect these new directions toward more general community and business-oriented courses; and
- both industry and government people involved in education and training look for more opportunities to use the Apprenticeship Programs.

Secondary:

- the GNWT Department of Education develop a permanent location for Tuk Tech; and
- non-oil industry representation be recruited for the RETC-(Inuvik), again to reflect these new directions.

EXPERIENCE AND ADVANCEMENT

To improve opportunities for northerners to advance the oil companies could develop more joint venture and subcontracting arrangements. Such arrangements allow the northern business person to develop managerial skills and to be less dependent on a single corporation as is now the case with regular employment. An earlier recommendation was that CEIC should take a more active role in promoting northerners to industry, particularly skilled northerners.

Recommendations

On experience and advancement the authors make one additional recommendation, namely that:

- **industry continually strive to develop more opportunities for joint venture and subcontracting arrangements with northern firms because not only is this one of the primary mechanisms to increase northern experience, but it also has the additional benefit of stabilizing the territorial economies.**

COMPLIANCE

Oil and gas operators have the responsibility to ensure overall compliance to their northern employment commitments made in their Canada Benefits submissions. Internally, northern employment goals should be formally recognized in the annual personnel evaluation. In addition, northern employment objectives should be specified for all subcontracts. It is recognized that the smaller subcontractors are at a distinct disadvantage in recruiting and hiring because they lack the corporate resources of the larger companies. The proponents with established northern employment offices should provide recruiting assistance if requested by their subcontractor. Major unions should be required to establish northern hiring halls, at least for the duration of the projects in which they are heavily involved in. This requirement already exists in the Yukon and should be included in the pending labour regulation in the Northwest Territories.

Recommendations

On compliance, the authors recommend that:

Primary:

- COGLA ensure the initial Canadian Benefits Plans are satisfactory in terms of their northern employment and training commitments — especially for the smaller operators;
- northern employment objectives be included as a standard part of any bid requests and contracts, which is again particularly important for the smaller proponents and any farm-out arrangement they might make;
- northern employment objectives be formally recognized as integral part of a supervisor's annual personal evaluation;
- as part of their pending labour legislation, the GNWT require unions to establish a northern office if the union's contract exceeds an established minimum, which would apply primarily to construction projects;
- proponents with established northern employment offices provide recruiting assistance, if requested by the subcontractor; and
- both northern and southern subcontractors be subject to the same northern employment requirements.

MONITORING PROCESS

Most government departments with some program responsibility in the areas of employment and training will want to monitor the effectiveness of their particular areas of responsibility but the primary responsibility remains with COGLA. COGLA must ensure that any new exploration agreement includes appropriate northern employment and training commitments throughout the life of the agreement. As mentioned earlier, COGLA must also continue to improve the consistency of the data it requires. Also, because of the long information channels, many people feel that the COGLA has been out of touch with its responsibilities in the North. The authors suggest that COGLA either seriously consider moving its head office function to the North, or, alternatively, establish regional representatives in each of the territories. Also the establishment of the DIZ Groups is an important innovation which has improved the information flow to and from the communities. The communication

role of the DIZ Groups should be encouraged. The roles of the Yukon Benefits Committee and the Northern Benefits Committee as communication levels between various government agencies could also be strengthened.

The above recommendations and the others made in the report, if implemented, should improve the overall effectiveness of northern employment programs. They are designed to improve the information available to the decision-maker, to encourage realistic expectations by all parties involved, and to improve the dialogue between industry and government.

Recommendations

With respect to the monitoring process, the authors recommend that:

- **COGLA further develop the information requirements for employment and training, and ensure that these are part of any new exploration agreement;**
- **COGLA continue its efforts to improve data compatibility by:**
 - a. **requiring operators on small, on-land programs to provide community information for all northerners, and to provide turnover statistics;**
 - b. **requiring the major operators to detail the community information by work groups and to assess qualitatively turnover or separation rates; and**
 - c. **requiring all operators to provide information on the rate of advancement for northerners, which may take the form, for example, of a "promotions versus years of employment" matrix;**

- COGLA develop a closer contact with the operations it is monitoring either by moving the headquarters function for the northern program to the territories, or by establishing regional offices in each of the territories;
- The DIZ Groups be developed further as a two-way information channel between the communities and native organizations, industry and government; and
- The role of the two benefits committees as communication links between government agencies, and in the case of the NBC, between the federal agencies and the DIZ Groups, be strengthened so that the committee demands on the companies are reduced.

These recommendations, together with the earlier recommendations on the aggregation of Canada Benefits Plans and northern benefit commitments in all contracts should strengthen the monitoring process.

Taken together, all of the recommendations should provide better information, more realistic expectations, and better communications, the result of which should be more successful involvement of northerners in the oil and gas industry.

These recommendations and the others made earlier in the report, if implemented, should improve the overall effectiveness of northern employment programs. They are designed to improve the information available to the decision-maker, to encourage realistic expectations by all parties involved, and to improve the dialogue between industry and government.

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