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# Rules of the Trade

A new trade agreement between Alberta and B.C. shines a spotlight on how trade credentials affect labour mobility across the country

BY JOEL THOMPSON

**T**he recent signing of a trade agreement between Alberta and British Columbia is forcing the construction industry to re-examine its trade credential system and its impact on worker mobility. In 2006, the two provincial governments signed the *Trade, Investment and Labour Mobility Agreement* (TILMA). TILMA came into effect on April 1, 2007 and will be fully implemented following a two-year transition period. The agreement is intended to make the movement of goods, services, investment, and workers between Alberta and British Columbia easier. Under TILMA, the two provinces are required to recognize a worker who is certified in an occupation in one jurisdiction as qualified to practice in the other province.

That degree of mobility is certainly not the case for construction workers now. Like many other industries, construction has, for a long time, had a system of issuing some form of a certificate as proof of completion

of a training program or competence in a specified range of skills. These trade “tickets” have always been an integral part of the business. Unfortunately, there are many complications with how these credentials are issued and recognized. These complications have produced significant barriers to the free movement of skilled workers between provinces.

In the past, both workers and employers may have simply shrugged off those barriers as an aggravation from the system within which everyone had to work. That was before shortages of skilled workers became commonplace. Employers are now spending large sums on recruitment and scouring the country from coast to coast for tradespeople. As a result, they are no longer willing to accept that qualified workers from out-of-province cannot be hired merely because they do not possess the piece of paper deemed necessary by a regulatory regime that was established under far different market conditions. These sentiments are

echoed by others in similar situations, such as medical personnel, truck drivers, teachers, and insurance and real estate agents.

The original set of regulations arose largely to shield incumbents from competition and to protect jobs. Now, in a far different labour market and competitive environment, legislators view these worker mobility barriers as a serious threat to economic development.

In theory, the construction industry has the ideal system for providing country-wide credential recognition and employment mobility through the Red Seal program. This program was initiated in the early 1960s to provide nationally recognized trade certificates. Graduating apprentices write an exam in their trade, which measures competence in industry practices as set by a Red Seal committee with representation from across the country.

While most people agree with its goals, there are many shortcomings to the Red Seal system. While it aims to be national in scope, apprenticeship and trades training are strictly a provincial jurisdiction, and therefore separate and often very different systems of apprenticeship and skills training exist in each province and territory.

The number of graduating apprentices who write the Red Seal exam varies greatly between provinces. In some jurisdictions, the Red Seal exam serves as the final exam for apprentices in their final period of training. In others, notably Alberta and Quebec, the Red Seal exam is offered as an option.

Many thousands of active tradespeople have a legitimate trade certificate but one that was issued before the Red Seal was available, or for an occupation in which there is not yet a Red Seal exam. Compliance with TILMA must address this issue, as well as the many differences between provinces in how

various occupations are labelled or subdivided. An occupation may be a recognized trade in one province, but it may not exist in another. Also, some jurisdictions may provide certification for a subset of skills that is considered part of a larger trade in another area of Canada.

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The Alberta construction industry faces larger challenges complying with TILMA than B.C. does. Alberta has among the highest number of compulsory trades in the country. In these compulsory trades, it is illegal to perform the work of the trade without holding a Red Seal, an Alberta journeyman ticket, or without being registered as an apprentice.

B.C., by contrast, has no compulsory trades. Until TILMA is implemented, many qualified B.C. tradespeople cannot legally work in Alberta without going through a qualification or equivalency process, which includes fees and examinations. Much to the chagrin of Alberta employers who are desperate for skilled help, these rules are a significant disincentive for a B.C. tradesperson to accept a job offer in Alberta. They also discourage B.C. contractors who want to bring some of their existing workforce to take on a contract in Alberta.

Alberta Apprenticeship and Industry Training has held meetings with stakeholders to identify the necessary steps to make the Alberta system compliant with TILMA.

Early indications show there is a consensus that all existing valid B.C. certificates should be recognized without the need for the qualification or equivalency process. There is, however, some debate over whether these certificates should be “registered” to confirm their legitimacy.

Such a step would likely include fees and many argue it is simply establishing a new barrier which TILMA is designed to eliminate. Employers who oppose this registration of B.C. certificates say their main concern is validating skills, not credentials, and that is something that can only be done on the jobsite.

The Red Seal Certificate will continue to be promoted as the ideal for worker mobility. For trades where there are no Red Seal exams, or where the scope of the trade or occupation varies significantly between the two provinces, trade committees have already begun work to reconcile the differing standards.

The challenges to comply with TILMA have caused some confusion about the role of Red Seal. Is it the best test? Can it function as a national (or perhaps international) skills passport for construction workers? Clearly, having such a widely recognized credential is desirable, but considerable doubts exist as to whether that is achievable.

It has been said that in Canada there are far more interprovincial trade barriers than international. A review of the country’s complex and varied systems for regulating occupations would certainly support that claim. Government bureaucrats, educators, and industry from every province have had decades to devise their own unique regulatory framework. These regulations dictate the necessary credentials and training to perform a particular employment activity.

Thankfully, as construction is an indus-

try that has always depended on the inter-provincial movement of workers, it has probably made better efforts than most industries at harmonizing its rules. Despite that, we are still faced with 13 different systems in Canada, all operating their own apprenticeship and skills training systems and issuing their own credentials for those completing training.

Red Seal has gained wide acceptance with apprentices across the country that write the Red Seal as their final period examination. Complying with TILMA will probably prompt Alberta to adopt that practice. Currently, Alberta apprentices must write a provincial exam to obtain their journeyman certificates and are offered the Red Seal exam as an additional option. Making the Red Seal the final examination in Alberta will require changes to apprenticeship curriculum and will present opposition from those who think the Alberta standard is superior or who fear ceding control of trade standards to a national body.

A perfect Red Seal system would see every province and territory adopting Red Seal as the standard for every trade and eventually every Canadian tradesperson will carry a Red Seal ticket. Some progress has been made in that area and the number of tradespeople without a Red Seal ticket will gradually diminish through retirements.

Despite this progress, it is probably unrealistic to think that anything close to perfection in a national trade credential system is attainable. No national consensus exists on what constitutes the myriad of different trades and occupations and how they are labelled and subdivided. The road-building sector is a particularly good example, because few formal training programs are

available. The construction industry has led the way with efforts to adopt common curriculum for many trades, but a credential system providing totally free labour mobility will remain a moving target. Market conditions and industry practices are constantly changing, and they may prompt one province to designate and credential a new occupation or a subset of an existing trade. Also, genuine regional differences in work practices complicate the creation of national standards both for training and credentials.

Training, issuing credentials and compulsory trade or licensing restrictions are usually tangled up with politics; because these items are provincial responsibilities, these political complications are worsened. The TILMA agreement is between two neighbouring provincial governments



CREDENTIALS ARE ONLY PIECES OF PAPER. WHAT EMPLOYERS ARE SEEKING ARE SKILLS.

with very similar political philosophies and booming economies struggling with labour shortages. Other provinces are watching its implementation with interest, but it is unlikely we will see a rush of similar agreements among other provinces. In 1994, the provincial First Ministers signed the Agreement on Internal Trade (AIT) that was supposed to be the national framework for dismantling interprovincial trade barriers. Its impact has been largely undetectable, and it is widely viewed as simply a political

exercise. At best, it could be credited with preparing the ground for Alberta and B.C. to create their own trade and mobility pact.

An interesting sidebar to the TILMA implementation process is the similar challenge posed by assessing the credentials of the increasing numbers of foreign workers entering the workforce. If qualified Canadian workers have difficulty getting permission to work in a neighbouring province, it's not surprising we are even less welcoming to foreign-trained workers.

Alberta Apprenticeship and Industry Training has a well-defined qualification process. This process confirms an applicant's hands-on experience and uses the successful completion of the Red Seal exam as the standard to gain Alberta certification and to be allowed to work in any of the province's compulsory trades. These requirements have caused bitter complaints from employers who have lost competent and productive foreign workers, not due to any skills deficiency, but merely an inability to pass an exam in an unfamiliar language and with different trade terminology.

Those situations where competent foreign workers are unable to navigate our trade credential system reflect the shortcomings of any attempts to use officially issued certificates to regulate entry to the workforce. All regulations, however well-crafted, never function completely as intended in reality. In the end, credentials are only pieces of paper. What employers are seeking are skills, and skills can only be validated in the workplace. With future projections of ever more severe shortages of skilled workers, any imperfections in our trade training and credential system must be addressed if we are going to be able to meet the future demands of a growing economy. 