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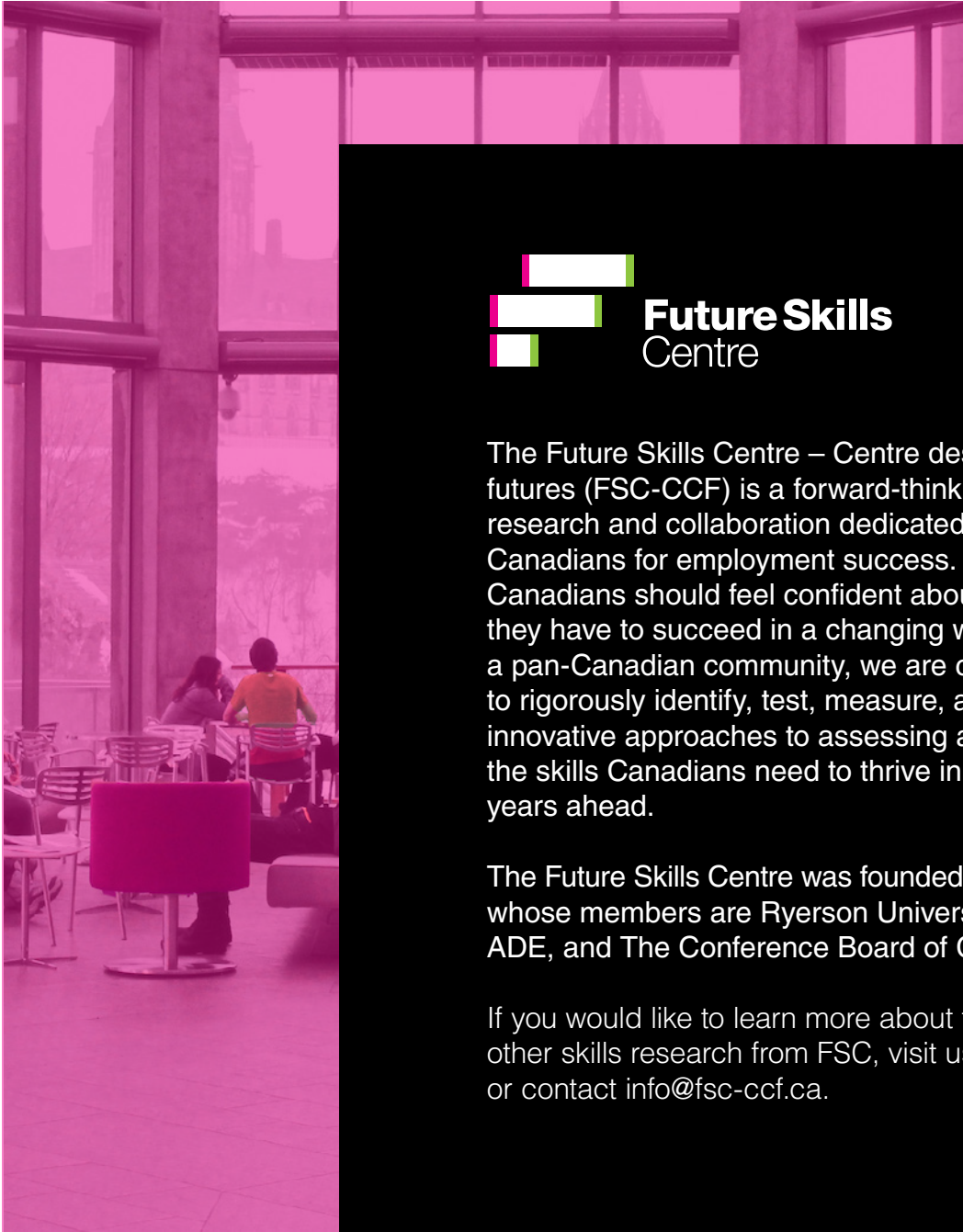
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# **Sustainable Northern Livelihoods**



Primer | June 2020



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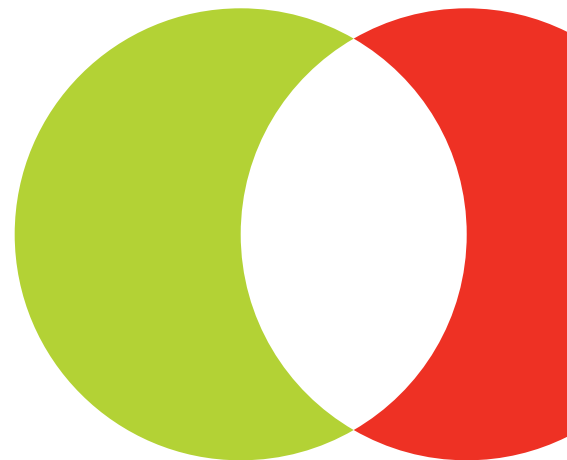
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# Key findings

- Closing the gaps in labour market participation and outcomes for First Nations, Inuit, and Métis people across Canada could add \$11.2 billion to the Canadian economy annually. Labour market exclusion issues are most pronounced for Inuit in Inuit Nunangat, and closing the gaps could add \$371.6 million to the economy in Inuit Nunangat annually.
- Northern economies are less diversified, and Indigenous workers are over-represented in jobs that are more vulnerable during economic downturns. The Indigenous employment gap is thus not just a skills challenge, but an economic development and diversification challenge.
- Indigenous people's participation in the traditional economy remains strong and is strongest among Inuit. The traditional economy is an important component of the mixed economy in Inuit Nunangat and Inuit visions of livelihoods.



## Inclusive growth through sustainable livelihoods

Economic growth in Canada’s North has outpaced the rest of the country, yet Indigenous people in the North continue to experience socio-economic disparities. Unemployment remains high, and compared with non-Indigenous residents, Indigenous people in the North are less likely to have full-time permanent jobs. They are also more likely to experience income and earning gaps. These issues are most pronounced for Inuit in Inuit Nunangat.

Inclusive growth ensures equality of opportunity and equity for First Nations, Inuit, and Métis and is part of the goals of economic growth. Ensuring that Indigenous people fully participate in, and benefit from, the North’s economic growth is critical to answering the Truth and Reconciliation Commission’s call for economic reconciliation and to achieving the North’s full economic potential.

Local economic opportunities, different visions of livelihoods, and unique socio-economic contexts interact to affect education outcomes, work opportunities, and incomes for First Nations, Inuit, and Métis people in remote communities.

## Gaps in employment and incomes

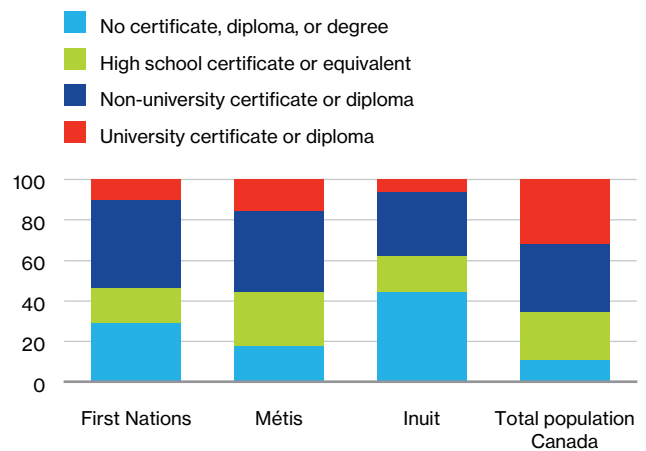
There are differences in education attainment, labour market participation, and outcomes between Indigenous people and non-Indigenous Canadians. Within the Indigenous population, these differences are also observed between First Nations, Inuit, and Métis. This is not surprising given that First Nations, Inuit, and Métis have unique rights, diverse political

and governance structures, distinct contexts and histories, and distinctive geographical distributions across Canada.

## Education gaps

The disconnect between the North’s economic growth and quality of life of First Nations, Inuit, and Métis people who live there has received more attention in the last two decades. One reason for the disconnect is a gap in education attainment, despite targeted education initiatives and skills-upgrading programs. On the positive side, high school graduation rates and post-secondary education attainment continue to improve for First Nations, Inuit, and Métis people. Yet this progress is not keeping pace with increasing graduation rates, especially at the post-secondary level, of the non-Indigenous population, nor is it uniform among First Nations, Inuit, and Métis people. (See Chart 1.)

**Chart 1**  
**Distribution of population aged 25 to 64 by highest certificate, diploma, or degree**  
 (per cent)



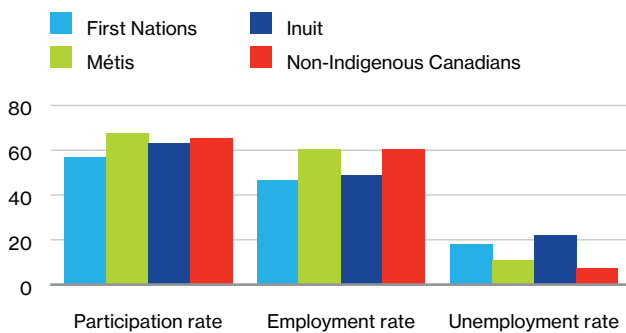
Source: Statistics Canada.

## Employment gaps

Labour market participation for First Nations, Inuit, and Métis people in Canada’s North also continues to lag behind non-Indigenous Canadians. Compared with the non-Indigenous population, Indigenous people have lower employment rates, higher unemployment rates, and lower wages.

There are also noticeable differences in the representation of Indigenous and non-Indigenous workers across occupational and industry categories. Indigenous workers are more likely to occupy low-paid, low-skilled jobs, and are more vulnerable to fluctuations in the job market. While some gaps are closing, progress for the most part has been modest and inconsistent across First Nations, Inuit, and Métis. (See Chart 2.)

**Chart 2**  
**Indigenous people have different degrees of participation in the labour force**  
 (per cent)



Source: Statistics Canada.

## Economic exclusion

Indigenous people continue to be systematically excluded from the labour market. The Conference Board of Canada estimates that closing the gaps in labour market participation and outcomes for First Nations, Inuit, and Métis people across Canada could add \$11.2 billion to the Canadian economy annually. Labour market exclusion issues are most pronounced for Inuit in Inuit Nunangat. Closing the gaps in education and labour market participation could add \$371.6 million to the economy in Inuit Nunangat annually.

So what are the barriers?

## What do we know about systemic barriers to employment?

### Advantages and disadvantages accumulate

Labour market participation and outcomes are the results of cumulative advantages and disadvantages over a lifetime. The intergenerational legacies of colonialism and residential schools, enduring socio-economic inequalities, persistent gaps in education attainment, family responsibilities, and housing and child care shortages are just some examples of the factors that affect the pathways Indigenous people in remote communities take through education and work.

## Remoteness matters

Living in a small remote community has consequences for labour market participation and outcomes. Northern economies are less diversified and more vulnerable during downswings, especially in remote regions.

Small remote communities often have scarce employment opportunities, while limited access to skills training and job coaching can exacerbate skills and qualifications mismatches that discourage residents from looking for work altogether. In the broader social context, small remote communities are also prone to housing shortages and inadequate child care and family supports that impact residents' willingness or ability to move for work or education.

## Northern livelihoods are multidimensional

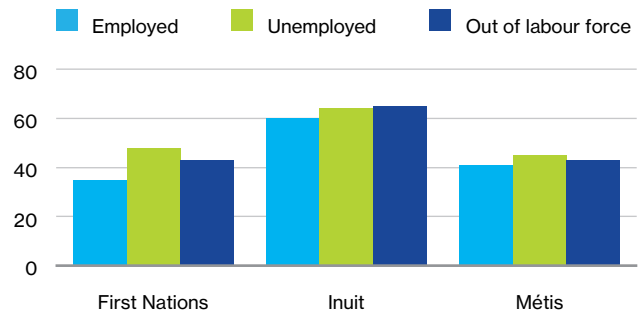
Conventional methods of measuring labour market activities do not capture the significance of the traditional economy in the North's mixed economy.

Indigenous people's participation in the traditional economy remains strong and is strongest among Inuit. The traditional economy includes activities such as hunting, fishing, gathering wild plants, and craftwork, predominantly for subsistence although some use the traditional economy, and notably arts and handicrafts, to supplement their income. (See Chart 3.)

**Chart 3**

### Inuit not in the labour force are most engaged in the traditional economy

(hunted, fished, or trapped and gathered wild plants or berries at least once a week during season, per cent)



Source: Statistics Canada.

Traditional activities have both cultural significance and economic impact. People move between wage-based labour and self-employment in the market economy and subsistence activities in the traditional economy as needs and opportunities change. This is an adaptive measure that provides resilience in the face of labour market instability.<sup>1</sup> People's desire to do traditional work results in a symbiotic relationship between traditional and market economy participation. Income earned through wages and self-employment pays for equipment and supplies. At the same time, harvesting is time-intensive and time-sensitive, which affects the availability to work.

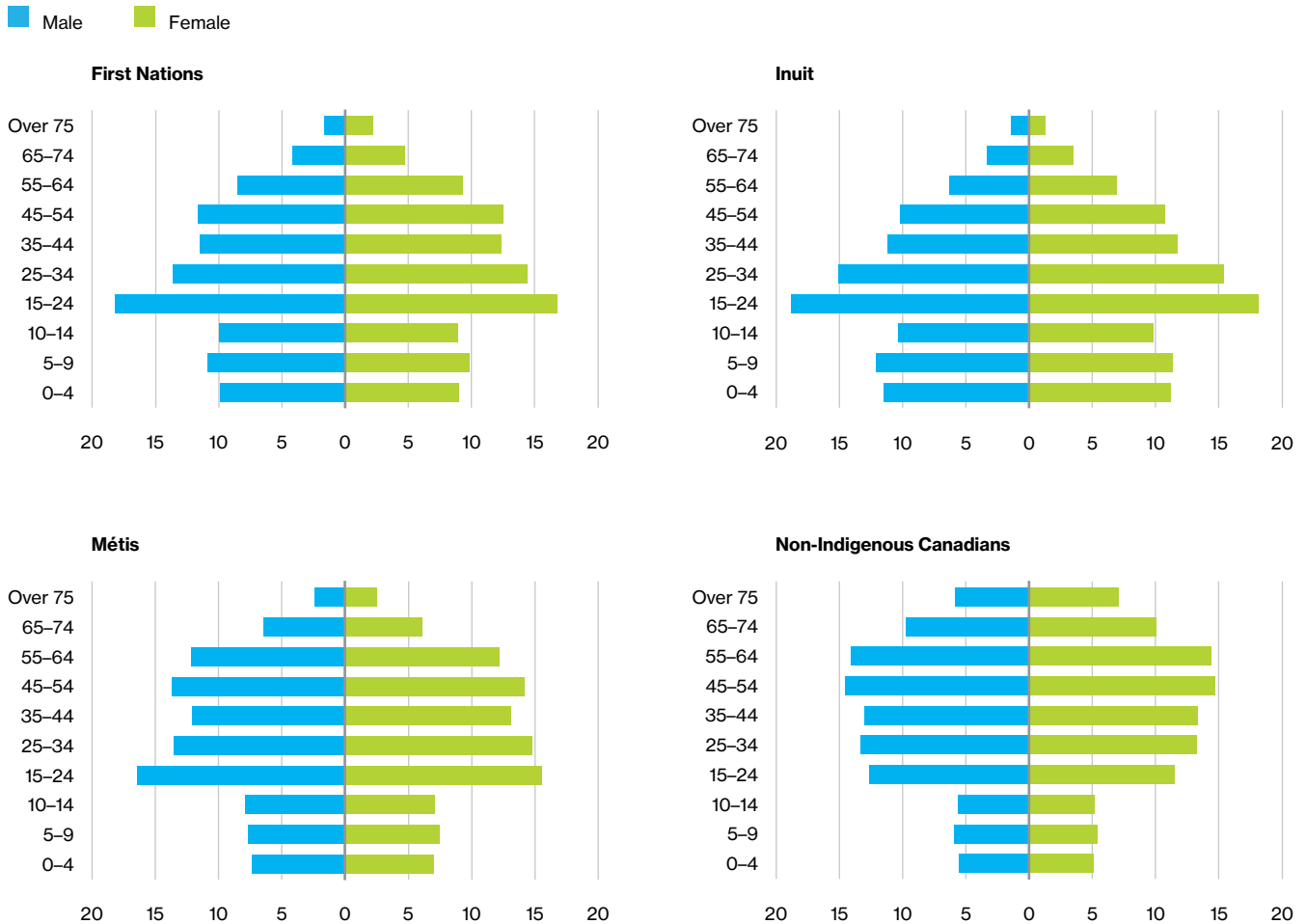
<sup>1</sup> Usher, Duhaime, and Searles, "The Household as an Economic Unit in Arctic Aboriginal Communities."

## Indigenous youth are ready for work

While the Canadian workforce is aging *out*, the Indigenous workforce is aging *into* the labour market. This has the potential to be a significant driver for future economic growth. Indigenous populations are young and represent the fastest-growing labour source in Canada. The average age for the Indigenous population in Canada

is 32 years compared with 41 years for non-Indigenous Canadians. The Inuit population is even younger, with an average age of 28.<sup>2</sup> The Indigenous population is growing at four times the rate of the Canadian population.<sup>3</sup> (See Chart 4.)

**Chart 4**  
**Age profiles by Indigenous identity group**  
 (percentage by age group)



Source: Statistics Canada.

<sup>2</sup> Statistics Canada, "Focus on Geography Series, 2016 Census—Canada."

<sup>3</sup> Statistics Canada, "Aboriginal Population Profile, 2016 Census."



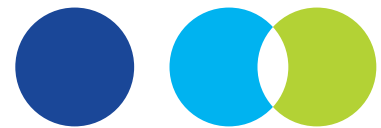
## Discrimination is a barrier

Differences in level of education do not entirely explain the gaps in employment and income between Indigenous and non-Indigenous Canadians.<sup>4</sup> The same level of education does not guarantee the same outcome. University-educated Indigenous people are still less likely to be employed and have lower earnings than university-educated non-Indigenous Canadians.<sup>5</sup> At the other end of the education spectrum, Indigenous workers with no certificate, degree, or diploma also face lower median incomes than non-Indigenous Canadians with similar education levels.<sup>6</sup> Clearly there are other barriers. Racism, discrimination, and negative stereotypes impact opportunities and outcomes for Indigenous workers,<sup>7</sup> especially in cross-cultural workplaces. A recent Conference Board report identified improving cultural awareness as a key strategy for improving Indigenous recruitment and retention.<sup>8</sup> A necessary first step is to acknowledge the discrimination and challenges Indigenous people continue to face.

## Focus on Inuit Nunangat

The majority of Canada's most remote communities are in the North.

The geographic definition of Canada's North has many variations. Some speak of north of the 60th parallel; others above the Arctic circle, the continuous permafrost line, or the tree line. Others define the North as the three territories. Regardless of how the boundaries are drawn, Indigenous people are a significant part of the population and political landscape in Northern Canada. Canada's Inuit, for example, refer to their homeland as Inuit Nunangat. It encompasses four Inuit land claim settlement regions, including the Inuvialuit Settlement Region (Northwest Territories), Nunavut, Nunavik (Northern Québec), and Nunatsiavut (Northern Labrador). Our focus for the remaining sections of this primer will be on the situation of livelihoods in Inuit Nunangat. (See Exhibit 1).



4 Calver, "Closing the Aboriginal Education Gap in Canada;" National Collaborating Centre for Aboriginal Health, *Employment as a Social Determinant of Health of First Nations, Inuit and Métis Health*.

5 National Collaborating Centre for Aboriginal Health, *Employment as a Social Determinant of Health*.

6 National Indigenous and Economic Development Board, *The Indigenous Economic Progress Report 2019*.

7 Lamb, "Earnings Inequality Among Aboriginal Groups in Canada."

8 Conference Board of Canada, The, "Working Together."

**Exhibit 1**  
**Concepts of “North” and Indigenous populations**

**Territories**



**Permafrost line**



**Inuit Nunangat**



Source: The Conference Board of Canada.

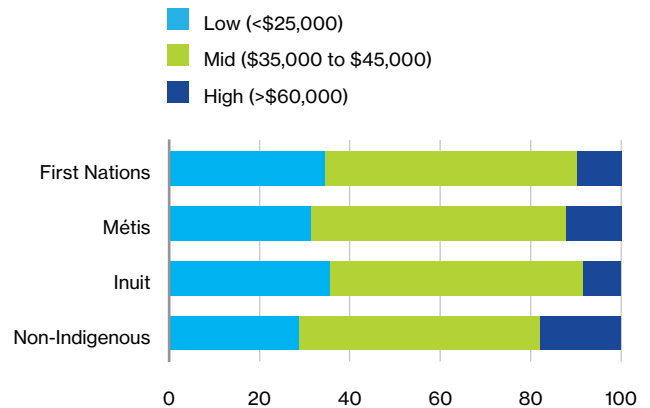
## Most Inuit live in Inuit Nunangat

Inuit Nunangat is home to over 47,000 Inuit, or 73 per cent of the Inuit population in Canada.<sup>9</sup> The 51 communities in Inuit Nunangat are small and remote. They range in size from 129 to over 7,700<sup>10</sup> people and are spread over one-third of Canada’s landmass. All but two communities are fly-in, with no land transportation link to the rest of Canada. Communities in Inuit Nunangat almost uniformly have the highest scores on Statistics Canada’s index of remoteness and have the widest infrastructure gap.<sup>11</sup>

## Inuit mainly work in public sector and low-paying occupations

Nearly half of all employed working-age Inuit living in Inuit Nunangat work in the public sector. This includes public administration (23 per cent), health and social assistance (16 per cent), and education (12 per cent).<sup>12</sup> Inuit labour force participation is also highly segmented, with Inuit over-represented in lower-skilled and lower-paying occupations compared with non-Indigenous workers in Inuit Nunangat.

**Chart 5**  
**Indigenous people predominately work in low- to middle-income jobs**  
 (occupational category median income, per cent)



Source: Statistics Canada; National Indigenous Economic Development Board.

## The Inuit population is young and growing

Inuit are the youngest and fastest-growing Indigenous population in Canada, with an average age of 28 and a birth rate of 2.8 (compared with average age of 32 and 41, and birth rate of 2.2 and 1.6 for all Indigenous people and for all Canadians, respectively).<sup>13</sup> While a young population holds much promise in terms of future contributions to economic activity, the full potential can be achieved only if economic growth is inclusive, ensuring equality of opportunity and equity for all.

9 Statistics Canada, “Map 1.”

10 Ibid.

11 Johnston and Sharpe, *An Infrastructure Index for Remote Indigenous Communities*.

12 Arriagada and Bleakney, *Inuit Participation in the Wage and Land-Based Economies in Inuit Nunangat*.

13 Statistics Canada, Table 4: Number of Children per Woman (Total Fertility Rate) by Aboriginal Identity.

The challenging labour market reality in Inuit Nunangat, the young and predominately Inuit population, and the region's geographic, political, and cultural distinctiveness make it a prime starting point to examine the sustainable livelihoods of Indigenous people.

## A conceptual framework for sustainable Northern livelihoods

In the wage and traditional economies in Inuit Nunangat, three major factors influence Inuit involvement: **the local economy, different visions of livelihoods, and socio-economic contexts.** (See Exhibit 2.)

### Local economies determine opportunities

Local economies and labour market opportunities affect the availability and nature of paid work. The wage economy in the North is less diversified and more vulnerable to economic fluctuations. In many communities, there is also a perceived lack of jobs. Can emerging sectors rooted in the traditional economy create economic opportunities for sustainable livelihoods?

### An Inuit vision of livelihoods

To Inuit, a livelihood is more than wage employment.<sup>14</sup> It encompasses a mix of formal and informal work, and fluidly engages in both the wage and traditional economies to meet material, social, and cultural needs. How can we better understand the traditional economy and its relationship to the wage economy in Inuit Nunangat? What are Inuit visions of livelihoods and what motivates and enables people to pursue these different visions?

### Socio-economic context matters

Just as there are widely recognized social determinants of health, there are social determinants of education and employment. The stock and flows of human, social, cultural, physical, and financial capital as well as a person's inclusion in the institutions of society affect the opportunities present and a person's ability to pursue them. What are successful pathways for Inuit in Inuit Nunangat to navigate their unique socio-economic contexts to pursue sustainable livelihoods?



14 Inuit Tapiriit Kanatami, *Inuit Perspectives on a Canadian Poverty Reduction Strategy*.

**Exhibit 2**  
**Conceptual framework for sustainable Northern livelihoods**



- 1. The optimal outcome:** There are local economic opportunities that align with an individual's vision of livelihood, and the individual has the education and experience necessary to pursue them.
- 2. Positioned, but no jobs:** Without local opportunities, both an individual's vision of livelihood and their skills and qualifications go unfulfilled. This would likely lead to discouraged workers or drive people to look for opportunities outside their community.
- 3. The jobs don't fit:** There are local opportunities for which the individual has the required education and experience, but these opportunities do not align with how the person wants to make a living. This is a situation where there would likely be high turnover.
- 4. Lack of qualifications:** When people lack the education or experience to pursue local opportunities that align with their vision of livelihoods, it can result in discouraged workers and less participation in the labour force.

Source: The Conference Board of Canada.

## Supporting Inuit-designed solutions

Ensuring that Inuit are included in the economic opportunities and growth of Inuit Nunangat is critical to meaningful socio-economic development across the region—and across the North more generally. Yet inclusive growth in Inuit Nunangat remains a challenge. While a lack of skills can present barriers to economic participation, inclusive growth is not just about skills development. We need to look beyond human capital to examine the role of other forms of capital, such as social and cultural capital, in order to develop a better understanding of the fundamentally different challenges and opportunities for Inuit economic inclusion in Inuit Nunangat.

Inclusive growth is also a matter of local economic development and diversification, ensuring that there is a way for everyone to participate and benefit. This requires a better understanding of different visions of livelihoods and how those visions shape Inuit participation in the mixed economy. A recognition of the value and applicability of existing skill sets, resources, and knowledge is necessary to take advantage of emerging economic opportunities and to inform actions to support Inuit-designed solutions.



# Appendix A

# Methodology

The work to investigate sustainable Northern livelihoods began in fall 2019. Findings presented in this primer flow from:

- an extensive review of academic and grey literature;
- review of available data sources;
- interviews with Indigenous leaders;
- discussions with The Conference Board of Canada's Indigenous and Northern Communities team and other Conference Board colleagues.



# Appendix B

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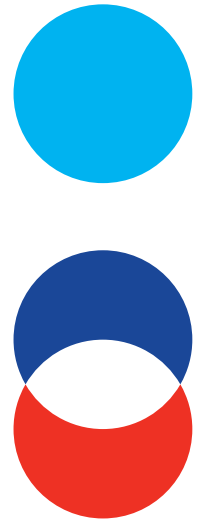
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