

**The Cost of Not Successfully Implementing  
Article 23: Representative Employment for  
Inuit within the Government**

February 17, 2003

## Table of Contents

<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
<b>1. PURPOSE OF THE REPORT</b> .....	<b>14</b>
<b>2. PREMISE OF THE STUDY</b> .....	<b>15</b>
<b>3. METHODOLOGY AND APPROACH</b> .....	<b>17</b>
3.1. The Framework for Analysis .....	17
3.2. Data Gathering Methodology.....	19
3.2.1. Review of Nunavummit Kiglisiniartiit Survey Data .....	19
3.2.2. Interviews and Focus Groups.....	19
3.2.3. Review of Reports.....	20
<b>4. THE NLCA AND ARTICLE 23</b> .....	<b>21</b>
4.1. The NLCA.....	21
4.2. Article 23 and Inuit Employment within the Government .....	22
<b>5. INUIT REPRESENTATION IN GOVERNMENT</b> .....	<b>24</b>
<b>6. FACTORS INFLUENCING INUIT REPRESENTATION IN GOVERNMENT</b> .....	<b>29</b>
6.1. Willingness to Work .....	29
6.1.1. Unemployment.....	29
6.1.2. Reasons for Not Working or Only Working Part-time .....	30
6.1.3. Labour Mobility .....	32
6.2. Government Practices .....	33
6.3. Education and Skills.....	34
6.4. Housing.....	38
6.5. Language .....	39
<b>7. COST OF NOT SUCCESSFULLY IMPLEMENTING ARTICLE 23</b> .....	<b>42</b>
7.1. Direct Costs.....	42
7.1.1. Lost Wages to Inuit.....	42
7.1.2. Direct Cost to Government.....	45
7.1.3. Total Direct Costs.....	47
7.2. Indirect Costs .....	49
7.2.1. Economic costs .....	49
7.2.2. Social Impacts.....	54
7.2.3. Aggregate Indirect Costs.....	59
<b>8. CONCLUDING REMARKS</b> .....	<b>61</b>
<b>Appendix A – List of interviewees</b>	
<b>Appendix B – Focus Group Moderating Guides and Responses</b>	
<b>Appendix C – Estimating the Growth in Employment in Government</b>	
<b>Appendix D – Population Projections</b>	
<b>Appendix E – Data on Government Jobs</b>	
<b>Appendix F – Social Support Estimates</b>	
<b>Appendix G – Tax Calculations</b>	
<b>Appendix H – Socio-economic Variables</b>	
<b>Definitions</b>	
<b>References</b>	

## LIST OF TABLES

### Executive Summary

Table 1	Estimated Direct Cost of Not Successfully Implementing Article 23
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### Body of Report

Table 5.1	Inuit Representation of GoC Positions for Nunavut
Table 5.2	Inuit Representation in the GN
Table 5.3	Inuit Representation Rates by Department within the GN
Table 6.1	Distribution of the Adult Population by Community Type
Table 7.1	Estimated Growth in Government Jobs
Table 7.2	Estimated Territorial Government Compensation Rates
Table 7.3	Estimated Federal Government Compensation Rates
Table 7.4	Estimated Municipal Government Compensation Rates
Table 7.5	Example: Estimated Total Cost of Lost Compensation to Inuit in 2020
Table 7.6	Example: Estimated Turnover-Related Recruiting Costs in 2020
Table 7.7	Example: Estimated Additional Social Support Costs in 2020
Table 7.8	Example: Estimated Tax Revenue in 2020
Table 7.9	Estimated Total Net Direct Cost of Not Successfully Implementing Article 23
Table 7.10	Health Expenditures, 2002-2003
Table 7.11	Spending on Justice Services in the Provinces and Territories

## LIST OF FIGURES

### Executive Summary

- Figure 1 Representation Rates of Inuit within DIAND  
Figure 2 Representation Rates of Inuit within the Territorial Government  
Figure 3 Estimated Annual Value of Lost Government Compensation to Inuit  
Figure 4 Estimated Annual Direct Costs to Government

### Body of Report

- Figure 4.1 Inuit Impressions of the NLCA and Creation of Nunavut  
Figure 5.1 Representation Rates of Inuit within DIAND  
Figure 5.2 Inuit Representation Rates in Federal Departments  
Figure 5.3 Representation Rates of Inuit within the Territorial Government  
Figure 5.4 Inuit Representation Rates by Community  
Figure 5.5 Municipal Employment by Salary Range  
Figure 5.6 Territorial Employment by Salary Range  
Figure 6.1 Distribution By Employment Status – Nunavut  
Figure 6.2 Inuit Employment Status  
Figure 6.3 Why Inuit Have Not Looked For Work  
Figure 6.4 Inuit Involvement in Traditional Activities  
Figure 6.5 Why Inuit Are Only Working Part Time  
Figure 6.6 Willingness to Move to Another Community For a Job or a Better Job  
Figure 6.7 Inuit Employment Status by Education  
Figure 6.8 Inuit Adult Education by Age  
Figure 6.9 Adult Inuit Reasons for Not Completing High School  
Figure 6.10 % of Inuit Who Did Not Graduate from High School Who Selected  
'No School Available' / 'Too Far From Home' / 'Homesick' as Reasons for not Having  
Graduated from High School  
Figure 6.11 Age Pyramid: Nunavut vs. Canada, 2001  
Figure 6.12 Use of the Internet by Inuit  
Figure 6.13 Population / Dwelling Across Canada  
Figure 6.14 Self-Reported Condition of Dwelling  
Figure 6.15 Satisfaction with both the Size and Condition of Dwelling  
Figure 6.16 Inuit's First Language Learned at Home  
Figure 6.17 Which Language Do Inuit Read In?  
Figure 6.18 Language at Home and in the Workplace  
Figure 7.1 Percent of Inuit Adults Receiving Government Assistance  
Figure 7.2 Employees' Average Personal Income by Employer Type  
Figure 7.3 Life Expectancy at Birth  
Figure 7.4 Use and Quality of Health Care Services  
Figure 7.5 "Very Good" Self-Rated Health Status, by Age, 2000/01  
Figure 7.5 Crime Rate Per 100,000 Population

## Executive Summary

### Background

**The purpose of this report is to estimate the total costs, to Inuit and to Government, of not implementing Article 23 of the Nunavut Land Claims Agreement.** Article 23 of the Nunavut Land Claims Agreement requires that the level of Inuit employment within Government reflect the ratio of Inuit to the total population in the Nunavut Settlement Area. This report has been prepared for Nunavut Tunngavik Inc. and the Government of Nunavut.

**The preparation of this report involved a number of lines of research:** reviewing the many reports related to Article 23, conducting interviews and focus groups, and reviewing administrative data, survey data and published reports, to investigate the current state of affairs and the barriers to employment of Inuit. The key findings are summarized below. It should be noted that, due to data availability, some of the findings pertain to Inuit in Nunavut, and some of the findings pertain to Nunavummiut. The term Nunavummiut includes all people living in Nunavut, regardless of whether they are Inuit or not.

### The Nunavut Land Claims Agreement and Article 23

**The Nunavut Land Claims Agreement was signed by representatives of the Inuit of Nunavut and the Government of Canada on May 25, 1993** and was binding on the Government of Canada and the Government of the Northwest Territories. Legislation was enacted by Parliament the following month, and the Nunavut Land Claims Agreement became law on July 9, 1993. The rights of Inuit under the Nunavut Land Claims Agreement are treaty rights within the meaning of Section 35 of the *Constitution Act, 1982*. Article 4 of the Nunavut Land Claims Agreement resulted in the division of the Northwest Territories and the creation of the Territory of Nunavut and the Government of Nunavut on April 1, 1999.

**The settlement of the Nunavut Land Claims Agreement in 1993 and the creation of Nunavut in 1999 have created pride and hope for the people of Nunavut.** Over 60% of Inuit believe that the Nunavut Land Claims Agreement has had a positive impact on their lives. Approximately 80% believe it will have a positive impact on their future and their ability to govern their lives better<sup>1</sup>. Some participants of focus groups that were conducted during the preparation of this report indicated that without the Nunavut Land Claims Agreement, and Article 23 in particular, they saw little hope for their future.

**Article 23 is one of the most important aspects of the Nunavut Land Claims Agreement.** Section 23.2.1 states that “The objective of this Article is to increase Inuit participation in Government employment in the Nunavut Settlement Area to a representative level”. “Representative Level” is defined as “a level of Inuit employment within Government reflecting the ratio of Inuit to the total population in the Nunavut Settlement Area; this definition will apply within all occupational groupings and grade levels”. Therefore, since Inuit represent 85% of the population of Nunavut<sup>2</sup> they should hold 85% of Government jobs in Nunavut. Article 23 further states that: “It is recognized that the achievement of this objective will require initiatives by Inuit and by Government”. While there is no explicit time frame for achieving this objective, Nunavut Tunngavik Inc and the Government of Nunavut believe that 2020,

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<sup>1</sup> According to Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey.

<sup>2</sup> Statistics Canada reported 22,560 people declaring Inuit identity in the 2001 Census; 84.6% of Nunavut's total population of 26,665. [Statistics Canada (January 21, 2003), *Aboriginal peoples of Canada: A demographic profile.*]

being 28 years after the signing of the Nunavut Land Claims Agreement, is a reasonable target date for achieving this objective.

**To date, Article 23 has not been successfully implemented** The representation rate of Inuit within the population is 85%. Hence, Inuit should account for 85% of jobs and wages. Within each of the three levels of Government, Inuit receive less than 85% of the wage bill.

- The representation rate has declined from 38% in the Department of Indian Affairs and Northern Development in 1996 to 27% in 2002, and rests at 33% for the Federal Government overall, as shown in Figure 1.

While this department represents just one of the 14 federal departments that are affected by Article 23, it is particularly important to consider representation rates here for several reasons. First, historical figures for all of the relevant federal departments are not available. Second, the Department of Indian and Northern Affairs accounts for 31% of federal positions that are subject to Article 23, and thus has a disproportionately strong impact on the overall federal rates. Finally, this department has the lead responsibility to implement all the federal government obligations under Nunavut Land Claims Agreements.

- The representation of Inuit within the territorial government has remained at about 42% since 1996, as shown in Figure 2.
- At the municipal level, the representation rate of Inuit is significantly better, at 90%. However, about a third of these employees are likely to be working part time, as their incomes are less than \$20,000 (whereas only 2% of non-Inuit jobs are associated with a wage of less than \$20,000). If the representation rate were to be calculated on a full-time equivalent basis (as is the case for the territorial and federal rates), it would likely be substantially lower.

Figure 1

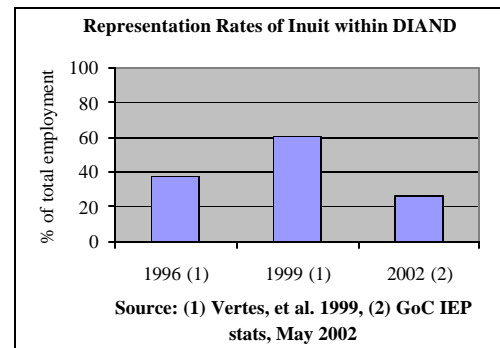
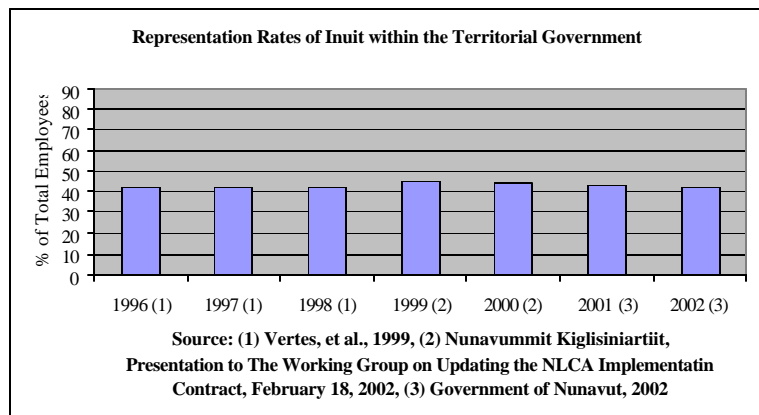


Figure 2



**Not only are the Inuit representation rates among Government employees significantly below the Representative Level, but average salary rates are significantly lower among the Inuit than among the non-Inuit.** The average salary rate of Inuit is just 76% of that of non-Inuit in the Government of Nunavut. Average salaries are little more than half the rate of those of non-Inuit in the municipal governments. While data on salaries within the Government of Canada is not available at this time, the disproportionate over-representation of Inuit at the low wage job classifications, relative to the high-wage job classifications, is suggestive of a gap in average wages between Inuit and non-Inuit.

**This gap in average salaries is important for two reasons .**

- Achieving full implementation of Article 23 would ensure that Inuit would be in a position of decision-making authority and thereby able to influence Government policy-making and processes. The fact that occupational groupings and grade levels are strongly related to salaries, and that the

average salary of Inuit is lower than that of non-Inuit suggests that Inuit are not holding positions of decision-making authority to the degree that they should be.

- Achieving full implementation of Article 23 would also ensure that Inuit receive their fair share of Government salaries and wages.

### Factors Influencing Inuit Representation in Government

#### **Inuit are available, and want to work. The low representation rate of Inuit is not due to an unwillingness to work.**

- According to the national definition of unemployment, which includes only people actively looking for work, one quarter of adult Inuit are unemployed. According to the alternative definition, which includes people who would like to work, but were not looking because they believe there are no jobs available, 31% of adult Inuit are unemployed.
- If Inuit are not looking for work, the most common reason given (excluding ‘going to school’) is because they believe there are no jobs available suited to their skills. It is noteworthy that the number of adult Inuit not looking for work because they ‘believe there are no jobs available suited to their skills’ is almost 10 times the number who would prefer to work on the land rather than engage in paid employment. The fact that few people cited working on the land as a reason for not looking for work does not imply a lack of desire to engage in traditional pursuits such as hunting, fishing, carving and other arts and crafts production – it is not an either/or dichotomy. In fact, employed Inuit are generally more likely than unemployed Inuit to participate in traditional activities.
- If Inuit are only working part-time, the most common reason is because that is all they can find.
- Many Inuit are willing to work on a rotating basis, or move to get a job or further their education, while others place a priority on remaining with their families in the community.

#### **Education and training are key to employment.**

- Low levels of education among Inuit represent a serious barrier to employment.
- The importance of education to employment is clearly acknowledged in the Canadian Innovation Agenda.
- Unemployment rates are highest among the least educated.
- Many Inuit do not apply for jobs because they do not meet the educational qualifications.

#### **Language is a significant barrier to employment.**

- While Inuktitut and Inuinnaqtun are the languages spoken in homes and community meeting places across Nunavut, English is the language spoken most often in workplaces.
  - **Ability to speak:** The majority of Inuit speak Inuktitut or Inuinnaqtun better than they speak English: 72 percent speak Inuktitut or Inuinnaqtun very well, while only 50 percent speak English very well.
  - **Language spoken at home:** Inuit are much more likely to speak primarily Inuktitut or Inuinnaqtun at home (62%) than they are to speak primarily English at home (23%), while 15 percent speak English and either Inuktitut or Inuinnaqtun at home.
  - **Language thought in at work:** Forty percent of employed Inuit think most often in Inuktitut or Inuinnaqtun at work, while only a third think most often in English.
  - **Language spoken at work:** Despite the dominance of Inuktitut or Inuinnaqtun among the Inuit, 72% speak some English at work and 41 percent speak English most often when at work.
  - Conversely, where 98% of non-Inuit speak English or French only at home, the same 98% speak English or French only at work too. Conversely, where 98% of non-Inuit speak English or French only at home, the same 98% speak English or French only at work too.

- Unemployed Inuit are more likely to speak Inuktitut or Inuinnaqtun, and less likely to speak English than employed Inuit.
- Almost 20% of unemployed Inuit do not read English.

### **Government practices have formed a barrier to employment of Inuit.**

- Southern practices of competing for jobs through self-promotion are inconsistent with Inuit culture. The Government of Nunavut is implementing some strategies to make recruiting practices more consistent with Inuit culture.
- There is a perceived lack of mentoring and training for Inuit, which serves as a disincentive to apply for Government jobs, and limits those who do apply.
- The hierarchy and management styles common in southern Canada, wherein decisions are made at the top and handed down, often conflict with the values that Inuit place on consensual decision-making.
- In preparing this study, PwC noted that Section 23.4.2 (iv) of the NLCA states that there must be 'Inuit involvement in selection panels and boards or, where such involvement is impractical, advice to such panels and boards'. While this practice is common among employees who report to a board, and there are certain departments that follow this practice, it is not standard for the hiring of all employees. Given some of the concerns noted above about Government practices and cultural considerations, involvement of Inuit on selection panels is likely to contribute to increased hiring of Inuit. Moreover, as Inuit representation rates increase, there will be an increased availability of Inuit within the workplace to participate on panels. Hence, this practice of involving Inuit on selection panels, and progress in achieving Article 23, are likely to reinforce each other.

## **The Costs of Not Successfully Implementing Article 23**

**The costs of not achieving Article 23 are high for both Inuit and the Government.** Two types of costs have been considered in this analysis: direct costs and indirect costs. The direct costs are the easiest to estimate with a high degree of confidence, given both the availability of data, and the nature of costs. Indirect costs, just as real and often more costly, are more difficult to estimate

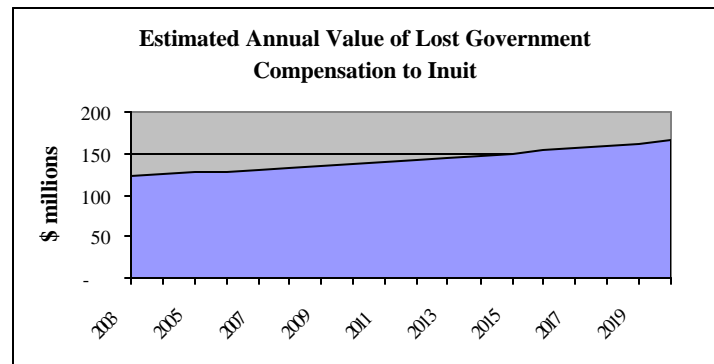
### **Direct Costs**

**Direct costs include** : costs to Inuit, in the form of lost wages to Inuit due to the employment of Inuit below the Representative Level; and costs to Government, in the form of higher social support costs for unemployed Inuit, lower tax revenues, and higher recruiting costs due to the higher turnover of non-Inuit as a result of employment of Inuit below the Representative Level.



Figure 3

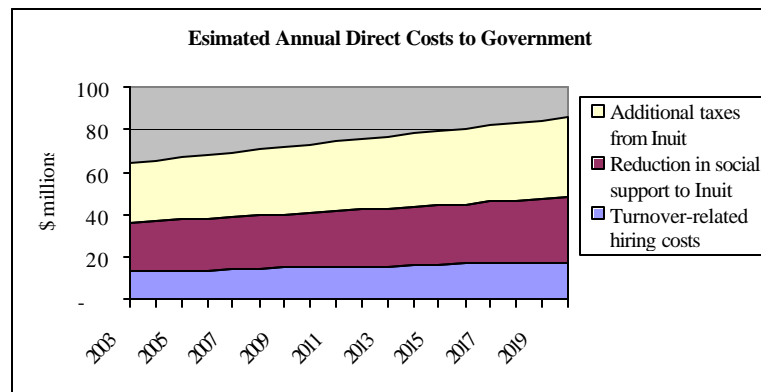
**The value of lost wages to Inuit is significant.** Inuit would have earned \$258 million in compensation if Article 23 had been fully implemented. Due to their under-representation in Government, particularly in the high paying positions, \$123 million of this compensation<sup>3</sup> is expected to go to non-Inuit in 2003. The total value of lost wages, if representation rates remain at their current level, is estimated to be \$2.5 billion over the next 18 years, as shown in Figure 3.



**The direct cost to Government is also high.** If Inuit were working in these Government jobs and receiving higher salaries commensurate with more senior positions, they would not be drawing on social assistance, and they would be paying higher taxes.<sup>4</sup>

Furthermore, Government would avoid the high recruiting costs associated with non-Inuit who have an average length of service that is little more than half that of Inuit. The combined total cost to Government is estimated at \$65 million in 2003 alone, and \$1.3 billion over the next 18 years, as shown in Figure 4.

Figure 4



**The total annual net cost, estimated to be \$137 million in 2003, is borne almost equally by Inuit and Government.** The net cost to Inuit, calculated as the value of lost compensation, less taxes that they would have to pay, and social assistance that they would have been entitled to had they not been employed, is estimated at \$72 million for 2003. Over the entire 20 year period, the total net cost is estimated to be \$2.8 billion, as shown in Table 1.

<sup>3</sup> The computation of compensation rates includes the total value of wages and salaries, plus benefits, plus the Northern allowance, plus the value of the staff-housing subsidy. The average cost of staff housing is estimated \$18,000 across all employees (including both those living in staff housing and those not living in staff housing), as per the GN standard costs and fares. It is important to note that this estimate could vary in the future for two reasons. First, staff housing is not available to all staff. Hence, if the proportion of staff that are eligible for staff housing varies from that used to calculate the \$18,000 average, then the average cost would necessarily vary as well. Second, even among staff that are eligible for staff housing, not all chose to live in staff housing. In the current analysis, the benefit of the staff housing is shown as being transferred from non-Inuit to Inuit. However, it is quite possible that Inuit will be less likely to live in staff housing than non-Inuit. In this case, the benefit would accrue to the Government, in the form of lower staff housing subsidies. Given the uncertainty with which the staff housing may be offered to staff, and the rate at which staff may choose to avail themselves of staff housing, the estimate as stated in the GN standard costs and fares is assumed in this analysis.

<sup>4</sup> Even though Inuit are only taking over existing jobs of non-Inuit, the taxes that they pay are incremental in the system as a whole. This is because, due to the low unemployment rate for non-Inuit and the rest of Canada, it can be assumed that the non-Inuit, who would have been working in the Government jobs if Article 23 were not fully implemented, would have found jobs elsewhere if Article 23 were fully implemented. Conversely, unemployment among Inuit has been persistently high and, thus, successful implementation of Article 23 would be expected to create new jobs and reduce unemployment for Inuit.

**It is important to note that these costs are estimated based on the information that was available at the time that this report was prepared.** The lack of available data means that the computations are based on assumptions and the true estimates may be higher or lower. For example, use of territorial government wage rates to estimate federal wage rates is likely to underestimate the true costs. Similarly, given that no consideration for any differential cost of recruiting non-Inuit relative to Inuit is included, the actual costs to Government may be underestimated. If the proportion of staff that receives the housing subsidy is lower such that the average value of the housing subsidy is lower than estimated, the actual cost would be lower.

**The important point to note is that variances in the assumptions would result in variances with regard to the actual cost estimates, as shown in section 7.1, but they do not lead to variations in the overall magnitude of the cost estimates.**

**Table 1  
Estimated Direct Cost of Not Successfully Implementing Article 23**

Period of study	Costs to Inuit		Cost to Government				Estimated total net direct cost
	Total lost wages	Lost incremental income	Turnover-related hiring costs	Reduction in social support to Inuit	Additional taxes from Inuit	Total cost to Government	
	\$ millions		\$ millions				
2003	123.3	72.0	13.2	22.9	28.3	64.5	136.5
2003-2020	2,542.6	1,471.1	276.9	479.1	592.4	1,348.4	2,819.5

### **Indirect Costs**

**The actual costs of not successfully implementing Article 23 are likely to be far higher than the primary costs alone.** Successful implementation of Article 23 is expected to generate a number of indirect effects throughout the economy.

**First, successful implementation of Article 23 is believed to require investments in infrastructure, such as education, that will have indirect effects on Inuit employment throughout the economy.** Inuit are not only under-represented in the Government sector but appear to be under-represented in the non-Government sector as well. Focus groups with employers suggest that the main reason is a lack of education among Inuit. In addition, Inuit appear to earn significantly lower salaries than non-Inuit in the non-Government sector.<sup>5</sup> Participants in focus groups suggested that if Article 23 was successfully implemented, the average wage for all Inuit would be pushed up. A fundamental basis of the Canadian Innovation Agenda is that investments in knowledge infrastructure are the foundation of growth, and that these investments have ripple-type effects that benefit all agents in society. Hence, it is likely that if the educational infrastructure were developed so as to enable successful achievement of Article 23 on an ongoing basis, the entire pool of Inuit labour would be affected, and Inuit representation in all sectors would increase.

**Increased Government employment and income among Inuit is expected to have a number of effects on local spending and job creation.** Non-Inuit are more likely to originate from outside Nunavut, and are probably more likely to spend their money outside of Nunavut. Second, family is very important in the Inuit culture. Financial gains through employment income are likely to be shared amongst other

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<sup>5</sup> At the time of this study no data on employment and income by sector, for Inuit and non-Inuit. Hence, the estimates here have been based on proxies from the Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey, as discussed in Section 7.2.

members of the family, thus contributing to the number of people spending locally. This increased spending locally would translate into more jobs, more economic activity, and more taxes in Nunavut.

**Furthermore, current Government theory on the critical drivers of growth also suggests that strategic investments in education and unique local strengths contribute to long-term growth.** Innovation and knowledge development themes have dominated the Government's agenda over the last several years. According to the Canadian Innovation Agenda "The income gap between Canada and the US is due to poor productivity", and "Innovation is key to improving productivity". The Innovation Agenda focuses on several key critical success factors. Two of these are particularly relevant for Nunavut, and projecting the impacts of successfully achieving Article 23 – the importance of a skilled workforce (as noted above), and the importance of clusters for innovation.

**The concepts of industrial "clustering" have become significant in the economic development literature in recent years.** Industrial "clustering" implies linkages between organizations in a given region, and leveraging of unique local strengths. According to the Canadian Innovation Agenda for the 21<sup>st</sup> Century, "*What comes through loud and clear from all stakeholders of Canada's innovation system is that much success in starting up innovation or new technology companies is related to the development of innovation clusters: geographically concentrated industrial centres containing a number of elements.*" Innovation and cluster theory suggest that implementation of Article 23 would enable better leveraging of Government sustainable development initiatives and the value of Inuit knowledge.

**Failure to successfully implement Article 23 also contributes to high social costs.**

- **The interrelation between health and education, employment and income, are well known.** Health Canada's 1990 and 1999 reports on the health of Canadians present a host of data relating poor health status to low education, low employment and low income levels. The health status of Inuit is significantly lower than that of other Canadians: average life expectancy is ten years shorter, self-rated health status is lower, and access to high-quality health care is lower. The lack of locally trained Inuit health care professionals, low incomes, low education and severe housing shortages all contribute significantly to this outcome. Poor health status, a lack of local health care services, and the high cost of delivering health care to isolated communities, all contribute to per capita health care costs that are more than double the national average.
- **Successful implementation of Article 23 would be expected to significantly improve the health status of Inuit and the efficiency of the delivery of health care services.**
  - Increased education and income are likely to contribute to improved health, as it provides Inuit with a sense of pride and purpose and the means to prevent illness and maintain their health.
  - Increased education of Inuit would enable better delivery of health care services by Inuit within their communities. This would allow for earlier detection of illness, and remedial treatment at an earlier, and less costly stage.
  - Increased education of Inuit would also enable Inuit to better understand the factors that contribute to better health status, and the warning signs that should encourage them to go to a health practitioner.
- Similarly, crime is significantly more common in Nunavut than in the rest of Canada. Numerous government studies suggest that high crime (like poor health), is strongly related to education, employment and income.

**These indirect costs are likely to grow dramatically over the next 18 years, as the population is projected to grow by almost 47%.** Investment in infrastructure now to achieve full implementation of Article 23 can be leveraged throughout the population to increase jobs and taxes, and reduce the dependency on social assistance. Failure to successfully implement Article 23 could lead to indirect costs that exceed even the direct costs estimated here.

**These indirect costs have not been quantified in this study, due to a lack of availability of data, particularly labour force data, and the inherent difficulty associated with estimating the social costs of unemployment, low incomes and low educations.** It is critical to note that the inability to precisely calculate these costs should not lead to a tendency to ignore the potential costs. Despite the lack of quantification, a host of relevant studies, as well as the prevalence of government programs designed to increase education and foster an environment conducive to innovation and high productivity, suggest that the costs are high, to Inuit and to Government. Sufficient data collection and analytical tools should be put in place to project these costs, and effectively plan remediation strategies.

## **Recommendations**

**Nunavut Tunngavik Inc. and the Government of Nunavut are seeking commitment from the Government of Canada to jointly develop and implement an action plan to successfully achieve the objectives of Article 23 by 2020.** In order to effectively plan and achieve this goal, the following recommendations are offered for consideration.

- It is apparent that in order to effectively plan and implement Article 23, extensive research should be undertaken, at the community level, with the general population, students and employers to better investigate the barriers to Inuit employment.
- A plan, with target rates for employment levels and wage rates by occupational grouping and grade level, age, sex and community should be developed. The plan should also include expected outcomes in the non-Government sector, and with regard to social issues, so as to be able to gather a complete picture of the real costs and progress. The underlying data from this report are offered as a starting point for this analysis.
- Consideration needs to be given to the strategy for achieving the target representation rate. There are at least two potential strategies that can be considered: The Human Capital Strategy and the Quick-Ramp-up Strategy. The costs and benefits of any chosen strategy need to be investigated thoroughly, as well as the ability to combine various elements of these strategies.
  - The **Human Capital Strategy** is based on the theory that the fundamental barrier to employment is education. Given the low levels of formal education among Inuit, this model requires significant investments in education and will likely take decades before the full effects are realized. Results from focus groups, interviews and analysis of statistical data suggests that human capital strategies will be important for sustaining long term growth.
  - The **Quick-Ramp-up Strategy** would be based on the assumption that there are many non-educational barriers to employment, such as Government practices, lack of housing, and lack of daycare. Results from focus groups, interviews and analysis of statistical data suggests that these factors are also important. Numerous suggestions were offered that could be expected to have an immediate impact.
    - For example, the current practice of posting Government jobs in English one week before posting them in Inuktitut is seen as a strong disincentive to applying for a job. Delaying posting until the Inuktitut version is ready would be expected to have an immediate positive impact.
    - Similarly, ensuring that an Inuk is advising on every hiring panel (note that this is required by Article 23, but does not appear to be the current standard), would help to overcome the cultural differences between Inuit and non-Inuit.
    - Finally, implementing a system whereby Inuit shadow non-Inuit and are trained on the job could significantly and rapidly increase the representation rate of Inuit.
- The preparation of this report involved review of a large amount of data. The Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey, and the GN Public Service Annual Report were key sources of information. However, there were many gaps in the availability of information and

thus it was necessary to prepare many of the estimates contained herein without full information. In order to ensure effective planning, a complete inventory of data requirements needs to be developed.

- During the preparation of this report, focus groups were conducted with individuals and employers, and representatives from several areas of the GN were interviewed. The purpose of these discussions was to develop a high-level understanding of the issues regarding employment of Inuit. However, these discussions were in no way comprehensive in nature. Hence, these recommendations are offered only for consideration, and significant further analysis will need to be undertaken.

## 1. PURPOSE OF THE REPORT

PricewaterhouseCoopers LLP (“PwC”) was contracted to conduct a study on the implications of not implementing Article 23 (Representative level of Inuit employment within Government) of the Nunavut Land Claims Agreement (“NLCA”). The study is intended to concentrate on estimating the costs to Inuit and Government of not employing a Representative Level of Inuit within the Federal, Territorial and Municipal governments (“Government”) in the Nunavut settlement area.

**The specific purposes of the report are twofold:**

- The study is designed to investigate the costs of not implementing Article 23 of the NLCA. It is critical to consider both the costs to Inuit, as well as the potential burden to the Government; and
- The study should provide a foundation against which to:
  - Develop targets;
  - Identify barriers and enablers; and
  - Monitor and assess performance.

**This study was sponsored by:**

- Nunavut Tunngavik Incorporated (“NTI”); and
- The Government of Nunavut (“GN”)

**There are several critical success factors for this project:**

- The report must be unbiased, fact driven, and based on commonly accepted economic principles that are consistent with the socio-economic realities of Nunavut; and
- The report must be understandable to a wide range of audiences, including economists, finance specialists, policy makers and administrators, and the general public. Hence, it must be grounded in sound economic theory, as well as common-sense principles.

## 2. PREMISE OF THE STUDY

The premise of this study is that the costs of not implementing Article 23 by 2020 should include a comprehensive evaluation of all costs that would reasonably be expected to occur over the next 18 years if Article 23 is not successfully implemented. The calculation of these costs requires careful consideration of the following:

- Objectives of Article 23;
- Current levels and trends of Inuit employment and compensation within Government;
- Identification of the critical success factors for achieving these objectives; and
- The subsequent identification and quantification of all of the costs, direct or indirect, that would reasonably be expected to occur.

**Article 23 is one of the most important aspects of the NLCA. The NLCA states,**

*“23.2.1 The objective of this Article is to increase Inuit participation in Government employment in the Nunavut Settlement Area to a representative level. It is recognized that the achievement of this objective will require initiatives by Inuit and by Government”.*

*23.3.2 In pursuit of this objective, Government and the DIO shall cooperate in the development and implementation of employment and training as set out in the Agreement.”*

Furthermore, as per the Definitions, Representative Level

*“23.1.1 means a level of Inuit employment within Government reflecting the ratio of Inuit to the total population in the Nunavut Settlement Area; this definition will apply within all occupational groupings and grade levels.”*

**The outcomes inherent in Article 23 are understood to be twofold:**

- Full implementation of Article 23 would ensure that Inuit have the power to develop and administer Government policies in a manner consistent with Inuit values and culture, in direct proportion to the percentage of the population that they represent; and
- Full implementation of Article 23 would ensure that Inuit receive their fair share of Government funding resources, as per the requirement that the Representative Level be achieved at all occupational groups and grade levels.

**It is further understood that Article 23 was negotiated in good faith by all parties, and consequently that all steps required to fully achieve Article 23 will be investigated and strategies will be designed and implemented accordingly.** Numerous previous studies have found that extensive barriers exist that have impeded successful achievement of Article 23. These include a host of factors such as: education and training, housing, daycare, Government practices, cultural issues, and language issues. Addressing these issues in order to successfully achieve Article 23 will also benefit all potential employees in the non-Government sector and the entire population, given the importance of these factors in improving social conditions such as health and crime. Hence, the costs of not achieving Article 23 include not only the direct costs to potential Inuit employees, but also the costs to the entire population.

Consequently, the scope of costs for consideration in this study include:

- **All direct costs.** These include the additional costs to the Government for hiring non-Inuit as opposed to Inuit (over and above what would have been required had the objectives of Article 23 been successfully implemented), the lost tax revenue from Inuit employment, and the costs of social support that would not have been required had the Representative Level of Inuit been employed within the Government; as well as the net costs to Inuit, in the form of lost income (over and above social support costs and net of taxes) from working in the Government.

- **All indirect costs.** Indirect costs are expected to occur in a host of areas, due to the findings in both this study and previous studies that the design and implementation of strategies to achieve Article 23 will have indirect effects throughout the whole economy. These include expected impacts on Inuit employment in the non-Government sector, associated tax revenues and reductions in social assistance, as well as impacts on social factors such as health and crime.

It is worthwhile noting why this report has focussed on the costs of not achieving Article 23, rather than the gains associated with achieving Article 23. The former method was chosen to emphasize that Inuit have the right to the outcomes expected as a result of achieving Article 23, and that their loss is therefore a cost to the Inuit people.



### 3. METHODOLOGY AND APPROACH

#### 3.1. The Framework for Analysis

Estimating the costs of not implementing Article 23 is a complex process. Specifically, the preparation of this report involved the following steps.

##### Identification of the target rate

The target employment rate established by Article 23 is the Representative Level, defined as:

*“a level of Inuit employment within Government reflecting the ratio of Inuit to the total population in the Nunavut Settlement Area; this definition will apply within all occupational groupings and grade levels”*

where

*Government employment includes:*

- a) positions in the federal Public Service for which Treasury Board is the employer,*
- b) positions in the territorial Public Service for which the Commissioner is the employer, which shall include positions in the Northwest Territories Housing Corporation, and positions for which a Municipal Corporation is the employer;*

Several options for the calculation of a target level (or multiple target levels) were advanced in previous studies and during discussion amongst the parties (PwC, NTI and GN). These options must be considered within the context of the spirit of the NLCA. A key objective of the NLCA is to ensure that Inuit, who dominate the population in Nunavut, have the power to govern their lives, and that this power is relative to their representation within the population. This is based on the recognition that Inuit have a distinctly different culture and value system than non-Inuit, and that Government's policies should be developed and administered in a manner consistent with these cultural factors and value systems.

Options for calculating target rates included:

- **Community-specific vs. territory-wide:** One option would be to establish target rates on the basis of the ratio of Inuit to the total population of each individual community. This approach is inappropriate for two reasons:
  - Government employment is concentrated in regional centres, particularly Iqaluit, in order to gain efficiencies of scale. However, Government employees in Iqaluit (and, to a lesser degree, the communities with decentralized GN 'headquarters' jobs) establish policies and manage programs that impact on all Nunavummiut, and should therefore represent the population of all of Nunavut; and,
  - The current number and distribution of non-Inuit, particularly in Iqaluit, is a manifestation of historical Government hiring procedures that primarily engaged non-Inuit people. Setting target rates based on this historical legacy would perpetuate this bias on an ongoing basis.
- **Working-age population vs. total population:** It has also been suggested that the target rate for Inuit employment within Government should be established according to the representation of Inuit within the working-age population. This approach would not respect the intent of the NLCA that policies should be developed and administered consistent with the representation of the population as a whole, including elders and youth.

Consequently, the target rate that was used in this study is based on the representation of Inuit within the entire population of Nunavut.

### **Assess the current representation rate within Government**

The first step in the process was to investigate the current representation rate within Government. It is important to note that while previous studies have focused on just the representation rates, distribution by salary level has also been examined. This is critical due to the requirement that the representation rates be achieved at all occupational groupings and grade levels. This analysis has been made possible by recent improvements in available data on Government employees, particularly within the GN. We also examined custom tabulations from Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey.

Projections for labour demand by Government were also developed by interviewing a wide range of representatives from Government (See Appendix A for a list of people interviewed and Appendix B for a summary of the PwC focus group sessions). In addition, data concerning the average ratio of Government workers to the total population of provinces and territories were examined.

### **Assess the barriers to Inuit employment in Government**

The perceptions regarding the type of impediments to Inuit employment within the Government and the non-Government sector were investigated, at a high level. This information was obtained through the following:

- Interviews with representatives of the Government and the private sector;
- Focus groups with students, employers, and the general population;
- Data from Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey;
- Data from Statistics Canada; and
- Review of reports and data from a host of other sources.

### **Estimate direct costs**

The direct costs are the easiest costs to estimate with a high degree of confidence. Primary costs include: lost wages to Inuit due to the employment of Inuit below the target representation rate, higher social support costs for Inuit than would be the case if Inuit were employed in greater numbers within the Government, the additional costs of recruiting non-Inuit, and tax revenues from Inuit who would have otherwise been unemployed.

### **Investigate indirect costs**

Successful implementation of Article 23 is expected to generate a number of indirect effects throughout the economy for two reasons. First, successful implementation of Article 23 is believed to require investments in infrastructure, such as education, that will have indirect effects throughout the economy. Second, increased employment and income among Inuit is expected to have a number of effects on local spending and job creation. Together these influencers are expected to effect job creation, taxes, dependency on social assistance, as well as a host of social factors, such as health and crime. While provisions for these impacts were not specifically included in the NLCA, it is reasonable to assume that they would occur under successful implementation of Article 23, and thus the failure to fully achieve the objectives of Article 23 results in their loss, and thereby represents a cost to Inuit and Government. While an extensive analysis of these costs was undertaken, such analysis required a number of assumptions and reliance on proxy information. As a result, only the range and types of costs considered is included herein, rather than a summary quantification of the costs.

No corrections for inflation have been included in the current model.

## **3.2. Data Gathering Methodology**

### **3.2.1. Review of Nunavummit Kiglisiniartiit Survey Data**

**Reliance on high-quality, up-to-date data is critical to accurately assessing the current status and projecting future trends.**

#### **Survey**

Nunavummit Kiglisiniartiit (the Nunavut Bureau of Statistics) conducted an omnibus household survey in 2001. The survey investigated a host of demographic, social, economic and labour supply-related factors, and obtained responses from almost 6,000 adults across Nunavut. The data from this survey are both reliable and valid. According to Nunavummit Kiglisiniartiit, the sample size of 5,816 provides results at a Nunavut-wide level are accurate to within one percentage point, 19 times out of 20.

#### **Questionnaire**

The questionnaire used in compiling the survey's data was well designed and effectively administered. The questionnaire was administered in the proponents' language of choice, one of the critical success factors for obtaining high response rates and high quality responses. The questions were clearly stated. They were objective in nature and were not double-barrelled<sup>6</sup>.

#### **Response rates**

Response rates to most individual questions were very high, while slightly higher incidences of missing responses were observed in the more sensitive questions concerning education and income, which is expected. The rates of missing responses do not appear to have been sufficiently high so as to suggest a bias in the response patterns.

### **3.2.2. Interviews and Focus Groups**

**It is critical to conduct extensive qualitative research to interpret, understand and act upon the findings of the survey.** A range of interviews and focus groups were therefore conducted.

#### **Interviews**

In addition to speaking to each of the client team members, a series of interviews with key leaders in Government, business and academic communities, were conducted to better understand the issues surrounding the demand for and supply of labour. See Appendix A for a listing of the people interviewed and met with.

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<sup>6</sup> One of the most common problems with survey questions is that they often are double-barrelled, in the sense that they are really two questions in one, and hence it is not possible to understand what the respondent actually intended.

## **Focus Groups**

Focus groups provide a forum for organized discussion with a selected group of individuals, to gain information about their views and experiences around a particular topic. Focus groups are particularly suited for obtaining several perspectives about the same topic. The benefits of focus group research include the shared understanding and group dynamics that evolve throughout discussions. Patterns in discussions often emerge that, when analyzed with the results of other research methods (for example statistical data), allow for a better understanding of the issues under investigation.

PwC conducted six focus groups that cover a range of stakeholders, community sizes and locations. They include one focus group from the following areas:

- Iqaluit
  - Employers;
  - General population; and
  - Students.
- Rankin Inlet
  - Employers; and
  - General population
- Pangnirtung
  - General population

The screening criteria and the moderator guides were developed by experienced focus group managers with PwC, in conjunction with GN and NTI. The screener explained the purpose of the focus group session and was designed to make certain that a cross section of participants would be present at the focus groups. The moderator's guide informed participants of the major research questions, the purpose of the session, and ensured them that their responses would be kept confidential.

The recruiting of the individuals for the general population focus groups was facilitated by GN. The recruiting for the students and businesses focus groups was undertaken by Research House, a firm specializing in recruiting individuals for focus groups. Pat Angnakak, of Ukpik Consulting and Destination Management, a Nunavummiut from Pangnirtung who is fluent in Inuktitut and English, co-facilitated the businesses and general population focus groups to ensure that participants could speak in either Inuktitut or English.

It should be noted that focus groups were only conducted in the Kivalliq and Baffin regions; no focus groups were conducted in the Qitirmiut region. This decision was made for several reasons. It was believed to be most important to conduct focus groups within communities of different sizes, and different groups of the population. Adding a third criteria – region – would have added significantly to the cost of the project. Finally, as noted previously, the purpose of the focus groups was only to investigate, at a high level, some of the issues for consideration. Significantly more work, at both the regional and community level, will need to be undertaken to develop a comprehensive profile of the labour market and labour-related issues.

### **3.2.3. Review of Reports**

We made extensive use of the many reports that have been conducted by highly credible independent third parties, such as the Conference Board of Canada and Informetrica. A complete list of all reports consulted is found in the Reference section at the end of the document.

## 4. The NLCA and Article 23

**Inuit in Nunavut have a long and rich history in Canada.** During the process of incorporation into mainstream Canadian society Inuit have strived to both become increasingly integrated with the economy of southern Canada and preserve their unique traditional culture and social cohesion.

**A key aspect of effectively planning and achieving this evolution has been the enabling of Inuit to develop the tools and resources to participate fully in the “new economy”, while respecting and preserving the culture of Inuit.** Achieving decision-making power within Government is critical to ensure that Government directives and spending are consistent with the priorities of Inuit.

### 4.1. The NLCA

**The NLCA was negotiated with the Government of Canada (GoC) and signed in May of 1993.** Article 4 of the NLCA required the formation of the new Government and Territory of Nunavut, which came into existence in 1999. An implementation contract was agreed to in 1993 which set out a plan of activities and provided resources for the implementation of the NLCA.

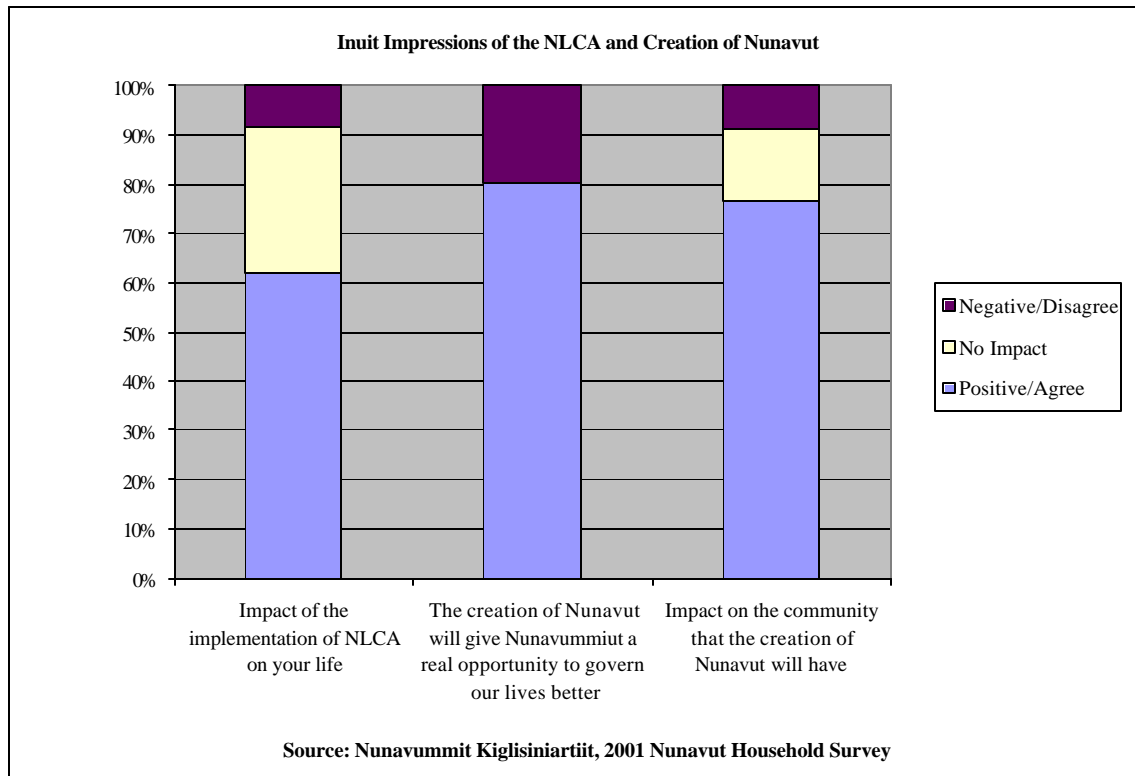
**The funding levels for the first planning period, established under the implementation contract agreed to in 1993, expire in July 2003.** Accordingly, the GN, NTI and the GoC will negotiate new funding levels for the second planning period 2003 to 2013 for the continuing implementation of the NLCA beyond 2003.

**The NLCA, along with the creation of the Territory of Nunavut has enjoyed enormous success in many ways.** The NLCA is the largest aboriginal land claim in history, and is being closely watched by other countries – particularly in the circumpolar world – and indigenous peoples everywhere. Canada is seen as a pioneer in the development of solutions that work respectfully and successfully with aboriginal peoples.

**The vast majority of Inuit strongly believe that the NCLA has a positive impact on their lives.** These numbers are very impressive, given the current climate of distrust among the population regarding the Government. For example, over 60% of Inuit believe that the NLCA has had a positive impact on their life. Even more people believe that the future impact is likely to hold even greater promise. Approximately 80% of Inuit believe that the creation of Nunavut will have a positive impact on their life (see Figure 4.1). Similarly, almost 80% of Inuit believe that the creation of Nunavut will enhance the ability of Inuit to govern their lives better. This positive attitude is displayed across all regions and age cohorts. It is strongest in larger communities and younger age groups. Focus group sessions with students and the general population confirmed the perceived importance of Article 23 – some even went so far as to say that there was no future without it.

**The positive attitude is important for several reasons.** First, it indicates that Inuit believe that governance by the local community will lead to economic gains, which suggests that there are likely to be important and significant indirect benefits. Secondly, continued success in achieving the outcomes associated with the NLCA will allow Canada to be seen as a successful leader in dealing with these issues. Conversely, if Article 23 is not successfully implemented, these hopes are likely to turn to despair and resentment, and Canada will be seen in a less positive light.

Figure 4.1



## 4.2. Article 23 and Inuit Employment within the Government

**However, the implementation of Article 23 has met with little success.** The strong importance that Inuit attach to the NLCA, the international watchfulness on Canada, along with the failure to achieve the objectives of Article 23, and the costs that this is likely to generate for both Inuit and the Government, mean that investigation of these costs is critical. In addition, focus group participants felt that Article 23 was key to their future.

**The objective of Article 23 is simple and clear.** “The objective of this Article is to increase Inuit participation in Government employment in the Nunavut Settlement Area to a representative level [if Inuit represent 85% of the population, they should account for 85% of the jobs]. Further, “It is recognized that the achievement of this objective will require initiatives by Inuit and by Government”. This target rate of employment must be achieved at all occupational groupings and grade levels within the Government, where the term “Government” is meant to include all levels of Government, including municipal, territorial, and federal within the Nunavut Settlement Area.

**This objective is central to the spirit of the NLCA** and providing Inuit with means of participating in economic opportunities and encouraging self-reliance and the cultural and social well-being of Inuit.

**In their review of the implementation of the NLCA during the period 1993 to 1998, Vertes et. al.<sup>7</sup> concluded that full implementation of Article 23 had not been achieved** Vertes et. al. undertook a

<sup>7</sup> Vertes, N. Louise, David M.H. Connelly, and Bruce Knott (1999) 5-Year Review (1993 to 1998): Implementation of the Nunavut Land Claims Agreement. Nortext Multimedia Inc.

review of the implementation of the NLCA during the 1993 to 1998 period. In this review, they assessed the performance associated with the implementation of each of the 42 Articles in the NLCA. Some of their conclusions were as follows:

- Of the 42 Articles<sup>8</sup> investigated during the five-year review, obligations in Article 23 were the least likely to have been met. In all but three of the areas – Parks Camps & Conservation Area, Inuit Employment and Government Contracts – less than a third of the obligations were deemed to be “largely unmet”. In sharp contrast, over half of the obligations regarding Article 23 were deemed to be “largely unmet.”
- All parties to the NLCA share responsibility for the lack of cooperation; and,
- The five-year review “recommended that the Parties rethink the implementation of this Article from the beginning, and reinitiate their implementation efforts”.<sup>9</sup>

**This problem is likely to become more severe over time**. In the increasingly “knowledge intensive” economy one of the primary reasons for underemployment of Inuit is likely to be that Inuit often do not have the formal education, training, skills and experience required to fill many Government jobs. As time progresses, this problem is likely to become increasingly severe, as skill requirements continue to grow in parallel with technological progress.

The premise of this study is the acknowledgement and acceptance on the part of the GN and NTI of the shared responsibility of all parties for the failure to achieve full implementation of Article 23 to date, and of their agreement to work together towards a shared solution.

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<sup>8</sup> Grouped into the following 13 areas: General; Wildlife and Harvesting; Parks, Camps and Conservation Areas; Institutions of Public Government; Lands and Lands Management; Inuit Employment; Government Contracts; IIBAs & Resource Management Areas; Archaeology and Ethnographic, Inuit Enrolment; Implementation Panel, Designated Inuit Organizations; and Other Related Organizations.

<sup>9</sup> Vertes, op cit p. 3.

## 5. Inuit Representation in Government

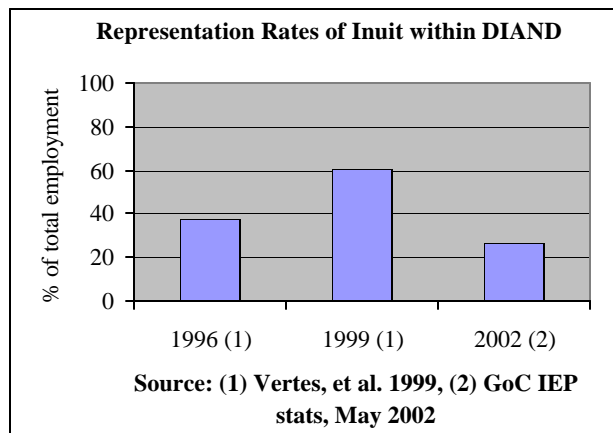
**Inuit representation rates are significantly below the Representative Level of Inuit in Nunavut.** As illustrated in the Table 5.1 below, Inuit employed in the GoC represent just one third of total employment. The representation rates are particularly low for the high-paying and influential positions, such as scientific and professional positions at 3 percent and executive positions at 14 percent. Furthermore, as Figure 5.1 indicates, the significant improvement from 38 percent in 1996 to 61 percent in 1999 that was achieved in the Department of Indian Affairs and Northern Development (DIAND) was more than eliminated by 2002, as the representation rate fell to 27 percent.

**Table 5.1**

Inuit Representation in GoC Positions for Nunavut			
GoC Positions	Current # of Staff	Beneficiaries	
		Current # of	Current % of
Executive	7	1	14%
Admin/Management	64	24	38%
Scientific/Professional	33	1	3%
Technical	39	18	46%
Admin Support	42.5	16	38%
Operational	5	3	60%
<b>TOTAL</b>	<b>190.5</b>	<b>63</b>	<b>33%</b>

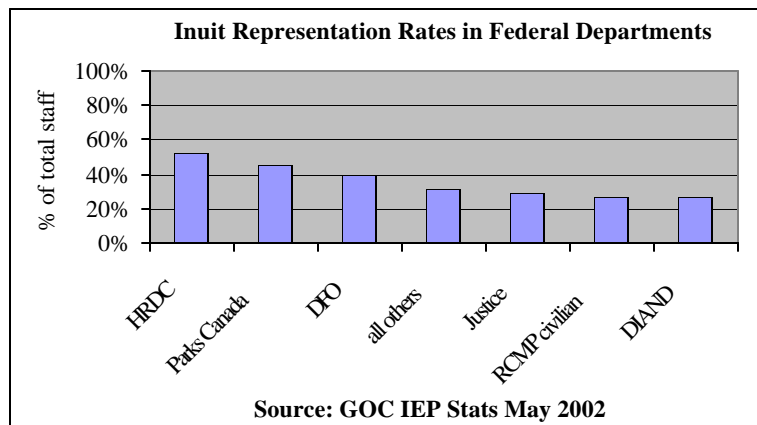
Source: Government of Canada IEP Statistics, May 2002

**Figure 5.1**



**Figure 5.2**

**While DIAND represents just one of the 14 federal departments that are affected by Article 23, it is particularly important to consider representation rates in DIAND for several reasons.** First, historical figures for all of the relevant federal departments are not available. Second, DIAND accounts for 31% of federal positions that are subject to Article 23, and thus has a disproportionately strong impact on the overall federal rates. Finally, DIAND has the lead responsibility to implement all the federal government obligations under the NLCA. Consequently, it is worthwhile noting that Inuit representation is lowest among all the federal departments (with the exception of some of the smallest departments that have 10 or fewer employees) as shown in Figure 5.2.





In the GN, Inuit representation in 2002 is slightly higher, at 42 percent, than it is in the GoC. The representation rates are particularly low<sup>10</sup> in the middle management positions at 19 percent, senior management positions at 20 percent, and the professional positions at 20 percent (as shown in Table 5.2).

- It is particularly noteworthy that while an additional 125 staff were employed in 2001-2002 compared to the previous year, the number of Inuit employed in the GN actually fell by 9.
- Performance was most dismal in the executive, senior management and professional categories. Within the executive category, the number of staff increased by seven, but the number of Inuit declined by one. Inuit accounted for just 20 percent of the increase in staff at the senior management level. At the professional level, total staff increased by 102, while the number of Inuit fell by 15.
- The best progress was seen in the middle management category, where Inuit accounted for over half of the increase in staff.

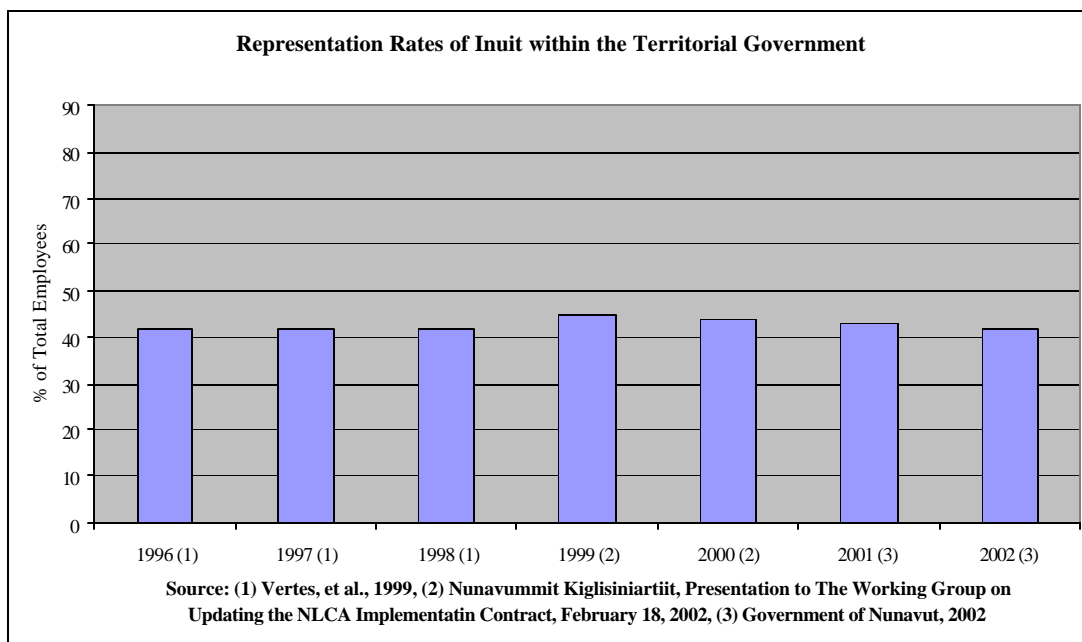
Table 5.2

Inuit Representation in the GN								
GN Positions	2000-2001				2001-2002			
	Total # of Positions	Current # of Staff	Beneficiary		Total # of Positions	Current # of Staff	Beneficiary	
			#	%			#	%
Executive	31	29	16	55	36	36	15	42
Senior management	123	105	21	20	123	115	23	20
Middle management	285	224	38	17	303	237	45	19
Professional	875	708	177	25	964	810	162	20
Paraprofessional	939	711	391	55	1,005	720	396	55
Administrative	464	380	300	79	496	363	294	81
<b>TOTAL</b>	<b>2,717</b>	<b>2,156</b>	<b>943</b>	<b>43</b>	<b>2,927</b>	<b>2,281</b>	<b>935</b>	<b>42</b>

Source: Government of Nunavut, 2001-2002 Public Service Annual Report

These representation rates have been stagnant since 1996. While the representation rate increased slightly from 1998 to 1999, these gains have eroded since, as shown in Figure 5.3.

Figure 5.3



<sup>10</sup> Representation rates are even lower if temporary workers are considered.

**Inuit representation rates are lower than the Representative Level in each of the departments of the GN.** Representation rates are highest in culture, language, elders and youth. They are lowest Finance & Administration, Human Resources and Justice. Only two departments reported a more than 10 percent increase in the representation rate of Inuit over the 2000-01 to 2001-02 period, as shown in Table 5.3. Conversely, four departments experienced a decrease in representation rates of more than 10 percent over the same period.

**Table 5.3  
Inuit Representation Rates by Department within the GN**

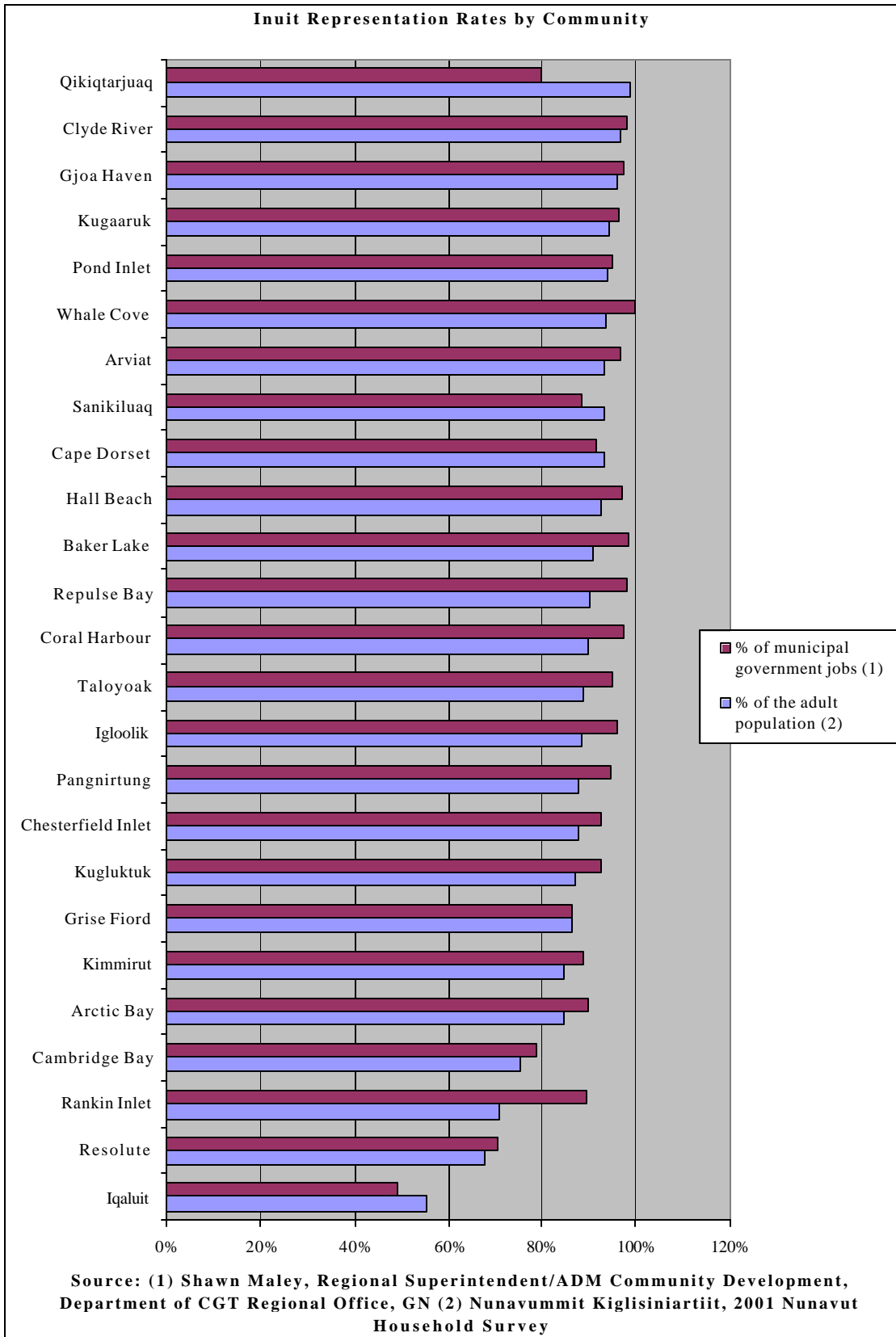
DEPARTMENT	2000-2001			2001-2002			Change 2000-2001 to 2001-2002*
	Total Positions	Beneficiary Employees		Total Positions	Beneficiary Employees		
		# of staff	%		# of staff	%	
Community Government & Transportation	165	50	44%	183	55	38%	---
Culture, Language, Elders & Youth	45	19	76%	41	22	79%	+
Education	918	427	48%	933	400	47%	-
Executive & Intergovernmental Affairs	43	11	35%	44	16	44%	+++
Finance & Administration	147	28	35%	148	23	23%	---
Health & Social Services	590	181	42%	682	175	42%	---
Housing Corporation	58	21	48%	59	20	42%	---
Human Resources	52	14	30%	58	16	31%	+
Justice	194	43	31%	197	46	32%	+
Legislative Assembly	29	13	54%	31	11	44%	---
Nunavut Arctic College	102	25	29%	160	39	35%	+++
Public Works & Services	228	73	45%	234	71	41%	-
Sustainable Development	146	38	37%	157	41	34%	-
<b>Total of GN Departments</b>	<b>2,717</b>	<b>546</b>	<b>43%</b>	<b>2,927</b>	<b>935</b>	<b>42%</b>	-

Source: GN, 2001-2002 Public Service Annual Report

\* - if the representation rate declined by less than 10%, --- if representation rate has declined by more than 10%, + if representation rate has increased by less than 10%, +++ if representation rate has increased more than 10%

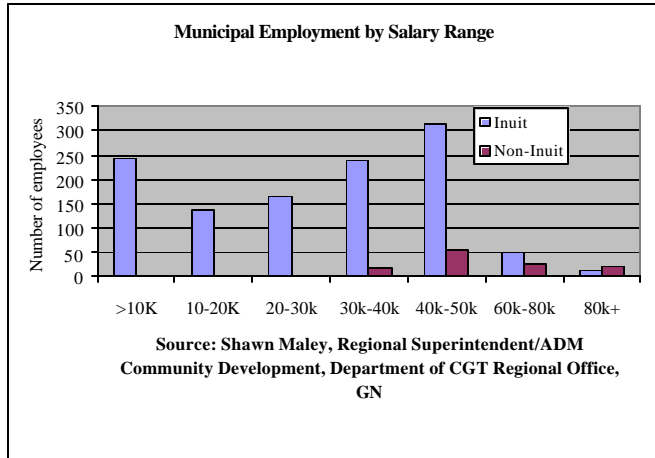
**Inuit representation rates are highest in the municipal government, averaging 90%.** While the representation rates do vary from one community to the next they are significantly higher in all communities than the rates observed in the federal and territorial governments, as shown in Figure 5.4. However, about a third of these employees are likely to be working part time, as their incomes are less than \$20,000 (whereas only 2% of non-Inuit jobs are associated with a salary of less than \$20,000). Hence, if the representation rates were calculated on a full-time equivalent basis, as is the case for the territorial and federal government, the representation rate would be lower.

Figure 5.4

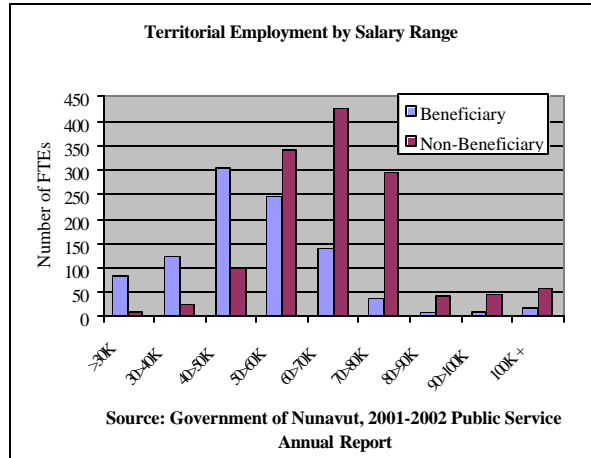


**Inuit earn significantly less than non-Inuit.** As Figures 5.5 and 5.6 illustrate, the concentration of low-end salary ranges of \$49,999 or less relate to Inuit, whereas the concentration of high-end salary ranges from \$50,000 or greater relate to non-Inuit in both Municipal and Territorial Governments. Hence, the average salary of non-Inuit, at \$58,400 is almost double that of Inuit, at \$31,100 in the Municipal Government, and the average non-Inuit salary, at \$66,400, is 32% higher than the average Inuit salary of \$50,200 in the Territorial Government.

**Figure 5.5**



**Figure 5.6**



## 6. Factors influencing Inuit Representation in Government

There are numerous factors that influence Inuit representation in Government. The purpose of this report is not to provide a comprehensive discussion of all of these factors, but rather to provide an overview of some of the key issues that became apparent throughout the course of this study. Further work will need to be undertaken at a later stage to better understand the specific issues facing different departments and regions.

### 6.1. Willingness to Work

An important consideration in evaluating representation rates of Inuit within the Government is assessing the willingness and availability of Inuit to work. Clearly, the strategy for achieving full implementation of Article 23 would be very different if Inuit were unwilling or unavailable to work, then would be the case otherwise. Hence, in this section, the willingness to work, according to a number of criteria, is investigated.

#### 6.1.1. Unemployment

Almost a third of Inuit adults are available for work and unable to find it.<sup>11</sup> Inuit are significantly less likely to participate in the labour force than non-Inuit (71% compared to 94%), as Figure 6.1 illustrates. The unemployment rate among Inuit (31%) is much higher than that of the non-Inuit where unemployment for non-Inuit is only 3%.

Figure 6.2 indicates that unemployment is highest in the decentralized communities at 37 percent. However, it is still very high even in the regional centres, at 20 percent.

Figure 6.1

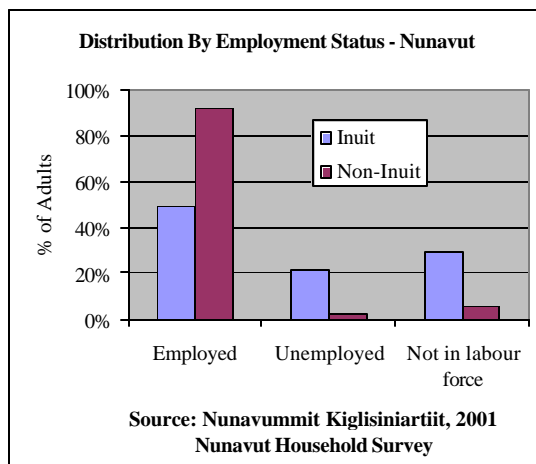
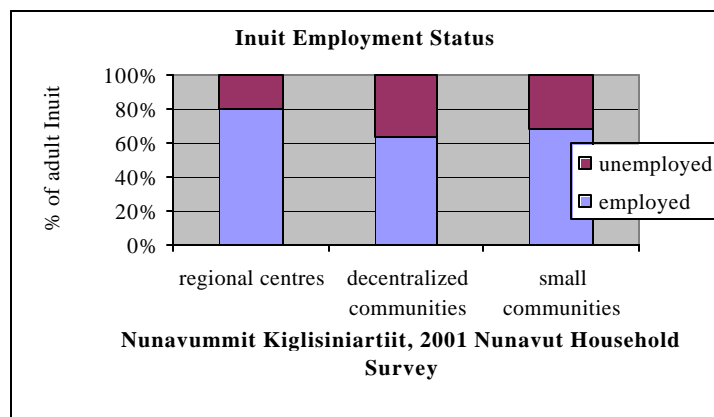


Figure 6.2



<sup>11</sup> The unemployment rate shown here corresponds to the alternative definition of employment, that includes those who would like to work, but believes there are no jobs available, as unemployed. Using the national criteria, that includes only people who are actively looking for work, the unemployment rate among Inuit is 25%.

6.1.2. Reasons for Not Working or Only Working Part-time

The majority of Inuit who are not looking for work are doing so because either they are going to school or they believe that no jobs are available. Throughout the course of this project, PwC found that many Southerners have a general misconception that Inuit are not seeking work because they want to work on the land. However, as shown in Figure 6.3, the number of Inuit not looking for work because they do not believe there are any jobs available is 10 times the number of Inuit who are not looking for work because they are working on the land.

Figure 6.3

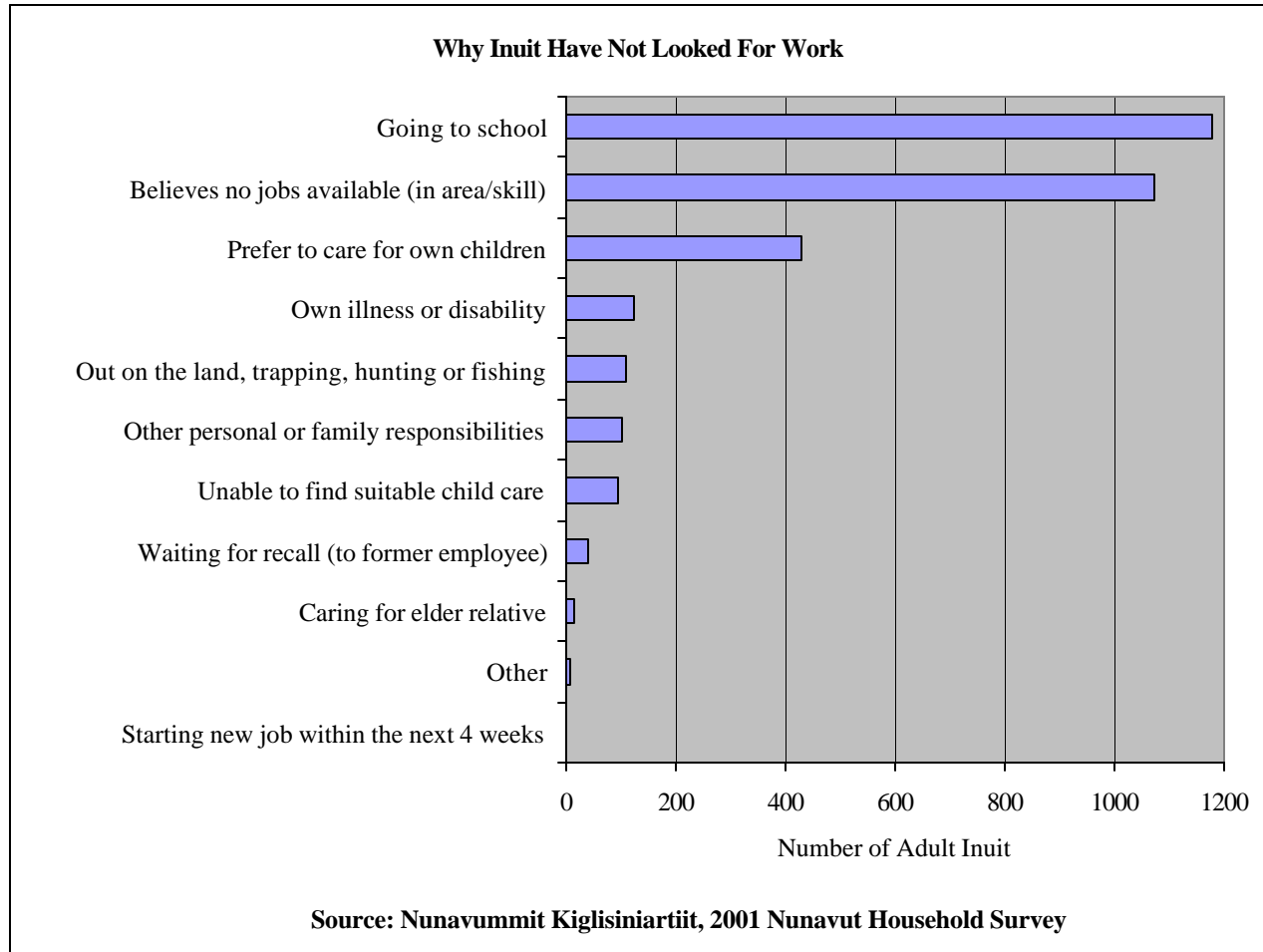
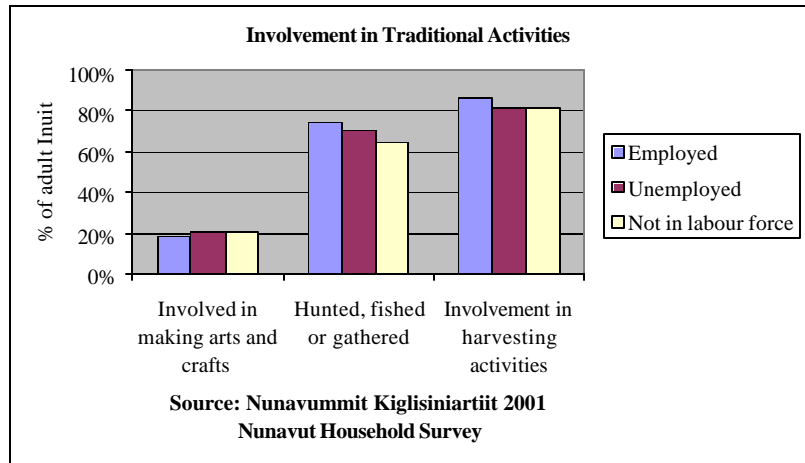


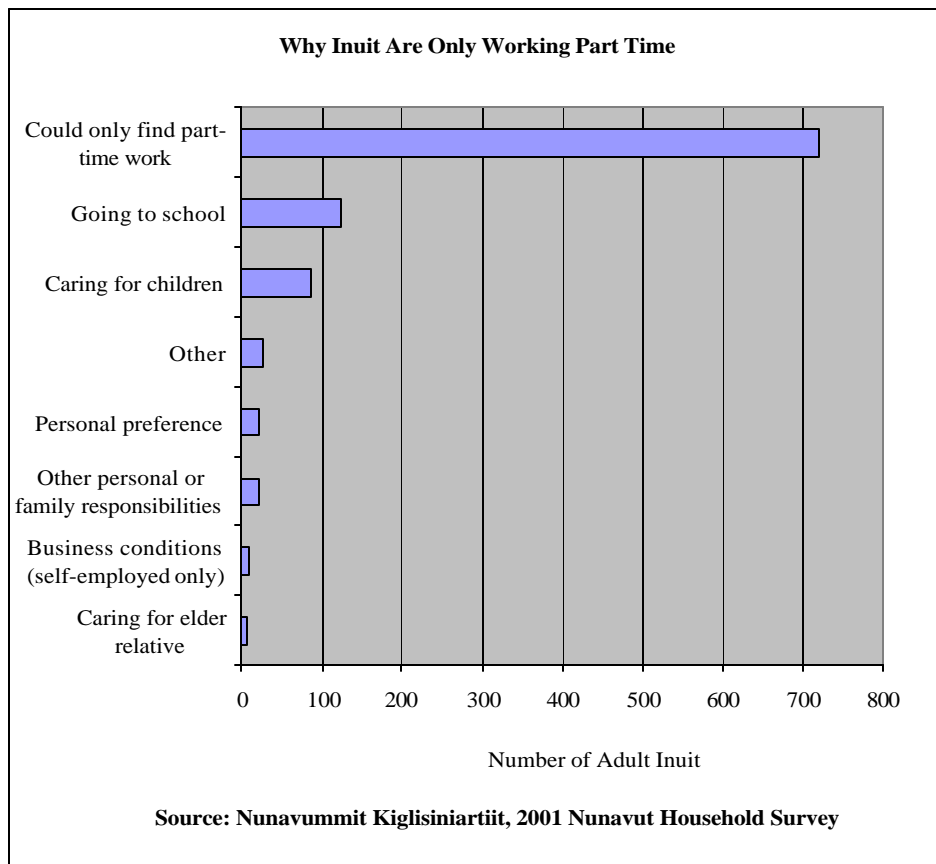
Figure 6.4

The fact that many Inuit want to engage in paid work does not imply that they are not interested in working on the land; they want to do both. Cultural heritage is a key feature of Inuit and Nunavut. Harvesting, and arts and crafts are important elements of Inuit way of life. In fact, employed Inuit are more likely to engage in hunting, fishing or gathering, or be involved in harvesting activities than unemployed Inuit (see Figure 6.4). They are only slightly less likely to be involved in making arts and crafts. In fact, it has been argued that employment income is necessary to enable Inuit to purchase the equipment necessary to participate in traditional activities.



Many of those who are working, are only working part-time, but would prefer to work full time. Figure 6.5 illustrates that the vast majority (71%) of Inuit adults that are working part-time are doing so because that was all they could find. Only a small percent are working part-time out of personal preference (2%).

Figure 6.5



### 6.1.3. Labour Mobility

Another important consideration in assessing factors influencing the representation rate is the mobility of the labour force. Nunavut extends across 2.1 million square kilometres of Canada's north, where just under 29,000 people live in 25 widely dispersed communities. There are three regional centres, eight decentralized communities, and 14 smaller communities. As the Table 6.1 illustrates, the population is almost equally distributed across these communities, with 38 percent in decentralized communities, 35 percent in regional centres, 26 percent in small communities and 1 percent in unorganized communities.

**Table 6.1**  
**Distribution of the Adult Population by Community Type**

Community Type	Number of Adults	Percentage of Adults Per Community	Average Number of Adults Per Community
Decentralized communities	6,583	38%	823
Regional Centres	6,141	35%	2,047
Small communities	4,579	26%	327
Unorganized	220	1%	Not applicable
Total Adults	17,523	100%	
<b>Source: Nunavummit Kiglisiniartiit, 2001 Nunavut Household Survey</b>			

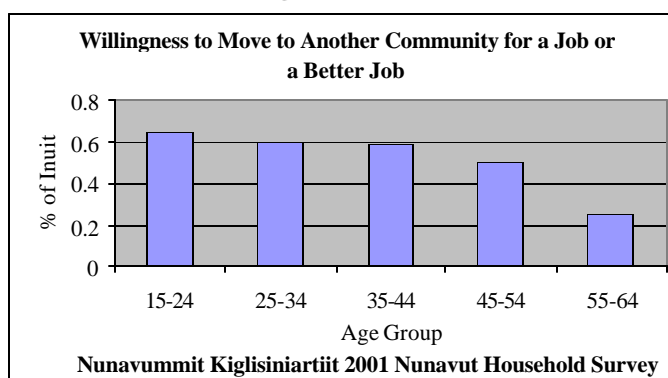
As there are no roads connecting the communities, the communities are very isolated from one another. While most of the communities are located along the coast, the short summer restricts the season during which these communities can be accessed by water, and many of them do not have adequately sized port facilities. As a result, mobility of labour and resources between the communities is limited, and the transportation cost of importing goods is high. Consequently, the economic strength of these communities depends on maintaining and further developing a strong local economy.

Despite these distances between communities, many Inuit are willing to work in communities away from their home on a rotating basis. The following points reinforce this finding:

- According to preliminary data from Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey, over 15 percent of the population have moved from one community to another in the last five years. Almost half of the working age population is willing to do rotational work, which involves working out of the home community for two weeks and returning home for two weeks.
- Participants in the student focus group indicated that they would be willing to move to another community to find a job. However, some participants in the general population focus groups indicated a preference to stay within their communities.

**Figure 6.6**

- As indicated in Figure 6.6 below, younger people are significantly more willing to move to another community for job-related reasons. Specifically, 64 percent of Inuit between the ages of 15 and 24 are willing to move to another community for employment related reasons and over half of the Inuit in the age groups from 25 to 34 and 35 to 44 are also willing to move.





## 6.2. Government Practices

**Government practices are a critical factor in influencing Inuit representation rates in Government.** Government practices influence Inuit's willingness to apply for positions, their performance during the application and interview process, their willingness to stay within the Government, and the rate at which they are promoted.

**Participants in focus groups cited many advantages of working for Government.** The most commonly cited ones were housing, vacation and travelling, health benefits, training opportunities and high salaries. Conversely, participants also cited opposing findings concerning working for the Government. For example, as housing was seen to be a major benefit of working for the Government by some, many others felt that Southerners had greater access to this housing than Inuit. Similarly, while there was a perception that Government should offer training, many people felt that training was not provided.

**The participants in focus groups also cited many disadvantages of working for Government.** Some of the issues that people mentioned included:

- Lack of mentoring and on-the-job training to effectively perform their job, as well as difficulty in negotiating training needs;
- The existence of bottlenecks at entry level positions, due to a lack of training which allows people in these positions to move up the hierarchy;
- The existence of a management style which conflicts with Inuit culture (e.g. little flexibility for employees to deal with family responsibilities);
- Too little time off for holidays;
- Hierarchical structures and red tape; and
- Intimidation due to level of language skills (in English and/or Inuktitut).

**Numerous concerns have been cited with Government hiring processes.** Both Participants in focus group sessions and Government officials have also noted many of the same issues, which include the following:

- There is a general recognition that self-promotion is not the "Inuit way". Inuit are typically not comfortable with preparing résumés and answering questions in a way that promotes themselves.
- The posting of jobs in Inuktitut one week after the posting of the same jobs in English was seen to be a strong deterrent towards applicants applying for jobs.
- Many jobs listed with university education requirements, and/or alternative educational requirements. Many Inuit were intimidated by this and thus would not apply.
- There were some people who felt that there are higher standards for Inuit than non-Inuit. Although this was not a consensus, some focus group participants mentioned it.
- In preparing this study, PwC noted that Section 23.4.2 (iv) of the NLCA states that there must be 'Inuit involvement in selection panels and boards or, where such involvement is impractical, advice to such panels and boards'. While this practice is common among employees who report to a board, and there are certain departments that follow this practice, it is not standard practice for the hiring of all employees. This practice of involving Inuit on selection panels, and progress in achieving Article 23, are likely to reinforce each other. Given some of the concerns noted above about Government practices and cultural considerations, involvement of Inuit on selection panels is likely to contribute to increased hiring of Inuit. As Inuit representation rates increase, there will be an increased availability of Inuit within the workplace to participate on panels.

**The GN is attempting to address some of these concerns:**

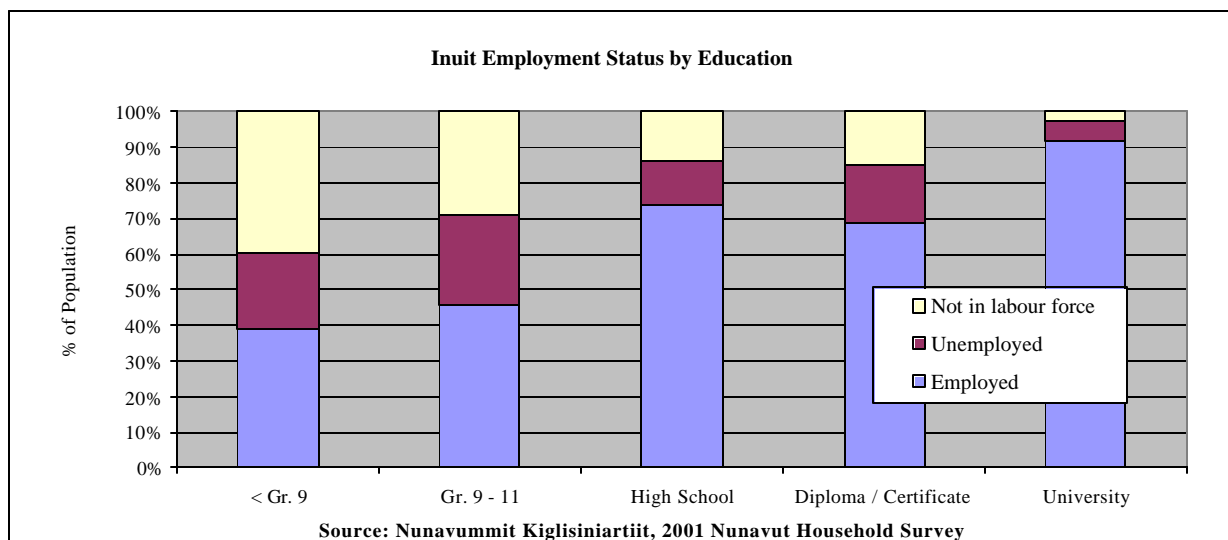
- Prior to the creation of Nunavut, the Government of the Northwest Territories employed a priority hiring policy for all aboriginal peoples, women seeking non-traditional jobs, persons with disabilities, and “indigenous non-aboriginals” (non-aboriginals who were long-term residents of the Northwest Territories). The GN implemented a Priority Hiring Policy focussed solely on Inuit beneficiaries of the NLCA.
- The GN has also changed its interviewing techniques in recognition of the fact that Inuit are often not as successful in interviews that require them to describe skills, as they are in interviews that require them to describe how they have conducted activities in the past. Interviewing questions are now focussed on competencies and what individuals have done in the past.
- The GN is removing the educational requirements on many of the job postings. This is not to say that educational requirements are unimportant, but rather that a position’s stated educational requirements need to reflect the skills and competencies that the position actually requires. Many positions simply do not require incumbents with university degrees, as is commonly stated as a requirement in Government job postings.

**6.3. Education and Skills**

**Education has repeatedly been cited as a barrier to employment among Inuit.** Many people, including Government officials and focus group participants, have argued that formal education requirements have been unnecessary for the performance of jobs, and therefore have constituted an inappropriate barrier to employment. As noted above, the GN has recognized this, and has taken steps to address the problem where possible. Nevertheless, formal education, and the basic and specialized skills that it imparts, is important for successful performance on many jobs. The prevalence of low levels of education among Inuit, and the lack of educational opportunity does represent a systemic barrier to employment.

**Education is strongly correlated with employment.** As indicated in Figure 6.7 below, three quarters of adults with at least a high school diploma are likely to be employed. The likelihood of obtaining employment decreased significantly for individuals who have attained a grade 9 to 11 education level (46%) or lower (39%)

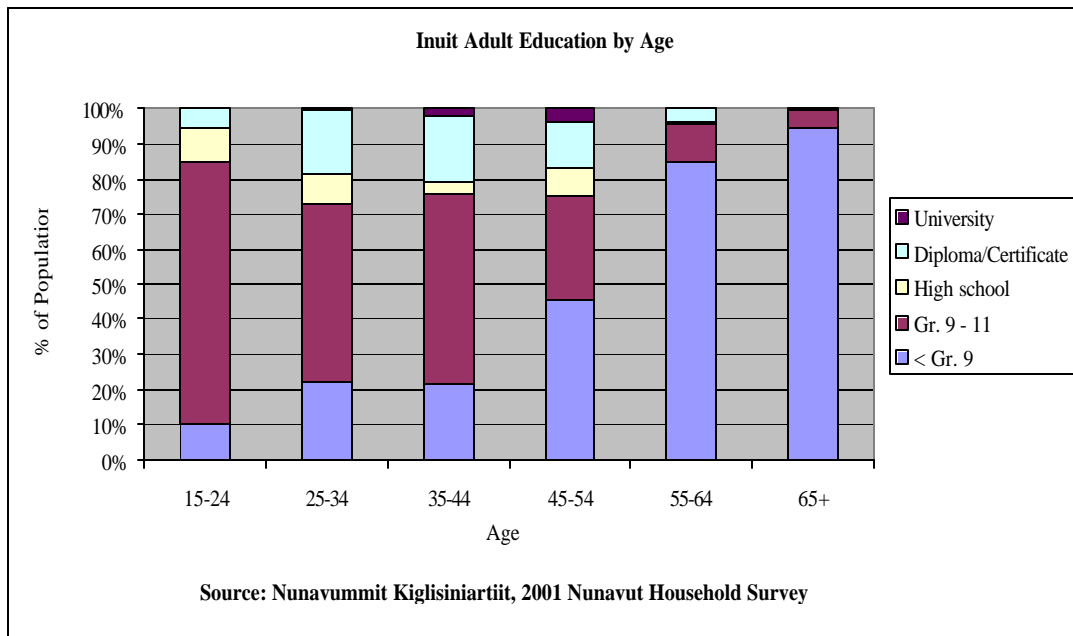
**Figure 6.7**



**Education levels in the Inuit population have been steadily increasing.** The number of high school graduates has improved over the past five years. Growth has increased as a result of two factors. Where high school was once available only in Frobisher Bay/Iqaluit (and outside Nunavut in Churchill, Yellowknife and Inuvik), all communities in Nunavut now have high school programs. Second, students are increasingly recognizing that more opportunities exist within Nunavut for those that have a grade 12 diploma (Government of Nunavut, Article 23 – Inuit Employment within Government Discussion Paper, 2002.).

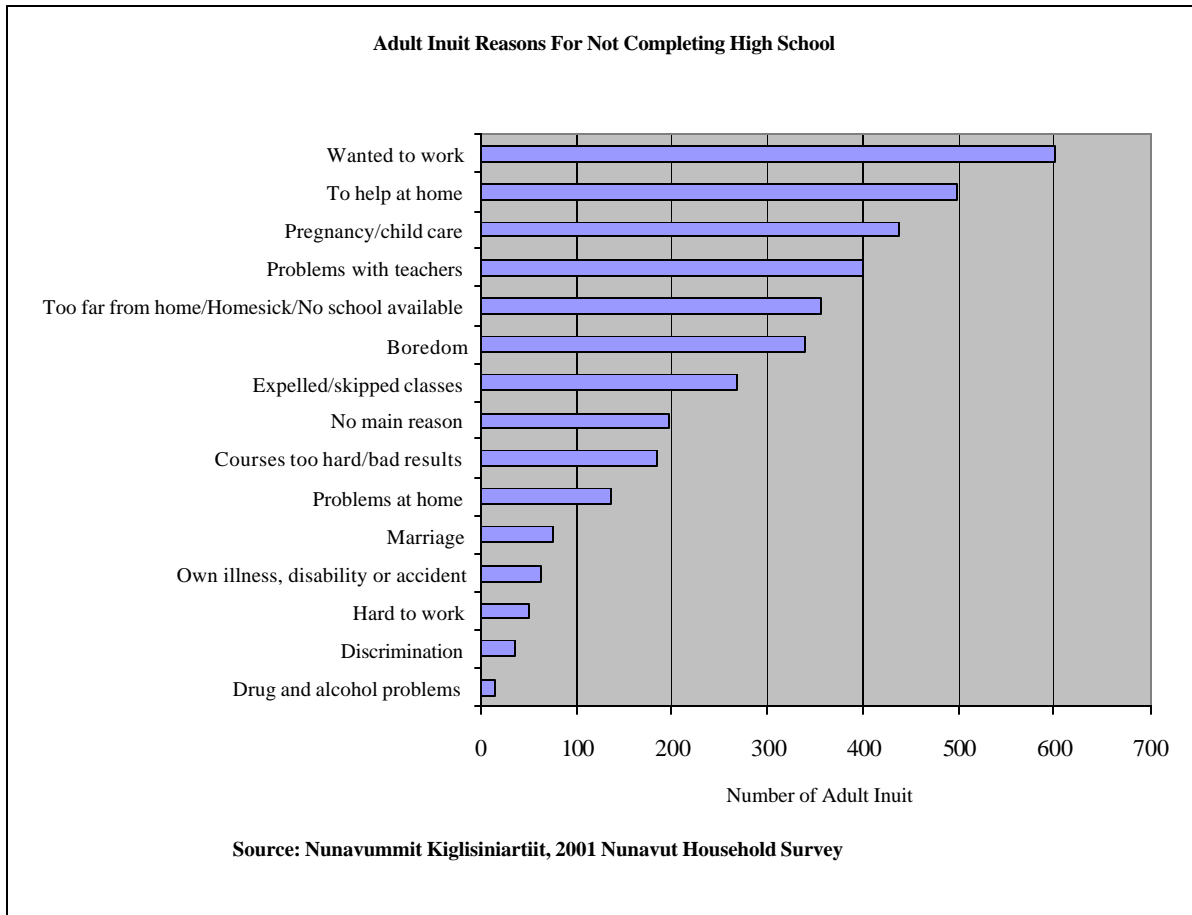
**Nevertheless, approximately four-fifths of the working age population does not have a high school diploma.** The younger generations are significantly more likely to have more education, as Figure 6.8 illustrates. It has also been noted that of the 27 percent of all Inuit who live in the centralized communities, 33 percent of them have obtained a high-school diploma or higher, while in the other communities, only about 15 percent of adults have a high-school diploma or higher.

Figure 6.8



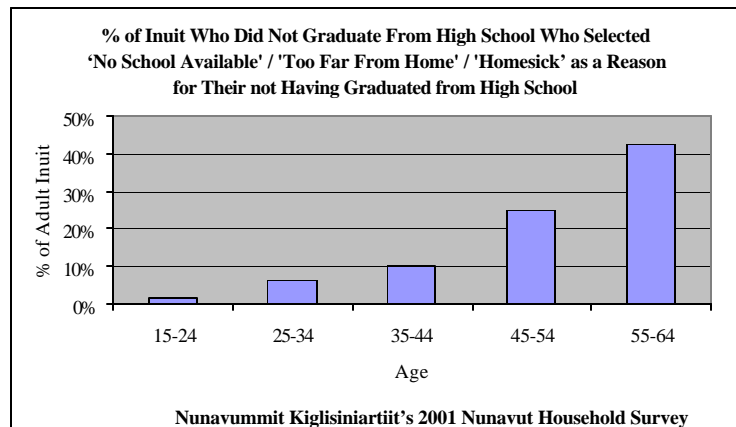
**While the above data indicates that the level of education in Nunavut is increasing, there is still a significant number of adult Inuit who have chosen not to complete high school.** As Figure 6.9 illustrates, the most significant reasons cited for not continuing education were that Inuit wanted to work (16%), to help out at home (14%), or were pregnant or caring for children (12%).

Figure 6.9



It is worthwhile noting that the percentage of Inuit citing the reason for not completing high school of “too far from home/homesick/no school available/accessible” has gradually disappeared with the younger generations, as schools have been increasingly decentralized to the communities, as shown in Figure 6.10. As noted above, the establishment of high schools in all of the communities had contributing to increased graduation rates.

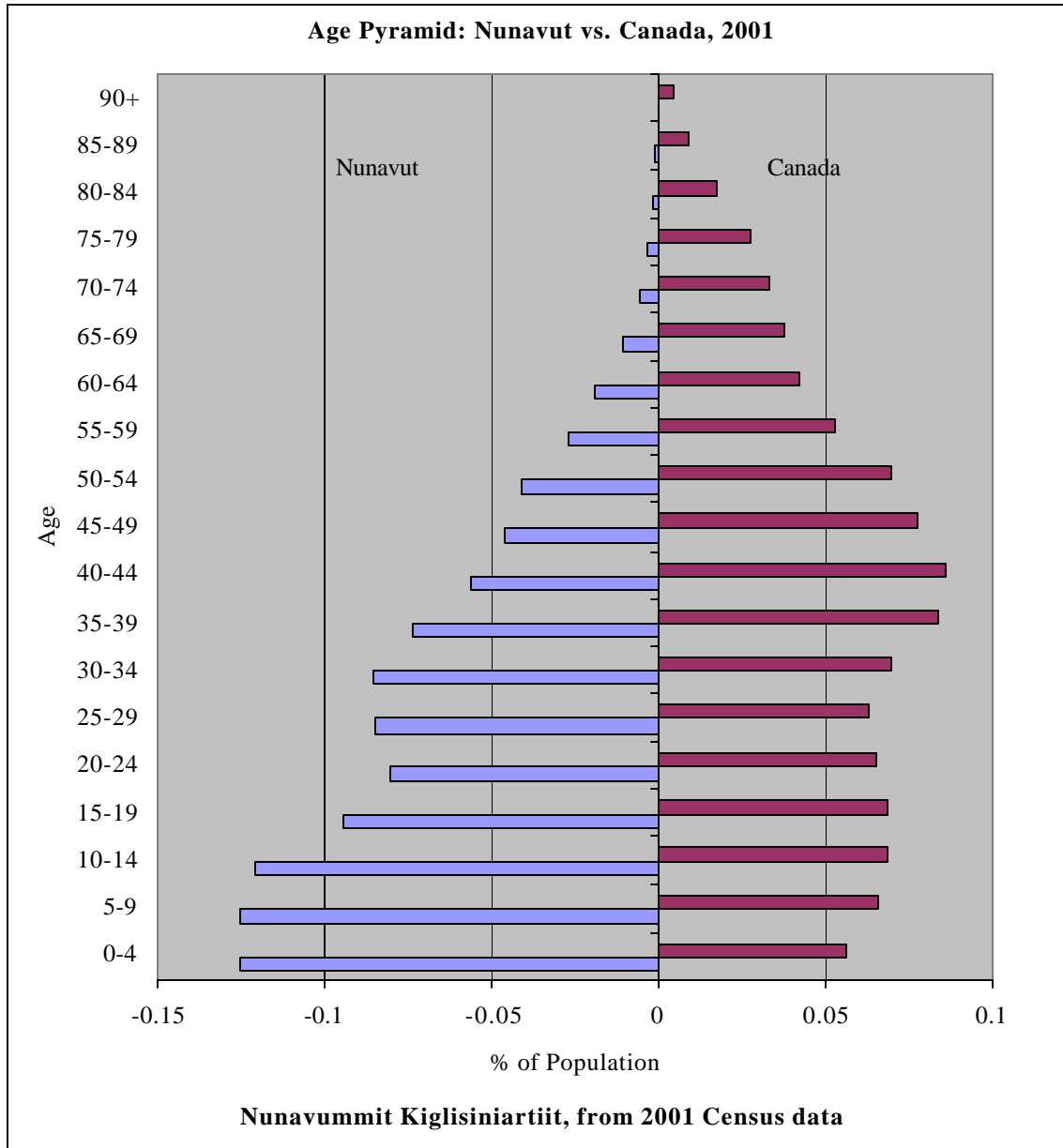
Figure 6.10



**The Inuit population is very young, as shown in Figure 6.11.** This presents several challenges and opportunities for Nunavut. It means that childcare and alternative working arrangements are likely to be key to enabling employment and to pursuing higher education. At the same time, given the increasing importance of the “knowledge economy”, strong emphasis on education has the ability to significantly spur the growth of the economy.

The importance of formal education is critical to long-term success. According to the Conference Board of Canada, “No matter how much capital investment occurs, without adequate investment in workforce training and education employers will remain unable to harvest the full potential of that investment. The country’s economic well-being depends on its capacity to make the most effective use of people and to maintain the skills of its workforce. More highly skilled literate people are the key to increasing productivity.” – Conference Board of Canada (2001).

Figure 6.11

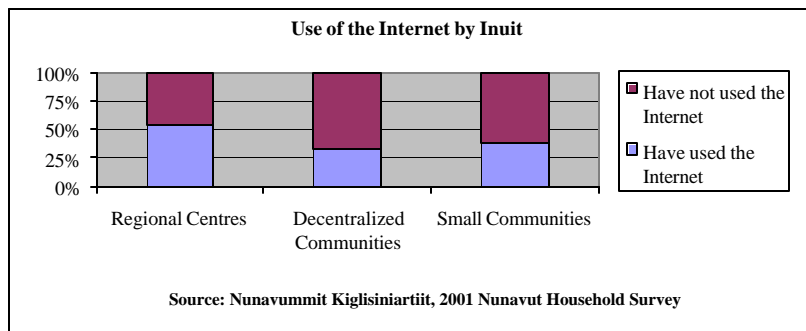


## Internet Usage

**At least a third of Inuit have used the Internet.** As Figure 6.12 illustrates, usage is highest in the regional centres. Access to the Internet is unequally distributed across Nunavut and across Nunavummiut. Four out of five non-Inuit use the Internet at least once a week, twice the rate of Inuit in Iqaluit and four times the rate of Inuit outside Iqaluit.

Access to and use of the Internet is critical to the employability of Inuit, as participants in PwC employer focus groups noted that computer skills are critical in the modern economy.

Figure 6.12



## 6.4. Housing

**Housing has repeatedly been cited as a major obstacle to employment and economic development.** There are several housing related issues. The rapid population growth of recent decades has not been met by a similar growth in the number of available housing units. The average population per dwelling, at almost 3.3, is over 35% higher than the Canadian average, as shown in Figure 6.13.

**Many of the housing units are felt by their occupants to be in need of major repairs.** This problem is most severe in the smaller communities, where 28% of dwellings require major repairs, as shown in Figure 6.14.

**Not surprisingly, many respondents to the Nunavut Household Survey reported that they were dissatisfied with either the size and/or the condition of their housing.** As shown in Figure 6.15, Inuit are significantly less likely to be satisfied with their housing than non-Inuit. The greatest level of satisfaction is observed among those living in staff housing.

**The dissatisfaction with housing is critically important to employment for several reasons.** Access to housing is a key

Figure 6.13

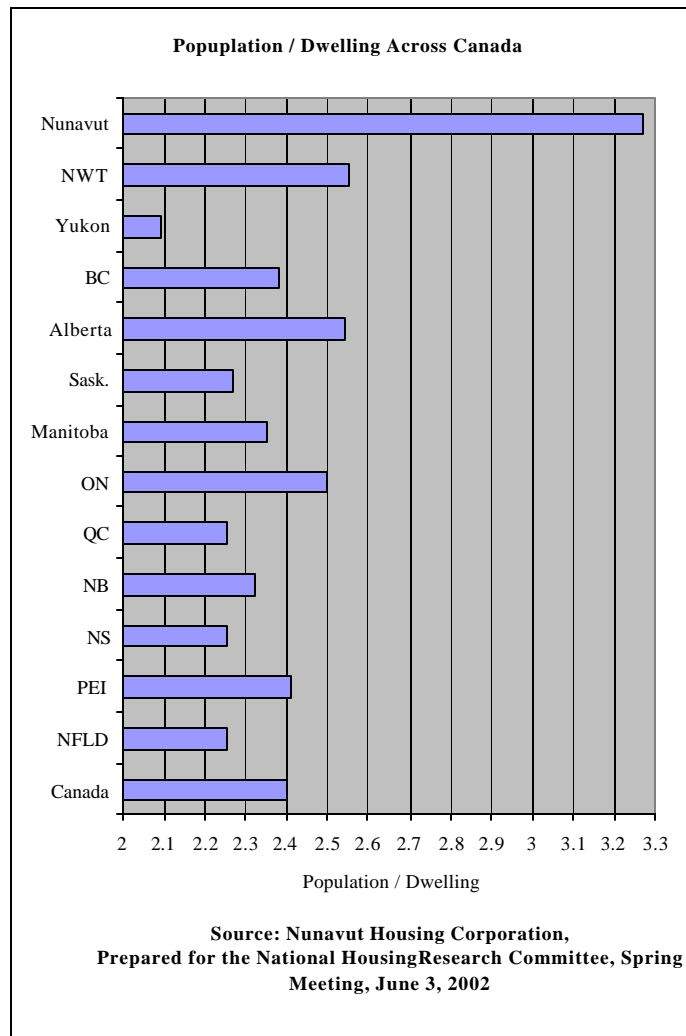


Figure 6.14

draw for people to work in Government. However, there is a perception among many Inuit that staff housing is more accessible for people from the South. This builds resentment amongst Inuit. Problems in finding suitable housing make it difficult for Inuit to move to or stay in a city for employment or education.

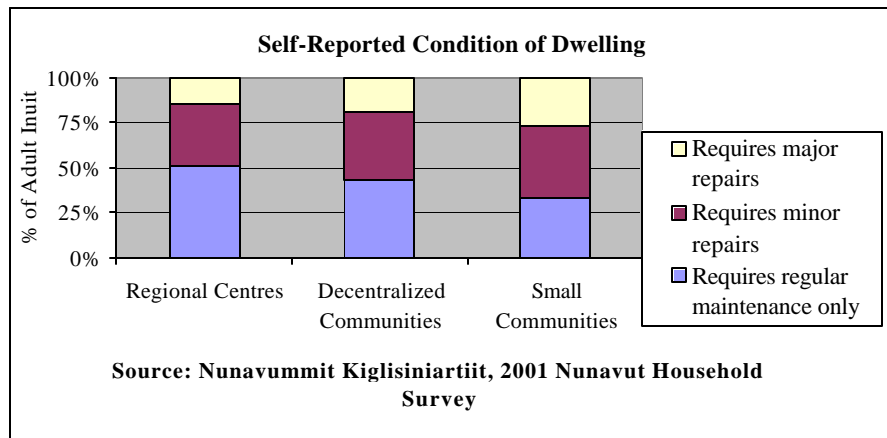
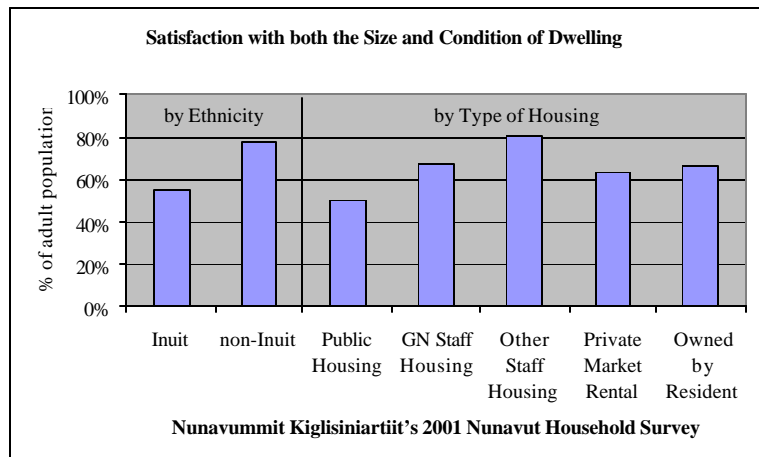


Figure 6.15

It is also important to note, as discussed in Section 7.2.2, that housing is believed to be a significant factor in determining health status and, thus, significantly impact the indirect costs associated with failing to successfully implement Article 23. It is noted that poor living conditions including, overcrowding, lack of clean water and safe waste disposal contribute to higher levels of disease and negative impacts on spiritual and mental health.



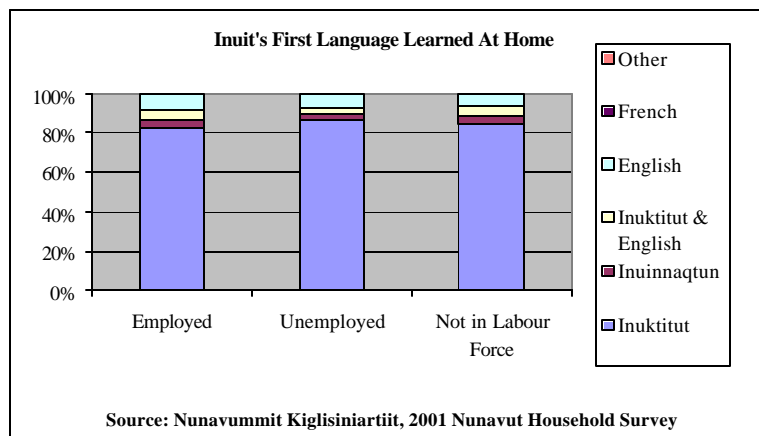
### 6.5. Language

Language is a key issue in the successful implementation of Article 23. It represents a significant barrier to acquiring sufficient education and employment. It also affects the rate at which Inuit can achieve promotions once they reach the Government.

The dominant language in Nunavut is Inuktitut. The vast majority of Inuit learn Inuktitut as their first language, as shown in Figure 6.16. Consequently, Inuktitut is the language that most Inuit are most comfortable learning and working in.

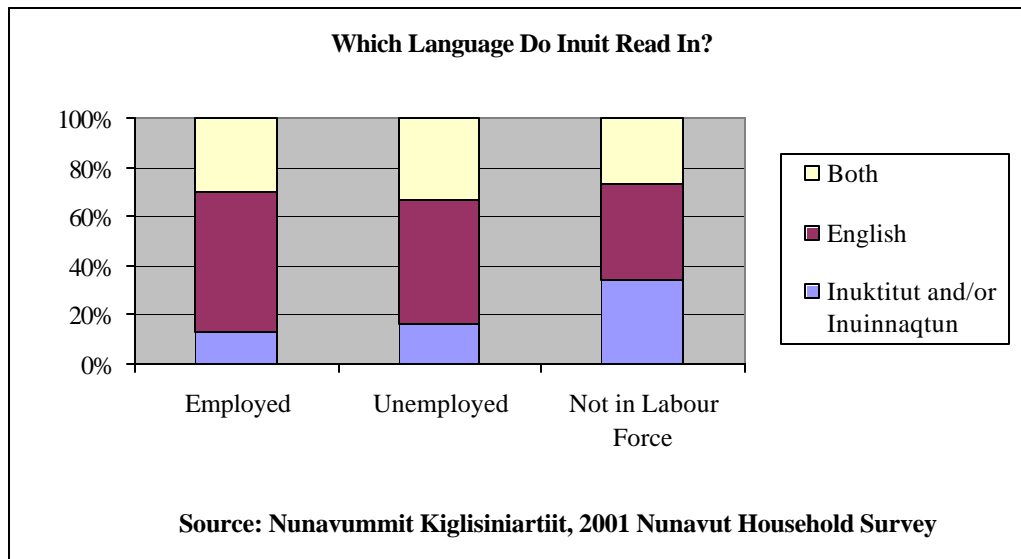
The importance of language to employment is evident in the fact that ability to read English is strongly correlated with employment. Approximately 50% of

Figure 6.16



adult Inuit will choose to read in English, if given a choice between English and Inuktitut or Inuinnaqtun literature. About 20% of Inuit will choose to read in Inuktitut or Inuinnaqtun and the remaining 30% of Inuit will choose to read in both English and Inuktitut. As illustrated in Figure 6.17, employed Inuit are more likely to read English than their non-employed counterparts.

Figure 6.17



**While Inuktitut and Inuinnaqtun are the languages spoken in homes and community meeting places across Nunavut, English is the language spoken most often in workplaces, as shown in Figure 6.18.**

- **Ability to speak:** The majority of Inuit speak Inuktitut or Inuinnaqtun better than they speak English: 72 percent speak Inuktitut or Inuinnaqtun very well, while only 50 percent speak English very well.
- **Language spoken at home:** Inuit are much more likely to speak primarily Inuktitut or Inuinnaqtun at home (62%) than they are to speak primarily English at home (23%), while 15 percent speak English and either Inuktitut or Inuinnaqtun at home.
- **Language thought in at work:** Forty percent of employed Inuit think most often in Inuktitut or Inuinnaqtun at work, while only a third think most often in English.
- **Language spoken at work:** Despite the dominance of Inuktitut or Inuinnaqtun among the Inuit, 72% speak some English at work and 41 percent speak English most often when at work.
- Conversely, where 98% of non-Inuit speak English or French only at home, the same 98% speak English or French only at work too.

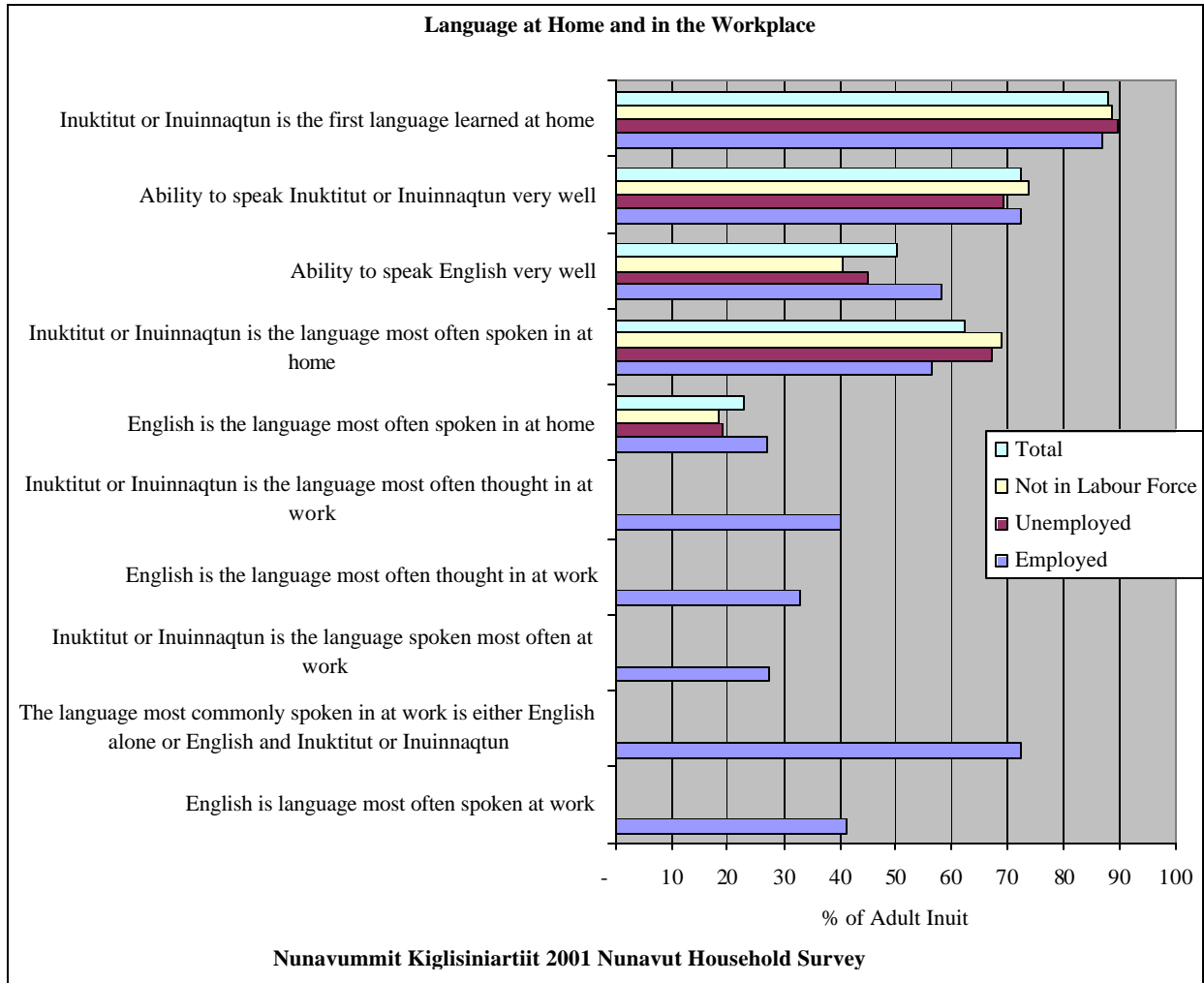
**Language poses a serious barrier to education and work and prominence of the Inuit culture.**

- Unemployed Inuit are more likely to speak Inuktitut or Inuinnaqtun, and less likely to speak English than employed Inuit (see Figure 6.18).
- Many Inuit indicated that the transition from Inuktitut to English in grade school was insufficient to enable them to obtain continuous learning. Many Inuit feel that they are weak in both languages, and would prefer to have more schooling in Inuktitut.
- The posting of jobs in English first and Inuktitut a week later was seen as a strong deterrent to Inuit employment.
- Participants in interviews and focus groups alike reported that any time that even one English-only speaking person is in the room (regardless of the number of people in the room), meetings are conducted in English.



- Despite the fact that the majority of the population of Nunavut speak Inuktitut at home the majority of Government services and educational programs are provided in English.
- Most people believed that if the objectives of Article 23 were achieved, Inuktitut would be the language used in the workplace.

Figure 6.18



## 7. Cost of Not Successfully Implementing Article 23

**The previous section illustrates that there are a host of factors that have significantly impaired successful implementation of Article 23.** There will be no single cure for the problem. Given the wide range of relevant factors, the costs of failing to achieve full implementation of Article 23 are similarly wide ranging in scope and sizable in magnitude.

**Many of the direct costs of not successfully implementing Article 23 are easy to rapidly identify.** The opportunity cost of lost wages to Inuit is one of the most obvious. Related impacts, such as lost tax revenue and ongoing social support costs due to these lost wages are also easy to contemplate. Anecdotal stories that non-Inuit go to Nunavut for short periods of time are confirmed by administration records on the average years of service, and it is obvious how these would translate into higher hiring costs.

**Other costs, while indirectly related to the failure to achieve successful implementation of Article 23, are just as real, and likely even larger in magnitude.** The failure to successfully implement Article 23 is attributable to a number of well-entrenched systemic barriers that have impeded not only Inuit employment in the Government, but also Inuit employment with any employer. The lack of educational opportunities, particularly in the language of Inuit, represents a significant barrier to employment. The importance of Article 23 to the economic strength of Inuit, and the importance of employment and income through Government work and education, as a building block to a strong, thriving economy as well as to a host of social issues, such as health and crime cannot be underestimated.

**These costs are discussed in two parts.** Section 7.1 illustrates the direct costs of failing to successfully implement Article 23. Section 7.2 provides an overview of the nature and extent of indirect costs. While concrete data are not available at this time, history and other examples suggest that these costs are likely to be even larger than the direct costs alone. Preliminary analysis of a host of related information, such as is commonly used in economic modelling, suggest that this is indeed true in this case as well.

### 7.1. Direct Costs

#### 7.1.1. Lost Wages to Inuit

As noted above, the most obvious cost of failing to achieve successful implementation of Article 23 is the opportunity cost of lost Government wages to Inuit. This cost is calculated in several steps.

- First, the growth in the total number of Government jobs<sup>12</sup> over the next 18 years was estimated. It is assumed that the number of Government jobs will grow by about 35% over the next 18 years at each of the three levels of Government (see Appendix C for a description of how this estimate was arrived at).
- Second, the projections for the growth in the number of Inuit and non-Inuit are used to calculate the projected representation rate of Inuit within Nunavut by 2020 (see Appendix D for population projections).
- Then, the number of Government jobs held by Inuit is estimated under two scenarios: (1) assuming that Article 23 is achieved by 2020, and hence the proportion of Government jobs reflects the proportion of Inuit within the population; and (2) assuming that the objectives of Article 23 are not achieved and the proportion of Government jobs held by Inuit remains constant.

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<sup>12</sup> The job figures for the federal and territorial government are based on full-time equivalent (FTE) counts, whereas the job figures for the municipal government are based on the actual number of jobs.

## The Cost of Not Successfully Implementing Article 23

- The following table summarizes the current and projected number of Government jobs, and the number of Inuit-held Government jobs under these two scenarios. Detailed descriptions of the source of the data for the current period are included in Appendix E.

**Table 7.1**  
**Estimated Growth in Government Jobs**

Employer Type	Current	2020	
		Article 23 achieved	Article 23 not achieved
Federal Government FTEs	191	257	257
Inuit-held Federal Government FTEs	63	218	85
Territorial Government FTEs	2,292	3,094	3,094
Inuit-held Territorial Government FTEs	958	2,619	1,293
Municipal Government jobs	1,292	1,744	1,744
Inuit-held Municipal Government jobs	1,163	1,476	1,570

The average compensation rate for Inuit and non-Inuit is estimated under the same two scenarios: (1) if Article 23 is achieved, it is assumed that the wage differential between Inuit and non-Inuit would be eliminated; if Article 23 is not achieved, it is assumed that the wage differential between Inuit and non-Inuit would remain constant. Data on compensation rates were only available for the municipal and territorial government at the time of this study. Consequently, the computations regarding compensation rates for the federal government are based on territorial government rates. With respect to the municipal government, only information on wage rates was available at the time of this study. Hence, it is assumed that the average benefit rate of 18% at the territorial government level would be a good approximation of the benefit rate at the municipal level. No adjustment for a northern allowance or staff housing has been included for the municipal government.

The computation of compensation rates includes the total value of wages and salaries, plus benefits, plus the Northern allowance, plus the value of the staff housing cost borne by the Government. The average cost of staff housing is estimated \$18,000 across all employees (including both those living in staff housing and those not living in staff housing), as per the GN standard costs and fares. It is important to note that this estimate could vary in the future for two reasons. First, staff housing is not available to all staff. Hence, if the proportion of staff that is eligible for staff housing varies from that used to calculate the \$18,000 average, then the average cost would necessarily vary as well. Second, even among staff that are eligible for staff housing, not all chose to live in staff housing. In the current analysis, the benefit of the staff housing is shown as being transferred from non-Inuit to Inuit. However, it is quite possible that Inuit will be less likely to live in staff housing than non-Inuit. In this case, the benefit would accrue to the Government, in the form of lower staff housing costs. Given the uncertainty with which the staff housing may be offered to staff, and the rate at which staff may choose to avail themselves of staff housing, the estimate as stated in the GN standard costs and fares is assumed in this analysis.

**Table 7.2**  
**Estimated Territorial Government Compensation Rates**

	Base salary (1)	Benefits (2)	Northern Allowance (2)	Staff Housing (2)	Total
	\$000s				
Inuit	50.2	9.0	13.0	18.0	90.3
Non-Inuit	66.4	12.0	13.0	18.0	109.4
Average projected compensation (3)	59.7	10.7	13.0	18.0	101.4

(1) Government of Nunavut, 2001-2002 Public Service Annual Report

(2) Appendix 3: GN Standard Costs and Fares.

(3) Average projected compensation is calculated as a weighted average of Inuit and non-Inuit average compensation

## The Cost of Not Successfully Implementing Article 23

As noted above, estimates of federal compensation rates are based on the territorial information. The average rate for each of Inuit and non-Inuit in the territorial government was assumed for Inuit and non-Inuit in the federal government. Due to the higher composition of non-Inuit in the federal government than in the territorial government, the average salary is slightly higher in the federal government, as shown in Table 7.3. It is likely that these estimates represent an underestimate of the average wages in the federal government, given that average wages in the federal government are often higher than those in the territorial government.<sup>13</sup> More importantly, use of the territorial numbers probably understates the wage between Inuit and non-Inuit, and hence the true direct cost of failing to successfully implement Article 23, due to the fact that representation at the executive and professional levels are even lower in the federal government than in the territorial government.

**Table 7.3**  
**Estimated Federal Government Compensation Rates**

	Base salary	Benefits	Northern Allowance \$000s	Staff Housing	Total
Inuit	50.2	9.0	13.0	18.0	90.3
Non-Inuit	66.4	12.0	13.0	18.0	109.4
Average projected compensation (3)	61.1	11.0	13.0	18.0	103.1

**Table 7.4**  
**Estimated Municipal Government Compensation Rates**

	Base salary (1)	Benefits (2)	Total
	\$000s		
Inuit	31.1	5.6	36.7
Non-Inuit	58.4	10.5	68.9
Average projected compensation (3)	33.9	6.1	40.1

(1) Shawn Maley, Regional Superintendent/ADM Community Development, Dep't of Community Government and Transportation Keewatin Regional Office, GN

(2) Appendix 3: GN Standard Costs and Fares

(3) Average projected compensation is calculated as a weighted average of the Inuit and non-Inuit average compensation

Hence, the total cost of lost wages in 2020, is estimated as follows:<sup>14</sup>

**Table 7.5**  
**Example: Estimated Total Cost of Lost Compensation to Inuit in 2020**

	Article 23 achieved			Article 23 not achieved			Total Lost Compensation \$000s
	# of jobs	Average compensation of Inuit \$000s	Total compensation to Inuit \$000s	# of jobs	Average compensation of Inuit \$000s	Total compensation to Inuit \$000s	
<b>Inuit-Held Jobs</b>							
Federal Government	218	103.1	22,434	85	90.3	7,679	14,755
Territorial Government	2,619	101.4	265,551	1,293	90.3	116,771	148,780
Municipal Government	1,476	40.1	59,131	1,570	36.7	57,643	1,489
<b>Total</b>	<b>4,313</b>		<b>347,116</b>	<b>2,948</b>		<b>182,093</b>	<b>165,023</b>

<sup>13</sup> According to Statistics Canada, CANSIM II, Table 183-00021 - Public sector employment, wages and salaries, monthly, the wage rate of federal workers in Nunavut is more than double that of territorial employees.

<sup>14</sup> It is important to note that the decline in jobs and average compensation for the non-Inuit should be achievable strictly through attrition and rebalanced hiring patterns in the future – it does not require declines in any individual non-Inuit compensation levels.

Given the fact that current representation rates are so much lower than the Representative Level, NTI and the GN believe it will take a significant amount of planning and program development and implementation to achieve the target rate. Hence, the recovery of the lost incremental income is expected to occur gradually over the next 18 years.

### 7.1.2. Direct Cost to Government

**The direct costs to Government are also significant.** Three categories of costs are considered in this report: lost tax revenue from the employment of Inuit, additional social support costs due to unemployment of Inuit, and higher turnover and hiring costs due to the greater employment of non-Inuit. In calculating the cost to Government, no distinction is made between the costs that are borne by the various levels of government.

**Recruiting, hiring and training new employees is widely recognized across all industries as a very high cost of doing business.** The ongoing use of Inuit versus non-Inuit represents a significant cost to the Government, given that the average length of tenure for Inuit, at 6.4 years, is almost double that of non-Inuit at 3.8 years. Direct estimates of the costs of replacing and hiring new workers are not available for Government. Data on the length of service was only provided by the GN. Hence, it is assumed that the average turnover rates for Inuit and non-Inuit are the same in the municipal and federal governments as they are in the territorial government. The Saratoga Institute (Joinson, 2000) estimates that the average costs of turnover (the costs of having to fill a position for which one already exists, because someone has left) are about one year's compensation (salary plus benefits). The costs of not achieving Article 23 are estimated by calculating the average hiring costs (estimated at one year's total compensation) under the two scenarios of whether Article 23 is implemented or not. As the following table illustrates, these are estimated to equal \$18 million by 2020.<sup>15</sup>

**Table 7.6**  
**Example: Estimated Turnover-related Recruiting Cost in 2020**

	If Article 23 implemented			If Article 23 not implemented			Net Hiring Costs (000's)
	Inuit (000's)	Non-Inuit (000's)	Total	Inuit (000's)	Non-Inuit (000's)	Total	
Number of jobs	4,313	783		2,948	2,147		
Average length of service	6.4	3.8		6.4	3.8		
New hires due to turnover	674	206		461	565		
Average Salary	\$80.48	\$ 80.48		\$ 61.76	\$ 106.09		
Hiring costs	\$54,237	\$ 16,576	<b>\$70,813</b>	\$ 28,452	\$ 59,944	<b>\$88,396</b>	<b>\$17,584</b>

**This recruiting cost is likely to be an underestimate of the true additional costs of recruiting that would be incurred if Article 23 were not successfully implemented.** This cost only includes one component: turnover. It fails to take into account the likelihood that non-Inuit are prone to be hired from the South, whereas Inuit are more likely to be hired locally. Hence, there is a greater likelihood of travel

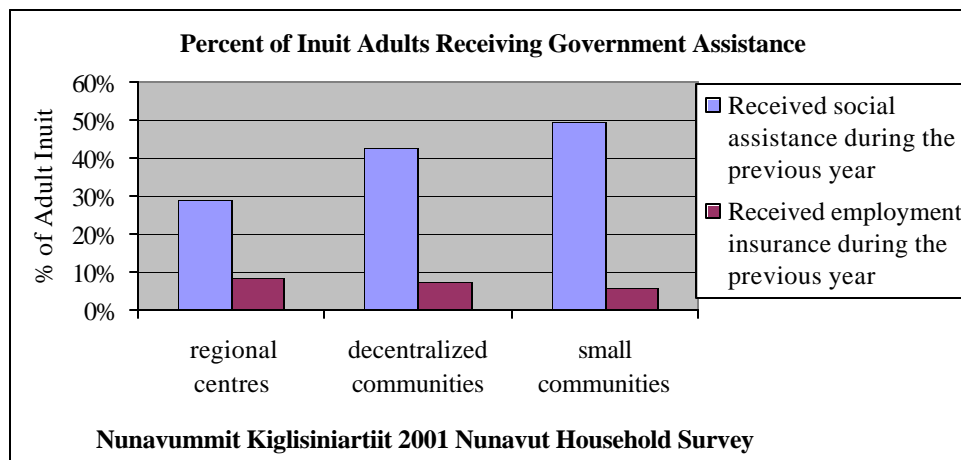
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<sup>15</sup> The hiring costs are calculated as follows. The hiring costs for each column are calculated for each column. For example, there would be 4,313 Inuit employed by the Government in 2020, if Article 23 was fully implemented. According to the GN, 2001-2002 Public Service Annual Report, the average length of service is 6.4. Hence, the number of new hires due to turnover is  $4,313/6.4 = 674$ . The hiring cost is one times average annual salary, times number of new hires. The average salary is computed as a weighted average of the salaries across the three levels of Government. The current job distribution is used as the weight. Net costs are estimated by subtracting the estimated total hiring costs if Article 23 is fully implemented (\$71 million) from the total cost if it is not implemented (\$88 million).

for interviews, and moving costs when hiring a non-Inuit than an Inuit. If representation rates of Inuit do not improve, it is expected that Government will employ 2,147 non-Inuit in 2020. Assuming the GN's average years of service, this would imply that the Government would need to hire 565 non-Inuit in 2020. Assuming average moving costs of \$15,000, and average out-of-town meeting costs of \$5,000, if all of these non-Inuit were from out of the territory, the meeting and relocation costs alone would be \$11.3 million. Provisions for these costs have not been included in the overall estimates, as there is no reliable data upon which to calculate this costs. However, it is likely to be a real cost, and this information should be tracked on an ongoing basis.

**The next category of costs considered in this analysis, is social assistance.** Not surprisingly, given the lower rate of employment, reliance on social assistance is critical. Although social assistance is relied upon throughout Nunavut, the small and decentralized communities have the highest reliance on Government assistance at 49 and 43 percent, respectively, as Figure 7.1 indicates.<sup>16</sup>

Figure 7.1



**If Article 23 were implemented successfully, social assistance costs, at least for the jobs created in the Government, would be eliminated.** This is true even if Inuit who would have taken the Government jobs would have been employed in the non-Government sector. This is because it can be assumed that if Inuit moved from the non-Government sector to the Government sector, the move would have created vacancies for other Inuit. See Appendix F for a description of how social support costs were calculated.

Table 7.7

Example: Estimated Additional Social Support Costs in 2020

Inuit Employment in the Government in 2020			Average Social Support	
If Article 23 is achieved	If Article 23 is not achieved	Difference	Costs \$000s	Total Cost \$000s
4,313	2,948	1,365	22.3	30,476.0

**Failure to achieve successful implementation of Article 23 also creates lost opportunity costs associated with the taxes that would be paid by the Inuit.** The revenue from these taxes is incremental to the taxes that would be paid by non-Inuit who would be employed by the Government. This is because the non-Inuit, which have a less than a three percent unemployment rate, are likely to find other jobs, either in Nunavut, or in the rest of Canada. Hence, they would be expected to pay taxes regardless of

<sup>16</sup> It is worthwhile noting that most people apply for social assistance, even if they qualify for employment insurance, as the process is believed to be much faster, and most people know the individuals who process the claims.

## The Cost of Not Successfully Implementing Article 23

whether they were employed by Government or not. However, Inuit have faced persistent unemployment, and thus incremental employment within Government would be associated with incremental taxes.<sup>17</sup>

There are two components to incremental taxes – tax revenue from new jobs, and tax revenue from increased salaries to Inuit. The following table shows an illustration of how these additional taxes would be created for 2020. Further details on the calculation of the average tax rates are shown in Appendix G.

**Table 7.8**  
**Example: Estimated Tax Revenue in 2020**

	Jobs	Salaries	Average taxes	Total Taxes
	#	\$000s		
Tax revenue from new jobs	1,365	68.6	17.3	23,598.5
Tax revenue from increases in wages	2,948	Increase from \$53.3 to \$68.6	4.8	14,014.1
<b>Total</b>	<b>4,313</b>			<b>37,612.6</b>

### 7.1.3. Total Direct Costs

**The total net cost over the next 18 years, of failing to successfully implement Article 23 is estimated at \$2.8 billion.** The allocation of those costs is shown in Table 7.9. This cost is likely to be an underestimate of the true direct costs, as it includes no provision for differential recruiting costs for Inuit versus non-Inuit. Discounting the annual estimated costs by 3%, the net present value of these costs is estimated at \$2.1 billion in today's dollars.

**The cost is almost equally distributed between Inuit and Government.** The lost wages to Inuit as a result of the failure to successfully implement Article 23 are estimated at \$123 million for 2003. However, \$51 million of this would flow directly back to Government. Government would have to pay out \$23 million in social support to Inuit that would otherwise have been employed by Government (and consequently not receiving social support) if Article 23 were fully implemented. Government would also lose \$28 million in tax revenue that they would receive from Inuit who would be employed by Government if Article 23 were successfully implemented. The net loss to Inuit is the incremental after-tax income that they would have earned, over and above income that they would have received through social support.

<sup>17</sup> It should be noted that these numbers correspond to the aggregate net benefit to Government. If non-Inuit move out of the territory and get jobs elsewhere in Canada, the incremental tax revenue would flow to other provinces. However, this assumes that non-Inuit were paying taxes in Nunavut. Given the fact that many non-Inuit hold residences outside of Nunavut as well, and that many only stay in Nunavut for a short period of time, it is unlikely that non-Inuit are paying taxes in Nunavut on all the income that they earn in Nunavut. Hence, if non-Inuit move out of the province and work elsewhere in Canada, but were paying taxes elsewhere in Canada, then the taxes paid by Inuit would represent incremental increases to the GN. Regardless, given the fact that there are significant transfers between the various levels of government, and that these differ depending on the wealth of the province or territory, incremental taxes, irrespective of where they are paid, are relevant considerations for estimating the cost to Government.

## The Cost of Not Successfully Implementing Article 23

**Table 7.9**  
**Estimated Total Net Direct Cost of not Successfully implementing Article 23**

	Costs to Inuit		Costs to Government				Total net cost
	Total lost wages	Lost incremental income (net of taxes and social support)	Turnover-related hiring costs	Social support to Inuit	Taxes revenue from Inuit	Net cost to Government	
	\$ millions		\$ millions				\$ millions
2003	123.3	72.0	13.2	22.9	28.3	64.5	136.5
2004	124.6	72.5	13.5	23.3	28.8	65.5	138.0
2005	126.2	73.2	13.7	23.7	29.3	66.7	139.9
2006	127.9	74.0	14.0	24.1	29.9	67.9	141.9
2007	129.8	74.9	14.2	24.6	30.4	69.2	144.1
2008	131.8	75.9	14.5	25.0	31.0	70.4	146.3
2009	133.9	76.9	14.7	25.4	31.5	71.7	148.6
2010	136.1	78.1	15.0	25.9	32.0	72.9	151.0
2011	138.4	79.4	15.2	26.4	32.6	74.2	153.6
2012	140.8	80.8	15.5	26.8	33.2	75.5	156.3
2013	143.4	82.4	15.8	27.3	33.7	76.8	159.2
2014	146.1	84.1	16.0	27.7	34.3	78.1	162.1
2015	148.9	85.9	16.3	28.2	34.8	79.3	165.2
2016	151.8	87.8	16.5	28.7	35.4	80.6	168.4
2017	154.9	89.8	16.8	29.1	36.0	81.9	171.7
2018	158.2	92.1	17.1	29.6	36.5	83.2	175.2
2019	161.5	94.4	17.3	30.0	37.1	84.4	178.9
2020	165.0	96.9	17.6	30.5	37.6	85.7	182.6
<b>Total</b>	<b>2,542.6</b>	<b>1,471.1</b>	<b>276.9</b>	<b>479.1</b>	<b>592.4</b>	<b>1,348.4</b>	<b>2,819.5</b>
<b>NPV (3%)</b>	<b>1,916.2</b>	<b>1,108.4</b>	<b>208.7</b>	<b>361.2</b>	<b>446.6</b>	<b>1,016.5</b>	<b>2,125.0</b>

It is important to note that these costs are estimates based on the information that was available at the time that this report was prepared. The lack of available data means that the computations are based on assumptions and the true estimates may be either higher or lower. The following variables are expected to be the variables with the highest amount of variation in the estimates. The important point to note is that while variations in the assumptions would lead to variations in the estimates, they do not lead to variations in the overall magnitude of the costs.

- Due to the lack of data on federal government wages and salaries, the territorial compensation estimates were used to estimate federal government wages and salaries. Given that the federal government wages are likely to be higher than the territorial government wages, and the gap between Inuit and non-Inuit is also likely to be higher (given the distribution across occupational groups), the actual cost is likely to be slightly higher. For example, if the average wage in the federal government jobs was 10% higher than that in the territorial government jobs, and the average gap between Inuit and non-Inuit was 10% higher in the federal government, than in the territorial government, the estimated cost would be \$0.7 million higher in 2003 and \$14.6 million higher over the 2003 to 2020 period.
- Similarly, given that no consideration for any differential cost of recruiting non-Inuit relative to Inuit is included, the actual costs to Government may be underestimated. If it were to cost an average of \$15,000 more to hire a non-Inuit than an Inuit employee (due to higher out-of town meeting and moving costs), the recruiting costs associated with not successfully implementing article 23 would cost an additional \$4.2 million in 2003 and \$88.2 million over the 2003 to 2020 period (3.1% of estimated total net costs).



- If the growth rate of jobs in the Government were 30% instead of 35% over the 2002 to 2020 period, the costs would be \$0.4 million lower in 2003 and \$62.9 million lower over the 2003 to 2020 period (2.2% of total net costs).
- Finally, if the proportion of staff that is eligible for staff housing is lower such that the average cost of staff housing is 20% lower than estimated (\$14,400 per employee), the actual total net cost estimate would be 3.2% lower (\$4.4 million less in 2003 and \$91.5 million less over the 2003 to 2020 period).

### 7.2. Indirect Costs

**The indirect costs associated with not successfully implementing Article 23 are likely to extend well beyond just the direct costs described above.** This is due to the fact that many of the barriers that limit employment of the Inuit in the Government sector – such as education, housing, day care – also limit employment of the Inuit in the non-Government sector. Moreover, increasing Inuit employment and income is likely to have significant ripple-type effects throughout the whole economy.

**These effects are discussed in illustrative and general terms only.** Unfortunately, the lack of availability of data, particularly labour force data, prevents estimation of these costs with a high degree of precision. However, as discussed below, these costs are real, and likely to be sizable in nature.

**The indirect costs are discussed in three parts.** Section 7.2.1 presents most of the relevant purely economic costs. Section 7.2.2 reviews the information and theory of two of the key social costs that would be expected. Section 7.2.3 provides a discussion of these costs in aggregate, with a particular focus on how they would be expected to evolve through time.

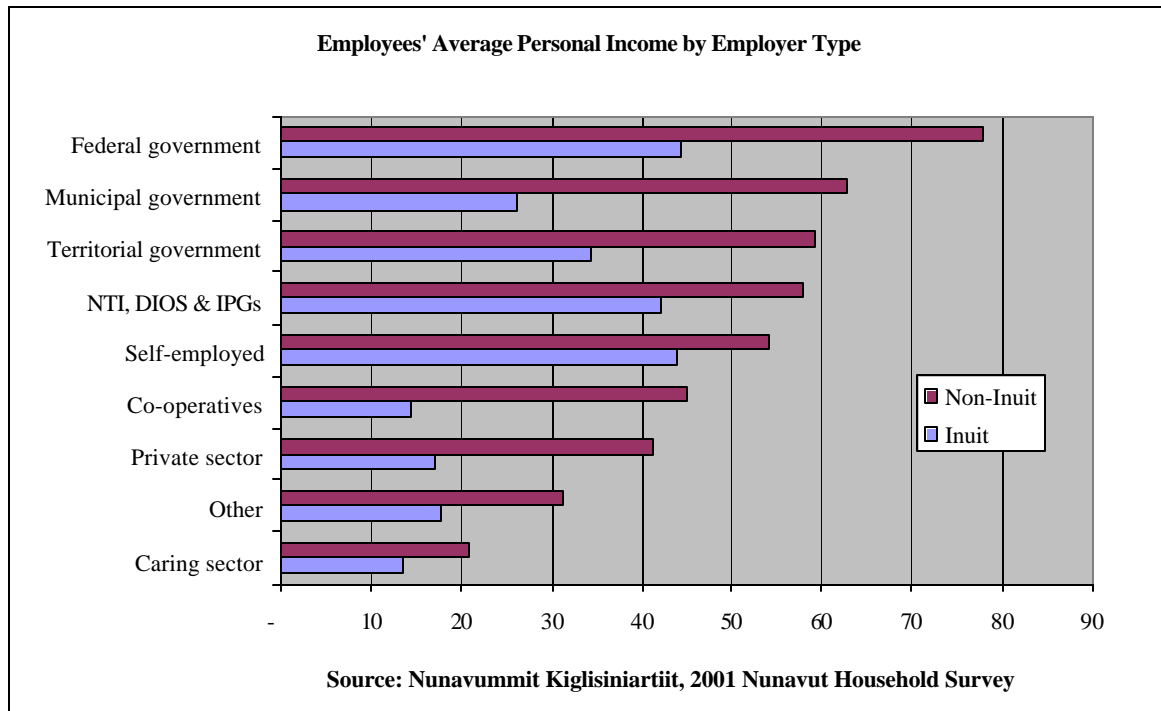
#### 7.2.1. Economic costs

**It is expected that successful implementation of Article 23, would not only achieve the goal of increased Inuit employment within the Government, but would also increase employment of Inuit in all sectors in the economy.** These additional jobs would not only provide Inuit with increased income, but also would reduce their dependency on social assistance, and increase the income taxes that they pay to the Government. Several lines of evidence for this argument are presented here, including: income estimates, educational considerations, and spending multipliers.

#### *Income Gap*

**Part of the rationale for arguing that achieving Article 23 would effect employment in the non-Government sector is that Inuit appear to suffer from a wage differential in the non-Government sector, similar to the tendency in the Government sector.** As illustrated in Figure 7.2, Inuit appear to earn less in all sectors of the economy than non-Inuit. At the time of this report, estimates of salaries and wages for Inuit and non-Inuit were not available by sector. However, Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey queried people on their personal incomes for the previous year, and their current employment status and employer (if they have one).

Figure 7.2



**There are several problems with analyzing the differences in personal incomes between Inuit and non-Inuit by employer type.** First, given that the data for personal income relates to the previous year, and the data concerning employer type relates to the current year, there is a likelihood that some people will have switched employers, thereby resulting in an inappropriate employer classification. Second, because personal income includes other factors, such as social assistance and investment income, it is an imperfect indicator of employment income.

**Nevertheless, there are a number of reasons to believe that the income gap between Inuit and non-Inuit persists across all sectors.** First, the relative gap for the Territorial Government is quite similar to the gap that one would expect given the administrative data.<sup>18</sup> Second, turnover between all sectors would have to be extremely high for the consistently lower rates of pay to be observed for Inuit in each of the sectors, if the true gap were only in the Government sectors. Finally, employer participants in the focus groups indicated that the Government sets the competitive standard for wages, and felt that if Article 23 were fully implemented the cost of wages would be forced up in all sectors.

**Hence, the consistency in the wage gap between Inuit and non-Inuit throughout the sectors, along with the comments from focus groups, suggest that if measures were put in place to address employment of Inuit within the Government, spillover effects to the non-Government sector would be expected.**

<sup>18</sup> The income gap from the survey data is larger than that observed in the administrative data, but one would expect that because the administrative data are FTE counts and the survey data are job counts.

### *Education*

**Education is likely to be the largest common barrier to Inuit employment across all sectors.** Non-Government employers cited insufficient education and skill levels among Inuit as significant barriers to employment. Non-Government employers said that they were averse to hiring from the South due to the Southerner's typical three-year cycle of employment. Hence, while non-Government employers preferred to hire locally, they often had to hire people from the South in order to recruit individuals with the appropriate technical skills. Employers in our focus groups cited the following specific barriers to employing Inuit:

- Low levels of education and specialized technical skills such as accounting, bookkeeping, and finance; and
- Low levels of management skills in retail, trade and sales.

**Similarly, the importance of education is well recognized by the Canadian Government.** Having a skilled workforce is cited as one of the key factors in improving innovation. The Canadian Innovation Agenda presentation states that to meet our fifth place target for research and development (R&D), "we need to double the number of research scientists and engineers in Canada; We also need to develop strong managers who can lead Canada's economy through a business transformation." Finally, the Innovation Agenda states that our current workforce is our most important source of supply. Consequently, the Speech from the Throne, to open the Second Session of the Thirty-Seventh Parliament of Canada, explicitly stated its commitment to investing in education. It stated:

- *The fuel of the new economy is knowledge. The government has invested heavily in providing Canada's schools and libraries with the information technology to connect young Canadians with the best information and knowledge the world has to offer. It has invested in access to universities and in excellence in university research because Canada's youth need and deserve the best education possible, and Canada needs universities that produce the best knowledge and the best graduates ..*
- *The economy of the 21st century will need workers who are lifelong learners, who can respond and adapt to change. Canada's labour market programs must be transformed to meet this challenge. To this end, the government will work with Canadians, provinces, sector councils, labour organizations and learning institutions to create the skills and learning architecture that Canada needs, and to promote workplace learning ..*
- *The Youth Employment Strategy has been successful in increasing job opportunities and experience for young Canadians. But the employment needs of our youth are changing. Government strategies have to keep pace. Working with youth and other partners, the government will redirect its resources in this area to develop skills for the future and to help those who face the greatest barriers to employment.*

**The Government of Canada is focusing on developing the skills of the workforce because it believes that investments in knowledge infrastructure are critical to growth, and that these investments have ripple-type effects that benefit all agents in society.** Hence, not only will addressing labour force needs enable increased employment of Inuit within Government and non-Government, it will lay the foundation for growth and innovation.

**It is critical to note as well the benefits that successful implementation of Article 23 would have on the efficiency of the delivery of education services.** Public sector jobs are currently the largest source of wage-based-economy opportunities in Nunavut. These positions have a broad spectrum of skill and education requirements, but as has been noted elsewhere in this report, Inuit tend to be under-represented in the professional and technical categories. These jobs are over-represented by "Southerners". But this has two effects - it not only contributes to loss of income to Inuit, but it also contributes to a lack of scale in training facilities. The southerners have been trained in their home regions. The lack of use of local resources truncates the demand for local Nunavut training. Since the Government positions are the most

significant entry to the wage-based economy, this is a significant constraint on the achievement of scale economies.

**A good case in point would be Information Technology (IT) skills.** These are currently the basis for modern concepts of administration and management in the public sector and the private sector. But until recently the Nunavut Arctic College was unable to offer an in-depth IT program owing to resource constraints and demand limitations. (It has such a program ramping-up at present). If more Inuit were going into Government positions, then a larger IT program would be viable, and/or an IT program could have been started earlier.

**Successful implementation of Article 23 means local facilities can escape the current constraints on scale.** In turn, when necessary programs are available, justified at adequate scale when heretofore they were not, the graduates will not necessarily be only good for Government positions. Such skills as IT are readily applicable to virtually all the other development options listed above. Implementing Article 23 means the education infrastructure can look forward to escaping the limitation of lack of scale.

**If the Government puts in place the infrastructure supports required to achieve Article 23, it will affect not only Government employees, but also all potential workers in Nunavut.** Hence, it can be assumed that the same effects that would be expected in the Government sector would occur in the non-Government sector. Specifically, it seems likely that the representation rate of employment of Inuit within the non-Government sector would equal the representation rate of within the working age population, and that the income gap between Inuit and non-Inuit in the non-Government sector would be eliminated.

### *Spending multipliers*

**Increased employment of Inuit would likely be expected to increase spending on goods and services in Nunavut.** First, non-Inuit are more likely to originate from outside Nunavut, and are probably more likely to spend their money in the south. For example, they are probably more likely to take more trips and buy presents, clothing, etc. outside of Nunavut. Conversely, Inuit would be more likely to spend their money locally. Second, family is very important in the Inuit culture; during the course of this study, Nunavummiut indicated that financial gains through employment income are likely to be shared amongst other members of the family, thus contributing to the number of people spending locally. This increased spending locally would translate into more jobs, more economic activity, and more taxes in Nunavut.

**Current Government theory on the critical drivers of growth also suggests that increased education and local economic activity contribute to long-term growth.** Innovation and knowledge development themes have dominated the Government's agenda over the last several years. According to the Canadian Innovation Agenda "The income gap between Canada and the US is due to poor productivity", and "Innovation is key to improving productivity". The Innovation Agenda focuses on several key critical success factors. Two of these are particularly relevant for Nunavut, and projecting the impacts of successfully achieving Article 23 – the importance of a skilled workforce (as noted above), and the importance of clusters for innovation.

**Innovation and cluster theory suggest that implementation of Article 23 would enable better leveraging of Government sustainable development initiatives and the value of Inuit knowledge.** The concepts of industrial "clustering" have become significant in the economic development literature in recent years. Industrial "clustering" implies linkages between organizations in a given region. Such linkages can form in a community of any size. As long as there are multiple organizations in the community, there is an opportunity to leverage shared knowledge. Linkages can involve several dimensions, such as:

- Customer-supplier relationships: in a cluster, firms buy and sell from one another (e.g. vertical integration through outsourcing). There is typically a “value-added-chain”, in which components and parts are systematically integrated into more complex systems.
- Strategic alliances: firms at various levels in the value-added-chain will have alliances with others at the same level in order to capitalize on economies of scale and product/process differentiation (horizontal integration).
- Partnerships: these can be all of private/private, public/private, and public/public. For example, given the size of Nunavut and the high cost of travel, increased development of specialized IT is likely to be a key shared opportunity for innovation.

**In summary, a true cluster interacts within itself to add value to its exported products.** The combination of vertical, horizontal, and managerial integrated structures means that the dual goals of rapid response “time to market”, and optimizing value added from local resources, can be met. For example, Ottawa exhibits strong linkages, both in its historic development and in its current output. An obvious illustration is the historic relationship between public research institutions such as the National Research Council of Canada Communications Research Centre, and private sector labs, such as the formerly named Bell-Northern Research. The latter lab was encouraged to locate in Ottawa because of the public research infrastructure available. Subsequently, numerous start-up firms have come from large labs such as BNR. This process continues today in Ottawa. This is an example of positive cluster evolution. Accordingly the paramount characteristics of a cluster or technopole are linkages within the cluster between different organizations.

**The importance of building on local geographic clusters to leverage value is clear in the Innovation Agenda.** According to the Canadian Innovation Agenda for the 21<sup>st</sup> Century, “*What comes through loud and clear from all stakeholders of Canada’s innovation system is that much success in starting up innovation or new technology companies is related to the development of innovation clusters: geographically concentrated industrial centres containing a number of elements.*” Two areas for leveraging local knowledge and activity are particularly important for consideration of the potential impacts of implementing Article 23.

### 1. Initiatives by the Department of Sustainable Development

**The GN’s Department of Sustainable Development has identified several key sectoral development options.** These are: mining, fishing, tourism, and cultural industries. These four possibilities are also referenced in the Conference Board’s Nunavut Economic Outlook May 2001. Other possibilities mentioned in interviews in Nunavut (and also considered by the Department of Sustainable Development) include: construction, specialized manufacturing, (e.g., jewellery), northern science and research, and trade, financial services, and business services.

### 2. Leveraging the Value of Inuit Local Knowledge

**Inuit Qaujimagatqangit (IQ) is a reference to a philosophy or way of living that encompasses a range of elements,** including: passing along local Inuit expertise, values and teachings to younger generations; a system of laws and customs for governance and decision-making in local communities; and an understanding of the value of family and community relationships. The basic knowledge encompassed by the expression IQ underpins the Inuit success in capitalizing on the so-called “land-based” economy. Few societies in the world have been more successful at surviving in what many southerners would conceive of as a barren region. (Technically for example, much of Nunavut’s climate would count as a desert, owing to limited precipitation.)

**Implementing Article 23 would enhance the value of IQ. A good example of the potential would be tourism.** Tourism is already well identified as a significant development option for Nunavut. The spectacular, if rugged, geographic and topographic terrain, coupled with the distinctive flora and fauna (ranging from brilliant wild flowers in season, to caribou and polar bears) make for an unusual and distinctive tourism destination. It is IQ that provides the guidance as to where, when, and how, the tourist's itinerary can best be set up. Inuit know the different flowers, lichens, and other fauna, and their significance to life. They can track and project the locations of caribou herds and other animals. IQ is even valuable for safety and weather forecasting.

**In summary, the successful implementation of Article 23 would be expected to increase consumer spending, and enable better leveraging of Government programs and IQ.** Conversely, if Article 23 is not implemented successfully, there is an opportunity cost to both Inuit, in the form of jobs and income, and Government, in the form of lost taxes and ongoing social support requirements.

### 7.2.2. Social Impacts

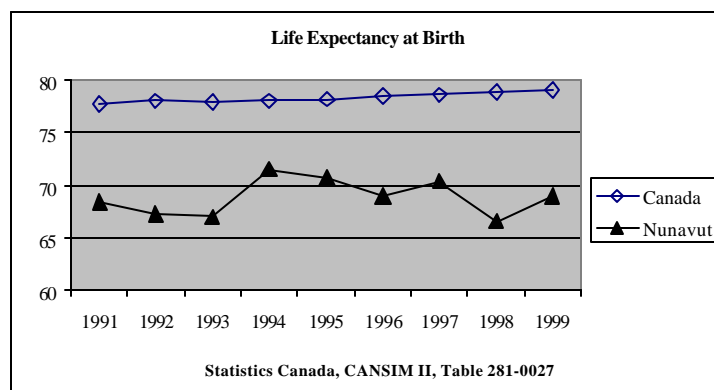
**The interrelation between education, income and employment with health status and crime is well documented; they are circular and re-enforcing.** Poor health status makes it difficult to succeed in school or work and at the same time increases financial pressures and reduces net income. Focus group participants cited having a criminal record as an obstacle to securing Government employment. Similarly, better education, income and employment have been repeatedly shown in a variety of studies to contribute to better health and lower crime. This topic is too large and complex to discuss in any depth in this report. Hence, this report provides only a sampling of some illustrative studies to demonstrate the strength and pervasiveness of the general concept. A chart summarizing some of the key health, economic and crime statistics for the Canadian provinces and territories is included in Appendix H.

### Health

**The health status of Inuit is significantly inferior to that of other Canadians.** Only a sampling of some of the illustrative data is included here.

**Life expectancy is significantly shorter for Nunavummiut than other Canadians.** Furthermore, while a gradual steady improvement has been observed for the average Canadian, a consistently positive trend is not observable for Nunavut, as shown in Figure 7.3.

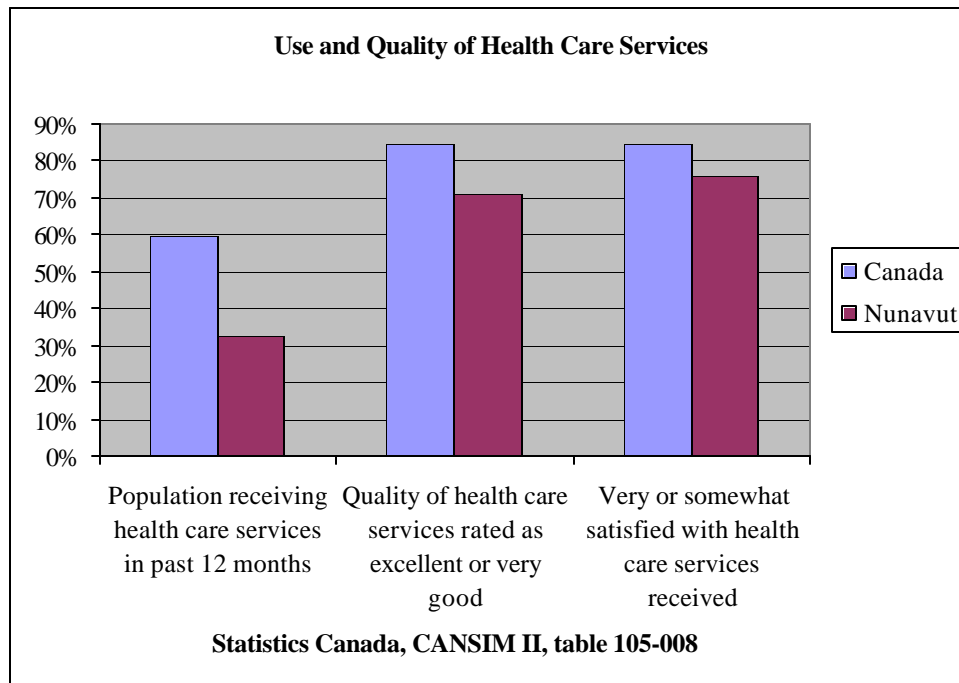
Figure 7.3



**Access to high-quality health care is significantly lower in Nunavut than in the rest of the country, as shown in Figure 7.4.**

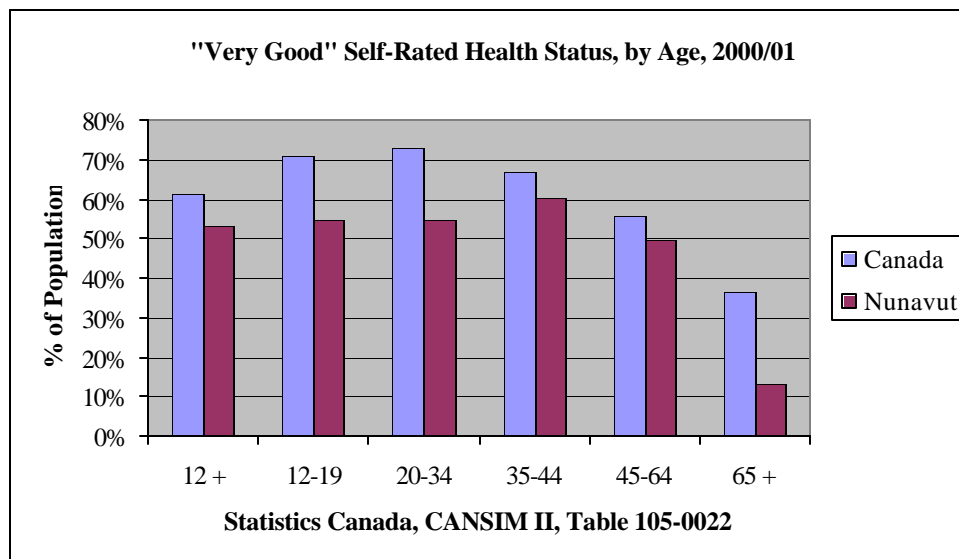
- Nunavummiut were significantly less likely to receive health care in the previous 12 months than other Canadians.
- Nunavummiut were less satisfied with the quality of health care that they received compared to other Canadians.

Figure 7.4



**Nunavummiut are also more likely to rate their health status as significantly worse than other Canadians.** The overall percentage of the population indicating that they have very good health is only slightly lower in Nunavut than in Canada. However, this is only because of the young age of the population of Nunavut. Generally, better health status is more common among younger people. Within each age category, the self-rated health status of Nunavummiut is lower than that of other Canadians, as shown in Figure 7.5.

Figure 7.5



**While health status is lower in Nunavut, average health care costs are significantly higher.** Health expenditures per capita in Nunavut were more than double the Canadian average in 2000/2001, as shown in Table 7.10. This difference is likely due to a host of factors, including the lower health status, the lack of local health care practitioners and the higher costs of servicing large isolated regions with relatively small populations. The percentage of total health expenditures spent on “other health spending”, which includes health research, home care, medical transportation and occupational health, in Nunavut is significantly higher than the average for Canada as shown in Table 7.10. This is likely to be largely a result of higher medical transportation costs. Due to the fact that there is only one hospital in all of Nunavut (located in Iqaluit), people from the west must go to Yellowknife for hospital care and people in the Kivalliq Region go to Winnipeg for hospital care. Many residents of the Baffin region must go to Ottawa for specialized care that they cannot receive in Iqaluit.

**Table 7.10**

Health Expenditures, 2002-2003				
Department	Canada		Nunavut	
	Total	Public	Total	Public
\$ Per Capita				
Hospitals	1,119	1,018	2,619	2,575
Other Institutions	331	245	141	114
Physicians	478	471	544	544
Other Professionals	414	39	301	214
Drugs	577	209	314	174
Capital	154	137	440	436
Public Health & Administration	213	213	988	988
Other Health Spending	286	194	1,119	1,108
Total	<u>3,572</u>	<u>2,526</u>	<u>6,467</u>	<u>6,152</u>

Source: Canadian Institute for Health Information, National Health Expenditure Trends, 2002

**Improvements in education, income and employment are likely to significantly improve health status and the efficiency of the health care system.** While the specific quantity of the benefits is impossible to accurately predict, the assertion that education, income and employment affect health is unquestionable. For example, a recent study in the British Medical Journal “*provides further evidence that adverse life conditions – not lifestyle choices – are the main contributors to obesity, heart disease and diabetes. Even more significant, this study relates the risk factors for these diseases in adults to the socio-economic position they experienced as children*”. Furthermore, “*Health Canada and Canadian Public Health Association policy statements of the past 25 years outline what really matters for disease prevention: adequate income, shelter, food, employment and working conditions and a social safety net*”.<sup>19</sup>

**The linkages between health and education have been well documented.** According to Health Canada’s 1999 report “*Toward a Healthy Future: Second Report on the Health of Canadians*”.

- “*In the 1996-97 National Population Health Survey (NPHS), only 19% of respondents with less than a high school education rated their health as “excellent” compared with 30% of university graduates.*”
- “*The 1990 Canada Health Promotion Survey found the number of lost workdays decreases with increasing education. People with elementary schooling lose seven work days per year due to illness, injury or disability, while those with university education lose fewer than four days per year.*”

<sup>19</sup> Raphael, Dennis, “More evidence produced to link disease with low income”, *CCPA Monitor*, December 2002/January 2003.



**Employment, as a critical determinant of health is also well understood.**

- According to Health Canada's 1999 report "Toward a Health Future: Second Report on the Health of Canadians", *"Employment has a significant effect on a person's physical, mental and social health. Paid work provides not only money, but also a sense of identity and purpose, social contacts and opportunities for personal growth. When a person loses these benefits, the results can be devastating to both the health of the individual and his or her family. Unemployed people have a reduced life expectancy and suffer significantly more health problems than people who have a job"*.
- Health Canada's 1990 report, "Investing in the Health of Canadians" found that *"A major review done for the World Health Organization found that high levels of unemployment and economic instability in a society cause significant mental health problems and adverse effects on the physical health of unemployed individuals, their families and their communities."*

**The relationship between income and health are also well known.** According to Health Canada's 1999 report "Toward a Healthy Future: Second Report on the Health of Canadians"

- *"Only 47% of Canadians in the lowest income bracket rate their health as very good or excellent, compared with 73% of Canadians in the highest income group.*
- *Low-income Canadians are more likely to die earlier and to suffer more illnesses than Canadians with higher incomes, regardless of age, sex, place of residence or cause of death.*
- *At each rung up the income ladder, Canadians have less sickness, longer life expectancies and improved health."*

**Housing and living conditions, a result of economic status, are believed to directly impact on health status.** The Canadian Criminal Justice System ("CCJA") believes a direct link exists between the quality of Aboriginal health (specifically infectious diseases, non-infectious respiratory diseases, mental and spiritual health) and poor living conditions including, over-crowding, lack of clean water and safe waste disposal.

**Incidence of alcohol abuse is often linked with poor economic status.** The CCJA reports that alcohol abuse is associated with unemployment, family violence, criminal behaviour, suicides, accidents and the general inability to succeed. Suicide was connected with Aboriginal peoples feelings of despair and hopelessness brought on by various other factors. The CCJA further link Aboriginal peoples feelings of despair and hopelessness to "...Poverty, inadequate educational opportunities, unemployment, poor living conditions, alcohol abuse and domestic violence."

**Successful implementation of Article 23 would be expected to significantly improve the health status of Inuit and the efficiency of the delivery of health care services.**

- Increased education and income are likely to contribute to improved health, as it provides Inuit with a sense of pride and purpose and the means to prevent illness and maintain their health.
- Increased education of Inuit would enable better delivery of health care services by Inuit within their communities. This would allow for earlier detection of illness, and remedial treatment at an earlier, and less costly stage.
- Increased education of Inuit would also enable Inuit to better understand the factors that contribute to better health status, and the warning signs that should encourage them to go to a health practitioner.

**It is important to note that it is not the intention of this report to conclude that these improvements in economic conditions would lead to reductions in health system spending.** In fact, it is possible that as health care services become more widely available and as education increases the likelihood of residents utilizing those health care services, that health care spending will in fact increase. However, the cost effectiveness of the health care system must be viewed separately from the utilization of the system.

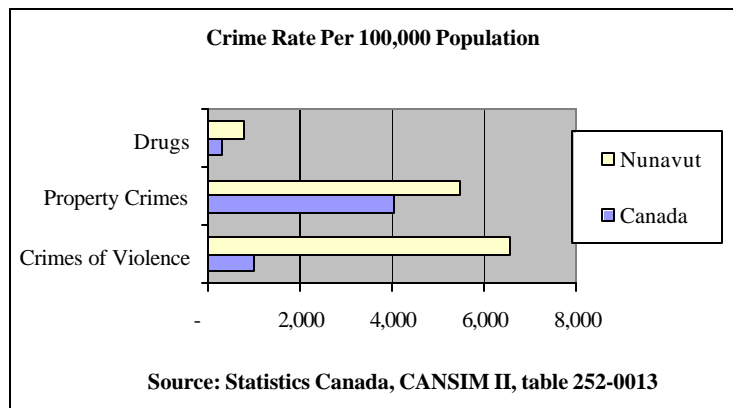
Improvements in education, employment and income should improve health status and reduce the cost of treating the people who are using the health system. These cost-avoidances or savings are then at the discretion of the Government to spend. Given the current low utilization of the health system, and the increasing pressure across Canada for increased spending in health, it is likely that these savings would be reinvested in the health system. Nevertheless, they are savings and it is appropriate to consider them as such to assess the impact of these effects on the ability of the Government to fund new initiatives (such as increased spending on health).

**Crime**

As is the case with health, there is a strong relationship between crime and education, income and employment. While the direction of the causality is difficult to prove, numerous studies and anecdotal evidence from the focus groups suggest that crime and economic status are interdependent.

The crime rate is significantly higher in Nunavut than in the rest of Canada. As Figure 7.6, the rate of violent and property crime is significantly higher in Nunavut than the average for all of Canada. Specifically, the rate of property crime is 25% higher in Nunavut than in the rest of Canada and the rate of violent crimes in Nunavut is almost 7 times the rate for Canada. In addition, drug offences in Nunavut are almost three times the rate for Canada. Similarly, the cost of crime is significantly higher in Nunavut than in the rest of Canada, as illustrated in Table 7.11.

**Figure 7.6**



**Table 7.11**

Spending on Justice Services in the Provinces and Territories	
Province	2000-2001 Per Capita Spending Current \$
Newfoundland and Labrador	186
Prince Edward Island	196
Nova Scotia	224
New Brunswick	198
Quebec	260
Ontario	298
Manitoba	284
Saskatchewan	278
Alberta	240
British Columbia	269
Yukon	802
Northwest Territories	1,106
Nunavut	890

Source: Statistics Canada, Juristat

**Several studies suggest that there are important linkages between crime and employment, even if these linkages are not well understood.** Myers (1998) wrote in *Sentencing and Indigenous Peoples*, “the choice-theoretic approach also predicts that employment affects participation in crime...higher unemployment leads to lower expected returns to work and thereby increases the propensity to engage in crime.” He also reported on an earlier study of 432 hardcore, repeat property offenders, which concluded, “employment helps to assure that ex-offenders remain out of the criminal justice system.”

**Studies also suggest that education is related to crime as well.** According to Statistics Canada, (1999), “Female inmates tended to be in their early 30s, single with grade 9 education or less and unemployed at the time of admission”.

**The importance of economic factors in contributing to crime is the basis for projects that attempt to mitigate these factors.** For example, according to the Department of Justice Newsroom, October 7, 1999, “*Project Early Intervention has been designed to meet the needs of at-risk youth, aged 6 to 12, living in a high-needs community within the Ottawa-Carleton region. These children will benefit from activities which aim to build self-esteem, produce resiliency and prevent future involvement in the justice system. These activities will be undertaken through a multi-sectoral approach that will seek to reduce the impact of risk factors on these youth – such as low family income, poor school performance, parental criminality and exposure to domestic violence.*” Similarly, in a study of the cost effectiveness of programs to put offenders back into society, involvement in a support program was associated with better employment, reduced criminal activities and alcohol and drug use, improvement in family relationships, and a halving of social service costs, criminal justice system costs, health care costs and social security system costs (Nystrom and Jess, 2001).

**Given the relationship between crime and economic variables such as education, employment and income, it is expected that significant advances in these areas would contribute to a reduction in crime and the costs associated with crime .**

### 7.2.3. Aggregate Indirect Costs

**All of these factors – increased spending locally by the Inuit, leveraging of Government development programs and the local knowledge base (e.g. IQ), in combination with improved health and crime, have the power to significantly enhance the output of the economy.** These forces can drive new and existing business growth and create new jobs. While it is not possible to predict precisely the expected impacts, these costs are nevertheless expected to be large. It is particularly important to note that these indirect costs are likely to grow much faster than the direct costs over the next 18 years, due to population growth.

**The potential impact on Inuit jobs and incomes is critical to the ability of Nunavut to become an economically strong region.** This is particularly important given the projected growth in the Inuit population. If Article 23 were successfully implemented today, in 2003, Inuit would hold an additional 1,026 jobs. This would reduce the number of unemployed from 2,197 to 1,171 (according to the national definition of unemployment) and reduce the unemployment rate from 25% to 13%. Using the ‘no jobs available’ definition of unemployment, the rate would reduce from 31% to 20%. Hence, the impact would be significant. However, given that the population is projected to grow almost 47% by 2020, even assuming the 35% increase in Government employment, the total number of additional jobs held by Inuit is only projected to be 1,365 higher in the scenario where Article 23 is fully achieved, in comparison to the scenario where the representation rate stays the same. However, the Inuit working age population is projected to grow by 7,617 people. Hence, the opportunity for the implementation of Article 23 to serve

as a leveraging factor in creating new jobs for Inuit is critical to long-term growth. If Article 23 is not successfully implemented, the potential loss of indirect job creation could be significantly more costly than even the direct job creation. All of the associated costs, in terms of social assistance and taxes could likewise be significantly higher as well.

**Similarly, the costs associated with health and crime are expected to be sizable in magnitude .** Given that the publicly funded per capita health care costs in Nunavut are more than double national average, rapid population growth means that these differential costs become increasingly more significant. Even if publicly funded per capita health care costs were to decrease by just 10% (from \$6,152 to \$5,537), the savings would be \$27 million annually by 2020. It seems likely that the types of changes in education, income and employment that would occur under full implementation of Article 23 could deliver at least a 10% reduction in per capita costs. Likewise, the potential savings in crime costs could be significant as well.

**It is critical that the inability to precisely calculate these costs does not lead to a tendency to ignore the potential costs.** The potential costs are too high, to Inuit and to Government, to disregard. Sufficient data collection and analytical tools should be put in place to project these costs, and effectively plan remediation strategies.

## 8. Concluding Remarks

**In conclusion, the costs of failing to successfully implement Article 23 are sizeable in magnitude.** The direct costs alone are estimated to be approximately \$137 million in 2003, and over \$2.8 billion over the next 18 years. Furthermore, as noted in Section 7.2.3, the indirect costs could be even higher than this.

**The direct costs to both Inuit and Government are substantial.** Failure to successfully implement Article 23 means that:

- Approximately \$123 million of the estimated Government wages and housing subsidies that should go to Inuit in 2003, as per the provisions of the NLCA – which is almost half of the wages that should go to Inuit – would actually go to non-Inuit; and
- The Government would incur a cost of about \$65 million in 2003, due to higher social support costs, lost tax revenue and higher recruiting costs.

**The indirect costs to Inuit and Government could be even higher.** The lack of available data to estimate these costs does not in any way minimize them. Regardless of whether the data is available or not, the findings from this study suggest that if Article 23 is not successfully implemented, Inuit employment and wages in all sectors would be lower than if it had been implemented. Similarly, while the impacts on health and crime, and associated system costs cannot be estimated precisely, all of the existing Government programs and strategies suggest that increasing education, employment and income would have real impacts on these and other social factors.

**The lack of progress in achieving Article 23 suggests that significant intervention on the part of all parties is required in order to successfully accomplish the objectives of Article 23.**

- Inuit representation rates in the GN have remained stagnant, in the low 40% range, since 1996.
- Inuit representation rates in DIAND, the federal department responsible for overseeing the implementation of the NLCA, were just 27% in 2002.

**While it is not the objective of this report to offer detailed plans for moving forward, several suggestions, based on the findings of this study, are offered for consideration.**

- Data should be collected on a host of factors, such as the labour market, Government wage rates, retention rates and promotion rates. Throughout the course of this study, a lack of information impeded the effective estimation of the costs. Even in estimating the direct costs, a number of assumptions and proxies had to be employed. While the aggregate estimates are unlikely to be impacted in magnitude, it is important to put in the right processes for calculating the real costs. The problem is even more severe with respect to the estimation of indirect costs. Without a dollar value placed on these, it is impossible to effectively undertake decision-making that is based on a solid benefit-cost analysis.
- A coordinated and comprehensive strategy for the effective implementation of Article 23 should be developed – one that takes into account both short-term and long-term goals. The Inuit Employment Plans (IEPs) are an obvious stepping-stone for doing so. However, the strategy must go beyond this, as there are many influencing factors – such as education and housing infrastructure – that are beyond the control of the individual departments. This recommendation is consistent with the finding by the Five Year Review of the Implementation of the Nunavut Land Claims Agreement, Vertes at. al., which concluded that the objectives of Article 23 have not been achieved and their recommendation that “the Parties rethink the implementation of this Article from the beginning, and reinitiate their implementation efforts”. For example, Infrometrica, advisors on this study, have recommended that two types of strategies be considered: The Human Capital Strategy and the Quick-Ramp-up Strategy. The costs and benefits of each of these strategies need to be investigated thoroughly, as well as the ability to combine various elements of these strategies.

- The **Human Capital Strategy** is based on the theory that the fundamental barrier to employment is education. Given the low levels of formal education among Inuit, this model requires significant investments in education and will likely take decades before the full effects are realized. Results from focus groups, interviews and analysis of statistical data suggests that human capital strategies will be important for sustaining long term growth.
- The **Quick-Ramp-up Strategy** would be based on the assumption that there are many non-educational barriers to employment, such as Government practices, lack of housing, and lack of childcare services. Results from focus groups, interviews and analysis of statistical data suggest that these factors are also important. Numerous suggestions were offered that would be expected to have an immediate impact.
  - Delaying job postings until the Inuktitut version is ready would be a relatively easy change to make to current practices and could be expected to have an immediate positive impact.
  - Similarly, ensuring that an Inuk is on every hiring panel (note that this is required by Article 23, but does not appear to be the current standard) would help to overcome the cultural differences between Inuit and non-Inuit.
  - Finally, implementing a system whereby Inuit shadow non-Inuit and are trained on the job could significantly and rapidly increase the representation rate of Inuit.

## Appendix A

### Interviews/Meetings

#### NTI

1. John Bainbridge, Policy and Planning Advisor
2. John Merritt, Legislative and Constitutional Counsel
3. Lynn Cousins, Director of Implementation, NTI

#### GN

1. Anne Crawford, Deputy Minister/Secretary to Cabinet, Executive and Intergovernmental Affairs, GN
2. David Omigoitok, Deputy Minister/ Secretary to Senior Personnel Secretariat, GN
3. David Akeeagok, Assistant Deputy Minister, Decentralization Secretariat, GN
4. Rosemary Keenainak, Assistant Deputy Minister, Department of Sustainable Development, GN
5. Tom Thompson, Assistant Deputy Minister, Department of Human Resources, GN
6. Lois Leslie, Senior Legal Counsel, Executive and Intergovernmental Affairs, GN
7. Bruce Rigby, Executive Director, Nunavut Research Institute, GN
8. Jack Hicks, Director, Evaluation and Statistics, GN
9. Geoff Hughes, Director of Policy, Department of Finance, GN
10. Hugh Lloyd, Director, Circumpolar and Aboriginal Affairs, GN
11. Ed McKenna, Director, Community Economic Development & Trade, GN
12. Ian Rose, Director of Policy, Department of Education, GN
13. Sandy Teiman, Director, Income Support, GN
14. Mark Thompson, Senior Policy Advisor, Department of Community, Government and Transportation, GN
15. Letia Cousins, Circumpolar Advisor, GN

#### Others

1. Brian McLeod, Chief Executive Officer, Kakivak Association
2. Richard Gagnon, Steenberg Construction
3. Jeremy Steenburg, Steenberg Construction

**Appendix B**  
**Focus Groups**



## *Focus Group Results - Students*

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This focus group was held in Iqaluit on November 19, 2002

### **Participants:**

Seventeen students participated in this focus group. Of these 17, five were from Iqaluit, the remaining from other communities in Nunavut. All participants were Inuit and enrolled in courses at the Arctic College, Iqaluit campus. A third was enrolled in Inuit Studies, the remaining in the Environmental Technology, Small Engine, Hair Dressing, Cooking, Trades and Law Programs.

### **Goals and ambitions:**

#### **1. Why did you decide to study at the College?**

- Getting a job
- Being able to return to their home community with a skill in demand
- Learning how to cook
- Becoming translators and interpreters
- Shaping the destiny of the Territory through studying and changing laws
- Developing solid skills and being properly trained
- Getting trade papers for plumbing/gas fitting
- Self-improvement and continuous learning for career in Nunavut's political arena

#### **2. If you were offered a good job before you finished your studies, would you take this opportunity?**

Most of the students indicated that it would depend on the job offered. In other words, if the employment opportunity were interesting to them, or the salary good, the majority would accept the offer and leave the college. Three participants said no, they would finish their studies regardless of the offer. They argued that the opportunities with a college diploma would be even better.

#### **3. What are the best jobs around from your point of view?**

- Translator with the Government of Nunavut
- Community health nurse
- Interpreter for elders coming to the health centre
- Officer with Parks Canada, Department of Environment or Natural Resources
- Mechanic
- Foreman of maintenance company
- Activist for self-government and self-sustainability to improve the situation
- Restaurant owner

### **Barriers:**

#### **4. What do you see as the barriers for working for the territorial/federal governments?**

- High educational requirements
- Lack of consideration of experience in lieu of educational achievements
- Lack of trainee positions, i.e. opportunities for shadowing an employee
- The existence of a bottleneck at entry level positions, due to a lack of training to allow people in these positions to move up the hierarchy
- The existence of a management style which conflicts with Inuit culture i.e. little flexibility for employees to deal with family responsibilities
- Lack of affordable housing
- Lack of daycare spots, which is especially difficult for the Inuk as they tend to have more children than those from the South, making daycare costs very high
- Drug and alcohol addictions
- Having a criminal record
- Bureaucracy and policies preventing the full implementation of the NLCA
- Lack of friends and family working for the government (“family and friends will get you in”)
- While the use of English in the government was not seen as a barrier, a few students indicated that they feel intimidated because their English is not up “to par”
- Nunavut’s young population

The majority of the students attending the focus groups indicated they would be willing to relocate for an employment opportunity.

### **5. What are your biggest societal concerns these days?**

The students’ greatest concerns for the most part focused on day-to-day issues. For example, they mentioned:

- Lack of adequate parenting skills
- Lack of housing
- High rent costs
- High costs of living
- High daycare costs

In addition, students mentioned a concern with a lack of focus on environmental sustainability and a lack of Inuit values reflected in Nunavut society.

### **Receiving Services:**

### **6. Do you currently receive services (governments and private sector) in your preferred language?**

The participants indicated that when dealing with governments, services are available in English and French, but usually not in Inuktitut. On the other hand, Inuktitut is spoken at local stores and restaurants.

### **7. Are you able to purchase the goods and services that you want locally?**

Most of the goods purchased in Iqaluit have been imported from the South and elsewhere. Locally produced items include:

- Arts & crafts
- Country foods
- Coca Cola (bottled in Nunavut)

**Land Claims Agreement:**

**8. What were the most important reasons for negotiating the Land Claims Agreement and creating the territory of Nunavut?**

- For Nunavut to acquire mining rights and associated economic benefits
- Self-government and control of own destiny and lives
- The recognition of Inuit and the preservation of Inuit culture
- To save Inuktitut
- To keep the land
- To ensure a future for youth

**9. What are some of the positive impacts that the Land Claims Agreement and/or the creation of Nunavut have had?**

- Being recognized as its own territory
- Self-government
- Getting a capital city
- More money staying in Nunavut as opposed to going to Yellowknife/NWT
- Education/training of young people
- A few more jobs in the communities as a result of decentralization

**10. Are there areas of the Land Claims Agreement where not enough has been done up to now?**

- Each government and agency (GOC, GN, and NTI) has veto powers, with the result that certain issues have not been resolved, for example, water license and the polar bear hunt issues
- GN has not put in enough resources
- Too many great words, commitment to go forward is lacking
- Progress has not been as considerable due to the burden of starting a government, i.e. it's a young organization, and mistakes are made

**Article 23:**

**11. How important is Article 23 – which says that those working within the government should reflect the make-up of the population in Nunavut – to you?**

A number of the students learned of Article 23 for the first time through this focus group. Others were very familiar with the intent of the Article. All agreed that it is an important part of the NCLA and particularly relevant to them as they are finishing their studies and about to start their working lives. The following captures their view of Article 23:

- Without it, there is no future
- Without it, jobs will go to those from outside of Nunavut
- Governments will look at “me” first when I’m looking for a job with the government
- It represents a tool to get what we want

**12. What must the government do to make sure that the objectives of Article 23 are met?**

- Training of Inuit
- More attention must be paid to housing/daycare

- Funding for training/standards/education to increase Inuit's qualifications generally and for working in specific areas
- Increase choices of post-secondary schooling and offer programs in smaller communities to prevent relocation
- Work in Inuktitut
- Housing
- Daycare
- Increase the number of jobs
- Give Inuit a chance to develop experience
- Inuktitut curriculum for Grades 8 to 12
- Increase the number of Inuit teachers
- Have more MPs representing Nunavut (currently 1)

### **13. What do the people of Nunavut need to do?**

- Speak up on issues and discuss more amongst ourselves. We are too quiet
- Put pressure on MLA's and Minister and GOC
- Be politically informed
- Learn traditions and living on the land from the elders
- Teach what our rights are in school
- Get an education
- Get jobs

### **14. What do other organizations (private sector, NTI, etc.) need to do?**

- Communicate and cooperate better with each other
- Provide better training and assistance, and improve planning and supervision
- Increase their leadership skills
- Research their clients
- Ensure equal pay based on gender
- Implement fair hiring practices
- Provide opportunities to those with no experience

### **Year 2020:**

### **15. What are you doing in year 2020 in terms of work?**

Half of the students saw themselves being self-employed in year 2020. The majority of these expect to manage staff. The remaining had a vision of working for the government in the capacity of teachers, nurses, and interpreters as well as in management positions.

### **16. What kinds of jobs will be available and what sectors are they in?**

The students saw an increase in small engine repair jobs as well as employment related to the environment and natural resources. In addition, they saw new opportunities coming about as a result of an increase in the exploration of the seas as well as in tourism and local arts and crafts.

### **17. What language is spoken around you in your community, at work, at school/college?**

- Same as now, English and Inuktitut

- French will be spoken more as this population is increasing in Iqaluit
- There will be one writing system for all Inuktitut dialects

**18. What educational opportunities will there be in Nunavut?**

Students see an expansion of educational opportunities in Nunavut in the future. Nunavummiut will be able to study philosophy, nursing and traditional skills as well as getting their BA and MA degrees. In addition, Arctic studies programs at Canadian universities will be offered in the North as well.

## *Focus Group Results - Employers*

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These focus groups were held in Iqaluit and Rankin Inlet on November 19<sup>th</sup> and 21<sup>st</sup>, 2002 respectively.

### **Participants:**

A total of 12 employers from a variety of sectors, including arts and crafts, consulting, technology, services, real estate management and tourism participated in these focus groups.

### **Recruiting:**

#### **1. How do you recruit staff?**

- Newspaper advertisements
- Internet postings
- Endorsement of candidates through personal network (best way to get local people)
- Signs in store windows
- Contacting the college
- Recruiting other businesses' employees by offering them more money than what they are currently being paid

#### **2. Who tends to approach you to apply for employment at your company?**

- People from the South looking to relocate or who are currently residing in Nunavut
- People on Social Assistance who are required to show they try to get work
- People who have just or are contemplating leaving their jobs, many who are originally from the South, although occasionally an Inuk (consulting firm)
- One representative of an Inuit-owned business, whose mandate is to hire Inuit, indicated Inuit approach them

#### **3. When you recruit staff for your company, what skills and capabilities do you look for?**

Candidates must be:

- Punctual
- Reliable
- Bilingual (English/Inuktitut)
- Trainable and possess a willingness to learn
- Local

In addition, they must

- Want to work every day
- Possess computer skills

#### **4. What skills are the hardest to recruit?**

- Specialized and general technical skills
- Office skills
- Accounting/book keeping/financial skills

- Management skills

**5. Do you find the skills you require equally among Inuit and non-Inuit candidates?**

- There are not enough qualified individuals locally, and therefore they must recruit from the South - those from the South generally have more of the required skills than Inuit

**6. How much of your work is done in English, Inuktitut, Inuinnaqtun and/or French?**

- Language spoken at work is English
- In conversations, both languages are used (95% of Inuit are bilingual, about 5% of non-Inuit are bilingual)

**Barriers:**

**7. What do you see as barriers to hiring Inuit candidates for positions within your company?**

- Many do not have the skills or education required. The lack of qualified people is a systemic problem. Secondary schools are not educating the young to a high-enough standard, with the result that youth are graduating without the ability to read or write:
  - Schools should train people for a career, with performance standards in the schools
  - The courses at schools do not peak an interest in children to go on
  - Managers from the South on contract should train people, allow shadowing opportunities and transition these trainees to managerial positions
  - GN created ADM positions as a form of management training. Yet there are no Inuit in middle management
  - GN ads for people have all sorts of experience required – this leaves young Inuit out from an opportunity to work and learn, which also impacts the private sector
- Family commitments, which means employees can not work late
- The social assistance system (if one is on income support, one only pays \$32 a month in rent, you can sleep in and go hunting)
- Costs of housing and daycare for those with 5-7 kids are so high that the salaries we offer cannot cover them
- The technical college is not in tune with local markets (i.e., there is no course on accounting even though it is a highly needed skill in many communities)
- The management course at the college does not teach work ethics, i.e. to be punctual, have showered before coming in to work

**Training:**

**8. What training do you provide your employees (existing and new staff)?**

Most employers said they only provide training specific to the position. They believe that education and training should be provided elsewhere.

- Employers did value candidates that have received training elsewhere with another employers
- Employers indicated that there is a lack of training facilities and opportunities – and most staff need training. They also indicated that sometimes Inuit are hired without the right background

There were many opinions among the employers regarding the current status of education and training in Nunavut. The following provides some of the observations made:

- It is necessary to look at the whole picture when considering education and training, including housing, pay, daycare, etc.
  - Educational and training opportunities must be brought to Nunavut – students have very little financial resources, they have to travel, there is not enough support for them where they go, and they are cut off from family ties
  - The new Law Program has taken a different approach and stands as an example of investing in people, but also to counter dropping-out. Being enrolled in this program is seen as a position, where students receive a salary for attending
  - There is a need to go to high schools, talking to students about their options and what training is available in Nunavut
- 9. From your point of view, is there a difference in the way companies are operated if they are Inuit-owned as opposed to non-Inuit?**
- Aboriginal (Inuit) organizations are perceived to employers of choice
  - Perception that there are more requirements put on Inuit than the non-Inuit in non-Inuit workplaces
- 10. Are you able to purchase the goods and services that you want locally?**
- Maximum 5% is local (country foods, sweaters, arts and crafts), the rest is imported

### Article 23:

**11. How do you think the implementation of Article 23 will affect you as an employer?**

- The private sector will compete with the government. Implementing Article 23 means that costs for the private sector will also go up (i.e. higher salaries will drive up the costs). Candidates with more education and experience are more costly to hire. When they take a course, they can demand higher salaries
- At the same time, candidates who are brought in from South demand more money, which means that the costs become higher for the private sector
- There is a limited pool of labour now, and therefore it is expensive to hire
- With more people trained, salaries will go down due to the larger pool of labour
- Better educated, qualified Inuit with transferable skills will also mean that Nunavut will be exporting skills as they will be in demand in the South as well

### The Future – year 2020:

**12. By the year 2020, the different governments in Nunavut would have achieved an 85% representation of Inuit among their employees. What does Nunavut look like?**

Language: There was no consensus around whether Inuktitut or English would be the dominant language. Some employers Inuktitut will be the language written and spoken in workplace, and a language requirement will be in place Inuktitut. Others believed that English will continue to be working language as all professional training is in English. Some employers believed that French will be more prominent than what it currently is.

Skills:

- City if Iqaluit will have Inuit also in senior positions



- Inuit owned businesses will be based on Inuit value system
- There will be no difficulties recruiting Inuit for any job
- There will be Inuit doctors, nurses and teachers
- There will be skilled labour locally, including technical and management skills, lawyers and specialists in mining, geology, and science of the lands. GN can hire local consultants

### New businesses

- New businesses will be developed to retain money in Nunavut (i.e. manufacturing/assembling to greater extent, all services provided here)
- There will be more mining and explorations activities
- Hospitals and health centres will be found in communities
- A surface road between Rankin Inlet and Manitoba or Saskatchewan will be built
- Many more businesses (gas stations, people self-employed) will exist
- Proportionately less people will be working for the government

## *Focus Group Results – General Population*

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These focus groups were held in Rankin Inlet, Iqaluit, and Pangnirtung on November 21<sup>st</sup>, December 2<sup>nd</sup> and December 3<sup>rd</sup>, 2002 respectively.

### **Participants:**

A total of 24 individuals participated in these focus groups, representing all age groups. The majority were Inuit.

### **Finding Work:**

#### **1. If you wanted to find a paid job, where would you go / what would you do?**

- Human resources office
- Newspapers
- Internet
- Canada employment centre
- Nunavut business centre
- Regional Inuit association
- Career centre
- Radio
- Talk to people in the community

#### **2. Have you ever applied for a job with the government? How was it? What were the results?**

- Most had applied for jobs with the government at some point or another
- Some started working on a casual basis and became full time later
- Some submitted their cv and received a call within days
- Others submitted their cv and never heard back
- Many found that they got their jobs through someone they knew
- Many mentioned the need for persistence

#### **3. What are the advantages and drawbacks of working for the government?**

Advantages:

- Housing
- Vacation and travelling
- Benefits
- Training opportunities
- High salaries

Disadvantages:

- Lack of mentoring and training to perform the job well, and hard to negotiate training needs
- Not being able to take the summer off / holidays too short
- Hierarchy and red tape
- Bereavement benefits exclude extended family

- Too little time for lunch
- 4. Have you ever applied for a job with a private company? How was it? What were the results?**
- Most had applied for jobs in the private sector at some point or another
  - The differences between applying for government and private sector positions are:
    - Government is more strict and requires more skills than private sector – and one is more likely to be turned down
    - The private sector looks at people and their personalities as the most important factor in hiring
- 5. What are the best jobs around from your point of view?**
- Jobs where the employee has a mentor
  - Jobs that are not too structured
  - Jobs that come with housing
  - Jobs that are challenging
  - Jobs at the college
  - Jobs with local youth organizations, where one can be creative, work for Inuit, create opportunities for the young
  - High-school teacher
  - High-school principle
  - Manager of recreation
  - Having one's own business

### **Inuit representation in government:**

- 6. Why do you think the number of Inuit working in the government is so low?**
- Jobs are posted in English first, and in Inuktitut a week later
  - It is not the "Inuit way" to self-promote. Consequently, Inuit are not comfortable writing resumes, or talking about their achievements in an interview
  - Lack of housing for Northerners
  - Lack of education and access to education
  - Lack of special needs teachers, which makes it difficult for many to get their diplomas
  - Too much turn-over
  - No effective mentorship
  - Management style - too hierarchical, inflexible and sterile and different from how Inuit operate
  - Low literacy levels among Inuit and critical thinking and problem solving capabilities
  - Some people look down upon Inuit
  - Insufficient language skills to perform job (both Inuktitut and English)
  - Even with decentralization, many must still move to Iqaluit to work for the government
- 7. What needs to be done to increase the number of Inuit working in the government?**
- Ensure access to education
  - Post jobs in Inuktitut and English at the same time
  - Use fewer technical words in the advertisement of positions
  - Remove deterrents to finishing their education (financial, social, etc.)
  - Develop educational requirements for government positions according to Northern realities
  - Recognize skills and experience in lieu of formal education

- Provide financial support for education / training
- Provide training opportunities
- Develop mentorship capabilities for those in management positions
- Raise cultural awareness
- Ensure available and affordable daycare
- Place more emphasis on Inuktitut as the working language
- Develop initiatives to be more creative in attracting people from Nunavut
- Make sure that licensing exams after apprenticeships are in Inuktitut
- Ensure availability and affordability of housing

#### **Training and education:**

**8. For those here who are working for wages, did you ever receive training by your employer?**

- Most of the focus group participants did not receive training on the job
- Several of those who have received training have become more employable

**9. How important is it in your mind to have an education in order to get the job you would like?**

- Education is important, not only university education but also education on norms and culture. Cultural knowledge increases confidence to deal with everyday stresses and tasks.

**10. What are your biggest concerns (health, education, crime, self-government, etc.)?**

- Suicide - teenagers often feel they have no role to play in the community and feel lost between two worlds
- Teenage pregnancy
- Health (i.e. smoking and junk food)
- Health care – there are not enough doctors and nurses, and they do not like speaking to them through a translator
- Lack of traveling options (i.e. you can only travel by air)
- Recreation opportunities for children and teenagers

#### **Receiving Services:**

**11. What government services are you happy with and what services should be improved?**

Some participants felt that the assistance given to students is good

Participants note the following areas that need improvement:

- Continuity of health care services as the turnover of nurses is high
- Housing situation
- Not enough is done with respect to daycare, and daycare where Inuktitut is spoken
- Inuk courses are not always well taught

**12. Do you currently receive services in your preferred language from different levels of government?**

- No:
  - Government forms are often only in English (sometimes in English and French), but very few are in Inuktitut

- Both Inuktitut and English are found among the lower positions in the government, at the higher levels, there tends to only be English. Bilingual employees will often translate when needed
- To see a nurse means speaking in English or through a translator
- All resources are in English at the college, with no Inuktitut services available (due to transfer of credit agreement with Athabasca)

### **13. Do you currently receive services in your preferred language from local businesses?**

- Retail employees are bilingual
- Inuit organizations will provide services in Inuktitut
- Pharmacies provide written information only in English on how to use certain medicines and their side-effects

### **14. Are you able to purchase the goods and services that you want locally?**

No, but:

- It is important to purchase local goods, but if demand increases, costs go up
- Will purchase locally produced goods if these are not more expensive than imports

### **Article 23:**

### **15. How important is Article 23 – which says that those working within the government should reflect the make-up of the population in Nunavut – to you?**

- Inuit are safer and less likely to lose their jobs
- It is important as Inuit employment rate is so low
- It is important because it means that more people will be trained and able to find employment
- It generates hope that traditional skills and knowledge valued
- Some people feel that because it is like a quota, and they are not taken as seriously

### **Future:**

### **16. Let's say we are in year 2020, and the objectives of Article 23 have been achieved. What are you doing in terms of work?**

It is not in Inuit culture to plan far ahead. However, participants saw themselves doing the following in 2020:

- Many indicated they would be owning their own business
- Many indicated that they would be working for the government (many cited as positions such as ADMs, principals, translators, RCMP and teachers)

### **17. What kinds of jobs are available, you think?**

- Teaching positions
- Nursing positions
- Government positions
- Increased tourism related businesses and jobs
- Biggest growth will be in the private sector

**18. What kind of educational opportunities are there?**

- Local university and campuses in smaller communities
- More educational programs on management, marketing and mathematics
- Continued opportunities to study in the South
- Inuit children learning Inuit things, maintaining their identity

**19. What language is spoken around you in your community, at work, at school/college?**

- Inuktitut will be the working language as long as there is be a vision and steps to ensure this while the elders are still here

## Appendix C

### Estimating the Growth in Employment in the Government

The growth in the total number of Government jobs over the next 18 years was estimated by taking a simple average of the estimates of job growth from the following two sources of information.

- Interviews with representatives of the Government of Nunavut have indicated that they believe the total number of permanent GN jobs will grow from the current level of about 2292 to about 3000 by 2020, a projected growth of 31%.
- Examination of provincial and territorial population rates and government jobs suggests that there is a strong relationship between population rates and the size of the public sector workforce. In fact, the correlation coefficient, which measures the change in the public sector workforce, in response to a change in the population size, is very high, at 99%. However, due to scale economies, it is less than one – an increase in the population generates an increase in the size of the public sector workforce, but the proportionate increase in the public sector workforce is smaller than that in the population. Hence, the optimal public sector workforce for Nunavut for 2020 was estimated in a two step process. First, the estimate of the population size for Nunavut for 2020 was included in a table listing the population size and the size of the public sector workforce. Then the size of the public sector workforce was estimated by choosing the value that maximized the correlation coefficient. Estimation in this manner implies that the size of the public sector workforce, relative to the population, will be most consistent with the relative size of the public sector workforce in other provinces or territories. As illustrated in the following table, the “optimal level” for the public sector workforce is 6,750, which would imply a growth rate of about 40%. It is worth noting that this projection assumes significant scale economies in the delivery of public sector services; it projects just 6,750 public sector jobs to deliver services to almost 44,000 people, substantially less than the current level of 7,200 jobs to deliver services to the 41,000 people living in the Northwest Territories.

	Government employment (1) \$000s	Population (2)
Canada and outside Canada	2,819.3	31,414.0
Ontario	977.5	12,068.3
Quebec	696.1	7,455.2
BC	362.2	4,141.3
Alberta	255.2	3,113.6
Manitoba	139.2	1,150.8
Saskatchewan	116.7	1,011.8
Nova Scotia	103.2	944.8
New Brunswick	79.3	756.7
NFLD & Labrador	53.4	531.6
PEI	15.9	139.9
Nunavut (2020)	6.7	43.8
NWT	7.2	41.4
Yukon	4.9	29.9
Nunavut (2003)	4.8	28.7

(1) Statistics Canada, CANSIM II Table 183-0002 - Public sector employment, wages and salaries, monthly

(2) Statistics Canada, CANSIM II, Table 051-0001.

## Appendix D Population Projections

Year	Total Population	Inuit	Non-Inuit
2001	28,410	24,121	4,289
2002	29,154	24,688	4,466
2003	29,885	25,257	4,628
2004	30,601	25,833	4,768
2005	31,317	26,429	4,888
2006	32,036	27,038	4,998
2007	32,774	27,666	5,108
2008	33,530	28,307	5,223
2009	34,311	28,969	5,342
2010	35,114	29,653	5,461
2011	35,937	30,356	5,581
2012	36,773	31,071	5,702
2013	37,619	31,797	5,822
2014	38,471	32,527	5,944
2015	39,335	33,267	6,068
2016	40,217	34,018	6,199
2017	41,106	34,776	6,330
2018	42,001	35,543	6,458
2019	42,904	36,312	6,592
2020	43,824	37,093	6,731

Source: Nunavummit Kiglisiniartiit, Nunavut Population Projections from 2001 to 2020



## Appendix E Government Employment Data

### Municipal

Salary Range	Inuit		Non-Inuit		
	Estimated Median (\$000)	#	Estimated wage bill	#	Estimated wage bill
>10K	5	242	1,210	2	10
10-20K	15	138	2,070	1	15
20-30k	25	167	4,175	4	100
30k-40k	35	240	8,400	19	665
40k-50k	50	316	15,800	55	2,750
60k-80k	70	49	3,430	27	1,890
80k+	100	11	1,100	21	2,100
<b>Totals</b>		<b>1163</b>	<b>36,185</b>	<b>129</b>	<b>7,530</b>
Estimated average salary (\$000)		31,100		58,400	

Source: Shawn Maley, Regional Superintendent/ADM Community Development, Department of CGT Regional Office, GN

### Territorial

Salary Range	Estimated Median salary \$000	Permanent positions				Indeterminate and temporary					
		Beneficiary (1)		Non-Beneficiary		Total	Beneficiary		Non-Beneficiary		Unknown
		#	Estimated wage bill \$000	#	Estimated wage bill \$000	#	#	Estimated wage bill	#	Estimated wage bill	#
>30,000	20	81	1,620	10	200	105	90	1,800	12	240	3
30>40K	35	123	4,305	23	805	118	91	3,185	26	910	1
40>50K	45	305	13,725	98	4,410	464	338	15,210	117	5,265	9
50>60K	55	245	13,475	341	18,755	530	231	12,705	287	15,785	12
60>70K	65	138	8,970	427	27,755	644	164	10,660	474	30,810	6
70>80K	75	34	2,550	295	22,125	358	57	4,275	300	22,500	1
80>90K	85	6	510	40	3,400	154	10	850	143	12,155	1
90>100K	95	9	855	45	4,275	40	6	570	34	3,230	
100K +	125	17	2,125	55	6,875	100	23	2,875	76	9,500	1
<b>Total</b>		<b>958</b>	<b>48,135</b>	<b>1334</b>	<b>88,600</b>	<b>2513</b>	<b>1010</b>	<b>52,130</b>	<b>1469</b>	<b>100,395</b>	<b>34</b>
Estimated average salary (\$000)		50		66			52		68		

Source: (1) Government of Nunavut, 2001-2002 Public Service Annual Report, (2) Special tabulation from Mohanan Chirayath, Acting Director Training and Development, HR, GN

### Federal

	Current #		Current # of		Current %
	of Staff	Beneficiaries	Non-beneficiaries	Beneficiaries	
Executive	7	1	6		14%
Admin / Management	64	24	40		38%
Scientific & Professional	33	1	32		3%
Technical	39	18	21		46%
Administrative Support	42.5	16	26.5		38%
Operational	5	3	2		60%
<b>Total</b>	<b>190.5</b>	<b>63</b>	<b>127.5</b>		<b>33%</b>

Federal - GOC IEP Stats May 2002

**Appendix F**  
**Social Support Estimates**

Estimation of the average social support costs per person is complex, as it depends on the family structure to which the individual belongs. It is assumed that if an Inuk that was on welfare becomes employed by the Government, their family would no longer receive welfare. The avoided average welfare payment per newly employed Inuit is estimated by examining the distribution of adults on social assistance according to their family type, and aligning this, as closely as possible, with statistics on welfare payments by family type. A weighted average of the payment by family type is computed based on the percentage breakdown of adults by family type.

People on Social Assistance (1)			Welfare (2)	
Type of family	# of adult Inuit	% of adult Inuit	Type of family	Payment
Never married	1,809	33%	Single	10,465
Separated, divorced widowed - single parent	379	7%		
without children (3)	61	1%		10,465
with children (3)	318	6%	Lone Parent	28,257
Couple with children	2,892	53%	Couple with children	
without children (3)	463	8%	without children (3)	20,930
with children (3)	2,429	45%	with children (3)	34,445
Total	5,459		Average	22,334

(1) Nunavummit Kiglisiniartiit's 2001 Nunavut Household Survey

(2) Battle, Ken, Minimum Wages in Canada: A statistics Portrait with Policy Implications, Caledon Institute of Social Policy, January 2003,

(3) While the data classifications match for single people, data was not available at the time of this study on how many of the people who had received social assistance and who were married or previously married, had children. In order to apply the appropriate welfare payment to the appropriate distribution of the population, this had to be estimated. According to the 2001 Census, 16 percent of couples do not have children at home. Hence, it is assumed that 16% of each of the two categories of married or previously married people had children. Furthermore, given that welfare data was not available on couples without children, it is assumed that couples without children would receive double the rate of a single person

## Appendix G Tax Calculations

			Inuit Article 23 not achieved	Average Article 23 achieved	Non-Inuit Article 23 not achieved
Average salary			53,345.2	68,644.0	89,547.5
<b>Taxes</b>					
Highest tax rate			7.00%	9.00%	9.00%
Taxes on highest rate			1,515.2	472.0	2,353.3
Taxes on lower rates			1,268.0	3,487.0	3,487.0
Subtotal -income taxes before credits			2,783.2	3,959.0	5,840.3
<b>Credits</b>					
Personal exemption	10,000.0	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)
CPP (max)	4.70%	1,673.0	(1,673.0)	(1,673.0)	(1,673.0)
EI (max)	2.20%	858.0	(858.0)	(858.0)	(858.0)
			(12,531.0)	(12,531.0)	(12,531.0)
Non-refundable credits			(501.2)	(501.2)	(501.2)
Nunavut Personal living credit			(750.0)	(750.0)	(750.0)
<b>Net Territorial Income taxes</b>			<b>1,531.9</b>	<b>2,707.7</b>	<b>4,589.0</b>

### Territorial Taxes - 2002 rates

Brackets		Tax rate	Taxes within the bracket
0 to	31,700	4%	1,268
31,700 to	63,400	7%	2,219
63,400 to	103,000	9%	3,564
103,000 +		12%	

			Inuit Article 23 not achieved	Average Article 23 achieved	Non-Inuit Article 23 not achieved
Average salary			53,345.2	68,644.0	89,547.5
<b>Taxes</b>					
Highest tax rate			22.00%	26.00%	26.00%
Taxes on highest rate			4,767.0	1,375.4	6,810.3
Taxes on lower rates			5,068.3	12,037.3	12,037.3
Subtotal -income taxes before credits			9,835.3	13,412.6	18,847.6
<b>Credits</b>					
Personal exemption	10,000.0	(1,673.0)	(1,673.0)	(1,673.0)	(1,673.0)
CPP (max)	4.70%	1,673.0	(858.0)	(858.0)	(858.0)
EI (max)	2.20%	858.0	(858.0)	(858.0)	(858.0)
EI (max)	2.20%	858.0	(3,389.0)	(3,389.0)	(3,389.0)
Reduction in taxes (@.16)			(542.2)	(542.2)	(542.2)
<b>Net Federal Income taxes</b>			<b>9,293.1</b>	<b>12,870.4</b>	<b>18,305.3</b>

### Federal Taxes - 2002 rates

Brackets		Tax rate	Taxes within the bracket
0 to	31,677	16%	5,068
31,677 to	63,354	22%	6,969
63,354 to	103,000	26%	10,308
103,000 +		29%	

	Inuit Article 23 not achieved	Average Article 23 achieved	Non-Inuit Article 23 not achieved
Territorial Income taxes	1,532	2,708	4,589
Federal income taxes	9,293	12,870	18,305
CPP	858	858	858
EI	858	858	858
<b>Total</b>	<b>12,541</b>	<b>17,294</b>	<b>24,610</b>

## Appendix H Socio-Economic Data

	Health Indicators				Education	Income	Employment	Crime	
	Potential Years of Life Lost - All Causes	Potential Years of Life Lost - Suicide	Moderate or severe functional health problems	Very good or perfect functional health	High school Graduates - % of Population Aged 25-29	Income Inequality - % of Population that account for over 50% of Income	Unemployment rate	Rate of Violent Crime per 100,000	Rate of Property Crime per 100,000
Canada	5,697	450	19%	81%	71.8		7.2	994	4,047
NFLD & Lab	5,541	257	17%	83%	62.3	22.2	16.1	892	2,284
PEI	5,733	367	20%	80%	64.9	24	11.9	746	2,950
Nova Scotia	5,821	390	22%	78%	66.6	22.6	9.7	1,046	3,449
New Brunswick	5,775	491	20%	80%	70	22.6	11.2	988	2,827
Quebec	6,084	695	15%	85%	71	21	8.7	719	3,510
Ontario	5,319	304	20%	80%	76.3	21.8	6.3	903	3,400
Manitoba	6,262	405	20%	80%	65.3	22.1	5	1,620	5,136
Saskatchewan	6,323	485	21%	79%	63.2	21.9	5.8	1,802	5,862
Alberta	5,592	563	20%	80%	66.5	22.6	4.6	1,099	4,405
BC	5,696	344	20%	80%	72.1	21.7	7.7	1,217	6,451
Yukon	7,334	635	18%	82%	67.2	23.2	18	3,751	7,218
NWT	6,565	559	18%	82%	55.4	22.4	20	4,922	5,184
Nunavut	13,995	3,359	31%	69%	28.6	20.5	25	6,573	5,501

Source: Statistics Canada, CANSIM II; Table 102-0011 - Potential years of life lost (age 75) rate, by selected causes of death and sex, Canada, provinces, territories and health regions, annual; Table 102-0011 Potential years of life lost (age 75) rate, by selected causes of death and sex, Canada, provinces, territories and health regions, annual; Table 105-0013 - Functional health status, by age group and sex, household population aged 12 years and over, Canada, provinces, territories, health regions and peer groups, every 2 years; Table 105-0013 - Functional health status, by age group and sex, household population aged 12 years and over, Canada, provinces, territories, health regions and peer groups, every 2 years; Table 109-0004 - High school graduates, proportion of population aged 25 to 29, Canada, provinces, territories and health regions, every 5 years (Percent); Table 109-0002 - Average personal income (1995 income), population aged 15 and over, Canada, provinces, territories and health regions, every 5 years (Canadian dollars); Table 109-0014 - Income inequality (1995 income) as a proportion, Canada, provinces and health regions, every 5 years (Percent); and Table 109-5004 - Unemployment rate, labour force aged 15 and over, Canada, provinces, health regions and peer groups, annual; Table 252-0013 - Crimes by offences, provinces and territories.

## **Definitions**

**Article 23** means Article 23 of the NLCA, where “The objective of this Article is to increase Inuit participation in Government employment in the Nunavut Settlement Area to a representative level [if Inuit represent 85% of the population, they should account for 85% of the jobs]. This target rate of employment, must be achieved at all occupational groupings and grade levels within the Government.”

**Government** means the municipal, territorial and/or federal government

**NLCA** means Nunavut Land Claims Agreement

**Nunavummiut** means a person from Nunavut (regardless of their ethnicity).

**South** means the Canadian provinces.

**Southerners** means people from the Canadian provinces.

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