



**Aboriginal People in Canada's  
Labour Market: Work and  
Unemployment, Today and Tomorrow**

*by*

**Michael Mendelson**

**March 2004**

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1600 Scott Street, Suite 620

Ottawa, Ontario, Canada

K1Y 4N7

Phone: (613) 729-3340

Fax: (613) 729-3896

E-mail: [caledon@caledoninst.org](mailto:caledon@caledoninst.org)

Website: [www.caledoninst.org](http://www.caledoninst.org)

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## ***Introduction***

Employment is the cornerstone of participation in modern Canadian society. Employment is not only a source of income: It is also the basis for self-respect and autonomy.

For Canada as a whole, employment levels have improved in the last decade, although unemployment still remains stubbornly high even during relatively good economic times. Unfortunately, whether in good times or bad, employment among Aboriginal people in Canada remains lower, and unemployment rates higher, than those of the population in general. But has the situation of Aboriginal Canadians been improving or otherwise in the labour market over the last several years? Has progress been made recently?

This report analyzes two main indicators of labour market activity – unemployment and participation rates – to see how Aboriginal people have been doing in Canada’s labour market, especially in comparison to the general population. This report is a sequel to the Caledon Institute’s 1999 study, *Aboriginal People in Canada’s Labour Market*, and shares the same basic objective, namely “to draw a clearer picture of labour markets in Canada as they affect Aboriginal peoples in different regions and to review the consequences of this picture for public policy” [Mendelson and Battle 1999: 7]. Our earlier study was based on data from the 1996 Census; this report is based on data from the 2001 Census.

Aboriginal employment should be of concern not only to Aboriginal Canadians and to those interested in social equity. Aboriginal success in Canada’s labour market is, or should be, of great interest to *all* Canadians. Our interest stems not only from the value we place on equitable treatment of all our residents: It

is also rooted in self-interest. Canada cannot have a high quality of life if there is a significant minority forming an impoverished underclass. Moreover, as we shall see in this paper, Aboriginal entrants into the labour market will be absolutely vital in filling labour demand requirements over the next decades, especially in western Canada. To a larger extent than is generally recognized, Canada’s future prosperity depends upon how successful we are in achieving equitable results in our labour markets for Aboriginal Canadians.

Canada needs a lively and continuing dialogue among Aboriginal organizations, governments of all levels, and private and public organizations about how Aboriginal people can achieve equity in our labour markets. This dialogue would be greatly assisted by a solid factual basis built upon the best data available. This report is an attempt both to stimulate such a debate and to provide essential information for an informed discussion.

## ***Defining the Aboriginal Canadian population***

As discussed in our previous report, there are two types of data describing Aboriginal people in Canada.

One type of data concerns people who report an Aboriginal ancestry, called ‘the Aboriginal origin population.’ The Aboriginal origin population is important for several reasons, among them its comparison with various ethnic groups in Canada.

The second type of data refers to ‘the Aboriginal identity population.’ These are persons who identify themselves as Aboriginal, or who report themselves as Treaty Indian or

Registered Indian under the Indian Act, or who are members of a First Nation.

The Aboriginal identity population is the more relevant population for questions of equity, opportunity and discrimination, as well as for planning programs to provide specialized services meant mainly for Aboriginal peoples. Those who have an Aboriginal ancestry but do not identify themselves as Aboriginal are much less likely to seek out programs targeted especially for Aboriginal people and are also less likely to share the same experience in the labour market as persons who identify themselves primarily as Aboriginals. Consequently, this report is about the Aboriginal identity population.

The first survey of the Aboriginal identity population was undertaken in 1991, as a post-Census survey to provide data for the Royal Commission on Aboriginal Peoples. The 1996 Census also included Aboriginal identity, as has the 2001 Census. Thus it might appear that we now have a decade and a half of data. Unfortunately, there are severe limitations to the data, which make Census-to-Census comparisons tricky and less than fully reliable.

First, self-identification as an Aboriginal is to some extent subjective. As we shall see, more people in Canada are choosing to identify themselves as Aboriginal, so that the populations over each Census period do not represent the same group of people subject to change just due to birth and death. Instead, the Aboriginal identity population is a widening pool, growing in each of the Censuses since 1991. This is undoubtedly a good thing, since it reflects increased pride and lessened reluctance to identify as an Aboriginal person, but from a statistical perspective it means that year-to-year comparisons must be treated with caution.

Second, in each Census there were some reserves that were under-enumerated, and the

pattern is not necessarily identical in all years. This under-enumeration is not corrected in this data, so it consequently underreports – especially for First Nations on reserve – likely by roughly about 30,000 to 35,000 people [Statistics Canada 2003], although not necessarily the same underreporting in each Census.

Finally, Statistics Canada has not made data from the 1991 Aboriginal People's survey widely available, as this was the first survey of this type and is not considered consistent enough with later surveys to provide meaningful comparisons. Thus in this report we use references to the 1991 data sparingly, and even then these comparisons should be treated as, at best, rough approximations. Most of the time series data will be reported only for the 1996 and 2001 surveys.

Statistics Canada's Aboriginal identity population estimates are gathered from the 20 percent sample of the Census, based on a more detailed questionnaire than used for the overall Census. For purposes of comparison to the total population, it is best to use consistent data. Therefore this report uses the 20 percent sample, rather than the 100 percent population count from the Census, for comparative data about the total population. Ordinarily, the difference between a 20 percent sample and a 100 percent population count in a large survey such as the Census would be trivial – not even noticeable to the second or third decimal place. However, the Census' 20 percent sample covers only people living in private dwellings and excludes all those living in collective dwellings, such as nursing homes, student residences, hospitals and prisons. The difference in total population is about 500,000. As we must use the 20 percent sample for the Aboriginal identity population, we also use the smaller population counts for the population as a whole, but this implies that some of the total population counts may appear smaller

than usual to those familiar with the general population data for Canada.

Nevertheless, even taking into account all these limitations, the Census survey data is the most accurate information available. This data allows us to present a reasonably reliable portrayal of the labour market status of Aboriginal people in Canada, one sufficiently robust to provide a sound empirical basis for policy formulation and analysis.

In respect of data sources, all 1996 and 2001 data in this report is derived from tabulations of the 1996 and 2001 Census data. Most of the data is freely available to all users over the Internet on Statistics Canada's website. All 1991 data on the Aboriginal population is from Statistics Canada's publication *Schooling, Work and Related Activities, Income, Expenses and Mobility* [Statistics Canada 1993].

Throughout the paper when referring to 'provinces' we mean both provinces and territories.

### ***Organization of the report***

The paper is organized in five sections. First, we review the demographics of the Aboriginal identity population, both for all ages and for the working age population. The central labour market indicators – unemployment and participation rates – are discussed in the second section. The third section analyzes the geography of the labour market for Aboriginal peoples. The fourth section looks into the future, to assess some of the labour market challenges for Aboriginal people over the next few decades. Finally, the fifth section discusses some of the public policy implications of the findings in the preceding sections.

### ***Demographics of the Aboriginal Identity Population***

As can be seen in Table 1, the number of Canadians reporting Aboriginal identity increased from 799,010 in 1996 to 976,305 in

**Table 1**  
**Aboriginal identity population**  
**in Canada, 1996 and 2001**

	1996	2001	1996-2001 % change
Aboriginal identity population	799,010	976,305	22.2
total population	28,528,125	29,639,035	3.9
Aboriginal population as % of total population	2.8	3.3	17.6

Note: Both Aboriginal identity and total population counts exclude persons living in collective dwellings.

2001. This represents a sizeable 22.2 per cent rise in the Aboriginal identity population over just five years, which would be a phenomenal rate of growth if due only to new births in the existing 1996 Aboriginal identity population. More reasonably, 'natural' growth due to new births (less deaths) among the 1996 Aboriginal identity population accounted for about 80,000 to 90,000 of the increase of 177,295 in the Aboriginal population. This is a growth rate of about 2 percent annually, which is still very rapid. Approximately half of the increase in the Aboriginal identity population is therefore attributable to additional people choosing to identify themselves as Aboriginal, as discussed above. As well, some of the increase may be due to more complete enumeration of reserves [Statistics Canada 2003].

The Aboriginal identity population's share of the total population also has grown significantly. It rose from 2.8 percent of all Canadians in 1996 to 3.3 percent in 2001 – an increase of 17.6 percent.

The Aboriginal identity population compared to the total population of each province is shown in Table 2. Ontario and all provinces east have relatively small Aboriginal populations, ranging in 2001 from 1.0 percent of the total population in Prince Edward Island to 1.1 percent in Quebec, 1.7 percent in Ontario, 1.9 percent in Nova Scotia, 2.4 percent in New Brunswick and 3.7 percent in Newfoundland and Labrador. The Aboriginal identity population as a percentage of the total population is larger in the west – 4.4 percent in British Columbia,

**Table 2**  
**Aboriginal identity population,**  
**provinces and territories, 1996 and 2001**

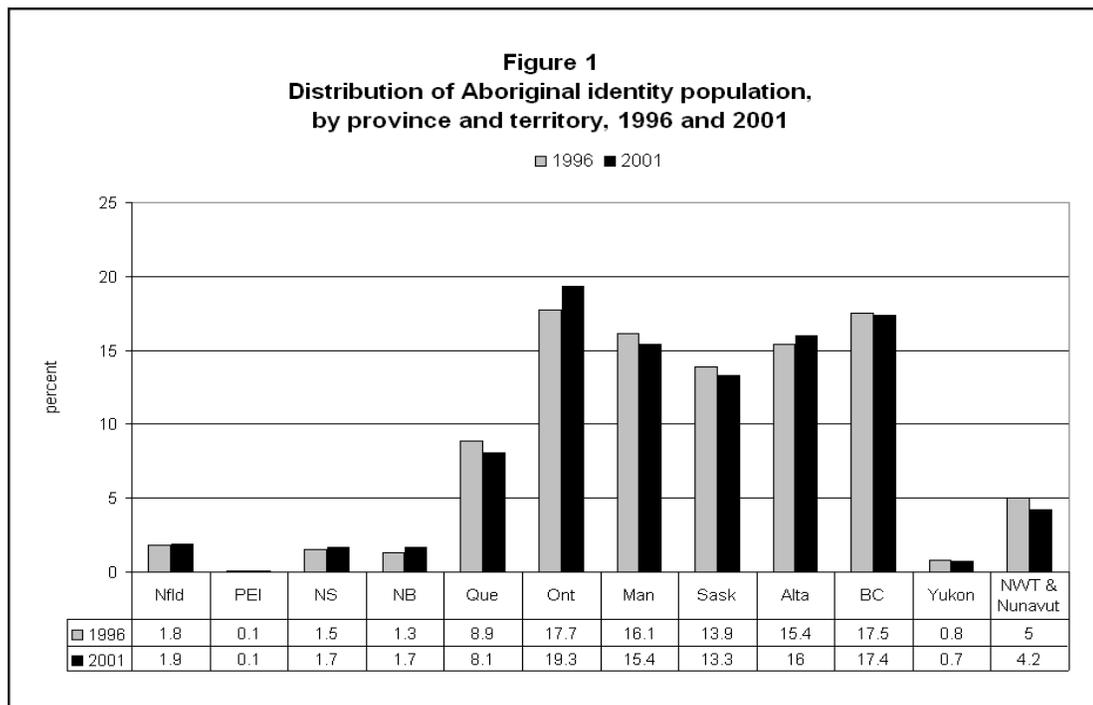
	1996			2001		
	Aboriginal population	total population	Aboriginal population as % of total population	Aboriginal population	total population	Aboriginal population as % of total population
Nfld	14,200	547,160	2.6	18,770	508,080	3.7
PEI	950	132,855	0.7	1,350	133,385	1.0
NS	12,380	899,970	1.4	17,015	897,565	1.9
NB	10,250	729,625	1.4	16,990	719,715	2.4
Que	71,415	7,045,080	1.0	79,410	7,125,580	1.1
Ont	141,520	10,642,790	1.3	188,310	11,285,550	1.7
Man	128,680	1,100,295	11.7	150,050	1,103,700	13.6
Sask	111,245	976,615	11.4	130,185	963,155	13.5
Alta	122,835	2,669,195	4.6	156,220	2,941,150	5.3
BC	139,655	3,689,755	3.8	170,025	3,868,875	4.4
Yukon	6,175	30,650	20.1	6,540	28,520	22.9
NWT & Nunavut	39,695	64,120	61.9	41,445	63,770	65.0

5.3 percent in Alberta and a substantial 13.5 percent in Saskatchewan and 13.6 percent in Manitoba. Of course, the Aboriginal identity population makes up a much greater proportion of the total population in the Territories – 22.9 percent in Yukon and 65.0 percent in Nunavut and the Northwest Territories combined (Nunavut and the Northwest Territories are usually combined in this report because Nunavut did not exist in 1996).

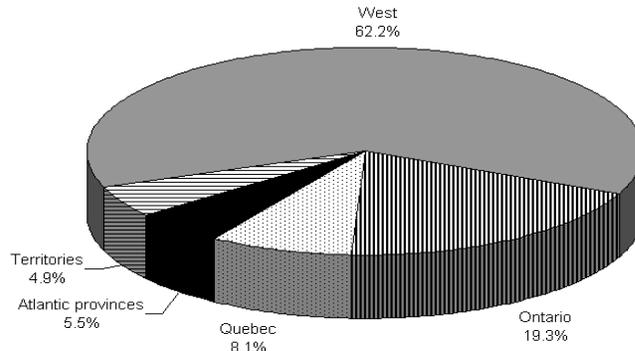
Figure 1 illustrates the percentage of Canada’s total Aboriginal identity population residing in each province in 1996 and 2001. Although Aboriginal persons constitute a small percentage of Ontario’s total population (1.7 percent in 2001), they still make up the largest Aboriginal identity population of any individual province or territory, at 19.3 percent of Canada’s Aboriginal identity population in 2001.

Figure 2 shows the Aboriginal identity population regionally, as a percentage of Canada’s total Aboriginal identity population in 2001. As can be seen, most of the Aboriginal identity population (62.2 percent) lives in the four western provinces. Ontario comes next, with 19.3 percent of the total Aboriginal identity population, followed by Quebec (8.1 percent), the Atlantic provinces (5.5 percent) and the Territories, at 4.9 percent. Although the Aboriginal identity population forms a large proportion of the total population in the three Territories, at more than half (52.0 percent), only 4.9 percent of Canada’s Aboriginal population lives in the Territories.

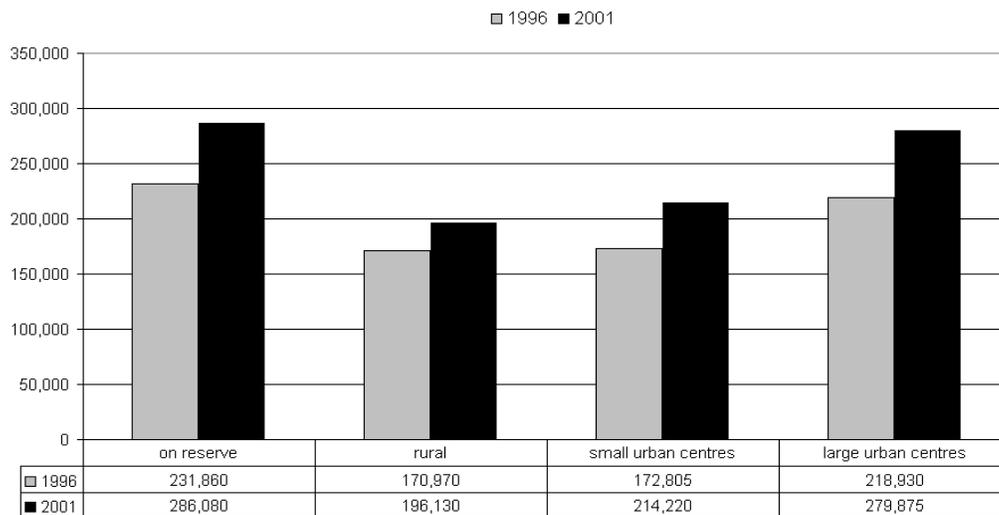
Figure 3 shows the distribution of the Aboriginal identity population by area of residence – reserve, rural, small urban and large urban. ‘Small urban centre’ is a town or city with



**Figure 2**  
**Distribution of Aboriginal identity population, by region, 2001**



**Figure 3**  
**Distribution of Aboriginal identity population, by area of residence, 1996 and 2001**

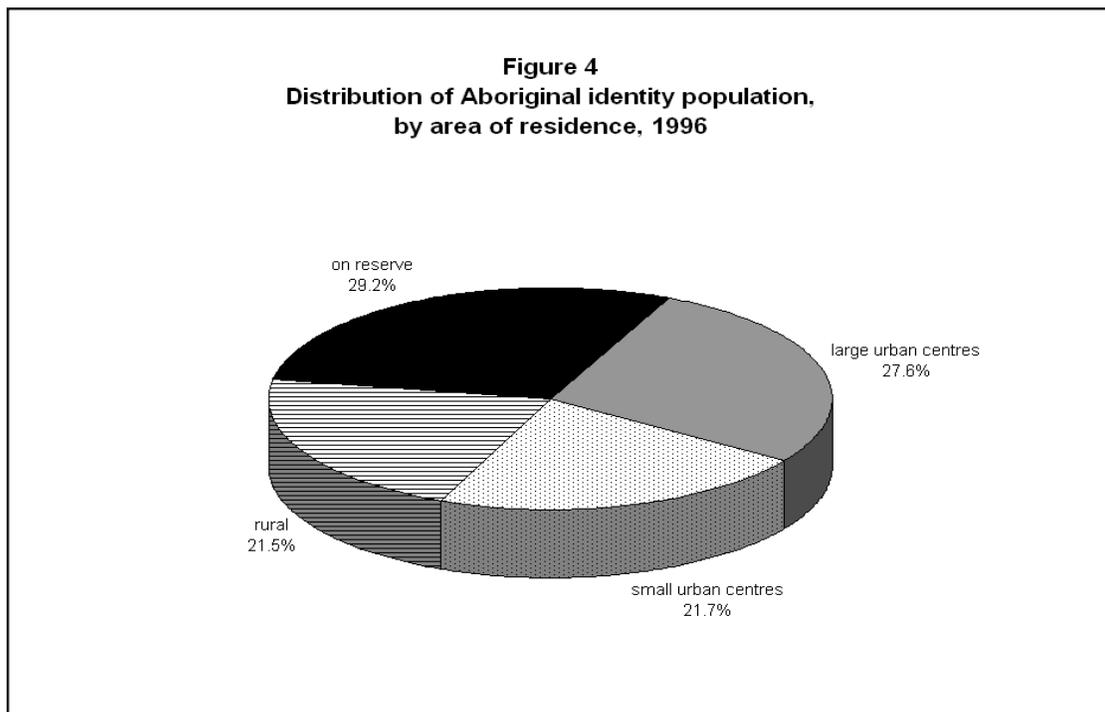


an urban core population of at least 10,000, but less than 100,000. 'Large urban centre' is a city with an urban core of at least 100,000. There was substantial growth in terms of absolute numbers for all area sizes between 1996 and 2001. Of course, some of this growth is due to additional reporting of Aboriginal identity.

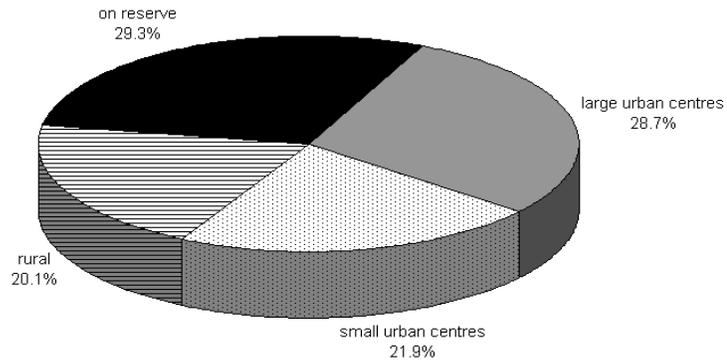
Figures 4 and 5 show the percentage distribution of the Aboriginal identity population in each area of residence in 1996 and 2001, respectively. Large urban centres make up a growing percentage of the total Aboriginal population – 27.6 percent in 1996 and 28.7 percent in 2001. However, the reserve-based Aboriginal identity population's share (29.2 percent in 1996 and 29.3 percent in 2001) and that of small urban centres (21.7 percent in 1996 and 21.9 percent in 2001) are pretty much stable. Only rural populations are declining as a share of the total Aboriginal identity population – from 21.5 percent in 1996 to 20.1 percent in 2001.

Thus the common perception of 'massive migration off the reserves and into the cities' is myth and does not reflect reality. It would be more accurate to say that there has been a small shift out of rural areas into larger cities, but in the context of a growing population so that no area is actually declining in absolute – as opposed to percentage – terms. In fact, the growth in the proportion of the Aboriginal identity population living in large urban centres is quite small, increasing by only 1.1 percentage points from 1996 to 2001.

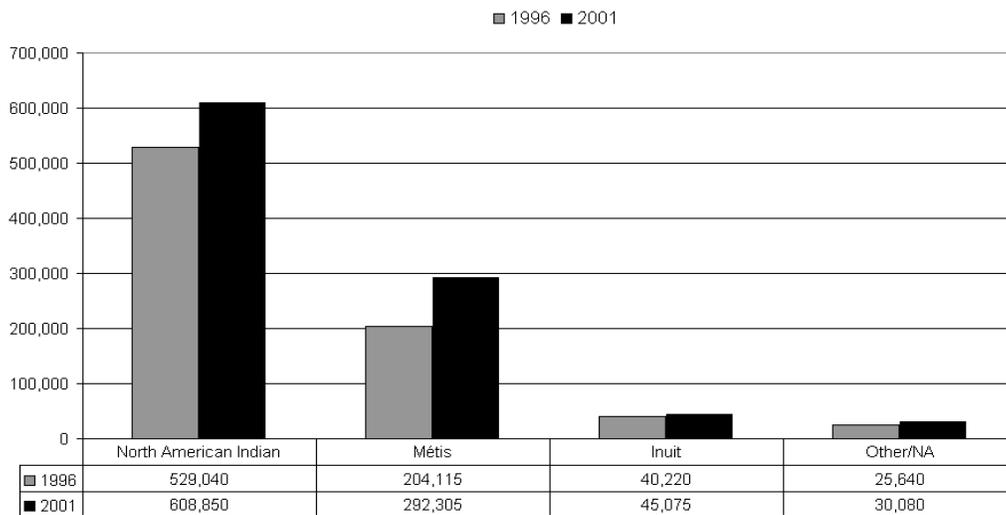
Among the Aboriginal identity groups, North American Indians predominate, as is shown in Figure 6. In 1996, the North American Indian identity group made up 529,040 or 66 percent of the total population, Métis 204,115 or 26 percent, Inuit 40,220 or 5 percent and 'other (including multiple identity) or not available' 25,640 or 3 percent. In 2001, the North American Indian identity group made



**Figure 5**  
**Distribution of Aboriginal identity population,**  
**by area of residence, 2001**



**Figure 6**  
**Distribution of Aboriginal identity**  
**groups, 1996 and 2001**



up 608,850 or 61 percent of the total population, Métis 292,305 or 32 percent, Inuit 45,075 or 4 percent and ‘other (including multiple identity) or not available’ 30,080 or 3 percent. From these data, it appears that much of the ‘roll-on’ of additional people identifying themselves in 2001 as Aboriginal (while not choosing to do so in 1996) is likely among the Métis identity group.

There were 14 cities in Canada with Aboriginal identity populations greater than 5,000 in 2001. The largest Aboriginal identity population in any city is in Winnipeg, with 55,755 persons in 2001 identifying themselves as Aboriginal. Edmonton and Vancouver also had very large Aboriginal populations, of 40,935 and 36,855 respectively. Table 3 gives the Aboriginal identity populations of the 14 cities in 1996 and

2001, along with the percentage change in population over this five-year period.

Figure 7 illustrates the growth of the Aboriginal identity population in each of the 14 cities between 1996 and 2001. Four cities’ rate of growth outpaced the overall 22 percent average increase – Sudbury (59.7 percent), Calgary (44 percent), Hamilton (33 percent) and Victoria (32.5 percent). The Aboriginal identity population grew much slower than the average in Montreal (11.3 percent), Thunder Bay (11.9 percent), Regina (15.3 percent), Ottawa-Hull (16.2 percent), and Vancouver (18.4 percent). In the other cities – Toronto, London, Winnipeg, Saskatoon and Edmonton – the Aboriginal population has grown more or less the same as the overall 22 percent average.

**Table 3**  
**Aboriginal identity population in cities, 1996 and 2001**

	1996	2001	1996-2001 % change
Montreal	9,960	11,085	11.3
Ottawa-Hull	11,605	13,485	16.2
Toronto	16,095	20,300	26.1
Hamilton	5,460	7,265	33.1
London	4,380	5,646	28.9
Sudbury	4,625	7,385	59.7
Thunder Bay	7,330	8,200	11.9
Winnipeg	45,750	55,755	21.9
Regina	13,605	15,690	15.3
Saskatoon	16,160	20,275	25.5
Calgary	15,195	21,910	44.2
Edmonton	32,825	40,935	24.7
Vancouver	31,140	36,855	18.4
Victoria	6,565	8,700	32.5

Note: Census Metropolitan Areas with Aboriginal populations more than 5,000 in 2001.

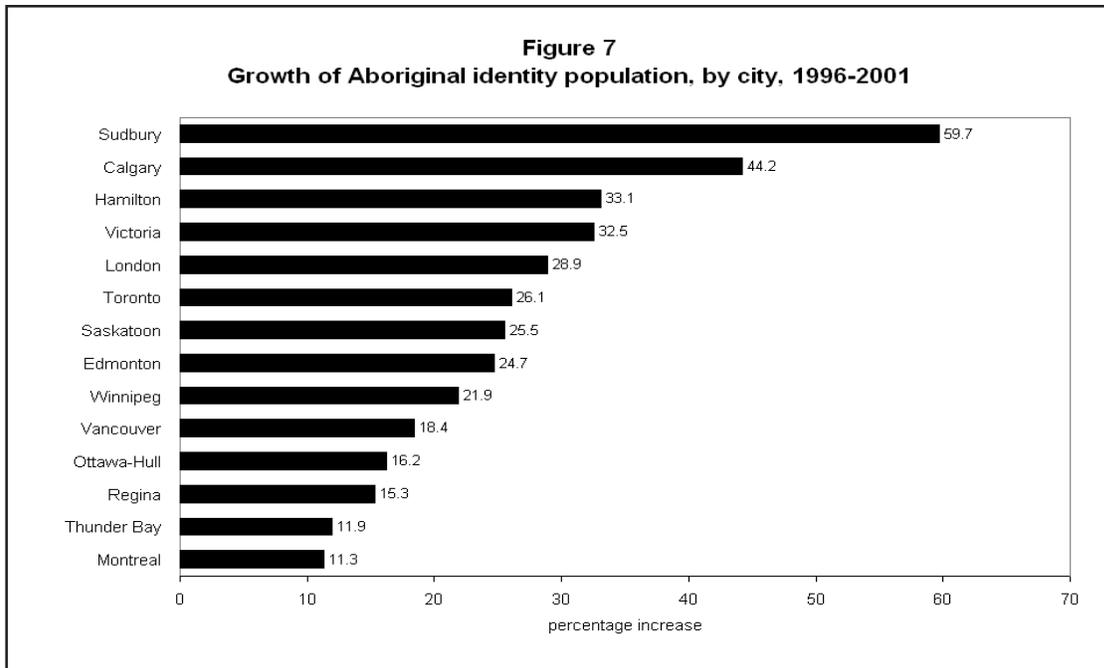


Figure 8 shows the Aboriginal identity population as a percentage of the total population in the 14 cities in 1996 and 2001. The Aboriginal identity population grew as a proportion of the total population in most of the western cities. There were four cities in which the Aboriginal population was 5 percent or more of the general population in 2001 – Saskatoon (9.1 percent), Winnipeg (8.4 percent), Regina (8.3 percent) and Thunder Bay (6.8 percent).

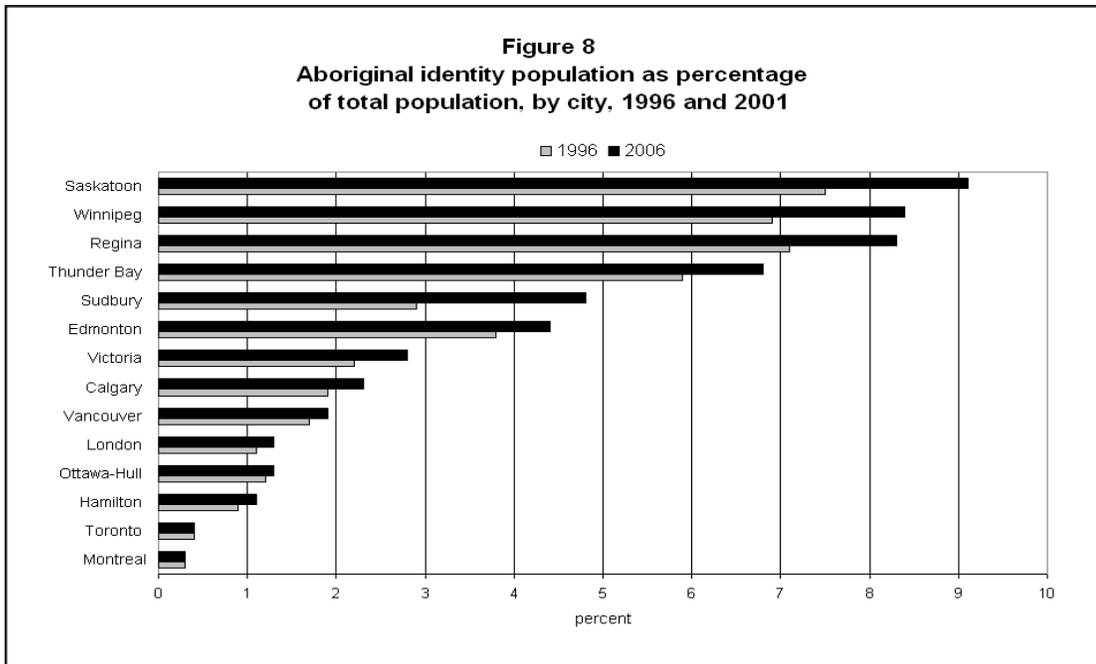
### ***Working age population***

Table 4 shows the basic demographics of the working age (here defined as 15 through 64) Aboriginal identity population and total population. Between 1996 and 2001, the working age Aboriginal identity population grew slightly more than that of the total Aboriginal identity popula-

tion, at 25.0 percent compared to 22.2 percent. The working age population in Canada as a whole also grew slightly more rapidly than that of the population of all ages, by 4.8 percent compared to 4 percent. The Aboriginal identity working age population represented 3.0 percent of the total Canadian working age labour force in 2001, up from 2.5 percent in 1996.

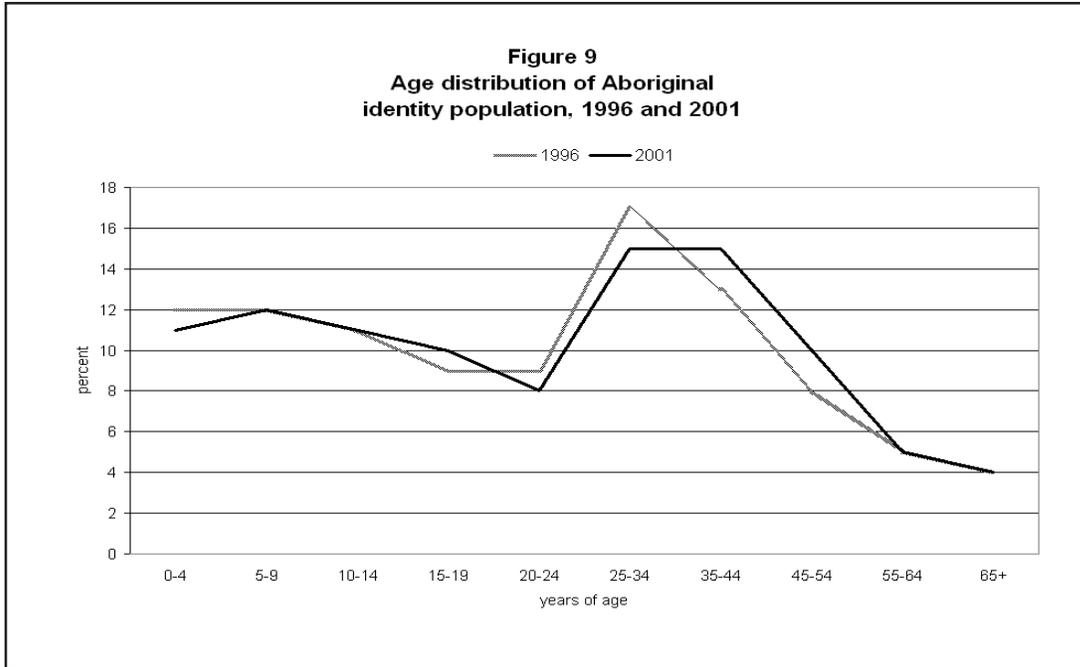
The distribution of the Aboriginal identity population has aged a little since 1996. Figure 9 compares the age profile of the Aboriginal identity population in 1996 and 2001. The age distribution has shifted a little to the right, with a slightly higher percentage of the identity population 35 years of age or older.

Table 5 shows the total Aboriginal identity population for children (0-14), working age (15-64) and older people (65 and over). There was a shift of two percentage points from



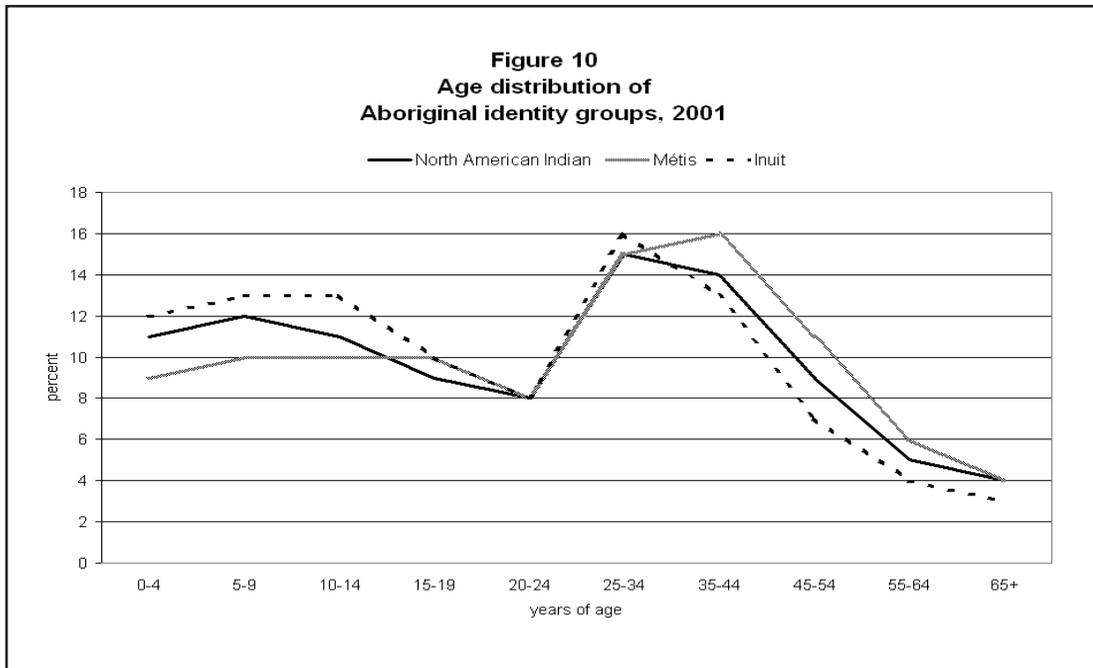
**Table 4**  
**Aboriginal identity working age population (15 to 64) in Canada, 1996 and 2001**

	1996	2001	1996-2000 % change
Aboriginal working age population	490,280	612,670	25.0
total working age population	19,349,150	20,276,505	4.8
Aboriginal working age population as % of total	2.5	3.0	19.2



**Table 5**  
**Aboriginal identity population,**  
**by age group, 1996 and 2001**

	1996	2001	1996-2001 % change	% of total 1996	% of total 2001
0-14	280,415	323,955	16	35	33
15-64	490,280	612,670	25	61	63
65+	28,315	39,680	40	4	4



children (which fell from 35.1 percent of the total Aboriginal identity population in 1996 to 33 percent in 2001) to the working age population (which rose from 61.4 percent to 62.8 percent, respectively).

The identity groups have only slightly different age distributions, as can be seen in Figure 10. The Métis population is slightly older and the Inuit population slightly younger, with the North American Indian population in between.

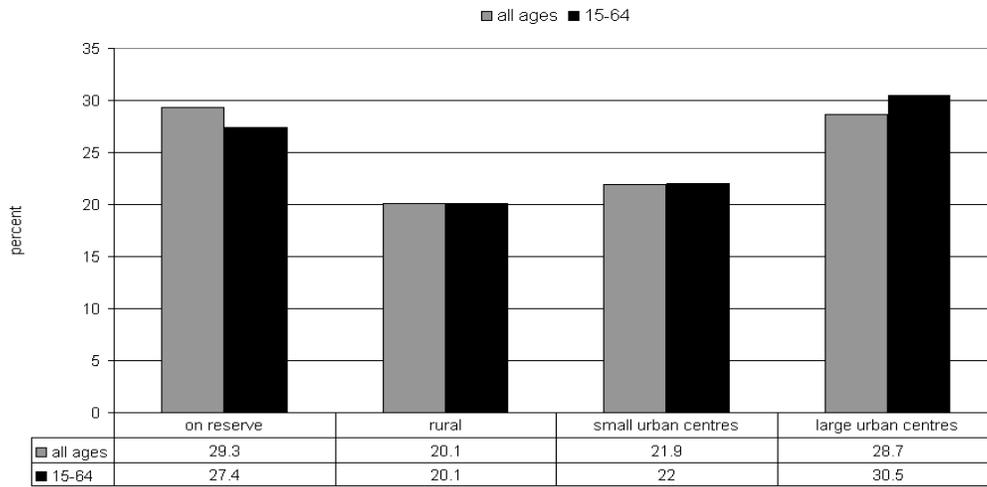
As might be expected, the distribution of area of residence of the working age Aboriginal identity population is close to that of the Aboriginal identity population as a whole. However, there is a slightly larger presence of the working age population in large urban centres and a commensurate smaller percentage on reserve, as shown in Figure 11. This is a not unexpected consequence of working age people going to where there are jobs.

Figure 12 shows the numerical change in the Aboriginal identity working age population from 1996 to 2001 in each province, and Figure 13 gives the percentage change. The biggest increases in absolute numbers were in Ontario and all the western provinces, with Ontario leading the provinces. The biggest percentage changes, however, were in New Brunswick and the other Atlantic provinces – although these still have relatively small Aboriginal identity working age populations.

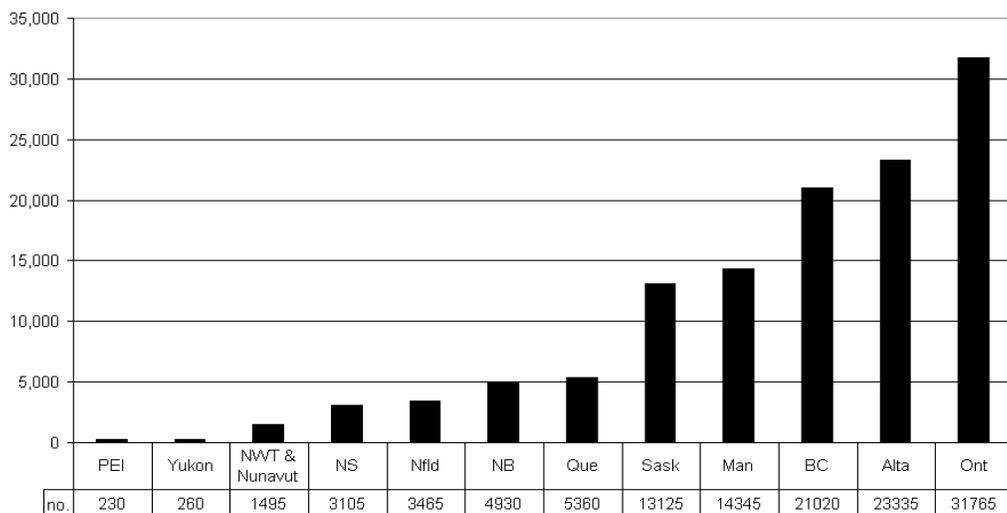
The demographics of the working age population are otherwise more or less the same as those for the total Aboriginal identity population, so we need not elaborate them here.

Because of its strong relationship to labour markets, we are especially interested in the education of the Aboriginal identity population. Table 6 compares educational attainment in 2001 for the Aboriginal identity

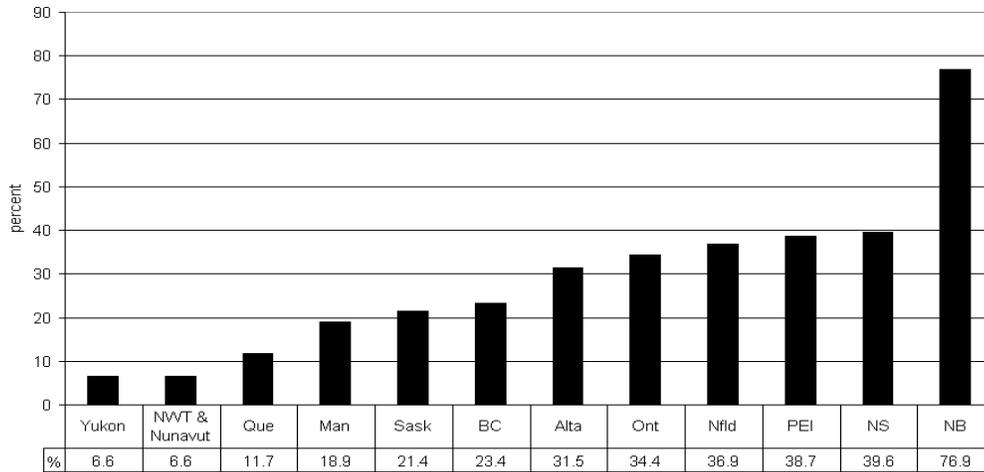
**Figure 11**  
**Distribution of Aboriginal identity population,**  
**by area of residence, all ages and persons 15-64, 2001**



**Figure 12**  
**Change in Aboriginal working age**  
**population, by province, 1996-2001**



**Figure 13**  
**Percentage change in Aboriginal**  
**working age population, by province, 1996-2001**



population 15 years of age and older and the total population 15 and older.

Whereas fewer than one-third (31.3 percent) of all Canadians have less than high school graduation, almost one-half (48.8 percent) of the Aboriginal identity population did not graduate from high school. Only 9.9 percent of the Aboriginal identity population graduated from high school, as opposed to 14.1 percent of the population overall. About 12.1 percent of the Aboriginal identity population had a trades certificate or diploma, and another 12 percent graduated from a college. A mere 4 percent of the Aboriginal identity population had a university degree, as opposed to 15.4 percent of all Canadians. Only in trades certificates and diplomas is the Aboriginal identity population achieving better than the rate of course completion among the total population.

Table 6 also shows the gap between the educational attainment of the Aboriginal identity population and the overall population by calculating the ratio between the former and the latter. The higher the result above 100, the more that the Aboriginal identity population is overrepresented in an education category, whereas the lower the result below 100, the more it is underrepresented. The Aboriginal identity population figures disproportionately in the lowest educational category, at a ratio of 154, and also among those who graduated from a trade school (112). The Aboriginal identity population is most underrepresented in the highest educational level shown, university graduation, with a ratio of 29, followed by university certificate or diploma below bachelor's degree (56), high school graduation (70) and college graduation (77).

**Table 6**  
**Educational attainment of Aboriginal**  
**identity population and population 15 and over, 2001**

	Aboriginal identity population (%)	total population (%)	ratio of Aboriginal to total population
Less than high school graduation certificate	48.0	31.3	154
High school graduation certificate only	9.9	14.1	70
Trades certificate or diploma	12.1	10.9	112
College certificate or diploma	11.6	15.0	77
University certificate or diploma below bachelor's degree	1.4	2.5	56
University degree	4.4	15.4	29

Table 7 shows, for each jurisdiction, the percentage of the Aboriginal identity population 15 years of age and over and the total population 15 years of age and over with less than a high school certificate, and compares the two by calculating the ratio of the former to the latter. Eastern relative rates are better (i.e., lower) than those in the west.

The lower educational attainment of the Aboriginal identity population might be partly an artefact of its age distribution compared to the total population. As the Aboriginal identity population is much younger, there will be more 15 to 17 year olds who have not yet completed high school. Among persons 15 to 24 in the Aboriginal identity population, 65 percent had not completed high school certification in 2001, compared to just 35 percent of those aged 25 to 44. This indicates that at least some of the differences between the Aboriginal identity population and the total population are due to age distribution.

Among the 45 to 64 age group in the Aboriginal identity population, 46 percent had not completed high school, and the figure rises to almost 80 percent among those 65 and older. As we would hope and expect, this pattern shows that the increased commitment to education for the Aboriginal identity population is paying off in educational results. On the other hand, there remains a long way to go – recalling that, for many of the older age group among the Aboriginal identity population, formal education was often actively discouraged and simply not obtainable beyond the most rudimentary levels.

#### ***Summary observations***

1. The growth rate of the Aboriginal identity population between 1996 and 2001 was high, at about 2 percent annually due to 'natural' growth and about the same

**Table 7**  
**Aboriginal identity population and total population 15 and older with less than high school graduation, by province and territory, 2001**

	Aboriginal identity population (%)	total population (%)	ratio of Aboriginal to total population
Nfld	42.4	43.6	103
PEI	37.4	42.2	113
NS	35.4	40.8	115
NB	37.3	43.1	115
Que	31.7	51.6	163
Ont	29.7	42.3	143
Man	38.2	56.0	147
Sask	39.4	52.6	134
Alta	30.6	47.6	156
BC	28.0	43.6	155
Yukon	24.7	37.4	152
NWT & Nunavut	35.2	55.7	158
	50.3	60.4	120

amount again due to ‘roll-on’ of additional people identifying themselves as Aboriginal who did not do so in the 1996 Census. Fully 62 percent of the Aboriginal identity population lives in the west and the north, with the Prairie provinces having the largest Aboriginal identity population as a percentage of their total population (other than the Territories). The North American Indian identity group made up 61 percent of the total Aboriginal identity population in 2001, followed by Métis at 32 percent, Inuit at 4 percent and ‘other (including multiple identity) or not available’ at 3 percent.

2. Contrary to myth, there is no evidence of mass migration off reserves and into cities. In fact, all areas (reserve, rural, towns, cities) have experienced growth in their Aboriginal identity populations,

with the largest growth in absolute numbers on *both* reserves and cities. Large urban centres increased their proportion of the Aboriginal identity population by only 1.1 percentage points between 1996 (27.6 percent of the total) and 2001 (28.7 percent). Reserves still account for the largest share of the Aboriginal identity population of all areas, at 29.1 percent in 1996 and 29.3 percent in 2001.

3. There are now 14 cities with Aboriginal identity populations over 5,000. Winnipeg has by far the largest urban Aboriginal identity population, at over 55,000 persons. Thunder Bay, Winnipeg, Regina and Saskatoon have the highest proportions of their population that is Aboriginal, at more than 5 percent. Sudbury, Calgary, Hamilton and Victoria have the most rapidly growing Aboriginal populations.

4. Only three in ten of all Canadians aged 15 and older had less than high school graduation in 2001, in contrast to almost one-half of the Aboriginal identity population in the same age group. A mere 4 percent of the Aboriginal identity population had a university degree, compared to 15 percent overall. The Aboriginal identity population achieved better results at colleges, with 12 percent graduating compared to 15 percent of the total population (a ratio of 77 percent of the overall population). Comparing Aboriginal educational attainment to that of the total population, the gap is lower in the East and higher in the west and north.

## ***Unemployment and Participation Rates***

### ***Unemployment rates***

Table 8 shows the unemployment rate for the Aboriginal identity population compared to the total population in 1991, 1996 and 2001. One-quarter of the Aboriginal labour force was unemployed in both 1991 and 1996, compared to 10 percent of the total population. The third column shows the Aboriginal unemployment rate index, calculated by dividing the Aboriginal jobless rate by the overall jobless rate. The results were 238 in 1996 and 240 in 1991, indicating that Aboriginal unemployment remained at just under two-and-a-half times the total rate.

There is a good news/bad news story for 2001. The good news is that the unemployment rate for Aboriginal people fell by one-fifth, from 24.0 percent in 1996 to 19.1 percent in 2001. This is especially good news given the sizeable (122,390 or 22 percent) increase in the

number of Aboriginal identity working age persons.

Of course, some of this change may be an artefact of the ‘roll-on’ of people who might have been employed in 1996 but did not choose at that time to identify themselves as Aboriginal. However, even if we make the extremely unlikely assumption that the entire 80,000 people who are newly identifying themselves as Aboriginal are of working age and are fully employed, the unemployment rate among the remainder would be 24 percent.

As it is certain that some of the 80,000 ‘new identifiers’ are not of working age or are either unemployed or not in the workforce, the unemployment rate of the remaining Aboriginal identity population (i.e., the cohort who were in the 1996 Census as part of the Aboriginal identity population) was certainly below 24 percent in 2001. Thus there has been unambiguous improvement in this most important indicator of labour market activity for Aboriginal people – the jobless rate. Notwithstanding the various qualifiers that we must include in further discussion, this is good news. Progress is possible and the situation is not just getting worse every year.

The bad news is that *relative* unemployment rates of Aboriginal people was a bit worse in 2000 than in 1991 and 1996 over two-and-a-half times that of the total population. This means that we have not made progress in five years in improving the labour market position of Aboriginal peoples relative to the general population. So the good news is that things have not gotten much worse relative to the general population despite a large increase in the Aboriginal identity working age population, but neither have they gotten better.

**Table 8**  
**Aboriginal and total unemployment rates, 1991-2001**

	Aboriginal unemployment rate (%)	total unemployment rate (%)	relative unemployment rate
1991	24.5	10.2	240
1996	24.0	10.1	238
2001	19.1	7.4	258

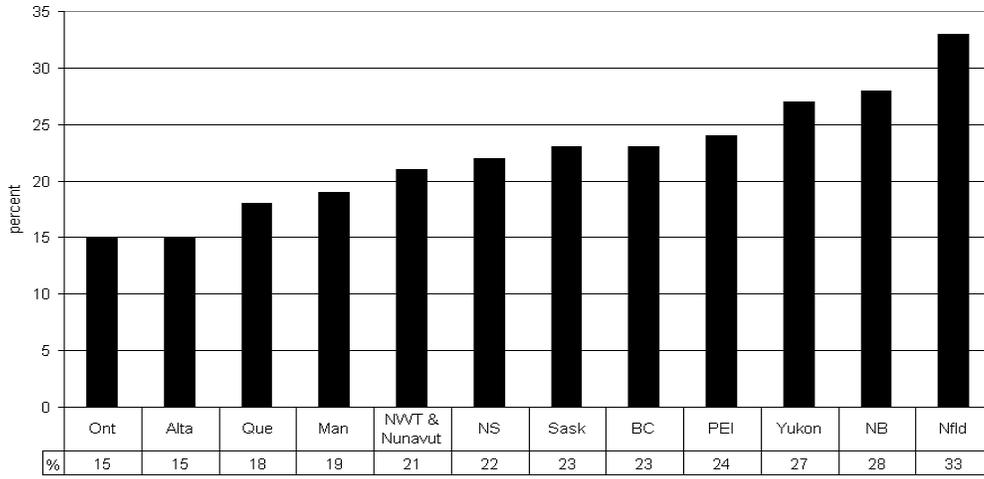
Figure 14 shows unemployment rates among the provinces for the Aboriginal identity population. Unemployment rates range from 14.7 percent in Ontario and Alberta to 33.5 percent in Newfoundland. However, this pattern largely reflects the prevailing unemployment rates for the population at large.

Figure 15 gives unemployment rates of Aboriginal people *relative* to those of the population in total ('relative unemployment rates' are the Aboriginal identity population unemployment rates divided by total population unemployment rates). A rather different, and more familiar, pattern emerges. Relative unemployment increases from east to west, hits its peak in Saskatchewan and then decreases as we move further west and then north. Table 9 shows relative rates in 1991, 1996 and 2001. There was some improvement from 1991 to 2001 in the relative unemployment rates in Atlantic Canada and the Prairie provinces, but these gains were offset by deterioration in Ontario, Quebec and New Brunswick.

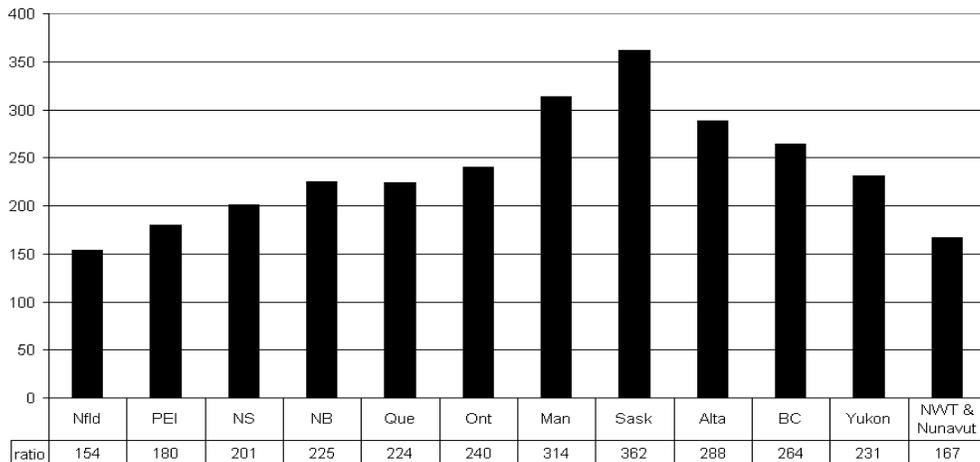
Figure 16 shows 2001 unemployment rates among the Aboriginal identity population in 14 major cities (those with Aboriginal identity populations of more than 5,000). The jobless rates range from a low of 7.3 percent in Ottawa-Hull to a high of 22.7 percent in Thunder Bay. Although Regina and Saskatoon are, as with most of the data presented in this report, among the worst of the cities in respect of Aboriginal unemployment, Winnipeg is doing better than seven other cities (Thunder Bay, Saskatoon, Regina, Sudbury, Victoria, London and Vancouver). Aboriginal unemployment rates for three cities are at or below 10 percent – Ottawa-Hull, Toronto and Calgary. While the levels of unemployment in cities in general are obviously unacceptable, these levels are not as high as might have been anticipated, with the exceptions noted of Regina, Saskatoon, Sudbury and Thunder Bay.

Of course, city-to-city variations in unemployment rates among the Aboriginal identity population may simply reflect the varying

**Figure 14**  
**Unemployment rate of Aboriginal**  
**identity population, by province, 2001**

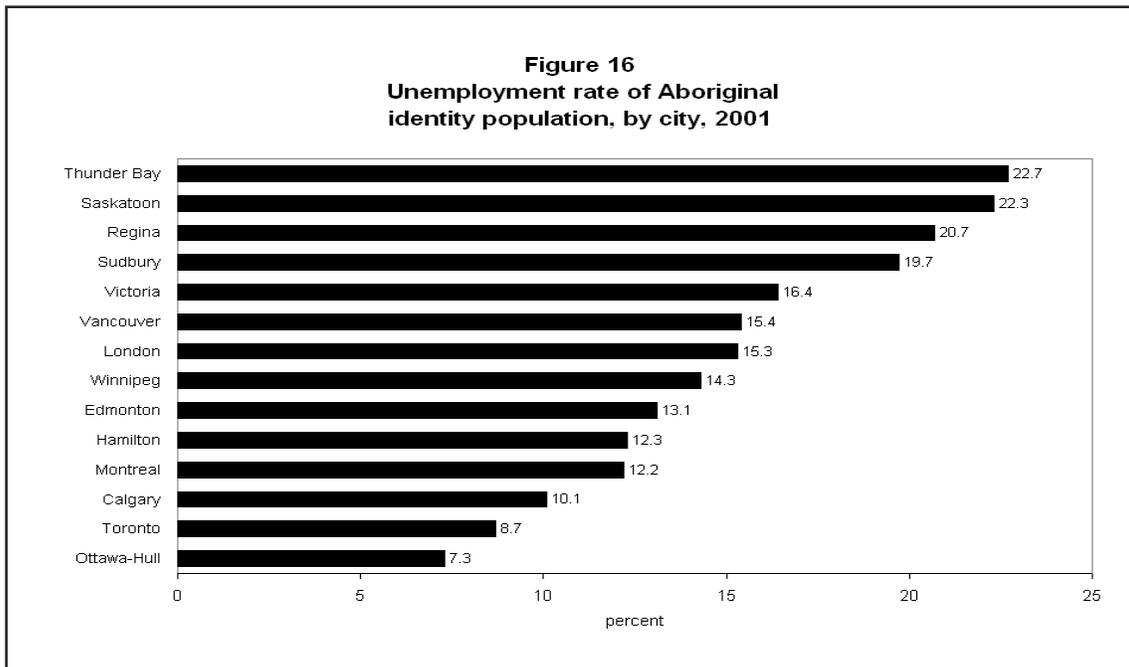


**Figure 15**  
**Aboriginal unemployment rate relative to**  
**total unemployment rate, by province, 2001**



**Table 9**  
**Ratio of Aboriginal unemployment rate to total unemployment rate,**  
**by province and territory, 1991-2001**

	1991	1996	2001	% point change 1991-2001
Nfld	159	141	154	-5
PEI	220	205	180	-40
NS	209	186	201	-8
NB	212	207	225	+13
Que	197	252	224	+27
Ont	199	230	240	+41
Man	329	325	314	-15
Sask	383	361	362	-21
Alta	305	293	288	-17
BC	269	266	264	-5
Yukon	303	238	231	-72
NWT & Nunavut	191	172	167	-24

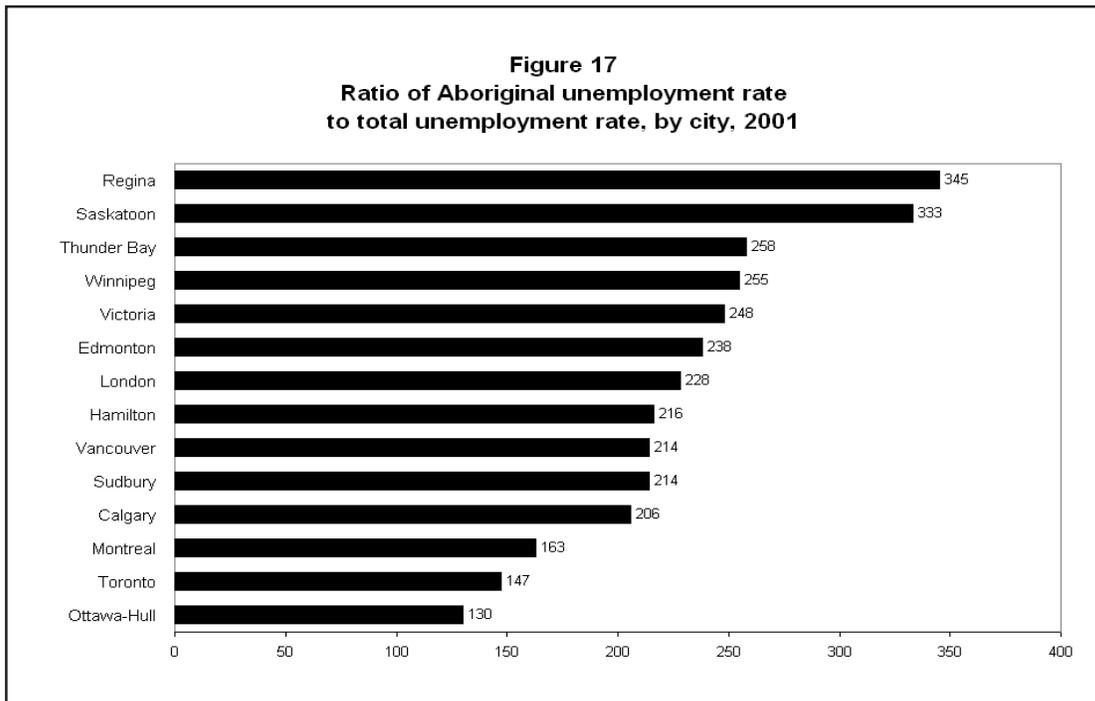


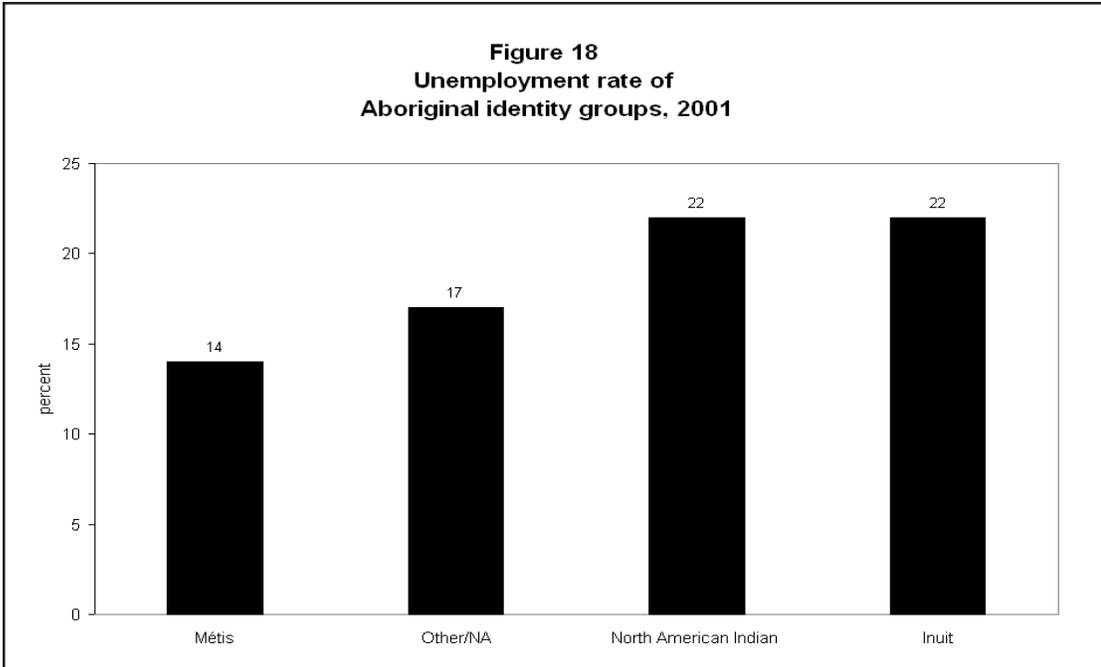
total unemployment rates in each city. To see the extent to which this is the case, Figure 17 illustrates the relative unemployment rate (i.e., the Aboriginal identity population unemployment rate divided by the total unemployment rate) for each city. Results range from 130 in Ottawa-Hull (meaning that the Aboriginal unemployment rate is 1.3 times that of the general population) to 333 in Saskatoon and 345 in Regina, with Aboriginal unemployment rates more than three times greater than the overall unemployment rate. Once again, we see a pattern of generally rising relative rates as we move from the east to the west, to reach their highest levels in Saskatchewan's cities and then diminish as we go further west. Overall, however, the pattern is not as pronounced for the cities as it is for the provinces, with the exception of Regina and Saskatoon.

There is considerable variation in unemployment rates among Aboriginal identity groups, as may be seen in Figure 18. In 2002 the jobless rate was 22 percent for North American Indians and Inuit, but Métis unemployment was about one-third lower at 14.0 percent. (The 'other/NA' group are those who did not identify with a specific Aboriginal identity group or who provided multiple answers.)

### *Participation rates*

Table 10 shows the rate of labour force participation (i.e., the proportion of the working age population either working or actively searching for work) among Aboriginal people and the total population in 1991, 1996 and 2001. Aboriginal participation rates have





**Table 10**  
**Aboriginal and total**  
**participation rates, 1991-2001**

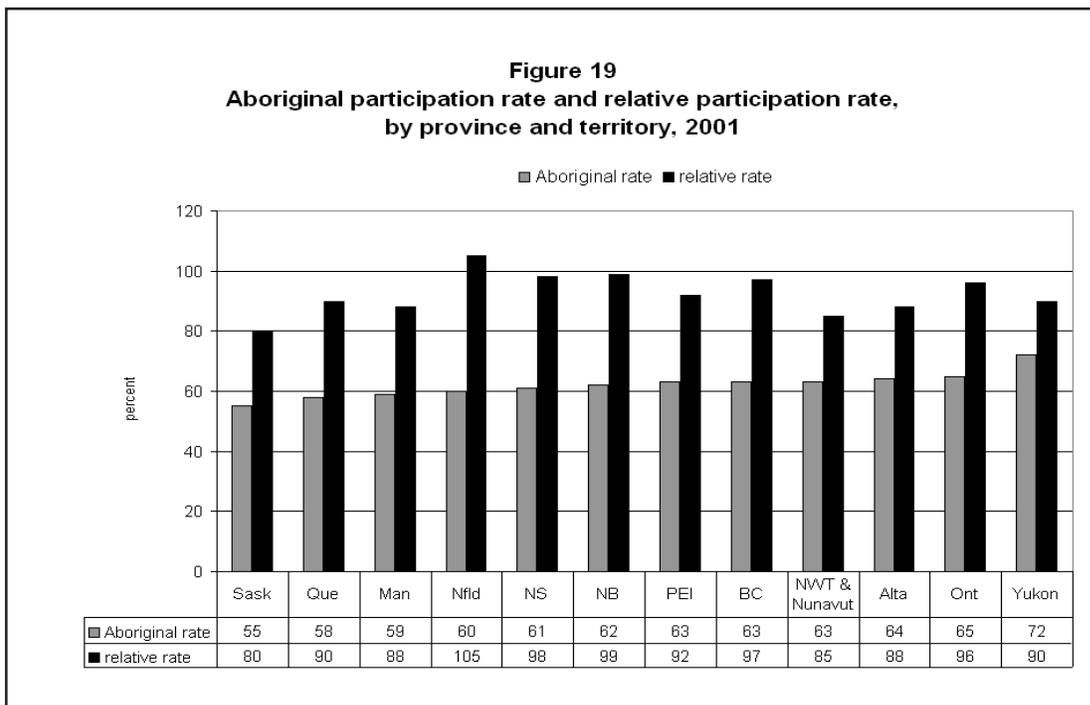
	Aboriginal participation rate (%)	total participation rate (%)	relative participation rate
1991	57.4	68.0	84
1996	58.7	65.5	89
2001	61.4	66.4	92

improved consistently from 1991 through 2001. Moreover, because participation rates among the whole population declined between 1991 and 1996 and remained the same in 2001 as 1996, relative participation rates of the Aboriginal population have been closing in to almost equal those in the general population. The relative participation rate of the Aboriginal identity population rose from 84 in 1991 to 88 in 1996 and 92 in 2001. These results confirm the trend noted in our previous report and are very positive news. Put simply, people of Aboriginal identity are trying to get jobs at almost the same rate as the total population, despite Aboriginals' high rates of unemployment.

Figure 19 shows the Aboriginal population's participation rates and relative participation rates for each province in 2001. Participation rates were lowest in Saskatchewan (54.5 percent) and highest in Yukon (71.9 percent). However, participation rates for the

total population were higher in the west and lower in the east, so the pattern of *relative* participation rates is more recognizable: Relative rates are worst (i.e., lowest) in Saskatchewan, Manitoba, the Northwest Territories/Nunavut and Alberta. Interestingly, relative participation rates in Newfoundland and Labrador are over 100 percent, meaning that persons of Aboriginal identity have a higher labour force participation rate than the total population in that province. Similarly, in Prince Edward Island, New Brunswick, Nova Scotia, Ontario and British Columbia, Aboriginal identity participation rates are close to those of the total population.

The trend we found in the previous report seems to be recurring in 2001. Aboriginal participation rates seem higher than would be expected, given their high unemployment. Unemployment rates and participation rates are usually inversely correlated: higher unemployment means lower participation and vice versa.



This pattern is called the ‘discouraged worker’ effect because it is thought that higher unemployment levels discourage workers who then quit looking for work and drop out of the active labour force. Is there a way to quantify this relationship, so we could see how much better than expected are Aboriginal participation rates? If we can derive an equation that expresses the quantified relationship between participation rates and unemployment rates for the general population, we can then apply that to the Aboriginal identity population to see how different it is. An equation is simply a statement that says for  $x$  unemployment rate there is usually  $y$  participation rate.

A rigorous study of the relationship between unemployment and participation rates would attempt to derive such an equation by analysing microdata reflecting the real experience of millions of Canadian workers. However, for a rough estimation, we can use aggregate

data collected for the provinces. If we exclude the Territories and Prince Edward Island, the variation in unemployment among the provinces ‘explains’ about 77 percent of the variation of participation rates, with participation rates falling by 0.74 of a percentage point for every one percentage point increase in unemployment rates. The results are almost identical in all respects to those for 1996. (The equation is: participation rate = -0.74 times the unemployment rate plus 0.72.)

Table 11 presents the results of applying this equation to 2001 Aboriginal identity unemployment rates to derive an ‘expected’ participation rate – if there were the same relationship between participation and unemployment rates among the Aboriginal identity workforce as among the total population. The table compares the expected and actual participation rates, and shows the difference in terms of percentage points.

**Table 11**  
**Aboriginal participation rate,**  
**expected versus actual, 2001**

	actual participation rate (%)	expected participation rate (%)	% point difference (actual - expected)
Canada	61.0	58.2	2.8
Nfld	60.4	47.6	12.8
NS	60.6	56.2	4.4
NB	62.1	51.5	10.6
Que	57.7	58.7	-1.0
Ont	64.6	61.4	3.2
Man	59.0	58.3	0.7
Sask	54.5	55.3	-0.8
Alta	64.2	61.3	2.9
BC	62.9	55.7	7.2

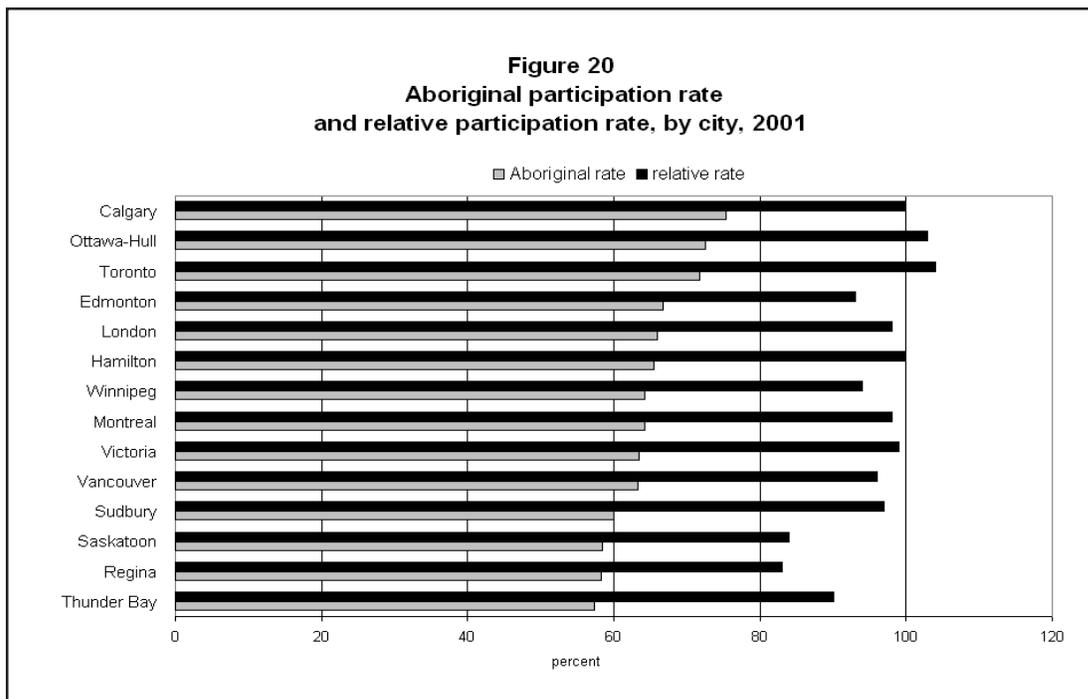
On average in Canada, the actual participation rate of Aboriginals was 3 percentage points better than it would have been had the Aboriginal workforce had the same relationship between participation and unemployment as did the total population. Once again, this is very positive news, as it means that the Aboriginal identity population is not being as easily discouraged from attempting to find work as is the general population. On top of already high participation rates, this finding implies that the main labour market challenge to the Aboriginal community is not lack of will to work: Rather, the challenge is finding jobs.

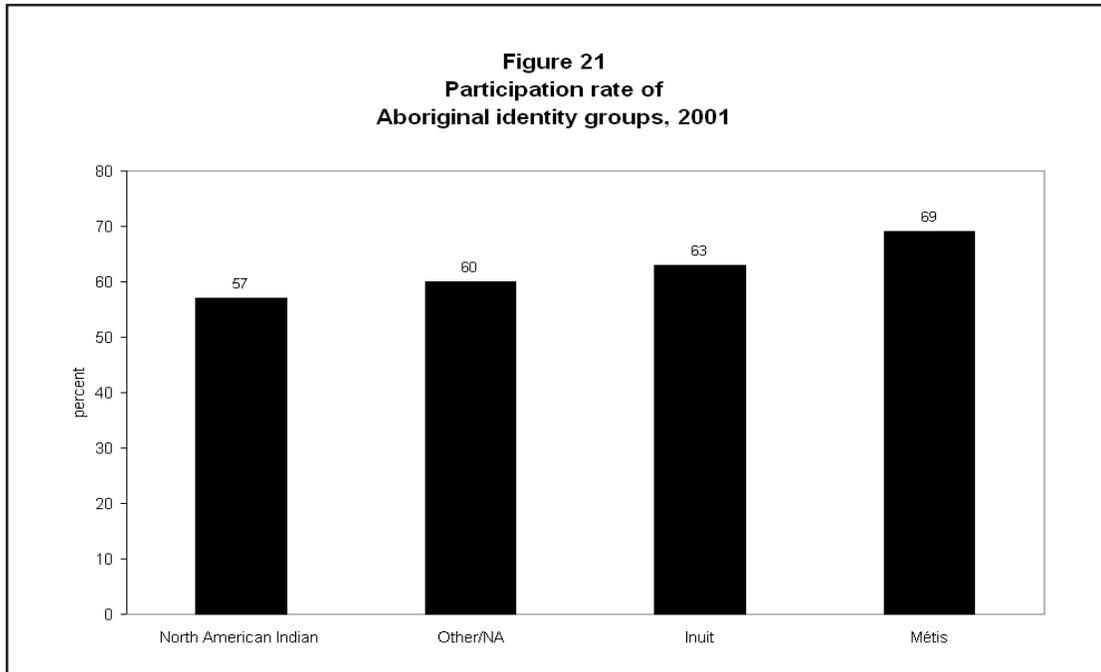
However, the picture is not so clear-cut if we look at the data at the level of individual provinces. In Quebec, Manitoba and Saskatchewan, actual participation rates are about the same as expected participation rates. In Manitoba and Saskatchewan, this

result reflects an all-too-familiar pattern of relative underachievement compared to the other provinces.

Figure 20 shows participation rates and relative participation rates for the Aboriginal identity population in 14 major cities. In eight cities – Montreal, Ottawa-Hull, Toronto, Hamilton, London, Sudbury, Calgary and Victoria – Aboriginal participation rates are almost the same as participation rates among the total population. Aboriginal participation rates are the same as the overall population in Hamilton and Calgary, and in fact higher in Ottawa-Hull and Toronto. Only in Regina and Saskatoon are relative participation rates lower than 90 percent.

Figure 21 shows participation rates among Aboriginal identity groups. As with unemployment rates, North American Indians





fare worst (57 percent), followed by Other/NA (60 percent), Inuit (63 percent) and Métis (69 percent).

### *Summary observations*

1. The Canadian labour market absorbed 122,390 more working age people of Aboriginal identity over the five years from 1996 to 2001. Despite the substantial increase in Aboriginal persons seeking employment, the Aboriginal unemployment rate dropped by one-fifth from 24.0 percent in 1996 to 19.1 percent in 2001.
2. In respect of unemployment, the position of the Aboriginal identity population is about the same compared to that of the total population in 2001 as it was in 1996 and 1991. The gap has not widened

appreciably despite the large increase in the Aboriginal workforce, but neither has there been any improvement.

3. Relative rates of unemployment remain highest in Manitoba and Saskatchewan and lowest in the east. Relative rates continue to increase in Ontario, but have stabilized in Quebec.
4. Along with better unemployment rates, the Aboriginal identity population continues to enjoy improving participation rates. Relative participation rates are also continuing to improve. Overall, the Aboriginal identity population's participation rates are three percentage points higher than would have been expected given their unemployment rates. The Aboriginal identity population is demonstrating a surprisingly strong labour market attachment.

5. The Aboriginal identity population's relative participation rate is over 100 percent in Newfoundland and Labrador, indicating that participation is higher among the Aboriginal identity population than the population overall. All across the east, the Aboriginal identity population's relative participation rates are over 90 percent. Unfortunately, Manitoba and Saskatchewan's relative rates are once again the worst among the provinces. A similar pattern can be seen for expected versus actual participation rates.

participation rates for the Aboriginal identity population in 1996 and 2001. Looking first at the absolute rates, labour market conditions in 2001 were slightly less favourable in the west than in the east, both for unemployment and participation. Generally the regional pattern in 2001 is similar to 1996 with respect to absolute rates. In all regions, unemployment and participation were both better in 2001 than in 1996 in absolute terms, reflecting improved economic conditions for Canada as a whole.

In relative terms, the picture is not quite as bright. None of the regions' relative unemployment rates improved from 1996 to 2001, instead remaining about the same. In contrast, the relative participation rates for all regions did improve from 1996 to 2001. However, the west is not doing as well as the east in relative terms either in unemployment or in participation, and the Prairies are doing worst of all.

## *Geography of Labour Markets for Aboriginal Peoples*

### *Regions*

Table 12 provides a regional summary of absolute and relative unemployment and

**Table 12**  
**Aboriginal unemployment rate and participation rate, by region, 1996 and 2001**

	unemployment rate		participation rate	
	actual	relative	actual	relative
1996				
East (Newfoundland to Ontario)	23.4	229	59.1	94
West (Prairies, BC and Territories)	24.3	291	57.9	85
Prairie provinces	24.0	326	55.6	80
2001				
East (Newfoundland to Ontario)	17.8	232	62.3	95
West (Prairies, BC and Territories)	19.8	288	60.9	89
Prairie provinces	18.4	330	59.6	84

Finding the cause of the east-west differences goes far beyond this report, and likely involves many factors that are difficult to quantify. A simple regression of the percentage of the Aboriginal identity population without high school certification in each province in 2001 ‘explains’ 43 percent of the variation in Aboriginal identity population relative unemployment rates among the provinces. This figure is slightly less than for the 1996 data, when the same regression was found to account for 56 percent of the variation in relative unemployment. A rigorous study of this issue would need

to use microdata rather than simply regress aggregate data by province. Nonetheless the aggregate data is suggestive of an expected relationship between education and unemployment.

### *Cities*

We also look at geography from the perspective of the cities, shown in Table 13. In the eastern cities (arbitrarily counting Sudbury and

**Table 13**  
**Aboriginal unemployment rate and total unemployment rate, eastern and western cities, 2001**

	Aboriginal unemployment rate	total unemployment rate	relative unemployment rate
<i>eastern cities</i>			
Montreal	12.2	7.5	163
Ottawa-Hull	7.3	5.6	130
Toronto	8.7	5.9	147
Hamilton	12.3	5.7	216
London	15.3	6.7	228
Sudbury	19.7	9.2	214
<i>eastern average</i>	<i>10.9</i>	<i>6.4</i>	<i>169</i>
<i>western cities</i>			
Thunder Bay	22.7	8.8	258
Winnipeg	14.3	5.6	255
Regina	20.7	6.0	345
Saskatoon	22.3	6.7	333
Calgary	10.1	4.9	206
Edmonton	13.1	5.5	238
Vancouver	15.4	7.2	214
Victoria	16.4	6.6	248
<i>western average</i>	<i>15.1</i>	<i>6.2</i>	<i>243</i>

everything east of it as eastern) unemployment among the Aboriginal identity population was 10.9 percent in 2001, compared to unemployment in the total population of those cities of 6.4 percent, so in relative terms the Aboriginal unemployment rate was 1.7 times that of the total population. While this unemployment rate is far too high, it is not outside the bounds of Canadian minority groups; recent immigrants to Canada also have unemployment levels at about 11 percent.

However, Aboriginal unemployment in the western cities is 15.1 percent, despite lower levels of unemployment among the total population of those cities, resulting in relative unemployment of 2.4 times the general rate. This high absolute and relative jobless rate *is* outside of the bounds of experience of almost all minority groups in Canada.

Table 14 shows labour force participation rates for cities in 2001, and averages for

**Table 14**  
**Aboriginal participation rate and total participation rate,**  
**eastern and western cities, 2001**

	Aboriginal participation rate	total participation rate	relative participation rate
<i>eastern cities</i>			
Montreal	64.2	65.7	98
Ottawa-Hull	72.6	70.4	103
Toronto	71.7	68.8	104
Hamilton	65.5	65.5	100
London	66.0	67.4	98
Sudbury	60.0	62.0	97
<i>eastern average</i>	<i>67.6</i>	<i>68.2</i>	<i>100</i>
<i>western cities</i>			
Thunder Bay	57.3	63.7	90
Winnipeg	64.3	68.6	94
Regina	58.3	70.5	83
Calgary	58.4	79.8	84
Edmonton	75.3	75.2	100
Vancouver	66.7	71.8	93
Victoria	63.3	66.2	96
Victoria	63.5	64.3	99
<i>western average</i>	<i>69.2</i>	<i>64.5</i>	<i>93</i>

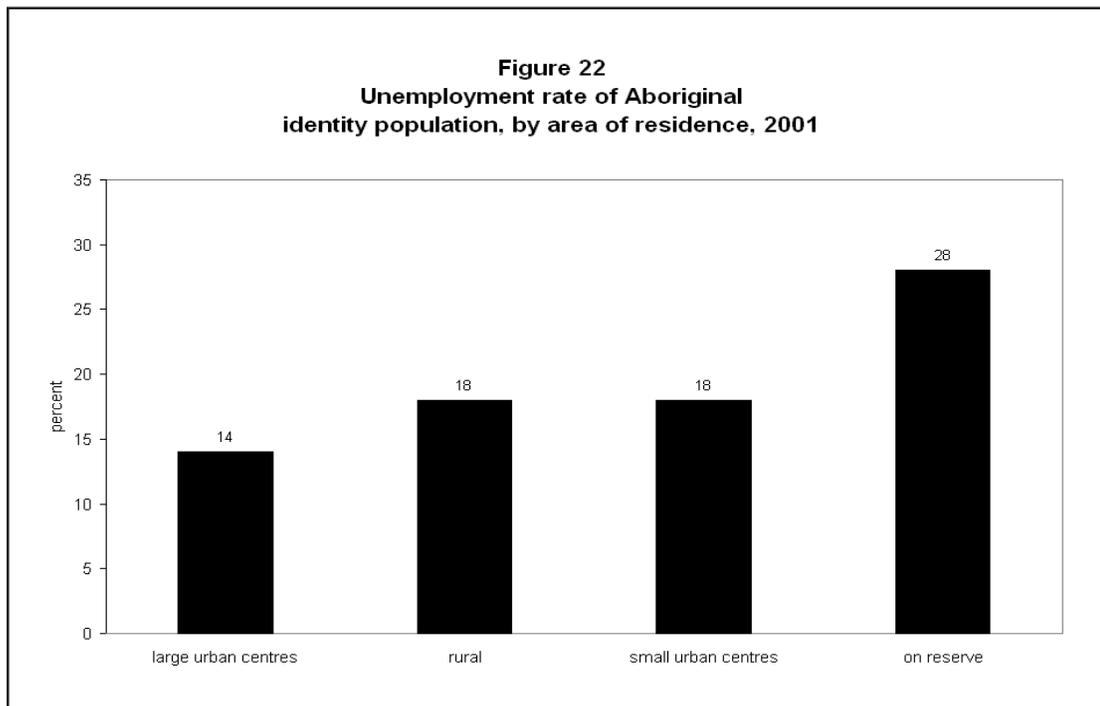
east and west. Participation rates among the Aboriginal identity population in the east are very good – in fact, they are the same as for the total population. This is the equity level that should be one of the central goals of labour market policy for Aboriginal Canadians, and it is encouraging to see that there are some parameters in which equity already has been achieved. It may sometimes be argued that equity is an impossible goal over the near future, but the fact that it already has been accomplished in much of Canada (and not just a few scattered small towns) demonstrates that equity is possible.

Unfortunately, cities in the west remain some distance from equity even with respect to participation, a key labour market indicator that is among the best for Aboriginal Canadians. Participation rates lag behind, at an average 93 percent of the level of the total population.

### ***Rural and urban***

As a final view of the geography of labour markets for the Aboriginal identity population, we also look at unemployment and participation indicators by area of residence – on reserve, rural (both farm and small town), small urban and large urban (also known as a Census Metropolitan Area). The data may be a little skewed because there is some overlap of reserves with the other categories and, more importantly, there are also some questions regarding the accuracy of on reserve employment data. Nevertheless, these are the best data available and are likely accurate within at most a few percentage points.

Figure 22 shows the rate of unemployment in the four areas of residence. Unemployment is by far and away highest on reserve, at 27.6 percent in 2001, and is much lower in



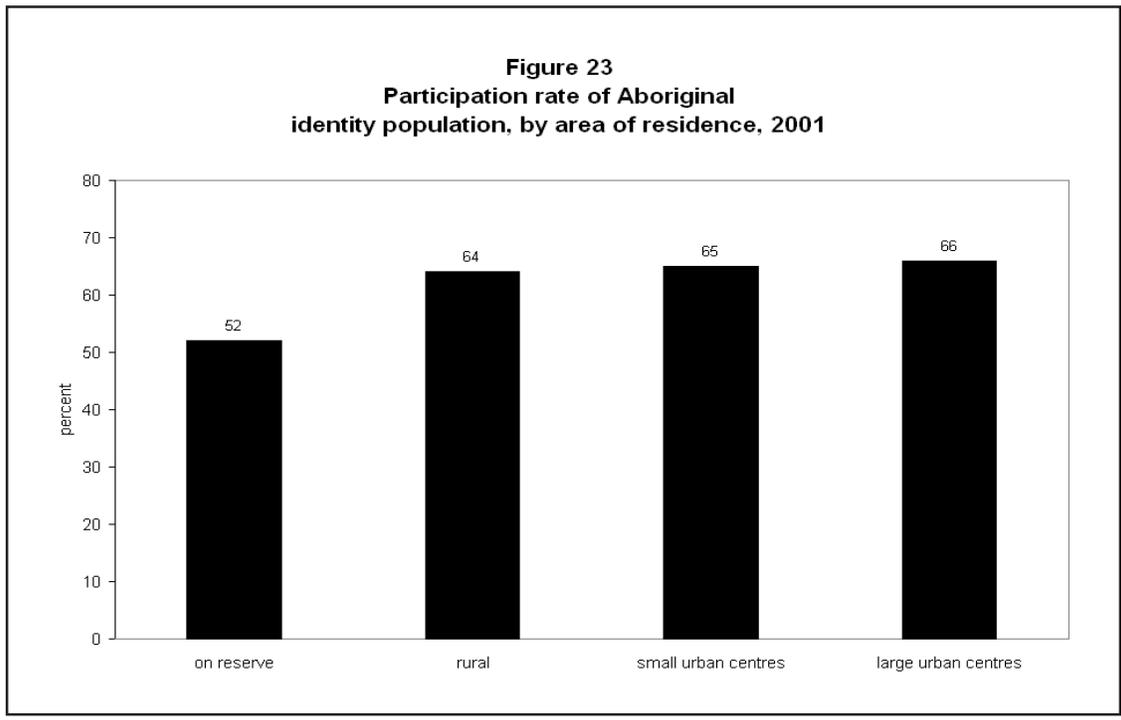
all other areas of residence – ranging from 18.5 percent in rural areas and 18.4 percent in small urban centres to 13.9 percent (half the rate on reserve) in the large urban areas. Figure 23 shows participation rates by area of residence, which range from 52 percent on reserve to 63.9 percent in rural areas, 64.8 percent in small urban areas and 65.8 percent in large cities. Again, reserves are performing least well among the four community sizes in this second key labour market indicator.

These are important observations since they indicate that First Nations members may have to choose between a job and remaining on a reserve. But remaining on a reserve is often not only a matter of where to live and whether to have a job: It may also be a question of retaining culture, identity and tradition. This dilemma is compounded by federal policy, since almost all federal benefits are currently tied to the reserve base, thus reinforcing the

severance of Band ties when a Band member moves off reserve. However, federal policy may eventually change due to recent court rulings extending voting rights to Band members living off reserve.

### Summary observations

1. Canada's Aboriginal labour market segments in four ways: between east and west, and on and off reserve. In the east and off reserve, the Aboriginal labour market is not too far different from the Canadian norm. On reserve and in the west, the Aboriginal labour market is much worse than the Canadian norm. These realities pose significant challenges for labour markets in the west, where the Aboriginal identity population is of increasing importance to the economy, as is discussed fur-



ther in the next section of this report, and for federal and Band policies regarding reserves.

2. The positive aspect of this review of the geography of Aboriginal labour markets is that it is not all bad, and many of the indicators in the east are positive. This is a tangible demonstration that success is possible.

### ***Future of Labour Markets for Aboriginal Peoples***

Due both to a younger age profile and to additional persons identifying themselves as Aboriginal, Canada's Aboriginal labour force will continue to grow very rapidly. We cannot predict how many additional people will decide to identify themselves as Aboriginal in future surveys, but we can project exactly the growth of the Aboriginal labour force over the next 15 years to the extent that this growth is due only to maturing of the existing Aboriginal identity population. This is possible because everyone who will become older than 15 years of age over the next 15 years has already been born. Thus we need only project the aging of the labour force to allow us to put some precise quantitative parameters around critical policy questions for Canada's future labour market, at least to the extent that future growth of the Aboriginal identity population is due only to demographic factors (we here ignore mortality as this will be a small factor for this age group).

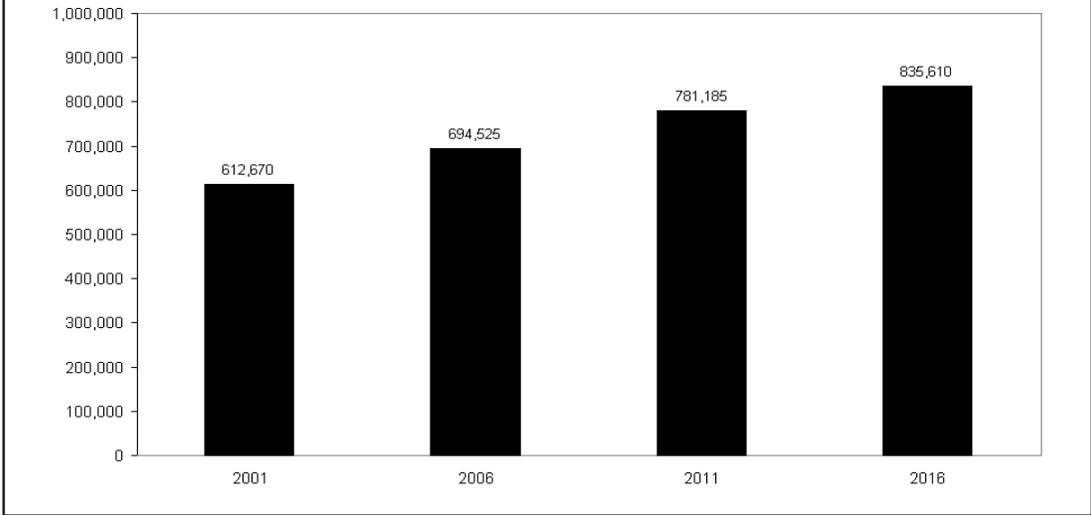
The central question is how many jobs would be needed to close the employment gap between the Aboriginal and the non-Aboriginal populations?

Figure 24 shows the anticipated growth of the Aboriginal identity population aged 15 to 64, if there are no additional people deciding to identify themselves as Aboriginal beyond those who have already done so in the 2001 census – i.e., due to 'natural' growth. Figure 25 shows the amount of new employment that will be needed to achieve equity in participation and unemployment rates between the Aboriginal identity population and the total population, assuming that 2001 unemployment and participation rates for the general population (7.4 percent and 66.4 percent, respectively, for the total Canadian population aged 15 to 64) continue into the future.

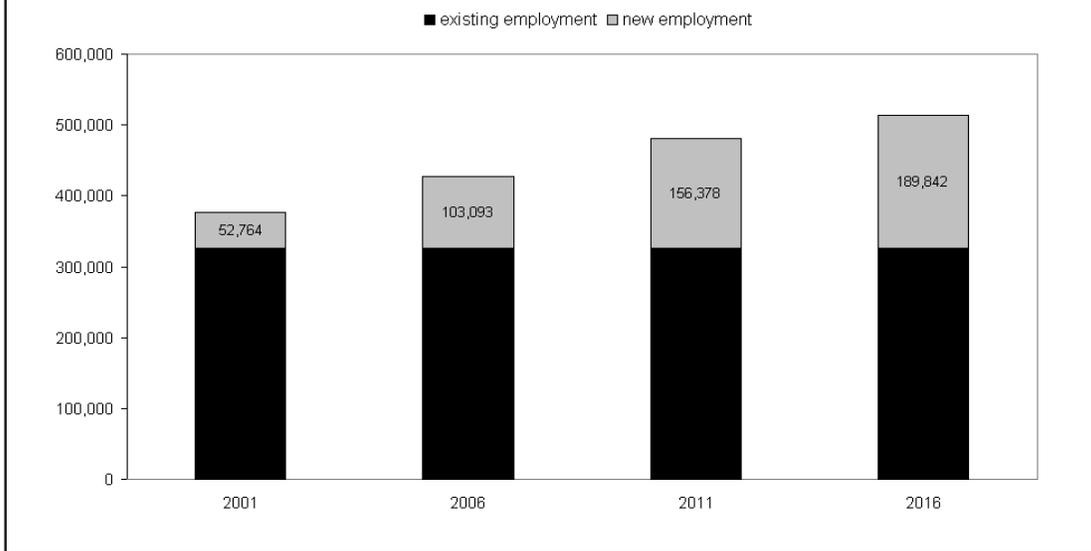
Figure 25 shows that with 323,945 persons between the ages of 15 and 64 employed in 2001 in the Aboriginal identity population, 52,764 more would have had to have been employed if participation rates and unemployment rates had been equal to those in the total population in 2001. Similarly, it shows that 103,093 more persons of Aboriginal identity than were employed in 2001 will have to be employed in 2006, to achieve equality with the 2001 participation and unemployment rates of the total population – and similarly increasing employment growth for succeeding years (156,378 in 2011 and 189,842 by 2016).

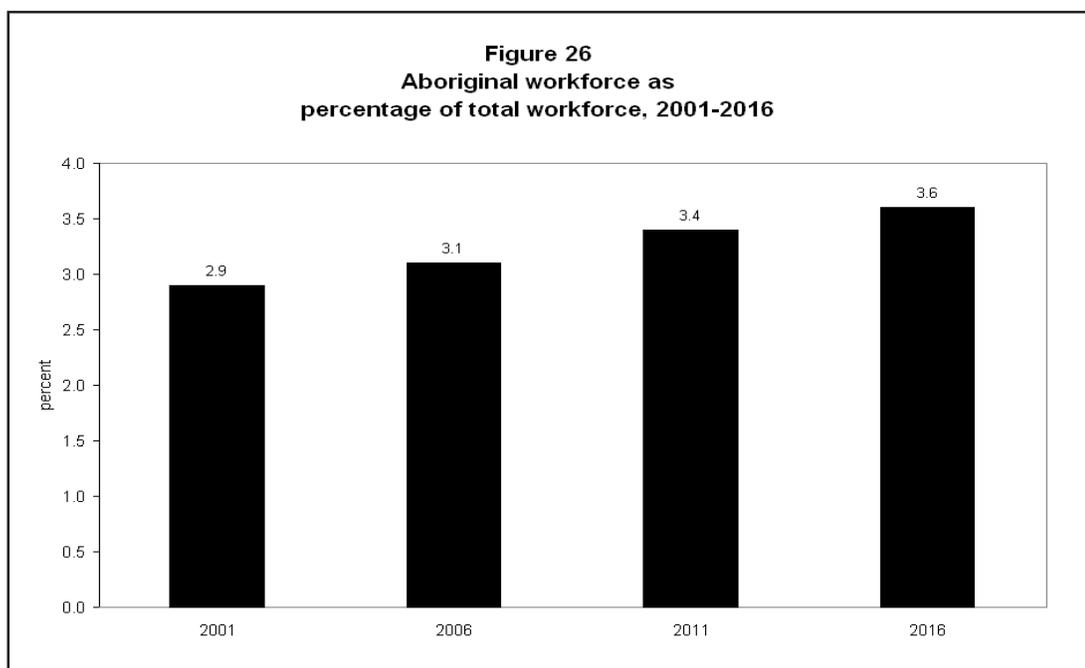
Figure 26 projects the Aboriginal labour force as a percent of the total workforce (aged 15 to 64) from 2001 through 2016. Estimates of the future Canadian workforce are taken from Statistics Canada's medium population projection [George, Loh, Verma, and Shin 2001]. The Aboriginal workforce will rise from 2.9 percent of the total workforce in 2001 to a projected 3.6 percent in 2016, a hefty 24 percent increase. However, the estimates of the future Canadian workforce are based on the full population, while the Aboriginal identity future population estimates exclude persons living in

**Figure 24**  
**Growth of Aboriginal identity population aged 15-64 due to aging of current population**



**Figure 25**  
**New employment needed for Aboriginal identity population to achieve equality in participation and unemployment rates**





collective dwellings. This should be a relatively small factor, but it means that the proportion of the Aboriginal workforce in the future is somewhat underestimated in these and all subsequent figures in this section of this report. Nevertheless, these estimates are within the general ‘ballpark’ and can form a reasonable basis for policy.

Of course, the proportion of Aboriginal workers in the workforce will vary significantly geographically. Table 15 shows the ‘natural’ increase in the Aboriginal identity workforce over the next three census periods, from 2001 to 2016. Figure 27 illustrates the cumulative percentage increase in each province from 2001 to 2016. By ‘cumulative’ we mean the total increase from 2001 to the other time periods; for example, in Saskatchewan the figure shows a 19 percent increase in the Aboriginal workforce from 2001 to 2006, a 39 percent increase from 2001 to 2011 and a 55 percent increase from 2001 to 2016. The largest increases will be in Manitoba, Saskatchewan and the Territories.

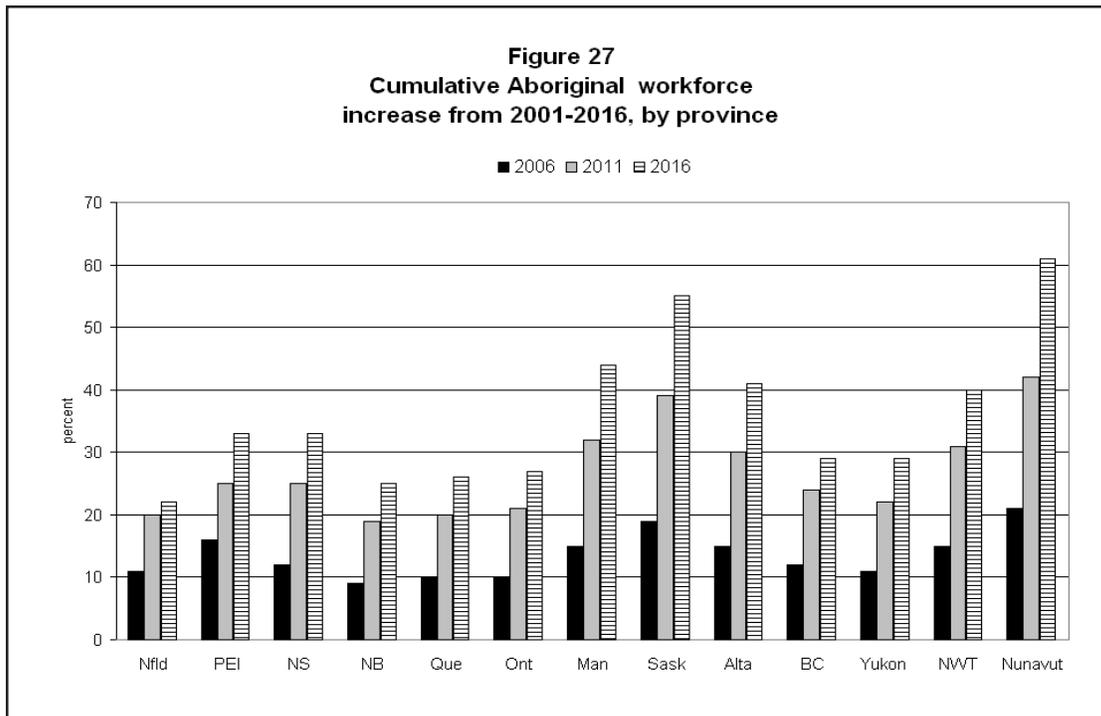
### *Provinces*

Figure 28 shows the projected Aboriginal workforce as a percentage of the total workforce for each province in 2001, 2006, 2011 and 2016. The graph dramatically illustrates the growing importance of the Aboriginal workforce in Manitoba and Saskatchewan, compared to all the other provinces. In both provinces, the Aboriginal workforce will climb to about 17 percent of the total workforce over the next decade and a half. To no small degree, the Aboriginal children who are today in Manitoba and Saskatchewan homes, child care centres and schools represent the economic future of the two provinces.

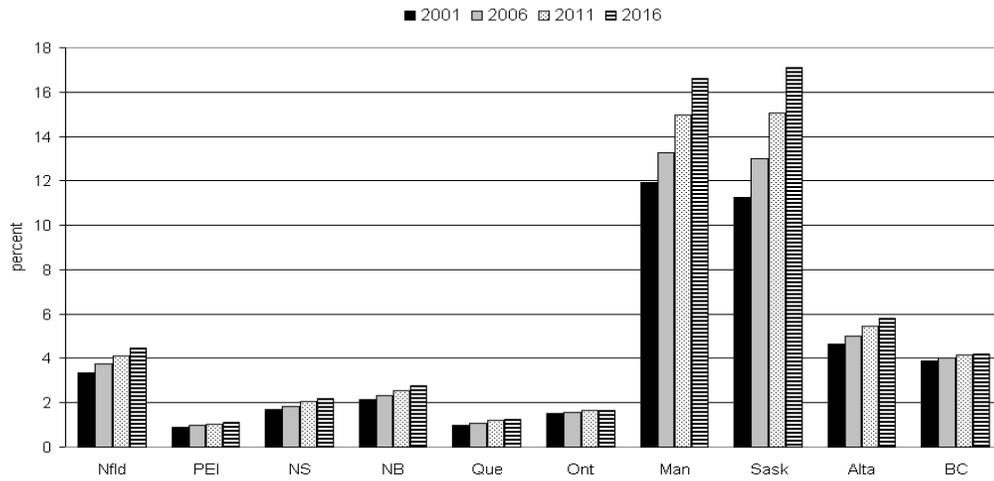
Figure 29 gives the same information, but for the three Territories. There are large differences among the Territories in respect of their current and future Aboriginal workforce. Southern Canadians may have a tendency to speak of the Territories as a group and to

**Table 15**  
**'Natural' growth in the Aboriginal**  
**workforce, 2001 to 2016**

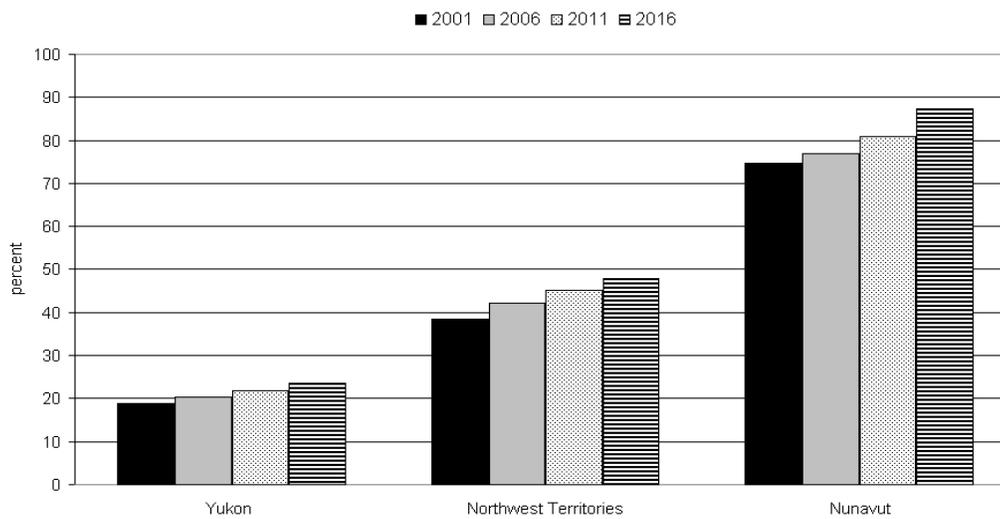
	2001	2006	2011	2016
Nfld	12,850	14,245	15,385	15,703
PEI	825	955	1,030	1,098
NS	10,940	12,253	13,715	14,533
NB	11,345	12,358	13,475	14,180
Que	51,350	56,483	61,870	64,828
Ont	124,035	136,385	150,575	157,278
Man	90,445	103,818	119,095	130,443
Sask	74,440	88,613	103,810	115,658
Alta	97,390	111,933	127,015	136,900
BC	110,790	124,355	137,170	143,185
Yukon	4,225	4,693	5,160	5,463
NWT &	11,330	13,083	14,835	15,878
Nunavut	12,715	15,368	18,065	20,458



**Figure 28**  
**Aboriginal workforce as percentage of**  
**total workforce, by province, 2001 through 2016**



**Figure 29**  
**Aboriginal workforce as percentage of**  
**total workforce, by territory, 2001 through 2016**



lump them together for planning purposes, but there are different challenges and opportunities represented by an Aboriginal workforce that will range by 2016 from about 24 percent of the total workforce in Yukon to 50 percent in the Northwest Territories and almost 90 percent in Nunavut.

### ***Summary observations***

1. Over the last decade, Canada's labour market has performed better than many would have expected in successfully absorbing rising numbers of Aboriginal workers. The challenge will be greater over the next several years. To begin to close the gap between the Aboriginal identity population and the total population will require substantially escalating employment opportunities for Aboriginal persons.
2. The increasing importance of the Aboriginal workforce to Manitoba and Saskatchewan cannot be exaggerated. There is likely no single more critical economic factor for these provinces. The much larger Aboriginal presence in these two provinces also means that federal Aboriginal policies should be looked at through a 'prairie lens,' as the Prairie provinces will be disproportionately affected by any changes in federal policy.

### ***Policy Implications***

This report's objective is to provide an empirical basis for policy debate. In the following pages, we set out several possible direc-

tions for reform that could usefully be discussed in light of the analysis undertaken in this paper.

### ***Invest in children now***

As we have seen, the Aboriginal workforce will become increasingly important over the next decade and a half. This is especially so in the Prairie provinces. The children who will make up the new entrants into the labour force are today at home, in schools and in child care centres.

Federal, provincial/territorial and First Nations' governments, and Aboriginal organizations, have put great effort into programs for Aboriginal families and children but – given the scale of the challenge before us – more needs to be done. Rather than viewing potential spending simply as more demand on a stretched public purse, we should be actively looking for every possible way to invest wisely in improving the odds for Aboriginal children and youth. Dollars well spent now are bound to return large pay-offs for the future. Literacy and numeracy are essential for employment in today's economy and will be still more important in the future. Are there any areas in which more or better programming for Aboriginal children and their families could be considered?

Following are a few examples of the fundamental questions that federal, provincial/territorial and First Nations' governments should be asking themselves:

- Is every Aboriginal child who could benefit from a 'Head Start' type of program able to access one?

- Are there Aboriginal-controlled child and family services in all the major cities, with a well-funded preventative mandate and a strong community strategy?
- Is high quality, reliable child care available to all Aboriginal families who could benefit from it, whether on or off reserve?
- Do schools serving Aboriginal children and youth have ample resources and adequate skills to provide support to their Aboriginal students?
- Are there culturally appropriate resources available to help every Aboriginal parent who could benefit from help, both on and off of reserves, especially in the cities?
- Are there programs to help Aboriginal children and youth stay in school and to get back in if they do drop out for a few years?
- Are universities and colleges as accessible as possible to qualified Aboriginal applicants?
- Can qualified Aboriginal applicants readily access apprenticeship and trades programs?
- Is upgrading readily available for young Aboriginal adults who now want to complete their education?
- Are good literacy and numeracy programs available in correctional facilities, especially for young offenders?

### *Setting a clear policy goal*

Throughout the world, governments have been setting clear, quantifiable goals for themselves as a way of measuring progress and

evaluating the success of their programs. The data in this report show that the Aboriginal identity population has moved forward on relative participation rates, but remains more or less at a standstill in regard to relative unemployment rates.

Achieving equity in unemployment and participation rates is a tangible and quantifiable goal for the Aboriginal workforce. The government of Canada and other governments should adopt this quantifiable goal and consistently measure progress towards achieving it. The power of a clearly stated and measurable goal in improving programs and sustaining effort over time cannot be underestimated.

### *The geographical reality*

Manitoba and Saskatchewan, along with the Territories, will have a very large and increasingly important Aboriginal workforce in the near future. Other provinces will be affected as well, but these two provinces and the Territories especially must have a prosperous Aboriginal population if they are to be successful in the coming decades. Whether Manitoba and Saskatchewan and the Territories find themselves keeping up with or falling behind national growth in GDP will depend largely upon how their Aboriginal workforce performs.

It should be acknowledged that both the Manitoba and Saskatchewan governments have shown a commitment to improving living standards for their Aboriginal population, and the federal government also has undertaken many projects to this end. At the urban level, many of the cities, notably Winnipeg, have tried hard to assist in improving the opportunities of their Aboriginal

residents. Furthermore, First Nations have long had significant political importance in both provinces, and there are growing urban Aboriginal organizations in the cities. And all three levels of government, along with Aboriginal organizations, have generally worked well together. Nevertheless, as we have seen, on almost every indicator, the labour market status of the Aboriginal identity population in Manitoba and Saskatchewan is among the worst in Canada. So not only do these provinces have more at stake, they are starting in a worse position.

Federal policy should reflect the non-uniformity of the situation of Aboriginal people across Canada. Policy changes that have a financial impact should be understood as having a much greater affect in Manitoba and Saskatchewan. For example, the federal withdrawal from all services for First Nations except those on reserve (discussed further below), which has been implemented over the last few decades, has disproportionately affected Manitoba and Saskatchewan. Other issues, such as the extent to which federally-financed social assistance administered by First Nations on reserve must duplicate provincial policy, will also be much more critical for these two provinces than the others. In addition, labour market policies are increasingly a joint federal, provincial and territorial responsibility, carried out under agreements between governments. Aboriginal labour market policies and intergovernmental relations will be inextricably intertwined, especially in the Prairies, requiring collaboration among all orders of government, including First Nations' governments.

Ottawa is distant from the Prairies. Federal departments report through their hierarchical structures back to Ottawa, where promotions and policy-making reside.

Federal coordination on the ground in the Prairie provinces involves at least six major federal departments – Human Resources and Skills Development, Indian Affairs and Northern Development, Social Development, Industry Canada, Health Canada and Heritage Canada. While there have been attempts to get these departments to work better together in the regions, they are all to varying degrees 'stove-piped' and must report back to Ottawa for any substantive change. In Ottawa, regional representation may or may not be carefully considered in decision-making, and responsiveness to regional concerns varies from issue to issue and department to department.

In our previous report, we recommended that a federal Deputy Minister level appointment be considered with specific responsibility to coordinate on Aboriginal issues, and that this Deputy be stationed in the west, and probably optimally in Winnipeg. It has been done before, when a senior Deputy was appointed for the 'west' and stationed in Alberta, supposedly responsible for western diversification. A Deputy for Aboriginal affairs, stationed in the west, remains a valid option that merits serious consideration.

### *Services off reserve*

The federal Human Resources and Skills Development department supports an extensive system of employment services targeted to the Aboriginal workforce, both on and off reserve, through the Aboriginal Human Resource Development Agreements. In addition, there are several special arrangements, such as the urban Aboriginal programs being undertaken with several provinces and Aboriginal organizations. However, for most

federal funding for Aboriginal people, current federal policy is to restrict its support to services for residents on reserve.

As we have seen, populations on reserves are not declining; rather there is a growing Aboriginal identity population both on reserve and in the cities. However, our data presents only a picture at a point in time. Behind these static data are undoubtedly significant comings and goings as some people leave the reserve and others return. The 2001 Census data shows, for example, that 30 percent (or 12,630 people) of the Aboriginal identity population in Winnipeg changed its address at least once in the previous year and, of this 30 percent, about 7 percent (or 3,645 people) came from a different Census subdivision. Of this latter group, likely a substantial number came from a reserve either directly, or indirectly through an intermediary smaller city or town.

Until recently, leaving the reserve has often meant leaving your Band behind, at least from the perspective of the federal government. For example, while the federal government funds First Nations' child and family service agencies on reserve, these agencies are not funded by Ottawa to provide services off reserve, even to their own First Nations members who would choose these services if they could. Similarly, a whole range of other services and rights are only recognized on reserve. All this may be beginning to crumble with the recent recognition of the right of off reserve Band members to vote in Band elections. Presumably other mobile forms of rights and responsibilities may one day follow. But in the meantime, Ottawa is effectively requiring First Nations members to make a hard choice between continued services by Band governments and moving to the city.

This federal policy is interfering with the natural evolution of First Nations' relationship to their land base. This relationship needs to be able to adapt and develop in response to real-world conditions and not according to political (and essentially financial) criteria devised in Ottawa. Most importantly, from the perspective of this report, it is worth looking again at Figures 22 and 23. With unemployment on reserve approaching 30 percent, Aboriginal unemployment in cities not quite 15 percent, and not much prospect of increasing employment opportunities on many (but not all) reserves, a successful Aboriginal labour market policy will have to recognize the reality that most jobs are in the cities.

Federal policy that effectively demands shedding critical elements of Band identity, and fails to provide for maintaining strong linkages to Bands while off reserve, sets a barrier in the way of improving Aboriginal employment. It forces a cruel choice: identity or employment. As noted, over time the courts will likely constrain this policy, but the courts are a notoriously slow and costly way to make policy (and do not necessarily result in the best policy). While reconsidering this policy will neither be easy nor possible to accomplish overnight, it is time for Ottawa to begin.

### ***Further research***

No research report would be complete without recommending more research. This study is primarily descriptive, rather than analytic, but it is suggestive of a number of questions requiring deeper analysis.

For example, it would be helpful to understand better the phenomenon of high

Aboriginal participation rates. Participation rates are a critical question for policy design. If participation rates are indeed genuinely higher than expected, as is suggested by the evidence in this report, than employment support services for the Aboriginal identity population should be designed primarily to help people get into jobs, to provide for skills and training upgrades and, in some instances, to assist in the creation of jobs. On the other hand, based on the evidence presented in this report, it would not be sensible to spend money on providing additional financial incentives for Aboriginal persons to get jobs. Apparently Aboriginal people in Canada do not need incentives. This research sheds light on an immediate and vital question of program design, affecting the expenditure of millions of public dollars.

There are many other issues that also could be explored more deeply. This study has not, for example, investigated the gender aspect of labour markets. Are men and women in the Aboriginal identity population differentially experiencing the labour market? If so, in what ways and what can this tell us about program design?

This research would be of use not only to the federal government, but to provinces and First Nations governments as well. A more consistent and policy-oriented program of research would be a practical addition to the work that is already under way in many governments and Aboriginal organizations.

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