

# The Current State of the Northern Economy for Inuit in Nunavut

What is the current state of the northern economy, with specific attention to Inuit in Nunavut? This chapter attempts to answer this question.

The first part of this chapter focuses on the nature of the so-called “mixed economy,” where governments support mining and resource development but offer very little space for Inuit-led economic activity, and questions whether the strong bias towards mining is justified when considering socioeconomic outcomes for Nunavut’s population. Government support for mining far outweighs that of other sectors, yet its benefits to the local population are modest.

The second section examines the labour market and the extent to which Inuit are involved and benefit from the existing Northern Economy. It draws a comparison between government support for skills development for the wage economy and support for culture and language, with a particular emphasis on the latter. As demonstrated by the rest of the report, investments in language education could provide the foundation for Inuit-led economic activity, which is grounded in Inuit culture.

Based on the results of this analysis, it is clear that a re-think of the economic development approach in the Northern Economy is warranted. This re-evaluation should strongly focus on Nunavut’s traditional economic sectors: harvesting, arts, and the language that underlies their effective practice. Beyond the economic benefits, these sectors play a pivotal role in cultural revitalization and community building. Moreover, hunting and harvesting significantly contribute to food security and food sovereignty, further justifying the need for change.

From the Yellowhead Institute Special Report, *Pinasunniq: Reflections on a Northern Indigenous Economy*.  
Download the full report at [yellowheadinstitute.org/pinasunniq](http://yellowheadinstitute.org/pinasunniq)

## THE “MIXED” ECONOMY

**When discussing Nunavut’s economy, it is important to keep in mind that it is, in essence, a dual one.**

Specifically, we can distinguish between formal (wage-based) and traditional (land-based) economies. Economic assessments commonly focus on the former with an emphasis on employment, wages, and GDP growth.

Since mining is the largest private sector employer in the territory, it receives comparatively more attention than most other sectors. In contrast, Nunavut’s traditional sectors, such as hunting and arts, receive relatively little consideration in economic studies. Similarly, this can be seen in the case of government support for Nunavut’s industrial sectors. As Caine and Krogman (2010) and Rodon and Lévesque (2015) note, the predominant emphasis on economic investment in the Northern economies tends to revolve around job creation through natural resource exploration and extraction.

The divergent treatment of Nunavut’s mining sector compared to its traditional ones raises the question of whether the significant difference in support of mining is actually justified. Put differently, what are the socioeconomic benefits of mining compared to the traditional sectors of Nunavut’s population? And should the land-based economy receive more attention and support from policymakers?

## GOVERNMENT SUPPORT

While specific data on sectoral subsidies is difficult to come by, official information suggests that government support of the mining sector is substantial. The 2023 federal budget set aside \$1.5 billion to launch a critical minerals infrastructure fund and proposed a 30 percent tax credit for extracting and processing critical minerals.<sup>1</sup> Budget 2024 expanded this with \$3.8 billion for a Critical Minerals Strategy.<sup>2</sup>

The significant tax credits come on top of deductions for exploration expenses. Canadian exploration expenses (CEEs) refer to the costs incurred when determining the existence, location, extent, or quality of mineral resources, petroleum, or natural gas in Canada. The notable thing about CEEs is that they are deductible to 100 percent

in the same year they occur. In other words, businesses can immediately subtract the entire amount from their taxable income. Additionally, if there are any unused expenses, they can be carried forward indefinitely or transferred to investors through so-called flow-through shares.<sup>3</sup>

Below are figures for exploration and deposit appraisals from 2020 to 2022 in Nunavut. Total expenditures amounted to \$143.2 million in 2022. Approximately 70 percent of this amount, a total of \$100.24 million, was spent on exploration.<sup>4</sup>

**TABLE 1**  
Exploration and deposit appraisal expenditures  
Nunavut, 2000-2022

YEAR	EXPLORATION (millions)	DEPOSIT APPRAISAL (millions)	TOTAL (millions)
2020	\$49.49	\$21.21	\$70.7
2021	\$104.44	\$44.76	\$149.2
2022	\$100.24	\$42.96	\$143.2

SOURCE: NATURAL RESOURCES CANADA: MINERALS AND THE ECONOMY<sup>5</sup>

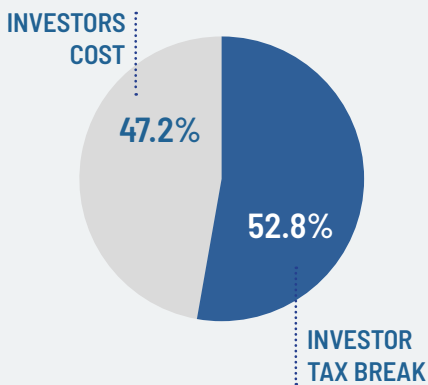
**Meanwhile, there is also data on the loss in corporate income tax for the 100 percent deduction of exploration expenses. Assuming a 12 percent corporate income tax, the lost tax revenue for Nunavut in 2022 alone amounts to roughly \$12.03 million. For the past three years, the total loss is around \$30.5 million.**

**TABLE 2**  
Estimating loss in corporate income tax revenue for  
Nunavut due to CEE deductions

YEAR	LOSS IN CORPORATE INCOME TAX REVENUE (millions)	TOTAL LOSS FROM '20 - '22 (millions)
2020	\$5,938,800	\$30,500,400
2021	\$12,532,800	
2022	\$12,028,800	

As mentioned, these deductions come on top of tax credits from so-called flow-through shares (FTS). Simply put, an FTS is a way for a business involved in mineral exploration and development in Canada to raise funds. When a company issues FTS, it allows them to pass on certain expenses to the shareholders, which are then treated as if the investor, not the company, had incurred them. This arrangement can help lower the investor's taxable income.

**Nunavut leads in this regard.**  
**In 2022, cost of a \$1,000 investment in FTS was \$472. In other words, Nunavut allows investors to pay less than half the full cost of their investment in mining.**



These figures combined illustrate considerable support for the mining sector. In contrast, the Canadian Northern Economic Development Agency (CanNor) recently announced that it would provide a total of \$556,866 over two years to support Nunavut's hunters and trappers organizations.<sup>6</sup>

While it is commendable that public officials recognize the importance of supporting Nunavut's land-based economy, there is a striking disparity in government support between the mining sector and the traditional economy.

Looking simply at employment numbers, one could argue that the mining sector supports considerably more jobs in Nunavut than in hunting or arts. According to the latest census data, out of a total

workforce of 13,255 people, around 400 work in mining, 250 in arts, entertainment, and recreation, and 150 in agriculture, forestry, fishing, and hunting. However, these statistics fail to capture the true magnitude of Nunavut's land-based and art economy (demonstrated below), nor do they account for the overall impact of each sector on the economy, including their interdependence with other sectors.

## THE BENEFITS TO NUNAVUT

Instead of focusing solely on GDP, wages, or employment numbers to assess the importance of a specific sector for an economic region, it is more valuable to consider the sector's interdependence with the broader regional economy; this gives us a better understanding of its benefits to the region through its interconnectedness with other sectors.

One of the key tools in understanding this interdependence is the concept of economic multipliers. When a new investment or spending occurs in a specific sector or industry, it creates a ripple effect, impacting other parts of the economy. These ripples are known as economic multipliers.

Let's say a company decides to build a new factory in a town. This investment will create direct job opportunities in the construction industry. But it doesn't stop there. The construction workers will spend their wages on groceries, restaurants, and other local businesses, which, in turn, creates additional jobs and income for those businesses and their employees. The employees of these businesses will then spend their earnings elsewhere, creating further economic activity.

**Economic multipliers measure this ripple effect by showing how one initial investment or spending generates additional economic activity and income. Essentially, it's a way to understand the broader impacts and benefits of an investment or expenditure beyond just the direct effects.**

**Two commonly used measures to estimate the contribution of a specific sector to the local economy: Job Multipliers and Labour Income Multipliers.**

A **JOB MULTIPLIER** shows the total number of additional jobs created in the regional economy for a further investment of \$1 million in a specific industry. Investments in industries with higher job multipliers are likely to increase overall employment more than those with lower job ones, thus creating more benefits for the economic region overall. Figure 1 presents the top five job multipliers by industry in Nunavut and compares those with the mining industry.

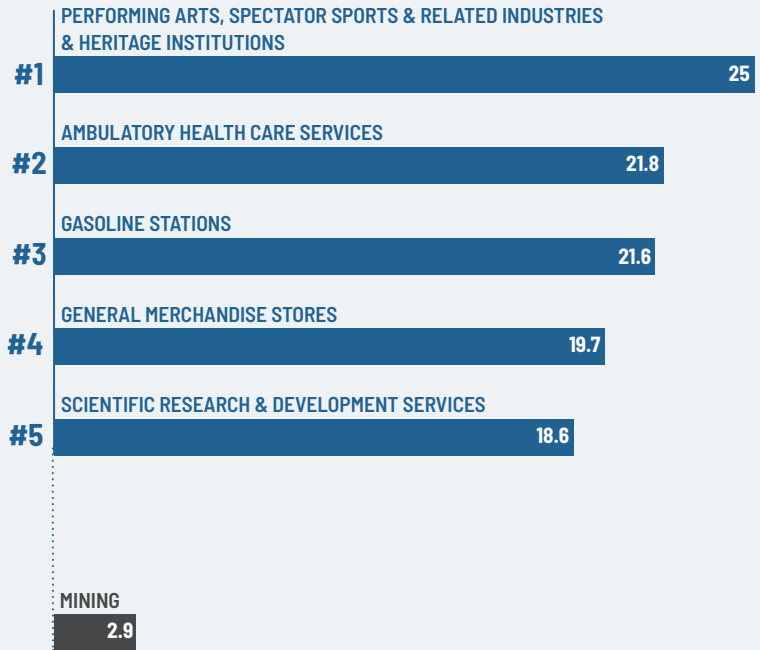
As shown, performing arts, spectator sports and related industries, and heritage institutions have the highest job multiplier, with a value of 25. This means that for every \$1 million investment in that sector, an additional 25 jobs are created throughout the economy.

**THE LABOUR INCOME MULTIPLIER** measures the change in overall labour income for one additional dollar of output.

Figure 2 shows that with a value of 1.5, scientific research and development services have the highest labour income multiplier, followed by performing arts, spectator sports and related industries, and heritage institutions with a total labour income multiplier of 1.

**FIGURE 1**  
Top Five Job Multipliers for Selected Industries in Nunavut, 2019

For every \$1 million investment mining an additional **2.9 jobs** are created throughout the economy in comparison to **25 jobs** per million invested in the Performing Arts.



SOURCE: STATISTICS CANADA, TABLE: 36-10-0595-01.

**FIGURE 2**  
Top Five Labour Multipliers for Selected Industries in Nunavut, 2019

A multiplier of 1.5 means that for every \$1 of economic activity, workers receive \$1.50 in total wages and salaries across the economy.



SOURCE: STATISTICS CANADA, TABLE: 36-10-0595-01.

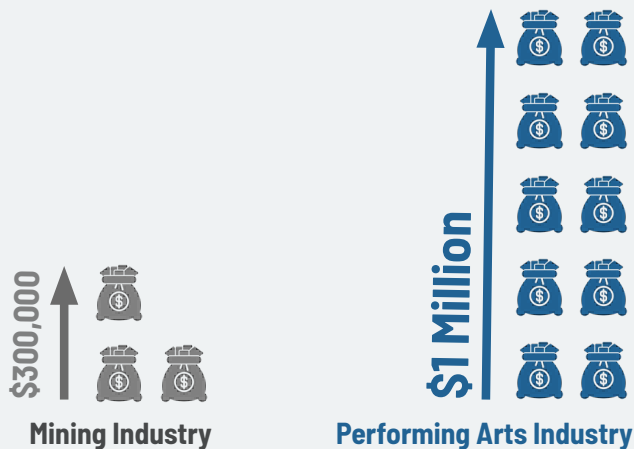
**FIGURE 3**

**Labour Income Increase Comparison**

One million dollar investment in the Performing Arts Industry vs. Mining Industry

The labour multiplier for the Mining industry is 0.3 in Nunavut. This means that for every \$1 million investment, the in the mining industry would increase total labour income by **\$300,000**.

In contrast, a \$1 million investment in the performing arts industry increased total labour income across the territory by **\$1 million**.



**These figures demonstrate that while significant support for the mining industry might be valuable from a national perspective, communities in Nunavut do not experience this value to the same degree.**

A diversification of government funding with increased support for other sectors of the economy, particularly those more deeply rooted in Nunavut’s society and culture, is likely to be more beneficial to Nunavut’s population and their socioeconomic well-being.

Indeed, these findings are confirmed by a recent study on the impact of mining on Indigenous communities. Berman et al. (2020) assess the benefits of a mining partnership between the Northwest Alaska Native Association and Teck Resources, a Canada-based company, over 14 years. They sum up their sobering results as follows:

**The benefits to local residents, although lasting and significant given the limited opportunities in the region, accounted for a relatively modest share of total employment and earnings.**

The relatively modest benefits received by local Indigenous residents, even in the favorable circumstances of the Red Dog case, suggest that one may need to temper expectations about what extractive industry development can achieve for Indigenous communities.

(BERMAN ET AL., 2020, P.8)

Based on the analysis conducted thus far, it is evident that a re-evaluation of government support for Nunavut's economy is necessary. As Berman et al. note, overall limited opportunities for the local population contribute to the modest benefits of mining. A plausible conclusion drawn from this observation is that prioritizing the expansion and diversification of overall economic opportunities would yield more favourable outcomes.

Furthermore, as we consider the positive impacts of the traditional economy, the socioeconomic benefits of such a rethinking become even more apparent.





**THESE FIGURES DEMONSTRATE THAT WHILE SIGNIFICANT SUPPORT FOR THE MINING INDUSTRY MIGHT BE VALUABLE FROM A NATIONAL PERSPECTIVE, COMMUNITIES IN NUNAVUT DO NOT EXPERIENCE THIS VALUE TO THE SAME DEGREE.**

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## THE IMPORTANCE OF ART AND HARVESTING FOR NUNAVUT'S ECONOMY

The term “livelihoods” is often used to describe the various ways in which Inuit families earn a living and support themselves. This term goes beyond wage employment and includes activities such as food harvesting, goods production, artwork, and handicrafts. As such, by extending our focus to include the land-based economy, we can develop a more comprehensive understanding of the Inuit economy (Anderson et al., 2016).

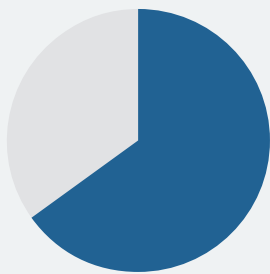
Nunavut’s land-based, or traditional, economy can be divided into two main sectors:

1. Hunting and harvesting activities; and
2. Arts and crafts.

Data from the 2017 Indigenous People’s Survey indicate the level of participation in these activities.<sup>7</sup>

FIGURE 4

### The Number of People involved in Hunting and Harvesting Activities in Nunavut



**65%**  
or 12,900 survey participants reported they engage in Hunting, Fishing or Trapping



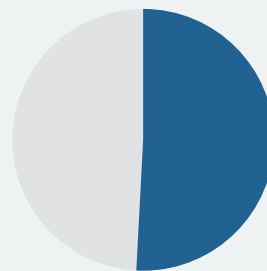
**37%**  
or 7,300 survey participants indicated they had gathered wild plants

FIGURE 5

### The Number of People involved in Arts and Crafts in Nunavut

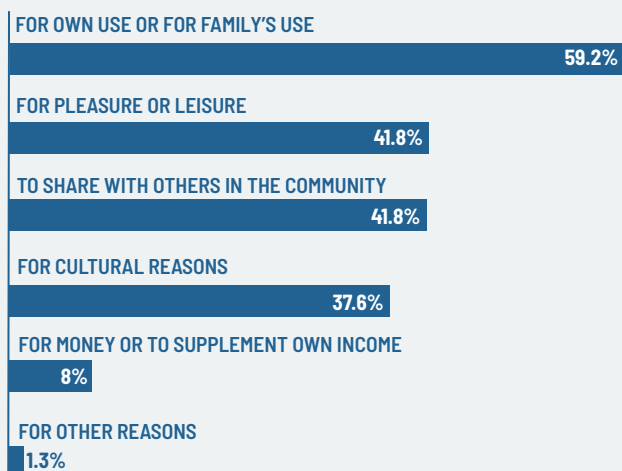
Almost  
**7,000**  
of survey participants were involved with making clothing or footwear.

Almost  
**3,400**  
survey participants produced artwork.



Taken together,  
**51%**  
of survey participants were involved in arts and crafts.

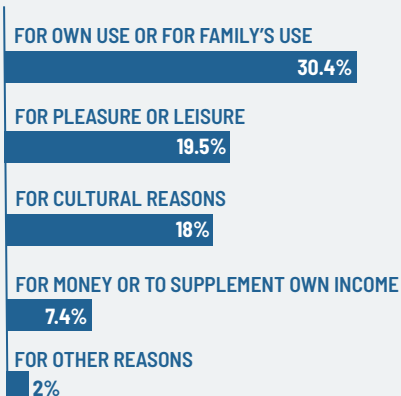
**FIGURE 6**  
Reasons for participating in harvesting activities in Nunavut, 2017



SOURCE: STATISTICS CANADA, 41-10-0046-01

Figure 6 shows us that only a minority of survey respondents hunt, fish, or trap to generate income. Almost 60 percent of those involved in hunting did so for their own or their family's use, followed by around 42 percent who did so for pleasure or leisure and to share with others in the community. Around 38 percent also cited cultural reasons.

**FIGURE 7**  
Reasons for participating in arts and crafts in Nunavut, 2017



SOURCE: STATISTICS CANADA, 41-10-0047-01

A similar picture emerges with the reasons for participating in the arts. As Figure 7 shows, the main reasons are creating something for one's own or one's family's use (30.4 percent), participating for pleasure or leisure (19.5 percent), and for cultural reasons (18 percent). Again, income generation does not play a significant role.<sup>8</sup>

### What does the data tell us about Northern participation in the land-based economy?

Participation in the land-based economy, then, exceeds purely monetary motives and is vital for family life and culture in Nunavut. Yet, recent research shows that it also generates significant socioeconomic benefits.

Studying Nunavut's hunting sector, Warltier et al. (2021) determine the value of Nunavut's country food by considering the amount and nutritional content of harvested country food alongside the nutritional composition and local prices of store-bought alternatives.

### They find that 17 out of 21 Nunavut communities harvest enough country food to meet the protein requirements of all community members.

Specifically, Nunavut's country food system annually gathers five million kilograms of protein-rich food from various regions across the territory. The purchase value of the equivalent amount of protein from stores would cost approximately \$198 million. In addition, the authors emphasize that the value of the country food system extends beyond monetary worth; it holds profound cultural and nutritional significance.

Studies by Searles (2016) and Kenny and Chan (2017) confirm that hunting and harvesting activities in Nunavut are a key contributor to food security. This finding is pertinent since data shows that Canada's Indigenous population is significantly more likely to be affected by food insecurity compared to the overall population (see Figure 8). Indeed, the share of the Indigenous population suffering from moderate or severe food insecurity is more than double that of the non-Indigenous population.



**FIGURE 8**  
**Percentage of Moderate or Severe Food Insecurity:**  
**Indigenous vs. Non-Indigenous populations**



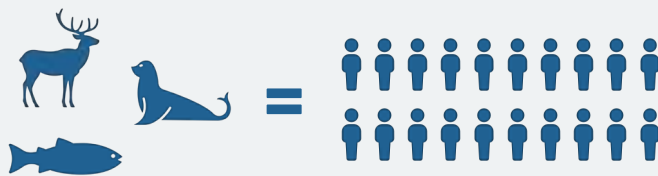
The share of the Indigenous population suffering from moderate or severe food insecurity is **more than double** that of the non-Indigenous population.

SOURCE: STATISTICS CANADA, TABLE: 13-10-0835-01.

The important contribution of Nunavut’s hunting and harvesting activities to the socioeconomic well-being of the local population is further highlighted in a recent report by the Future Skills Centre (2023). The report, citing George Wenzel’s work, emphasized the stark comparison in value of investment in local hunting and harvesting versus money spent at Northern grocery stores, as seen in Figure 9.

Beyond this, the Future Skills Centre report underscores the crucial role of hunters in facilitating access to land-based activities, which hold deep significance for Inuit livelihoods and culture. Yet, their expertise often goes unrecognized when measuring Northern economic growth and their capabilities are often overshadowed by the preference for formal credentials and workplace experience in wage-based employment.

**FIGURE 9**  
**HOW FAR DOES \$50 GO?**  
**A Comparison between Local Hunting and Harvesting vs. Grocery Store Purchases in Northern communities**



**Local Hunting and Harvesting**

An investment of just **\$50** in local hunting and harvesting generates a supply of country food capable of feeding **20 individuals**.

**VS.**



**Local Grocery Store**

**\$50** spent at local Northern grocery stores, would provide meat for **less than four individuals**, with the meat likely being less fresh and lacking the cultural value associated with traditional food sources.

## THE LABOUR MARKET, SKILLS DEVELOPMENT, AND LANGUAGE

Regarding wage-based employment, this analysis considers the scope and nature of Inuit involvement in the Nunavut labour market, which is characterized by significant inequality between the Inuit and non-Inuit populations. While the Inuit population accounts for roughly 73 percent of the total labour force in Nunavut, overall opportunities are severely limited to relatively lower-paid jobs. This results in substantial wage inequality and poor economic prospects for Inuit. Moreover, empirical evidence suggests the existence of labour market barriers and discrimination against Inuit workers.

Differences in unemployment rates between Indigenous and non-Indigenous<sup>9</sup> groups do not decline significantly with higher educational attainment, and wage gaps exist between the two groups for all levels of educational attainment.

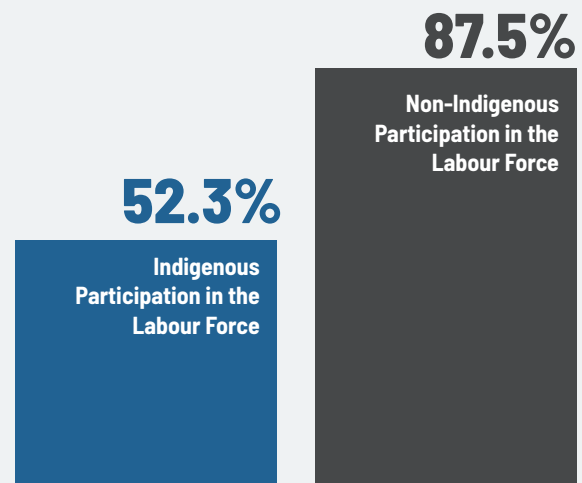
Next to a narrow focus on formal credentials, the profound differences in educational outcomes among the Indigenous and non-Indigenous populations appear to result from the prevailing educational approach. With the exception of one French-language school, all schools in Nunavut operate in English.<sup>10</sup> Given the ample empirical evidence demonstrating that integrating Indigenous language in Indigenous schools significantly improves student well-being and learning outcomes, creating an Inuktitut-language education system should be a policy priority.

These policies should be part of an approach that works towards the self-determination of Nunavut's Inuit population.

### Inequality in Labour Market Outcomes

Among individuals aged 15 and higher, around 52 percent of Indigenous people are in the labour force compared to roughly 87 percent of the non-Indigenous population. More importantly, employment figures for non-Indigenous people are significantly higher. Around 85 percent of the non-Indigenous labour force is employed compared to roughly 41 percent of the Indigenous labour force. As a consequence, the unemployment rate among the Indigenous population is almost nine percentage points higher than that of the non-Indigenous population.

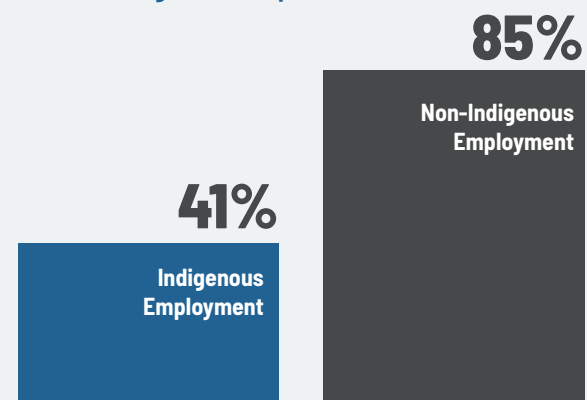
**FIGURE 10**  
Labour Force Participation of Indigenous People vs Non-Indigenous Population in the Labour Force



Among individuals aged 15 and higher, around 52.3 percent of Indigenous people are in the labour force compared to roughly 87 percent of the non-Indigenous population.

SOURCE: STATISTICS CANADA: TABLE 98-10-0451-01.

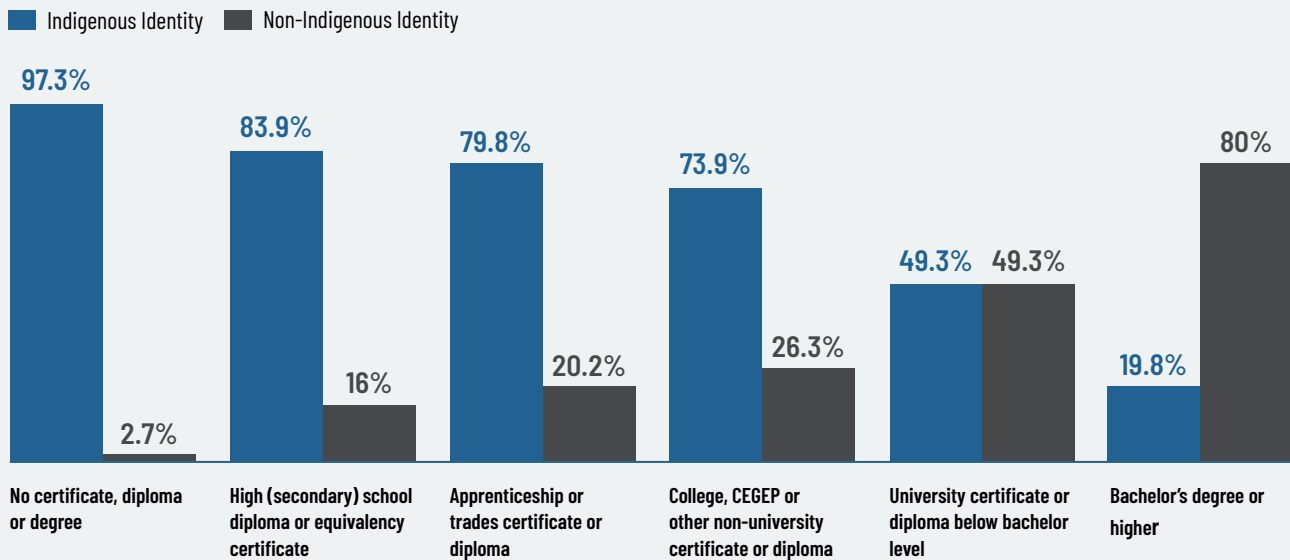
**FIGURE 11**  
Employment Figures for Indigenous People vs Non-Indigenous Population



Around 85 percent of the non-Indigenous labour force is employed compared to roughly 41 percent of the Indigenous labour force.

SOURCE: STATISTICS CANADA: TABLE 98-10-0451-01.

**FIGURE 11**  
**Labour Force Participation by Highest Educational Achievement**



SOURCE: STATISTICS CANADA, TABLE: 98-10-0428-01.

This uneven split in employment can be a result of educational outcomes. As Figure 11 shows, among those with no certificate, diploma, or degree, around 97 percent are Indigenous. Similarly, percentage shares among the Indigenous population are significantly higher among those whose highest educational achievement is a high school diploma or equivalent, those with an apprenticeship or trades certificate, and those with a non-university certificate. Figure 11 also shows that the number of Indigenous and non-Indigenous people with an associate degree (a university degree below bachelor level) is the same at 49.3 percent. In contrast, among those with a bachelor's degree or higher, only 20 percent are Indigenous.

While it is likely that these differences in educational achievement account for some of the disparities in Nunavut's labour market with respect to Indigenous and non-Indigenous groups, they are also the result of a degree-based labour market. Certificates and formal educational achievements are still commonly used to signal skills and competencies, whereas valuable skills gained in other ways tend to be overlooked.

As a recent report on Nunavut's mixed economy points out:

Hunters have expertise in land-based activities, which aren't typically accounted for in labour market forecasts or measures of Northern economic growth. And despite the fact that life in the Arctic requires strong skill sets, hunters' skills are often not recognized as legitimate qualifications for jobs in the wage economy. Instead, employers tend to privilege formal credentials and workplace experience. (FUTURE SKILLS CENTRE, 2023: P. 7.)

In addition to a narrow focus on formal credentials, the profound differences in educational outcomes among Indigenous and non-Indigenous populations might also result from the prevailing educational approach — a topic discussed in more detail below.

Labour market choices and outcomes reflect the differences in educational attainment. Among the top ten occupations with the highest shares of Indigenous people in Nunavut, the top five have a total Indigenous employment share of 100 percent. Moreover, with the exception of supervisors in natural resources, agriculture and related production (median annual income: \$80,000) and general trades (median annual income: \$52,000), the median employment incomes for the remaining occupations are well below \$40,000 per annum. In fact, calculating the average of all median annual incomes for these occupations amounts to just \$28,640 per year.



With the exception of one French-language school, all schools in Nunavut operate in English.<sup>10</sup> Given the ample empirical evidence demonstrating that integrating Indigenous language in Indigenous schools significantly improves student well-being and learning outcomes, creating an Inuktitut-language education system should be a policy priority.

These policies should be part of an approach that works towards the self-determination of Nunavut's Inuit population.



Photo Credit: Shari Fox

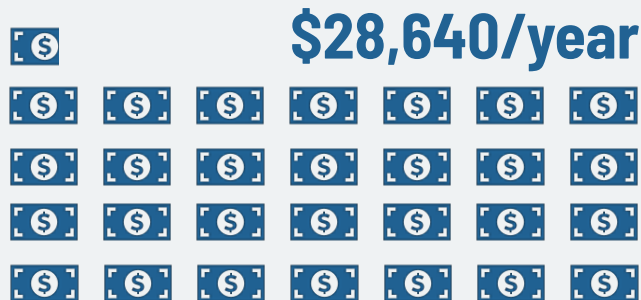


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Among the top ten occupations with the highest shares of Indigenous people in Nunavut, the top five have a total Indigenous employment share of 100 percent:

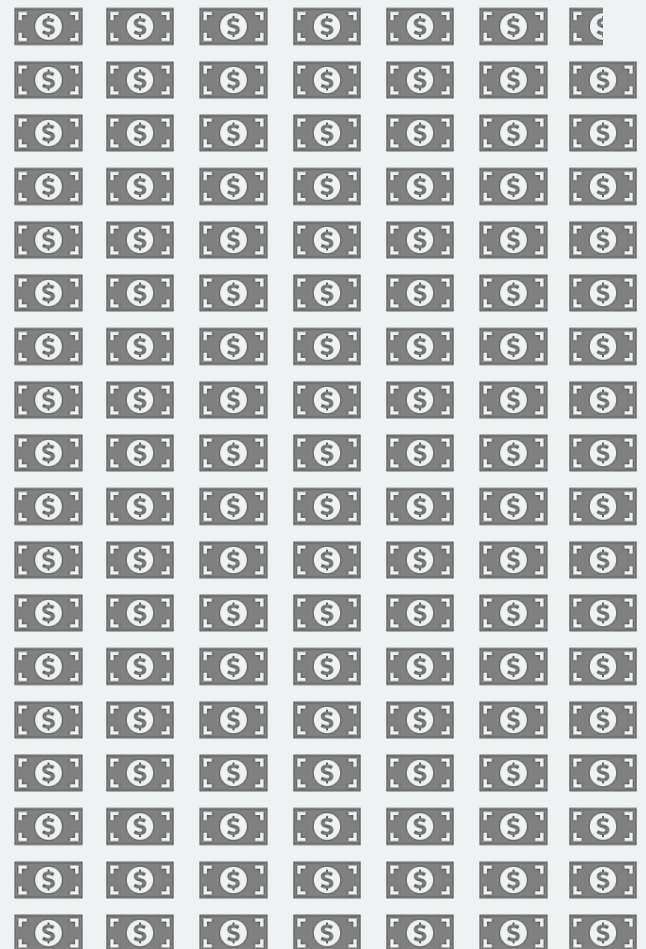
1. Supervisors in natural resources, agriculture and related production
2. Occupations in natural resources and related production
3. Workers in natural resources, agriculture and related production
4. Harvesting, landscaping and natural resources labourers
5. Machine operators, assemblers and inspectors in processing, manufacturing and printing

**FIGURE 12**  
**A Comparison of Average Median Annual Incomes for Top Occupations with the Highest Shares of Indigenous vs. Non-Indigenous People**



The average of all median incomes for the eight of the top ten occupations with the highest shares of Indigenous people in Nunavut amounts to just **\$28,640** per year.

**\$125,459/year**



The average of all median annual incomes for the top ten occupations with the highest shares of non-Indigenous people amounts to **\$125,450** per year.

**TABLE 3**

**Percentage of Indigenous Employment by Industry and Highest Educational Attainment in Nunavut, 2021**

Highest certificate, diploma or degree	Construction	Educational services	Health care and social assistance	Mining, quarrying, and oil and gas extraction	Public	Total
No certificate, diploma or degree	2.6	3.7	4.6	2.5	9.8	<b>32.2</b>
High (secondary) school diploma or equivalency certificate	1.9	2.5	2.3	0.6	7.9	<b>17.5</b>
College, CEGEP or other non-university certificate or diploma	0.8	1.7	1.7	0.7	7.4	<b>13.1</b>
Apprenticeship or trades certificate or diploma	0.9	0.3	0.4	0.3	2	<b>4.4</b>
Bachelor's degree or higher	0.0	2.0	0.4	0.0	1.4	<b>3.7</b>
University certificate or diploma below bachelor level	0.0	0.2	0.0	0.0	0.7	<b>0.9</b>
<b>TOTAL</b>	<b>5.2</b>	<b>10.5</b>	<b>9.4</b>	<b>4.1</b>	<b>29.2</b>	<b>72</b>

With the exception of supervisors in natural resources, agriculture and related production (median annual income: \$80,000) and general trades (median annual income: \$52,000), the median employment incomes for the remaining occupations are well below \$40,000 per annum.

In contrast, the top two occupations with the highest non-Indigenous employment shares (100 percent) are:

1. [Specialized middle management occupations in health care and central control and process](#)
2. [Operators and aircraft assembly assemblers and inspectors.](#)

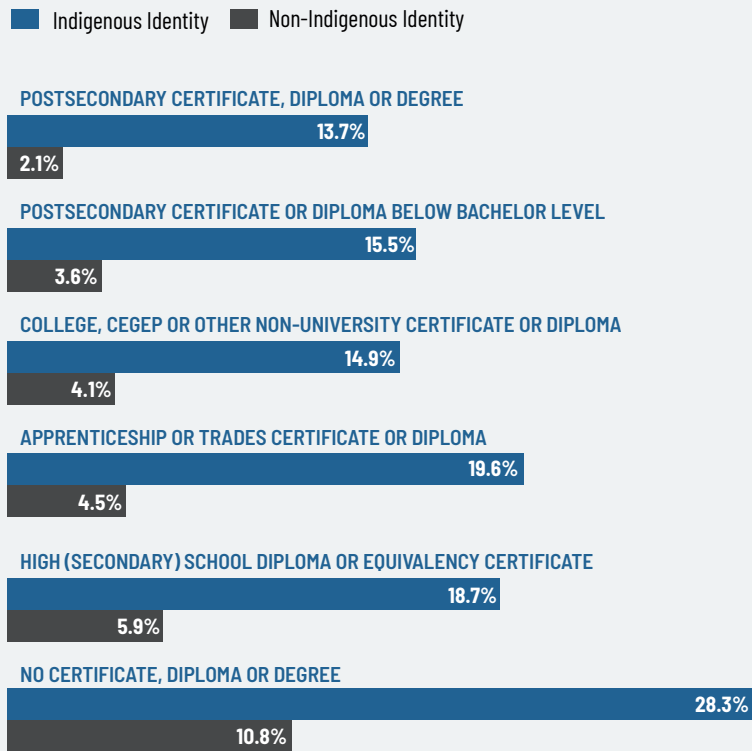
Further, eight of the top ten occupations for the non-Indigenous population have median annual incomes of well over \$100,000.

**The average wage difference between the top ten occupations with the highest non-Indigenous share and those with the highest Indigenous share in Nunavut is \$96,810.**

The difference in economic opportunities significantly contributes to the wage inequality between the Indigenous and the non-Indigenous populations and is also apparent when looking at employment by industry. The table below breaks down Indigenous employment shares by industry and highest educational attainment. Together, these six industries account for roughly 72 percent of Indigenous employment in Nunavut.

It shows that employees with no formal certificate, diploma, or degree account for the largest share in these industries and represent almost one-third of total employment. At 17.5 percent, the second highest overall share is employees with a high school diploma or equivalent, followed by those with a college or other non-university certificate or diploma, with a total share of 1.3 percent.

**FIGURE 13**  
**Unemployment rate by educational attainment among the Indigenous and non-Indigenous population in Nunavut, 2021.**



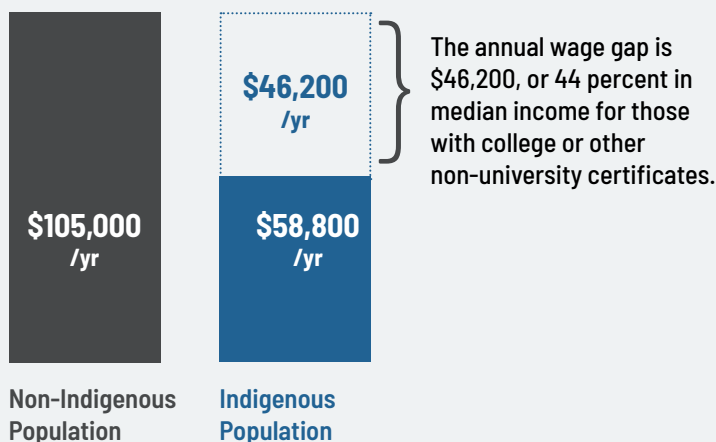
SOURCE: STATISTICS CANADA, TABLE: 98-10-0451-01.

One could argue that lower formal educational attainment leads to fewer economic opportunities and a significant wage inequality between the Indigenous and the non-Indigenous population in Nunavut.

Yet, this is only part of the socioeconomic picture. The figure to the left depicts unemployment rates for Nunavut's Indigenous and non-Indigenous populations by highest educational attainment. Differences in unemployment rates between these two groups should decline significantly with higher educational attainment – but they do not. For example, the unemployment rate among Indigenous people with a postsecondary degree is 13.7 percent. In comparison, it is only 2.1 percent among the non-Indigenous population. In fact, the average difference in unemployment rate between Indigenous and non-Indigenous among those with any degree is almost 14 percentage points, which suggests the existence of additional barriers or discrimination against the Indigenous population.

Another indicator of labour market discrimination is the wage differentials among Indigenous and non-Indigenous workers. The annual median employment income by identity and highest educational attainment illustrate that the wage gap exists for all levels of educational attainment.

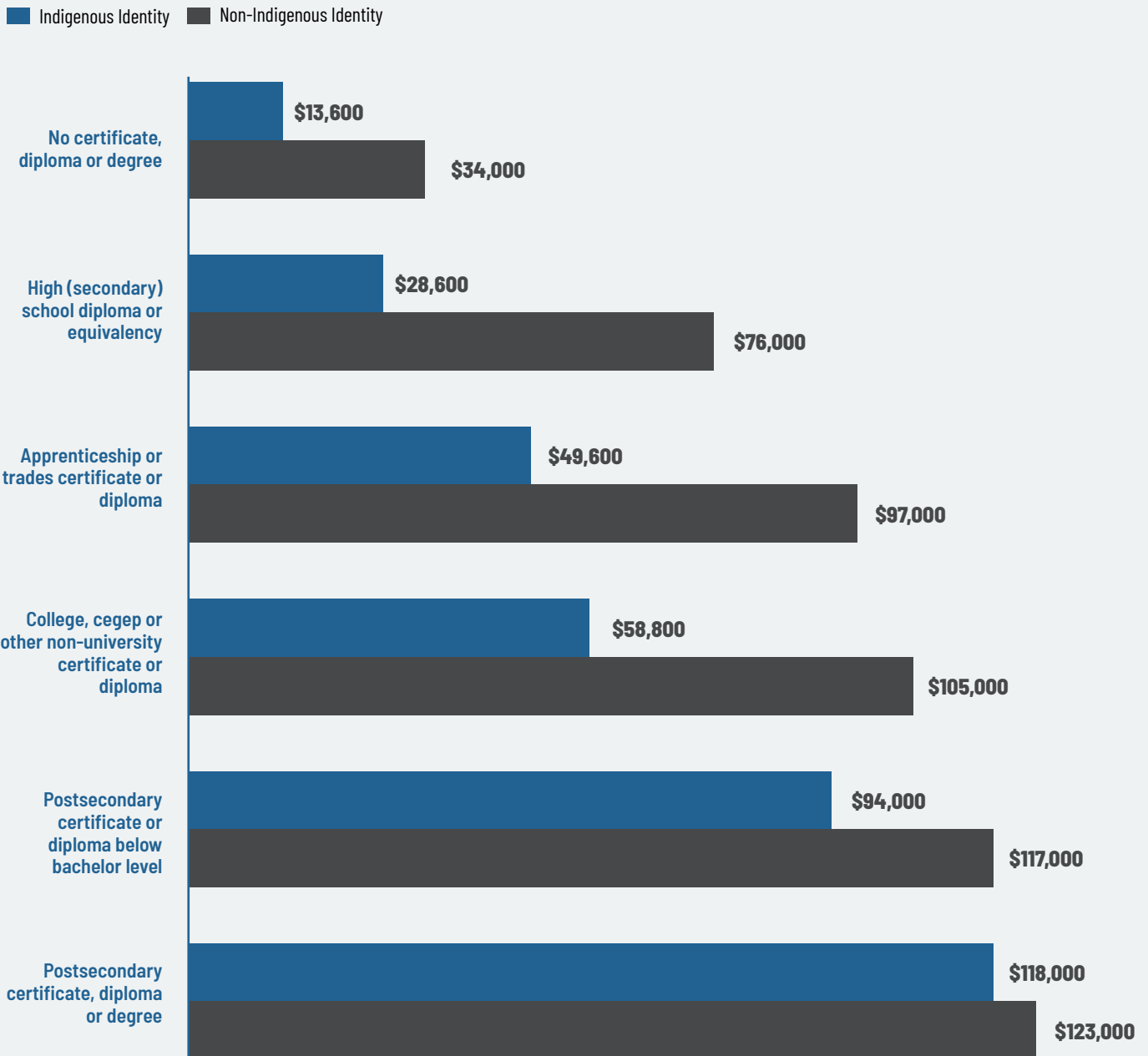
**FIGURE 14**  
**The Annual Wage Gap between Indigenous and non-Indigenous Workers with a College, CEGEP or other non-university certificate or diploma**



The average wage gap is \$31,567 per year, but it is significantly larger for specific groups. For example, the annual wage gap is \$46,200 in median income for those with college or other non-university certificates.

The empirical evidence strongly suggests a severe lack of economic opportunities for the Indigenous population in Nunavut, resulting in disparate labour market outcomes, wage inequality, and a disregard for skills gained outside the formal education sector.

**FIGURE 15**  
**Median Employment Income among Indigenous and non-Indigenous Workers at Various Levels of Educational Attainment**





## SKILLS DEVELOPMENT & LANGUAGE EDUCATION

Despite the clear mandate of Article 23 of the Nunavut Agreement, which stipulates that Inuit should be represented in government employment in Nunavut according to their representation in Nunavut's population, a significant disparity persists. Currently, 83.74 percent of the Nunavut population is Inuit, but Inuit hold only 51 percent of filled jobs in the territorial and federal governments in Nunavut.

One argument for why Article 23 has not yet been fulfilled is a lack of relevant skills among the Indigenous population. In this context, as early as 2010, a report of the Auditor General of Canada to the Legislative Assembly of Nunavut indicated that the inability to meet the obligations of Article 23 results from the failure to assess, plan, educate and train Inuit workers properly.<sup>11</sup>

Essential measures that should be taken to address these failures include:

- Improving educational outcomes by revising the current educational system to better suit the needs of Indigenous students
- Expanding skills training for the working-age population.

Regarding the first measure, the data suggests that creating an Inuktitut-language education system would remove key barriers to successfully implementing Article 23. Indeed, Palesch (2016) and Wyatt (2021) emphasize that educational success and subsequent labour market outcomes would improve if Inuit were taught in their own language.

More broadly, evidence shows that student outcomes among Indigenous populations significantly improve when Indigenous students are taught in their language in primary school. Delprato (2021) finds that this approach renders the learning gap between Indigenous and non-Indigenous students insignificant. These promising results are supported by Angelo et al. (2022), who study the experiences and outcomes of Indigenous students' education in New Zealand, Australia, and Canada.

The importance of Indigenous language education has also been highlighted by de Varennes (2020), the

UN Special Rapporteur on minority issues. Urging governments to educate children in their mother tongue, the Special Rapporteur points out that this measure lowers drop-out rates, significantly improves academic results, improves levels of literacy and fluency in both the mother tongue and the official or majority language, leads to greater family and community involvement, and proves more cost-effective in the long-term. In addition, it can help mitigate the risks of *“ending up later in life with the lowest paying jobs and highest unemployment rates.”*<sup>12</sup>

## CONCLUSION

This analysis finds that the economy in Nunavut is characterized by substantial government support for the mining industry at the expense of Inuit-led economic activities, giving rise to questions about the long-term socioeconomic benefits for Inuit. It further highlights the significant socioeconomic disparities between the benefits accrued from the mining sector and those from traditional Inuit economic activities such as hunting, arts, and crafts. It reveals that while mining is a major employer, its benefits to the local Inuit population are relatively modest compared to the traditional sectors.

### **This empirical evidence supports calls for a re-evaluation of economic policies to better support Inuit-led economic initiatives.**

The analysis further utilizes economic multipliers to illustrate the broader impacts of different sectors on the regional economy. It shows that investments in traditional sectors, such as arts and crafts, yield higher job and income multipliers than the mining sector. This analysis highlights the potential for greater overall economic benefits from supporting traditional industries, reinforcing the need for a diversified economic strategy that includes substantial support for land-based activities.

Finally, the analysis makes an argument for integrating Inuktitut-language education as a means to enhance educational attainment and labour market outcomes for Inuit. This recommendation is supported by extensive research showing that Indigenous language education significantly improves student well-being and academic performance.



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