

AN ANALYSIS OF THE CAUSES AND DETERMINANTS OF INDIAN
EMPLOYMENT PATTERNS AND TRENDS:
IDENTIFYING STRATEGIES FOR ACHIEVING COMMUNITY BASED
ECONOMIC DEVELOPMENT.

by

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A Thesis

Submitted to the Faculty of Graduate Studies
in Partial Fulfilment of the Requirements
for the Degree of

MASTER OF ARTS

Department of Economics
University of Manitoba
Winnipeg, Manitoba

1993

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ABSTRACT

This thesis analyses the employment circumstances of the Canadian Status Indian population, focusing on current and estimated future employment trends on-reserve. It also identifies a strategy for achieving on-reserve community economic and employment development.

The point of departure is the changing demographic composition of the status Indian population over the period 1986-2011, and the related impacts on employment circumstances as the Indian population ages into its working aged years. On the basis of empirical evidence and a literature review covering possible individual, reserve based and external determinants of low Indian labour force participation and low employment rates, the contemporary patterns of Indian employment is examined.

It is found that lack of employment and economic opportunities within on-reserve Indian communities is partly to blame on a lack of federal commitment to the financial support of economic development initiatives. In light of the growing Indian working aged population, the Indian unemployment problem will worsen considerably without an immediate federal commitment to long-term support for Indian community economic development.

The solution lies in a comprehensive community economic development strategy that entails long-term financial support with community control over the development process.

TABLE OF CONTENTS

	Page
<u>ACKNOWLEDGEMENTS</u>	
<u>ABSTRACT</u>	
<u>LIST OF TABLES</u>	v
<u>CHAPTER 1</u> INTRODUCTION	1
<u>CHAPTER 2</u> EMPLOYMENT AND ECONOMIC CIRCUMSTANCES OF THE CANADIAN STATUS INDIAN POPULATION	3
2.1 INTRODUCTION	3
2.2 INDIAN DEMOGRAPHIC PROFILE	3
i) Status Indian Population Growth	5
a) Total Status Indian Population Growth	6
b) On- and Off-Reserve Population Growth	10
c) Population Growth by Province	12
ii) Status Indian Population Distribution	15
a) Distribution by Province	15
b) Distribution by On and Off-Reserve	17
iii) Status Indian Age Distribution	18
a) Total Status Indian Age Distribution	18
b) The Working Aged Group	21
c) Age Distribution, On- and Off-Reserve	23
d) Bill C-31 Population	26
2.3 INDIAN EMPLOYMENT PROFILE	30
i) Bill C-31 and Employment	42
2.4 INDIAN POVERTY AND DEPENDENCY	44
2.5 A NOTE ON THE PROJECTION DATA AND ITS QUALITY	49

		Page
2.6	IMPLICATIONS	51
2.7	CONCLUDING COMMENTS	57
<u>CHAPTER 3</u>	IDENTIFYING AN APPROPRIATE THEORETICAL FRAMEWORK	59
3.1	INTRODUCTION	59
3.2	THE ORTHODOX PERSPECTIVE	61
	i) Application to the Indian Context	64
3.3	THE DUAL ECONOMY AND SEGMENTED LABOUR MARKET PERSPECTIVE	69
	i) Application to the Indian Context	72
3.4	THE DEPENDENCY AND INTERNAL COLONIALISM PERSPECTIVE	76
	i) Application to the Indian Context	79
3.5	THE MARXIAN PERSPECTIVE	83
	i) Application to the Indian Context	85
3.6	CONCLUDING COMMENTS	88
<u>CHAPTER 4</u>	CAUSES AND DETERMINANTS OF INDIAN EMPLOYMENT CIRCUMSTANCES	92
4.1	INTRODUCTION	92
4.2	INDIVIDUAL FACTORS LINKED TO EMPLOYMENT CIRCUMSTANCES	93
	i) Gender	93
	ii) Health Conditions	95
	iii) Housing Conditions On-Reserve	97
	iv) Education	98
	v) Work Experience	104
	vi) Business and Entrepreneurial Experience	106
	vii) Subsistence Pursuits	109
	viii) Culture	112
	ix) Migration	114

		Page
4.3	CONCLUDING COMMENTS	116
<u>CHAPTER 5</u>	CHARACTERISTICS OF THE RESERVE COMMUNITY AND ITS SURROUNDINGS THAT AFFECT EMPLOYMENT CIRCUMSTANCES	118
5.1	INTRODUCTION	118
5.2	INDIAN COMMUNITY CHARACTERISTICS AFFECTING EMPLOYMENT CIRCUMSTANCES	120
	i) Community Population Size	120
	ii) Community Employment Opportunities	122
	iii) Community Support for Participation in Wage Employment	125
	iv) Community Allocation of Employment Opportunities	127
5.3	SOME EXTERNAL FACTORS AFFECTING INDIAN EMPLOYMENT CIRCUMSTANCES	128
	i) Community Remoteness and Isolation from Local Markets	128
	ii) Characteristics of Local Economies Nearby Reserves	131
5.4	CONCLUDING COMMENTS	135
<u>CHAPTER 6</u>	FEDERAL ROLE IN INDIAN ECONOMIC AND EMPLOYMENT DEVELOPMENT	137
6.1	INTRODUCTION	137
6.2	THE FEDERAL ROLE	138
6.3	CONCLUDING COMMENTS	162
<u>CHAPTER 7</u>	IDENTIFYING ELEMENTS OF A STRATEGY FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT OF INDIAN COMMUNITIES	166
7.1	INTRODUCTION	166

		Page
7.2	OUTLINING A FRAMEWORK FOR RECOMMENDATIONS	167
7.3	COMMUNITY ECONOMIC DEVELOPMENT . .	168
7.4	SPECIFIC ELEMENTS OF A STRATEGY FOR COMMUNITY ECONOMIC DEVELOPMENT	171
	i) Commitment to Long-Term Planning .	171
	ii) Identifying and Meeting the Needs of the Community	173
	iii) Culture	175
	iv) Economic Activities that Entail Both Traditional and Modern Activities	175
	v) Indian Decision-Making at the Community-Level and Community Control Over the Development Process	178
	vi) Community Ownership of Enterprises and Resources	180
	vii) Use of Local Resources Rather Than Outside Investments to Build Up the Community	182
	viii) Import Substitution	183
	ix) Investments in Human Resources . .	185
	x) Business and Entrepreneurial Experience	187
	xi) Addressing Women's Issues	191
7.5	CONCLUDING COMMENTS	193
<u>CHAPTER 8</u>	CONCLUDING COMMENTS	194
<u>BIBLIOGRAPHY</u>	197

LIST OF TABLES

	Page
1. TOTAL STATUS INDIAN AND CANADIAN POPULATION, 1986-2011	6
2. BILL C-31 POPULATION AS A PERCENT OF TOTAL STATUS INDIANS, 1986-2011	7
3. BILL C-31 INDIANS GROWTH SHARE OF TOTAL STATUS INDIAN POPULATION GROWTH, 1986-2011	8
4. STATUS INDIAN PROPORTION OF CANADIAN POPULATION, 1986-2011	9
5. ON- AND OFF-RESERVE STATUS INDIAN POPULATION GROWTH, 1986-2011. AVERAGE ANNUAL RATES	10
6. PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF TOTAL STATUS INDIAN POPULATION, 1986-2011. BY PROVINCE	12
7. PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF ON-RESERVE STATUS INDIAN POPULATION, 1986-2011. BY PROVINCE	13
8. PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF OFF-RESERVE STATUS INDIAN POPULATION, 1986-2011. BY PROVINCE	14
9. STATUS INDIAN POPULATION AS A PROPORTION OF THE PROVINCIAL POPULATION, 1986-2011	15
10. DISTRIBUTION OF STATUS INDIAN POPULATION BY PROVINCE, 1992	16
11. STATUS INDIAN DISTRIBUTION BY ON- AND OFF-RESERVE, 1986-2011	17
12. TOTAL STATUS INDIAN AGE DISTRIBUTION, 1986-2011	19
13. TOTAL STATUS INDIAN AGE DISTRIBUTION BY BROAD AGE COHORTS, 1986-2011	21

	Page
14. AGE DISTRIBUTION OF STATUS INDIAN POPULATION, BY ON- AND OFF-RESERVE, 1986-2011	24
15. AGE DISTRIBUTION OF TOTAL CANADIAN POPULATION, 1986-2011	25
16. TOTAL STATUS INDIAN AGE DISTRIBUTION, BY PROVINCE, 1986-2011	26
17. BILL C-31 POPULATION AS A PROPORTION OF TOTAL STATUS INDIAN POPULATION BY ON- AND OFF-RESERVE, 1986-2011	27
18. BILL C-31 GROWTH SHARE OF TOTAL STATUS INDIAN POPULATION GROWTH, 1986-2011	28
19. PERCENT OF INDIAN POPULATION 15 YEARS AND OVER IN THE LABOUR FORCE ON-RESERVE, BY PROVINCE, 1981 AND 1986	31
20. PERCENT OF INDIAN POPULATION 15 YEARS AND OVER IN THE LABOUR FORCE ON-RESERVE, BY PROVINCE, BY SEX, 1981 AND 1986	32
21. TOTAL STATUS INDIAN AND TOTAL CANADIAN LABOUR FORCE ACTIVITY, 1981 AND 1986	33
22. ESTIMATED STATUS INDIAN LABOUR FORCE ACTIVITY, SELECTED YEARS	34
23. STATUS INDIAN WORKING AGED POPULATION, BY ON- AND OFF-RESERVE, 1986-2011	38
24. TOTAL CANADIAN WORKING AGED POPULATION, 1986-2011	39
25. PUBLIC ADMINISTRATION ON-RESERVE, BY ETHNIC GROUP, 1986	40
26. PUBLIC ADMINISTRATION ON-RESERVE, BY ETHNIC GROUP, BY SECTOR, 1986	41
27. INDIAN SOCIAL ASSISTANCE DEPENDENTS ON-RESERVE, SELECTED YEARS	45
28. MAJOR SOURCE OF INCOME: GOVERNMENT TRANSFER PAYMENTS (PERCENT OF POPULATION WITH INCOME) 1980 AND 1985	46

	Page
29. STATUS INDIAN EDUCATIONAL ACHIEVEMENT PERCENT OF POPULATION 15 AND OVER), 1981 AND 1986	99
30. STATUS INDIAN POST-SECONDARY ENROLMENT, 1981-1992	100
31. ABORIGINAL BUSINESS DEVELOPMENT PROGRAM. BY PROVINCE, DATA AS OF OCTOBER 27, 1992	159
32. ABORIGINAL BUSINESS DEVELOPMENT PROGRAM, BY ETHNIC GROUP, DATA AS OF OCTOBER 27, 1992	160
33. ABORIGINAL BUSINESS DEVELOPMENT PROGRAM. ESTIMATED CAPITAL COST OF JOB CREATION, 1993-2011	161

CHAPTER 1.0

INTRODUCTION

The emphasis of this study is on three closely interrelated issues that simultaneously and consistently have been at the very centre of Canadian Indian economic circumstances; lack of employment, widespread poverty, and high levels of federal dependence.

On the basis of past literature and available empirical evidence, the objective is to identify the contemporary patterns of Indian employment, and to present a causal analysis of possible determinants of low Indian labour force participation and low employment rates. This will serve as the basic framework for identifying economic development strategies that address the observed underdevelopment of Indian communities, and that have as the main objective to achieve a higher level of self-reliance within Indian communities.

First, the study presents an analysis of the broad trends in employment and economic circumstances among the Canadian status Indian population. This includes an overview of the changing demographic context, the contemporary trends and patterns of Indian employment, and the level of Indian

welfare dependency. Second, the study makes reference to various labour market theories, and discusses the applicability of each theory to the context of Indian employment conditions. The theoretical perspective serves as the foundation for analysing the causes and determinants of Indian employment conditions and levels of economic development. Third, on the basis of both observed trends of Indian employment and economic circumstances as well as an appropriate theoretical framework, the study undertakes a causal analysis of individual, reserve based and external factors contributing to the identified patterns of employment and economic circumstances. Fourth, on the basis of a review and assessment of contemporary federal initiatives directed at Indian economic and employment development, the objective becomes to identify shortcomings and problems within contemporary strategies. Finally, by drawing on the analysis of causal interrelations and identified shortcomings within current federal policy frameworks, the study attempts to identify elements of a strategy for employment and economic development within Indian communities. In so doing, the objective is to arrive at a comprehensive community based economic development strategy that addresses the special needs of Indian communities and thus seeks to find viable long-term solutions to the observed general state of underdevelopment.

CHAPTER 2.0

EMPLOYMENT AND ECONOMIC CIRCUMSTANCES OF THE
CANADIAN INDIAN POPULATION

2.1 INTRODUCTION.

The objective of this chapter is to present an overview of the contemporary circumstances of the Canadian Indian population.

This chapter seeks first; to highlight the changing demographic context; second, to outline the contemporary trends and patterns of Indian employment; and third, to give an overview of the state of Indian federal financial dependence. This will be followed by a discussion of major economic implications of these trends.

2.2 INDIAN DEMOGRAPHIC PROFILE.

Demographic data reveal the most fundamental characteristics of a population, characteristics which largely determine and shape the opportunities of that population. In particular, a population's size, geographical distribution, and age composition help shape the economic framework within which people live. And therefore, a

demographic profile provides a basic framework for an analysis of employment and economic circumstances.

As will be shown in the following, the Canadian status Indian population is undergoing significant changes in its demographic composition. The size and corresponding age composition have undergone noticeable changes throughout the 1980s. The changes in population dynamics still prevail and are gaining increasing importance for the Indian community in the 1990s. Of immediate importance to the Indian population is the impact these changes will have on the already widespread economic despair witnessed in most Indian communities. Communities are particularly concerned about the impacts upon the already critical employment situation, scarce resources, and federal financial dependence. As the Indian population experiences continuing growth the pressures are mounting to find ways to reach a higher level of employment and economic development.

The following is a profile of the demographics of the Indian population, its size, growth, population and age distribution, using a data projection series (with 1986 Indian Register data as base), as well as using Canadian population projections (with 1986 Census data as base) for comparative purposes (See section 2.5 for more details on data and its reliability). This will provide the foundation for an analysis of the implications of these trends for the status Indian population.

i. STATUS INDIAN POPULATION GROWTH.

Current and future trends in Indian population growth are significant factors in determining future economic circumstances of Indian communities.

The Indian population is experiencing considerable growth and though the population is growing at a declining rate, the rate is projected to remain relatively high well into the future.

The declining rate of growth of the Indian population is the result of a continuous decline in the Indian fertility rate, but the rate of growth is projected to remain relatively high because of three main factors that are off-setting the effect of the declining fertility. First, due to improved health conditions the longevity of the Indian population is rising. Second, there exists a built-in momentum for future population growth as a result of the Indian baby boom generation of the 1960s now being in the reproductive years (a large number of women in their reproductive years will give birth to a large number of children despite a falling fertility rate for individual women). Third, amendments to the Indian Act, Bill C-31 in 1985 (restored status to Indians who had previously lost their status due to gender discrimination in the Indian Act), have resulted in a significant number of new registrants into the status Indian population.

a. TOTAL STATUS INDIAN POPULATION GROWTH.

The status Indian population was estimated to be 521,461 in 1991, up more than 118,400 over the 1986 population of 403,042, for an annual average growth of 5.29%.

Over the same period the total Canadian population grew at a considerably smaller rate of 0.90% (Table 1).

TABLE 1

TOTAL STATUS INDIAN AND CANADIAN POPULATION, 1986-2011.

YEAR	TOTAL STATUS- INDIAN POPULATION	TOTAL STATUS ANNUAL GROWTH	TOTAL CANADIAN POPULATION ('000)	CANADIAN ANNUAL GROWTH
1986	403,042	-	25,591.1	-
1991	521,461	5.29	26,767.1	0.91
1993	542,426	2.00	27,255.0	0.90
1996	573,269	1.84	27,921.2	0.80
2001	622,901	1.68	28,867.1	0.67
2006	671,526	1.52	29,653.7	0.54
2011	721,246	1.44	30,324.3	0.45

SOURCES: DIAND, 1990. POPULATION PROJECTIONS OF REGISTERED INDIANS, 1986-2011, MEDIUM GROWTH PROJECTION. (Hereafter referred to as DIAND, 1990. POPULATION PROJECTIONS).
STATISTICS CANADA, 1989. POPULATION PROJECTION FOR CANADA, PROVINCES AND TERRITORIES, 1989-2011. PROJECTION NO. 3. (Hereafter referred to as STATISTICS CANADA, 1989. POPULATION PROJECTIONS).
STATISTICS CANADA, 1986 CENSUS DATA.

The growth of the Indian population is expected to decline continuously till year 2011 to an annual rate of

growth of 1.44% over the period 2006-2011 (compared to 0.45% for the total Canadian population). Thus, despite a falling rate of population growth, by year 2011, the annual rate of growth is projected to be more than three times that of the Canadian.

The 5 year period, 1986-1991, exhibits a growth pattern considerably different than that of the projection period, 1991-2011 (Table 2).

TABLE 2

BILL C-31 POPULATION AS A PERCENT OF TOTAL STATUS INDIANS, 1986-2011.

YEAR	TOTAL STATUS INDIAN POPULATION	TOTAL BILL C-31 POPULATION	BILL C-31 AS A % OF TOTAL STATUS
1986	403,042	18,137	4.5
1987	431,439	37,825	8.8
1988	458,807	56,388	12.3
1989	485,186	73,876	15.2
1990	510,905	90,673	17.7
1991	521,461	92,282	17.7
1992	531,981	93,859	17.6
1993	542,426	95,393	17.6
1994	552,799	96,880	17.5
1995	563,082	98,323	17.5
1996	573,269	99,710	17.4
2001	622,901	105,675	17.0
2006	671,526	109,652	16.3
2011	721,246	112,360	15.6

SOURCE: DIAND, 1990. POPULATION PROJECTIONS.

This discrepancy is due to the impact of the enactment of Bill C-31. By the end of 1986, approximately 18,137 individuals had their status restored, and by 1991 a projected 92,282 had been reinstated. This represents an enormous addition to the Indian population which is much larger than the increase attributed to natural increase. In fact, over the period 1986-91 the Bill C-31 registrants contributed 62.6% of the total growth of the Indian population (Table 3).

TABLE 3

BILL C-31 INDIANS' GROWTH SHARE OF TOTAL STATUS INDIAN POPULATION GROWTH, 1986-2011.

5 YEAR PERIOD	TOTAL STATUS INDIAN ABSOLUTE INCREASE	TOTAL BILL C-31 ABSOLUTE INCREASE	BILL C-31 GROWTH SHARE
1986-1991	118,419	74,145	62.6
1991-1996	51,808	7,428	14.3
1996-2001	49,632	5,965	12.0
2001-2006	48,625	3,977	8.2
2006-2011	49,720	2,708	5.4

SOURCE: DIAND, 1990. POPULATION PROJECTIONS.

The rate of growth of the Indian population fell sharply after the Bill C-31 registration period (1985-1990). Thus, by 1991-96, the average rate of growth is projected to drop considerably to 1.91%, and then, as stated, to further decline to 1.44% by 2006-2011.

As a result of the continuing high growth of the Indian population its share of the total Canadian population is

projected to increase from 1.95% of the total Canadian population in 1991 to approximately 2.38% by 2011 (Table 4).

TABLE 4

STATUS INDIANS AS A PROPORTION OF TOTAL CANADIAN POPULATION, 1986-2011.

YEAR	TOTAL STATUS INDIAN POPULATION	CANADIAN TOTAL POPULATION ('000)	STATUS INDIAN PROPORTION
1986	403,042	25,591.1	1.57
1991	521,461	26,767.1	1.95
1993	542,426	27,255.0	2.00
1996	573,269	27,921.2	2.02
2001	622,901	28,867.1	2.16
2006	671,526	29,653.7	2.26
2011	721,246	30,324.3	2.38

SOURCE: DIAND, 1990. POPULATION PROJECTIONS.

However, despite a considerable rate of growth and a growing share of the total Canadian population, the Indian population remains but a minor proportion of the total Canadian population.

b. ON- AND OFF-RESERVE POPULATION GROWTH.

The growth rate of the Indian population differs considerably between on- and off-reserve.

Over the 25 year period 1986-2011, the on-reserve Indian population is expected to grow by approximately 66.4%, from an estimated 275,891 in 1986 to a projected 452,214 by 2011, (Table 5).

TABLE 5

ON- AND OFF-RESERVE STATUS INDIAN POPULATION GROWTH. (AVERAGE ANNUAL RATES).

PERIOD	ON-RESERVE	OFF-RESERVE
1986-1991	2.77	10.04
1991-1993	2.40	1.40
1993-1996	2.23	1.22
1996-2001	1.70	1.64
2001-2006	1.62	1.34
2006-2011	1.60	1.18

SOURCE: AUTHOR'S CALCULATIONS USING RAW DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

The off-reserve population will experience a total percentage increase of almost double that of on-reserve (112%), from an estimated 127,151 in 1986 to a projected 269,031 by 2011.

This considerable growth of the off-reserve population over the 25 year period is largely due to Bill C-31 registration over the period 1985-1990. During the period of

reinstatement the growth of the off-reserve population rose to considerable heights, as the effect of Bill C-31 has been felt primarily off-reserve.

The annual average rate of growth of the on-reserve population is projected to fall from a high of 2.77% (1986-1991) to 1.6% (2006-2011). The fall in the rate of growth will be substantially more pronounced off-reserve, from 10.04% annually (1986-1991) to a low of 1.18% annually (2006-2011), (Table 5).

Disregarding the high growth period 1986-1991, the off-reserve population is in fact growing at a lower rate than on-reserve, and furthermore, the off-reserve rate is falling at a faster pace than on-reserve. Consequently, the gap between on- and off-reserve growth is widening at an increasing rate. This trend in on- and off-reserve population growth reflects a growing reverse migration back to the reserve. There are several explanations for this trend of reverse migration; first, Bill C-31 registrants migrating to reserve communities after regaining their status; second, the return of off-reserve Indians as a result of lack of opportunities in the cities, and also, in some cases as a result of growing opportunities on-reserve due to increasing efforts in the area of employment and economic development.

c. POPULATION GROWTH BY PROVINCE

The rate of growth of the Indian population has been falling across the provinces, the Yukon and the NWT, and is projected to continue falling through to year 2011 (Table 6).

TABLE 6

PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF TOTAL STATUS INDIAN POPULATION, 1986-2011. BY PROVINCE.

PERIOD	ATL	QUE	ONT	MAN	SASK	ALB	BC	YUK	NWT	CAN
1986-1991	4.07	4.47	5.36	5.23	5.34	6.25	5.12	7.44	5.12	5.29
1991-1993	1.78	1.34	1.43	2.20	3.04	2.55	1.60	1.57	1.10	2.00
1993-1996	1.60	1.22	1.31	2.06	2.82	2.39	1.41	1.43	2.09	1.84
1996-2001	1.39	1.05	1.17	1.90	2.56	2.20	1.23	1.28	1.95	1.68
2001-2006	1.26	0.88	1.04	1.70	2.36	2.00	1.05	1.11	1.86	1.52
2006-2011	1.21	0.78	0.92	1.57	2.36	1.90	0.92	0.98	1.86	1.44

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

The three prairie provinces of Manitoba, Saskatchewan, and Alberta (and the NWT since the mid 1990s) are growing at rates well above the overall Indian average of 2.0% (1991-93), though at declining rates. Conversely, the Atlantic provinces, Quebec, Ontario, and B.C. (and the Yukon since the 1990s) are growing at rates well below the overall Indian average. The differences in population growth is in part due to the differences in impact of Bill C-31 reinstatement across provinces. Some Indian populations were

more affected than others. Over the 5 year reinstatement period, the Indian on-reserve population grew at a modest rate of 2.77%, and there were no significant variations between provinces (Table 7).

TABLE 7

PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF ON-RESERVE STATUS INDIAN POPULATION, 1986-2011.
BY PROVINCE.

PERIOD	ATL	QUE	ONT	MAN	SASK	ALB	BC	YUK	NWT	CAN
1986-1991	2.28	2.12	2.12	2.96	3.72	3.26	2.74	2.97	2.74	2.72
1991-1993	1.86	1.53	1.96	2.49	3.40	3.01	1.97	2.26	2.47	2.40
1993-1996	1.66	1.28	1.94	2.30	3.21	2.91	1.78	2.16	2.30	2.23
1996-2001	1.22	1.02	1.11	1.93	2.60	2.34	1.25	1.38	1.98	1.70
2001-2006	1.17	0.89	1.07	1.80	2.48	2.22	1.18	1.29	1.91	1.62
2006-2011	1.21	0.83	0.99	1.73	2.54	2.15	1.12	1.23	1.91	1.60

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

However, as shown by Table 8, not only has the off-reserve population experienced considerable growth due to Bill C-31 during the reinstatement period, but there are also broad variations across provinces and territories. For instance, the NWT grew at a rate substantially above the national average (24%). Other high growth populations were the Yukon (14%), Alberta (13%), and Quebec (12%). Other provinces were less affected by Bill C-31, and grew at rates slightly below the Indian average of 10%.

TABLE 8

PROJECTED AVERAGE ANNUAL RATE OF GROWTH OF OFF-RESERVE STATUS INDIAN POPULATION, 1986-2011.
BY PROVINCE.

PERIOD	ATL	QUE	ONT	MAN	SASK	ALB	BC	YUK	NWT	CAN
1986-1991	7.68	12.17	10.41	10.22	8.03	12.72	8.59	14.28	23.99	10.04
1991-1993	1.66	0.87	0.78	1.68	2.50	1.78	1.07	0.77	1.19	1.4
1993-1996	1.49	1.05	0.49	1.63	2.24	1.47	0.94	0.58	1.04	1.22
1996-2001	1.69	1.12	1.25	1.83	2.51	1.94	1.21	1.16	1.85	1.64
2001-2006	1.41	0.86	1.00	1.50	2.17	1.59	0.90	0.90	1.59	1.34
2006-2011	1.21	0.65	0.82	1.27	2.09	1.44	0.66	0.70	1.56	1.18

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

This general pattern of high population growth amongst the Indian population is resulting in an increase in the share of the overall Canadian population across all provinces. While significant variations describe the growth pattern of the Indian population, in general, the Indian communities are becoming increasingly important to provincial and regional economies, at least due to their growing numbers relative to other Canadians. This is particularly the case in Yukon where the Indian population accounts for approximately 27% of the regional population, and similarly in the NWT (23%), Saskatchewan (9%), and Manitoba (7%) as of 1993 (Table 9).

TABLE 9

STATUS INDIANS AS A PROPORTION OF THE PROVINCIAL POPULATION, 1986-2011.

YEAR	ATL	QUE	ONT	MAN	SASK	ALB	BC	YUK	NWT	CAN
1986	0.71	0.61	1.00	5.51	6.06	2.07	2.36	21.80	19.28	1.57
1991	0.86	0.74	1.22	7.03	8.06	2.73	2.87	26.08	23.45	1.95
1993	0.89	0.75	1.21	7.23	8.60	2.81	2.85	26.18	22.40	2.00
1996	0.92	0.76	1.23	7.59	9.34	2.98	2.93	26.82	22.95	2.05
2001	0.97	0.78	1.24	8.09	10.60	3.26	3.01	27.54	22.97	2.16
2006	1.02	0.80	1.25	8.57	11.91	3.54	3.09	28.39	23.04	2.26
2011	1.08	0.82	1.26	9.04	13.3	3.89	3.16	29.20	23.19	2.38

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

On the other hand, the Indian population of the Atlantic provinces and Quebec account for less than 1.0% of their respective provincial populations. Likewise, the populations of Ontario, Alberta and B.C. account for only minor proportions of their provincial populations.

ii. STATUS INDIAN POPULATION DISTRIBUTION.

a. DISTRIBUTION BY PROVINCE.

The Indian population is spread very unevenly across Canada. In 1992, Ontario had the largest proportion (23%), followed by B.C. with (17%), Saskatchewan and Manitoba with

about (15%) each, and Alberta with (12%). Quebec had (10%), while the Atlantic region (4%) and the two Territories (4%) had much smaller shares (Table 10).

TABLE 10
DISTRIBUTION OF STATUS INDIAN POPULATION BY PROVINCE, 1992.
BY ON- AND OFF-RESERVE.

REGION	ON RESERVE		OFF RESERVE		TOTAL		ON-RESERVE	OFF-RESERVE	TOTAL
	NUMBER	%	NUMBER	%	NUMBER	%	%	%	%
B.C.	50,523	55.9	40,539	44.5	91,063	100.0	15.6	19.5	17.1
ALB.	43,306	62.8	25,672	37.2	68,979	100.0	13.4	12.3	13.0
SASK.	49,623	59.6	133,585	40.4	83,208	100.0	15.3	16.1	15.6
MAN.	50,213	64.5	27,689	35.5	77,902	100.0	15.5	13.3	14.6
ONT.	66,828	55.6	53,343	44.4	120,172	100.0	20.6	25.6	22.6
QUE.	36,256	71.5	14,439	28.5	50,695	100.0	11.2	6.9	9.5
ATLANTIC	12,993	63.5	7,461	36.5	20,454	100.0	4.0	3.6	3.8
N.W.T.	10,533	82.4	2,246	17.6	12,779	100.0	3.3	1.1	2.4
YUKON	3,578	53.2	3,151	46.8	6,727	100.0	1.1	1.5	1.3
CANADA	323,855	60.9	208,126	39.1	531,981	100.0	100.0	100.0	100.0

SOURCE: AUTHOR'S CALCULATIONS BASED ON RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

Thus, while the Territories account for about one quarter of their regional populations, they account for a very limited share of the total Indian population. In contrast, while the prairie provinces and Quebec account for almost negligible shares of their provincial populations, they make up a considerable share of the total Indian

population. In fact, the western provinces collectively account for about 60% of the total Indian population.

b. DISTRIBUTION BY ON- AND OFF-RESERVE.

A majority of Indians live on-reserve. There will be little change in the percentage of the on-reserve population over the projection period, 1991-2011 (Table 11).

TABLE 11

STATUS INDIAN DISTRIBUTION BY ON- AND OFF-RESERVE, 1986-2011.

YEAR	TOTAL STATUS INDIANS		ON-RESERVE		OFF-RESERVE	
	NO.	%	NO.	%	NO.	%
1986	403,042	100.0	275,891	68.5	127,151	31.5
1991	521,461	100.0	316,273	60.7	205,188	39.3
1993	542,426	100.0	331,457	61.1	210,970	38.9
1996	573,269	100.0	354,379	61.8	218,890	38.2
2001	622,901	100.0	385,514	61.9	237,387	38.1
2006	671,526	100.0	417,765	62.2	253,762	37.8
2011	721,246	100.0	452,214	62.7	269,031	37.3

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

The proportion of the Indian population living on-reserve fell from 68.5% in 1986 to 60.7% in 1991 (result of the completion of Bill C-31 registration), which will be followed by a modest rate of increase throughout the projection period.

The off-reserve population increased from 31.5% (1986) to 39.3% (1991) of the total, and is projected to fall at a slow rate throughout the projection period.

iii. STATUS INDIAN AGE DISTRIBUTION.

a. TOTAL STATUS INDIAN AGE DISTRIBUTION.

The Indian population can be characterized as a relatively young population compared to the more aged Canadian counterpart. And although a falling fertility rate will result in a gradual changing age structure toward a relatively more aged population, the Indian population is expected to remain considerably younger than the Canadian population well into the future.

The youthfulness of the Indian population is depicted by the population age distribution (Table 12). Over the period (1986-2011) the Indian population is projected to age only gradually. A large proportion of the population is found in the younger age cohorts, whereas the population in the middle age and older age cohorts constitutes a relatively minor proportion of the total population.

TABLE 12

TOTAL STATUS INDIAN AGE DISTRIBUTION, 1986-2011.

AGE GROUP	1986	1991	1993	1996	2001	2006	2011
0-14	35.8	32.9	32.7	32.4	31.2	29.0	27.2
15-24	22.7	20.0	19.1	17.8	17.1	17.6	17.9
25-44	27.0	30.8	31.4	32.0	31.7	30.2	28.6
45-64	10.4	12.0	12.6	13.4	15.4	18.1	20.6
65+	4.2	4.3	4.3	4.4	4.7	5.1	5.8
PERCENT	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TOTAL	403,042	521,461	542,426	573,269	622,901	671,526	721,246
15-64	60.1	62.8	63.1	63.2	64.2	65.9	67.1
DEP RATIO ¹	66.7	59.1	59.0	58.2	56.0	51.8	49.1
DEP RATIO ²	57.3	57.6	57.8	57.7	56.5	55.2	55.5

NOTE: 1 REFERS TO STATUS INDIAN DEPENDENCY RATIO.
2 REFERS TO TOTAL CANADIAN DEPENDENCY RATIO.

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

The gradual aging of the population is reflected in the steady decline in the proportion of the age group 0-14 years (the young dependents), from 35.8% in 1986 to 27.2% in 2011 (compared with a decline from 21.3% in 1986 to 16.3% by 2011 for the overall Canadian 0-14 age group). The aging trend can also be seen from the steady decline of the proportion of the age group 15-24 years (the young working aged group) from 22.7% in 1986 to 17.9% by 2011. At the same time, the proportion of those 25-44 years (the prime wage earners)

will steadily increase from 27% of the total Indian population in 1986 to a high of 32% by 1996, followed by a slow decline to 28.6% by 2011. The aging of the population will also be felt in the age group 45-64 years (the middle aged group) as this group will increase its share from 10.4% (1986) to a high of 20.6% by 2011. Finally, the aging trend is reflected in the growing proportion of the elderly group (age 65 and over). However, the proportion of this group will remain substantially lower than the overall Canadian proportion.

One consequence of the relative youthfulness of the Indian population is that it has had and is expected to maintain a higher dependency ratio than the Canadian population until 1996. While the dependency ratio (a ratio calculated by taking the ratio of the number of persons under fifteen and over sixty-four years of age to the number of persons aged fifteen to sixty-four, multiplied by 100) for the Canadian population is expected to fall slightly from 57.3 to 55.2 by 2011, the Indian dependency ratio is projected to fall significantly from 66.7 in 1986 to 49.13 by 2011 (Table 12).

b. THE INDIAN WORKING AGED GROUP.

The total Indian age distribution shows that the working aged group (15-64) makes up about two-thirds of the total population (1986), and its share of the total population will rise slightly throughout the projection period to about 67.1% by 2011 (Table 13).

TABLE 13

TOTAL STATUS INDIAN AGE DISTRIBUTION BY BROAD AGE COHORTS, 1986-2011.

YEAR	0-14 YEARS		15-64 YEARS		65+ YEARS	
	TOTAL	%	TOTAL	%	TOTAL	%
1986	144,158	35.8	241,807	60.0	17,077	4.2
1993	177,627	32.8	341,631	63.0	23,168	4.3
1996	185,733	32.4	362,362	63.2	25,174	4.4
2001	194,379	31.2	399,323	64.1	29,199	4.7
2006	194,753	29.0	442,345	65.9	34,428	5.1
2011	195,830	27.2	483,628	67.1	41,788	5.8

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

This is the result of a decline in the rate of growth of the Indian population combined with the entrance of a significant number of young people into the working aged category, as well as the result of the reinstatement of a large number of Indians under Bill C-31. This means that the total Indian population of working age is expected to

increase by approximately 241,821 in the period 1986-2011 (rising from 241,807 to 483,628 over the 25 year period).

The young working aged group (15-24) constitutes a considerable share of the total population. However, its share is falling throughout this decade (due to the proportional increase of the older working aged group), followed only by a modest proportional increase over the very long range. This group accounts for two 5 year age cohorts which each by themselves are larger in absolute terms than any other age cohorts within the working aged group. This group is growing at an annual rate faster than the prime wage earners.

The prime wage earning group (25-44) is growing in absolute terms but projected to start declining in relative terms by the mid 1990s. Despite a relative decline, this group will remain the largest share of the working aged group. In size, it is narrowing its gap to the middle aged group and widening its gap to the young age group. Over the long range this group will grow at the slowest pace of the working aged groups.

The middle aged working aged group (45-64) makes up the smallest share of the working aged group. However, its share is growing at a considerable rate, and over the long range its share will surpass that of the young working aged group.

Although the proportion of Indians of working age will be lower than that of the total Canadian population throughout the period 1986-2011, the effect of the aging of

the Indian population will be to bring the Indian working age ratio closer to that of the Canadian population by 2011. While the Indian population will experience a steady increase in the proportion of working aged, the overall Canadian population will see a slight decline. In fact, by 2011 the proportion of the working aged population in the two populations will only differ by a projected 0.8% (67.1% and 67.9% respectively).

c. AGE DISTRIBUTION, ON- AND OFF-RESERVE.

The Indian on-reserve population tends to be slightly younger than the off-reserve population, with 56% of the on-reserve population under age 25 by 1993 (Table 14), compared to 45% off-reserve. This may reflect a tendency on the part of many on-reserve Indians to migrate off-reserve when they reach early adulthood. A larger proportion living off-reserve than on-reserve are of working age (15-64), (i.e. 69.3% compared to 59.0% in 1993). By 2011, the proportions will be 64.8% and 70.9% respectively for on- and off-reserve. The greatest difference in the age distribution between the on- and off-reserve Indian populations can be found among those in the prime wage earning years (25-44), and those in the youngest age group (0-14). The Indian population living off-reserve has a smaller proportion in

the youngest age group and a larger proportion in the prime wage-earning years than the on-reserve population.

TABLE 14

AGE DISTRIBUTION OF STATUS INDIAN POPULATION ON- AND OFF-RESERVE, 1986-2011.

AGE DISTRIBUTION OF STATUS INDIAN POPULATION (ON-RESERVE)							
AGE GROUP	1986	1991	1993	1996	2001	2006	2011
0-14	37.6	37.0	36.7	36.1	34.0	31.6	30.0
15-24	22.5	20.0	19.2	18.4	18.6	19.0	18.3
25-44	25.3	28.0	28.7	29.4	29.5	28.5	27.8
45-64	10.0	10.6	11.1	11.7	13.5	16.1	18.7
65+	4.5	4.4	4.3	4.4	4.5	4.8	5.2
PERCENT	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL	275,891	316,273	331,457	354,379	385,514	417,765	452,214
15-64	57.8	58.6	59.0	59.5	61.6	63.6	64.8

AGE DISTRIBUTION OF STATUS INDIAN POPULATION (OFF-RESERVE)							
AGE GROUP	1986	1991	1993	1996	2001	2006	2011
0-14	31.7	26.6	26.5	26.5	26.7	24.7	22.4
15-24	23.1	20.1	18.8	16.7	14.7	15.5	17.2
25-44	30.5	35.1	35.6	36.4	35.2	32.8	30.0
45-64	11.1	14.2	14.9	16.1	18.4	21.3	23.7
65+	3.7	4.1	4.1	4.4	5.0	5.7	6.7
PERCENT	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL	127,151	205,188	210,970	218,890	237,387	253,762	269,031
15-64	64.7	69.4	69.3	69.2	68.3	69.6	70.9

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

As of 1993, 28.7% of the on-reserve population will be in the prime wage earning years, compared to 35.6% of the off-reserve population, and 32.9% of the overall Canadian population (Table 15).

TABLE 15

AGE DISTRIBUTION OF TOTAL CANADIAN POPULATION, 1986-2011.

AGE GROUP	1986	1991	1993	1996	2001	2006	2011
0-14	21.3	20.7	20.4	19.8	18.6	17.3	16.3
15-24	16.7	14.3	13.9	13.4	13.1	13.0	12.5
25-44	32.2	33.5	32.9	32.2	30.3	28.2	26.5
45-64	19.2	19.8	20.6	21.8	24.3	27.2	28.9
65+	10.6	11.8	5.1	12.8	13.6	14.4	15.8
PERCENT	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL	25,591,100	26,767,100	27,255,000	27,921,200	28,867,100	29,653,700	30,324,300
15-64	68.1	67.6	67.4	67.4	67.7	68.4	67.9

SOURCES: AUTHOR'S CALCULATIONS USING DATA FROM STATISTICS CANADA, 1989. POPULATION PROJECTIONS. 1986 CENSUS DATA.

Although there are considerable variations from province to province the trends shown above are generally the same across Canada.

The aging trend is more pronounced in provinces and regions where the fertility decline is greater (Quebec, Ontario, B.C.). In general, Quebec, Ontario, and B.C. have the largest proportions of elderly and working aged people, whereas the NWT and the three prairie provinces of

Saskatchewan, Manitoba, and Alberta have the largest proportions of the youngest working aged group (Table 16).

TABLE 16
TOTAL STATUS INDIAN AGE DISTRIBUTION, 1986-2011. BY PROVINCE.

AGE GROUP		YEAR	ATL	QUE	ONT	MAN	SASK	ALB	B.C.	YUKON	NWT
0-14	%	1986	31.0	27.2	31.1	35.0	40.0	36.9	29.8	30.1	36.2
	%	2011	24.8	21.9	22.8	28.4	34.7	31.2	22.2	23.0	30.9
15-24	%	1986	19.7	19.1	18.4	21.8	21.3	21.0	19.6	18.3	19.7
	%	2011	17.7	16.4	16.3	18.2	20.4	19.0	16.5	16.3	18.8
25-44	%	1986	32.3	32.2	32.8	29.0	26.8	28.9	33.8	34.2	27.6
	%	2011	28.6	28.9	29.1	29.9	26.3	27.9	29.9	29.0	27.8
45-64	%	1986	12.9	15.1	14.0	10.6	9.0	10.1	12.9	13.1	11.2
	%	2011	22.6	24.4	24.0	18.7	15.0	17.5	24.7	24.9	17.3
65+	%	1986	4.2	6.4	5.5	3.6	3.0	3.1	3.8	4.3	5.3
	%	2011	6.3	8.4	7.6	4.9	3.6	4.4	6.7	6.9	5.2
15-64	%	1986	64.9	66.4	65.2	61.4	57.1	60.0	66.3	65.6	58.5
	%	2011	68.9	69.7	69.6	66.8	61.7	64.4	71.1	70.2	63.9

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

d. BILL C-31 POPULATION.

The reinstatement of more than 73,000 individuals to the status Indian population (due to Bill C-31), has had significant impact on the overall composition of the status Indian population. By the end of the registration period (1990), Bill C-31 registrants represented about 15% of the total status Indian population (Table 17).

TABLE 17

BILL C-31 AS A PROPORTION OF TOTAL STATUS INDIAN POPULATION.
BY ON- AND OFF-RESERVE, 1986-2011.

YEAR	ON AND OFF RESERVE			ON RESERVE			OFF RESERVE		
	TOTAL STATUS	TOTAL C-31	% OF STATUS	TOTAL STATUS	TOTAL C-31	% OF STATUS	TOTAL STATUS	TOTAL C-31	% OF TOTAL
1986	403,042	18,137	4.5	275,891	1,048	0.4	127,151	17,089	13.4
1987	431,439	37,825	8.8	282,671	1,707	0.6	148,768	36,118	24.3
1988	458,807	56,388	12.3	291,485	4,357	1.5	167,322	52,030	31.0
1989	485,186	73,876	15.2	299,869	6,540	2.2	185,317	67,336	36.3
1990	510,905	90,673	17.7	308,727	9,187	3.0	202,178	81,486	40.3
1991	521,461	92,282	17.7	316,273	10,548	3.3	205,188	81,734	39.8
1992	531,981	93,859	17.6	323,855	11,968	3.7	208,126	81,892	39.4
1993	542,426	95,393	17.6	331,457	13,442	4.1	210,970	91,951	38.8
1994	552,799	96,880	17.5	339,070	14,971	4.4	213,729	81,909	38.3
1995	563,082	98,323	17.5	346,711	16,555	4.8	216,371	81,768	37.8
1996	573,269	99,710	17.4	354,379	18,191	5.1	218,890	81,519	37.2
2001	622,901	105,675	17.0	385,514	19,265	5.0	237,387	86,410	36.4
2006	671,526	109,652	16.3	417,765	19,978	4.8	253,762	89,674	35.3
2011	721,246	112,360	15.6	452,214	20,455	4.5	269,031	91,905	34.2

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

Over the registration period the total status Indian population rose by approximately 33%. Bill C-31 accounted for about 59% of this increase, while natural increase made up for the rest (41%).

The Bill C-31 population constitutes a significant proportion of the off-reserve population. About 90% of the Bill C-31 population lives off-reserve, and by 1990 they accounted for approximately 40% of the total off-reserve population. This proportion is projected to decline to 34% by 2011. In sharp contrast, only about 10% of the reinstated population resides on-reserve, and their share of the on-reserve population is very minor, from 0.4% in 1986 to a projected 4.5% by 2011.

Over the period 1986-1991 the Bill C-31 growth of the total status Indian growth was about 24% and 83% for on-reserve and off-reserve respectively (Table 18).

TABLE 18

BILL C-31 GROWTH SHARE OF TOTAL STATUS INDIAN POPULATION, 1986-2011.

5 YEAR PERIOD	ON AND OFF RESERVE			ON RESERVE			OFF RESERVE		
	TOTAL STATUS INCREASE	C-31 INCREASE	C-31 GROWTH SHARE	TOTAL STATUS INCREASE	C-31 INCREASE	C-31 GROWTH SHARE	TOTAL STATUS INCREASE	C-31 INCREASE	C-31 GROWTH SHARE
1986-91	118,419	74,145	62.6	40,382	9,500	23.5	78,037	64,645	82.8
1991-96	51,808	7,428	14.3	38,106	7,643	20.1	13,702	-215	-1.6
1996-01	49,632	5,965	12.0	31,135	1,074	3.4	18,497	4,891	26.4
2001-06	48,625	3,977	8.2	32,251	713	2.2	16,375	3,264	19.9
2006-11	49,720	2,708	5.4	34,449	477	1.4	15,269	2,231	14.6

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS.

The importance in the Bill C-31 population lies in its impacts on the age structure, the male-to-female ratio, and

band size. The largest proportion of Bill C-31 registrants are women over the age of 25, living off-reserve. First, the age distribution of the registrants shows that 22% are under 25 years of age, and 78% are 25 years or older (DIAND, Survey of Registrants, 1990, p. 61). This contributes to the aging of the overall Indian population. Second, about 58% of Bill C-31 registrants are female. Before the registration period the male-to-female ratio was 50:50, now it is approximately 49:51 (DIAND, Government Programs, 1990, p. 27). This creates a momentum for future population growth. And third, Bill C-31 has had some significant impacts upon the average size of Indian bands. The average size of bands has increased from about 609 (1985) to approximately 803 currently. Although the increase in individual band size due to Bill C-31 has varied greatly (from zero to more than 2000), on average a band received 117 new members (Ibid.). The impact has been smallest for band populations residing on-reserve; 30% of bands received no new members due to Bill C-31, 61% received 5 or less new members, and only 10% of on-reserve band populations received more than 25 new members. However, although the immediate impacts of Bill C-31 on bands living on reserve are minor relative to the impacts upon the off-reserve population, on-reserve communities will experience a growing impact as the Bill C-31 population continues to migrate to on-reserve locations.

2.3 INDIAN EMPLOYMENT PROFILE.

This section provides an analysis of the Indian labour force and employment conditions. The selected indicators focus on the levels and nature of participation in the labour force, employment, and unemployment.

Patterns of labour force activity among the Indian population are complex and highly variable over sex and age. In general, lower participation rates and higher unemployment rates occur among younger and older age cohorts, and among females.

In 1986, about 43.3% of the on-reserve Indian population were in the labour force (Table 19). While not directly comparable (due to undercount of 1986 Census) this represented an increase from 1981 when 39.4% participated in the labour force. The trend towards higher labour force participation has been felt across all provinces.

In 1986, labour force participation was significantly higher for Indian males (53.3%) than females (32.3%). While variations in the male to female disparity could be observed across all provinces and regions, the female labour force participation was consistently lower compared to that of males. In general, the disparity has been about 20% (Table 20).

Compared to other Canadians, Indian participation in the labour force is very low (Table 21). 1986 census figures revealed that the on-reserve non-participation rate (56.7%)

was higher than that of off-reserve (46.4%), and substantially higher than the non-participation rate of other Canadians (33.5%).

TABLE 19
PERCENT OF INDIAN POPULATION 15 YEARS AND OVER IN THE LABOUR FORCE ON-RESERVE.
BY PROVINCE, 1981 AND 1986.

PROVINCE	1981	1986
NB AND PEI	34.2	47.7
NS AND NFLD	37.4	37.7
QUEBEC	39.4	39.4
ONTARIO	43.5	49.3
MANITOBA	33.5	38.9
SASKATCHEWAN	34.6	36.4
ALBERTA	37.2	42.2
B.C.	44.9	49.8
YUKON	47.9	57.4
N.W.T.	37.6	44.2
CANADA	39.4	43.3

SOURCE: DIAND, 1992. BASIC DEPARTMENTAL DATA.

While unemployment figures may be misleading in the Indian context, as they tend to underestimate the actual number of people out of work, they will be briefly mentioned here. According to census figures, unemployment amongst Indians, both on and off-reserve, has worsened considerably in the 1980s. The 1986 Census indicated that the Indian rate

of unemployment was about 15.8%; slightly higher off-reserve (16.8%), and slightly lower on-reserve (15.1%).

TABLE 20

PERCENT OF INDIAN POPULATION 15 YEARS AND OVER IN THE LABOUR FORCE ON-RESERVE.
BY PROVINCE, BY SEX, 1981 AND 1986.

PROVINCE/ TERRITORY	1981 CENSUS		1986 CENSUS	
	MALES	FEMALES	MALES	FEMALES
NB AND PEI	47.6	21.3	54.6	38.7
NS AND NFLD	45.6	29.9	42.6	32.1
QUEBEC	51.1	27.6	49.7	28.5
ONTARIO	54.9	31.9	60.1	37.9
MANITOBA	43.7	22.6	49.5	27.4
SASKATCHEWAN	47.3	21.2	47.4	24.1
ALBERTA	48.7	25.8	51.9	31.6
BRITISH COLUMBIA	56.0	32.7	59.7	38.2
YUKON	57.7	38.1	64.1	50.6
NWT	44.0	30.8	50.5	36.8
CANADA	50.6	27.8	53.3	32.3

SOURCE: DIAND, 1992. BASIC DEPARTMENTAL DATA.

While not directly comparable, census figures suggest that the rate of unemployment doubled between the 1981 and 1986 Census (Table 21). In comparison, unemployment among other Canadians rose only slightly and stayed at less than half that of Indians (6.9% in 1986). The increase in the proportion of unemployed can be partially attributed to a

rise in the labour force due to the expansion of the working aged population.

TABLE 21

TOTAL STATUS INDIAN AND TOTAL CANADIAN LABOUR FORCE ACTIVITY, 1981 AND 1986.

GROUP	LABOUR FORCE ACTIVITY 1981 (PERCENT)			LABOUR FORCE ACTIVITY 1986 (PERCENT)		
	EMPLOYED	UNEMPLOYED	NOT IN LAB. FORCE	EMPLOYED	UNEMPLOYED	NOT IN LAB. FORCE
ON-RESERVE	32.3	7.1	60.6	28.2	15.1	56.7
OFF-RESERVE	47.2	9.0	43.8	36.8	16.8	46.4
TOTAL STATUS	38.0	7.9	54.1	31.4	15.8	52.8
CANADIAN	60.0	5.0	35.0	59.6	6.9	33.5

SOURCE: DIAND, 1992. BASIC DEPARTMENTAL DATA.

The severity of the Indian unemployment problem is destined to worsen considerably well into the future if not met with an immediate massive effort to reverse current trends. Table 22 provides a possible scenario of the employment situation over next 18 years. Assuming the rate of labour force participation and the unemployment rate remain at the 1986 Census level, the total number of status Indians unemployed will rise from 25,478 in 1993 to 36,067 by 2011. The number of unemployed will become substantially higher if measures are undertaken to expand the Indian labour force to match the level of the overall Canadian while at the same time failing to lower the rate of

unemployment. The effect is illustrated in Table 22. By 2011, an estimated 129,408 new jobs for status Indians would be required if the Indian labour force could be expanded to match the Canadian labour force participation (66.5% at time of 1986 Census) and assuming full employment.

TABLE 22
ESTIMATED STATUS INDIAN LABOUR FORCE ACTIVITY
TOTAL ON AND OFF RESERVE

YEAR	WORKING AGED GROUP	ESTIMATED LABOUR FORCE (1)	ESTIMATED UNEMPLOYMENT (2)	ESTIMATED EMPLOYED (3)	ESTIMATED EXPANDED LABOUR FORCE (4)	JOBS FOR FULL EMPLOYMENT (5)
1993	341,631	161,250	25,478	135,772	227,185	91,413
1996	362,362	171,035	27,024	144,011	240,971	96,960
2001	399,323	188,480	29,780	158,700	265,550	106,850
2006	442,345	208,787	32,988	175,799	294,159	118,360
2011	483,628	228,272	36,067	192,205	321,613	129,408

NOTE: (1) ESTIMATED LABOUR FORCE IF RATE OF INDIAN LABOUR FORCE PARTICIPATION REMAINED CONSTANT AT THE 1986 CENSUS LEVEL (47.2%).
(2) ESTIMATED UNEMPLOYMENT IF INDIAN RATE OF UNEMPLOYMENT REMAINED CONSTANT AT THE 1986 CENSUS LEVEL (15.8%).
(3) ESTIMATED EMPLOYED IF INDIAN RATE OF LABOUR FORCE PARTICIPATION AND RATE OF UNEMPLOYMENT REMAINED CONSTANT AT THE 1986 CENSUS LEVEL.
(4) ESTIMATED INDIAN EXPANDED LABOUR FORCE IF INDIAN RATE OF LABOUR FORCE PARTICIPATION WERE INCREASED TO EQUAL THE CANADIAN RATE AT 1986 CENSUS (66.7%).
(5) JOBS NEEDED TO REACH FULL EMPLOYMENT IN AN EXPANDED INDIAN LABOUR FORCE. CALCULATED BY SUBTRACTING COLUMN 3 FROM COLUMN 4.

SOURCES: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1990. POPULATION PROJECTIONS, AND DIAND, 1992. BASIC DEPARTMENTAL DATA.

Under these same assumptions, by 2011, 87,103 new jobs would be required on-reserve, and 41,779 new jobs off-reserve. While such a scenario may seem highly unrealistic, it nonetheless serves to illustrate that current and future demand for employment would be considerably larger if policies were undertaken to create full employment within an expanded Indian labour force, as opposed to policies that merely seek to satisfy employment needs within the existing trend of low labour force participation.

The severity of the Indian employment situation is also reflected in the duration of employment. 1981 Census figures revealed that Indians on average worked fewer weeks per year than other Canadians. Moreover, about three-quarters of on-reserve Indians who did not participate in the labour force had never worked, while for off-reserve Indians and other Canadians this percentage was considerably smaller (Nicholson, 1987, p. 73). This reflects greater availability of year-round employment off-reserve, but more importantly, it reflects the deep rooted employment problem on-reserve and the fact that many have become permanently discouraged workers.

The percentage of employed Indians is considerably lower than that of the overall Canadian population, and fell between the 1981 and 1986 Censuses. The decrease in rate of employment was felt less on-reserve (from 32.3% in 1981 to 28.2% in 1986) compared to off-reserve (from 47.2% in 1981

to 36.8% in 1986). These figures are consistent with Nicholson's (1987) findings, on the basis of the 1981 Census, that employment rates are generally largest in urban centres and lowest on rural reserves.

While the average rate of employment among status Indians was 31.4% in 1986, the overall Canadian rate was almost double that at 59.6%. These figures are discouraging in light of the growing Indian working aged population. As shown earlier the working aged population (15-64 years) is expanding in both absolute and relative terms. The changing proportional representation of individual age cohorts (due to changing age structure) has implications for the overall level of employment, since employment rates are observed to vary according to age.

In general, age is a significant determinant of how a person fares in the labour force. Strong patterns of unemployment and labour force participation exist over age groups for males and females alike, and in general lower rates of participation and much higher rates of unemployment are experienced by the 15-24 year age cohort. Young Indians of working age are a particularly disadvantaged group on the reserve.

Various research based on past census figures has revealed a general trend; the young working aged (15-24 years) experience the lowest employment rates, and prime wage earners (25-44 years) are most highly employed, followed by the middle aged group (45-64 years). For all age

groups, and for males and females both on- and off-reserve, employment rates for Indians are substantially lower than for other Canadians.

On the basis of 1981 Census figures, Nicholson (1987) found that the lowest rates of Indian employment can be found amongst on-reserve females in the young working aged and prime wage earning groups, followed by on-reserve males in the young working aged group. The highest rates of employment were found among off-reserve males in the prime wage earning and middle aged groups, followed by on-reserve males in those same two groups (pp. 59-61).

As indicated by Table 23, the prime wage earning group (25-44) will continue to constitute the largest segment of the working aged group. This group will be increasing in absolute terms but start declining in relative terms by the next century. The youth (15-24) make up the second largest segment but will experience a continuing decline in its share of the working aged group. While currently accounting for the smallest proportion, the middle aged group (45-64) will exceed the youth segment in proportional terms by the beginning of the next century.

The picture varies slightly between on- and off-reserve. The prime wage earning group will decline more off-reserve than on-reserve. By 2011, the on and off-reserve proportions will be similar.

TABLE 23

STATUS INDIAN WORKING AGED POPULATION, BY ON- AND OFF-RESERVE, 1986-2011.

TOTAL AGE GROUP	1986	1991	1993	1996	2001	2006	2011
NO.	91,329	104,426	103,354	101,868	106,411	118,444	128,911
15-24 %	37.8	31.9	30.3	28.1	26.6	26.8	26.7
NO.	108,633	160,547	170,134	183,673	197,191	202,500	206,335
25-44 %	44.9	49.6	49.9	50.0	49.6	46.8	44.4
NO.	41,845	62,721	68,144	76,820	95,721	121,400	148,381
45-64 %	17.3	19.1	19.9	21.2	24.0	27.4	30.7
NO.	241,807	327,722	341,631	362,362	399,323	442,345	483,628
15-64 %	100.0	100.0	100.0	100.0	100.0	100.0	100.0

ON-RESERVE AGE GROUP	1986	1991	1993	1996	2001	2006	2011
NO.	61,983	63,240	63,714	65,307	71,518	79,189	82,719
15-24 %	38.8	34.1	32.6	31.0	30.2	29.8	28.2
NO.	69,913	88,494	94,964	104,094	113,603	119,248	125,516
25-44 %	43.8	47.7	48.6	49.3	47.9	44.9	42.9
NO.	27,707	33,658	36,656	41,635	51,956	67,337	84,662
45-64 %	17.4	18.2	18.8	19.7	21.9	25.3	28.9
NO.	159,603	185,392	195,334	211,036	237,077	265,774	292,897
15-64 %	100.0	100.0	100.0	100.0	100.0	100.0	100.0

OFF-RESERVE AGE GROUP	1986	1991	1993	1996	2001	2006	2011
NO.	29,346	41,186	39,640	36,561	34,893	39,256	46,193
15-24 %	35.7	28.9	27.1	24.2	21.5	22.2	24.2
NO.	38,720	72,079	75,170	79,578	83,587	83,253	80,818
25-44 %	47.1	50.6	51.4	52.6	51.5	47.2	42.4
NO.	14,138	29,063	31,488	35,186	43,765	54,062	63,719
45-64 %	17.2	20.4	21.5	23.3	27.0	30.6	33.4
NO.	82,204	142,328	146,298	151,325	162,245	176,571	190,730
15-64 %	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: AUTHOR'S CALCULATIONS USING RAW POPULATION DATA FROM DIAND, 1992. POPULATION PROJECTIONS.

While on-reserve the youth segment and the middle aged group will converge to a similar proportional representation of the working aged group, off-reserve a significant disparity will remain.

The middle aged segment off-reserve will grow considerably, and from being just half the size of the youth segment in 1986, it will grow to a size more than 10% larger than this segment by 2011.

For the overall Canadian population the picture is different. While currently the prime wage earners make up the largest segment followed by the middle aged, by 2011 the middle aged group will be twice the size of the youth segment and slightly larger than the prime wage earning segment (Table 24).

TABLE 24

AGE DISTRIBUTION OF CANADIAN WORKING AGED POPULATION ('000), 1991-2011.

AGE GROUP	1991	1993	1996	2001	2006	2011
15-24 NO.	3,814.6	3,782.8	3,738.5	3,790.1	3,845.6	3,799.0
%	21.1	20.6	19.9	19.4	19.0	18.5
25-44 NO.	8,967.8	8,971.7	9,000.7	8,757.8	8,356.4	8,026.6
%	49.6	48.8	47.8	44.8	41.3	39.0
45-64 NO.	5,291.0	5,614.9	6,081.1	7,022.0	8,053.7	8,749.6
%	29.3	30.6	32.3	35.9	39.8	42.5
15-64 NO.	18,073.4	18,369.4	18,820.3	19,569.9	20,255.7	20,575.2
%	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: AUTHOR'S CALCULATIONS USING RAW DATA FROM STATISTICS CANADA, 1989. POPULATION PROJECTIONS.

The Indian on-reserve population draws income from a number of sources; wage work (often casual or seasonal), band administration jobs (the Indian public sector), traditional pursuits, welfare, and off-reserve employment.

The Indian public sector provides jobs for about 47% of the on-reserve labour force (1986 Census data), and as such it is the largest single source of employment on-reserve (DIAND, The Indian Public Sector, 1990). 1986 Census figures revealed that status Indians comprised 80.3% of the experienced labour force on-reserve and accounted for 86.1% of the employees in public administration (Table 25).

TABLE 25

DISTRIBUTION OF EMPLOYEES IN PUBLIC ADMINISTRATION ON RESERVE. BY ETHNIC GROUP, 1986.

ETHNIC GROUP	POPULATION 15+		EXPERIENCED LABOR FORCE		PUBLIC ADMINISTRATION	
	NO.	%	NO.	%	NO.	%
STATUS INDIAN	101,440	84.9	38,425	80.3	18,280	86.1
OTHER ABORIGINAL	4,375	3.7	1,975	4.1	540	2.5
NON-ABORIGINAL	13,710	11.5	7,465	15.6	2,410	11.4
TOTAL	119,525	100.0	47,865	100.0	21,230	100.0

SOURCE: DIAND, 1990. THE INDIAN PUBLIC SECTOR.

It is interesting to note that although status Indians made up just over 80% of the experienced labour force, they represented only 74% of those employed in education, but 95% of those in local government. At the same time, non-aboriginals made up as much as 15.6% of the experienced

labour force on-reserve, and accounted for 22.4% of those employed in education and 19.4% of those employed in other public sector occupations (Table 26). Furthermore, according to the 1986 Census, non-aboriginals worked on average more weeks in full-time positions compared to status Indians (DIAND, Indian Public Sector, 1990, p. 21). Thus, there is obviously the potential for a higher level of Indian employment on-reserve if job opportunities within the on-reserve Indian public sector were allocated to Indian job seekers.

TABLE 26

DISTRIBUTION OF EMPLOYEES IN PUBLIC ADMINISTRATION ON-RESERVE. BY ETHNIC GROUP AND BY SECTOR, 1986.

ETHNIC GROUP	LOCAL GOVERNMENT		EDUCATION		OTHER		TOTAL	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
STATUS INDIAN	10,730	95.0	2,825	74.0	4,725	77.3	18,280	86.1
OTHER ABORIGINAL	200	1.8	135	3.5	205	3.4	540	2.5
NON-ABORIGINAL	370	3.3	855	22.4	1,185	19.4	2,410	11.4
TOTAL	11,300	100.0	3,815	100.0	6,115	100.0	21,230	100.0

SOURCE: DIAND, 1990. THE INDIAN PUBLIC SECTOR.

The low levels of labour force participation reflect a continuing reliance on traditional pursuits, but also a growing dependence on welfare due partly to a growing number of discouraged workers. Thus, since unemployment rates are based on the labour force, in the Indian case such statistics tend to underestimate the actual number of people out of work. Some studies suggest that when examining the

Indian case, attention should be on the number of employed (e.g. Hull (1986); Nicholson (1987)). Indian reserves witness a particularly high proportion of discouraged workers because of limited job markets and skills. This is reflected in the high proportion of non-participants in the labour force who have never worked. While the overall Indian labour force participation is rising it is nonetheless still lower on-reserve. This lower participation on-reserve reflects in part a reliance on traditional pursuits. While many Indians (especially off-reserve) are keen to participate in the mainstream wage-economy, there are still a significant number of Indians on-reserve who wish to retain traditional forms of economic activity. Traditional (non-wage) pursuits usually involve hunting, fishing, trapping, lumbering, gathering and farming. These activities provide income-in-kind.

i. BILL C-31 AND EMPLOYMENT.

The Bill C-31 registrants are on average more active in the labour force than the rest of the status Indian population. The Bill C-31 impact survey (1990) showed that at the time of the survey 59% of the registrants were employed, with the highest employment rates found in Yukon, NWT, and Alberta (66%), and the lowest found in Quebec and Manitoba (48%), (DIAND, Survey of Registrants, 1990, p. 63).

Furthermore, Bill C-31 registrants living on-reserve were less likely to be employed (46%) compared to the off-reserve registrants (60%). Also, about 20% of those residing on-reserve were unemployed or looking for work, compared to 12% off-reserve. In addition, Bill C-31 males showed a higher labour force participation rate (83%) than their female counterparts (75%).

While these trends show a more active labour force than that of the rest of the status Indian population, the Bill C-31 population still fares worse in the labour force than the overall Canadian population. Nonetheless, the Bill C-31 population shows an employment pattern more similar to that of the overall Canadian population than to that of regular status Indians. Therefore, it is possible that the Bill C-31 population will be a positive influence on overall Indian labour force activity and be a contributing factor in achieving Indian employment and economic development.

2.4 INDIAN POVERTY AND DEPENDENCY.

The most important economic characteristic of the Indian population is its general widespread and entrenched poverty, including general poor economic and employment prospects. Some prime indicators of the level and magnitude of this poverty are the levels of individual and family income and the rate of participation in social assistance programs to meet basic needs.

According to the 1986 Census, in 1985 the average status Indian family income was just \$21,800, almost \$17,000 less than the average Canadian family income of \$38,700. Similarly, the average status Indian individual income (\$9,900) was just more than half the average Canadian individual income (\$18,200). Moreover, Indians living on-reserve had the lowest average family income (\$20,900) and lowest individual income (\$9,300) (DIAND, 1989, Economic Conditions, pp. 16-17).

While low levels of income among on-reserve Indians do give some indications of the level of poverty experienced within on-reserve communities, the degree of federal dependency provides an even clearer picture. Dependence on social assistance among on-reserve Indians is alarmingly high and growing. In the fiscal year 1991/92 a staggering 53% of the on-reserve population was dependent on social assistance (Table 27). This figure is up almost 10% from 1987 when dependence on social assistance was 43.1%, and up

20% from 1981 when 37.1% of the on-reserve population relied on some form of social assistance.

TABLE 27

INDIAN SOCIAL ASSISTANCE DEPENDENTS ON RESERVE, SELECTED YEARS.

YEAR	TOTAL POPULATION	RECIPIENTS PER MONTH	DEPENDENTS PER MONTH	PERCENT OF TOTAL POPULATION
1981	237,579	39,146	88,079	37.1
1985	268,046	48,558	109,256	40.8
1987	282,671	54,170	121,882	43.1
1991	285,077	67,139	151,065	53.0

SOURCE: DIAND, 1992. BASIC DEPARTMENTAL DATA.

Furthermore, in 1985, 45.6% of Indians who were identified as having income, cited government transfers as their major source of personal income, compared to 19.6% of other Canadians (Table 28). The reliance on government transfer payments as the major source of income among Indians has risen considerably (from 33.4% (1980) to 45.6% (1985)), and moreover, this increase is much more profound than that seen among other Canadians, where the reliance rose from 16% (1980) to 19.6% (1985).

In addition, the on-reserve population depends more heavily on transfers as the major source of income (48.4%), than the off-reserve Indians (41%).

TABLE 28

MAJOR SOURCE OF INCOME:
GOVERNMENT TRANSFER PAYMENTS (PERCENT OF POPULATION WITH INCOME), 1980 AND 1985.

GROUP	1980	1985
TOTAL STATUS INDIANS	33.4	45.6
INDIANS ON-RESERVE	39.2	48.4
INDIANS OFF-RESERVE	24.7	41.0
ALL CANADIANS	16.0	19.9

SOURCE: DIAND, 1989. HIGHLIGHTS OF ABORIGINAL CONDITIONS 1981-2001, PART II. SOCIAL CONDITIONS.

Moreover, studies based on the 1981 Census have also found that reliance on transfer payments is greater for Indian females than males, and greater for rural and smaller urban settings than for others (Nicholson and Macmillan, 1987, pp. 111-119).

While social assistance provides income to those in need, it also fosters a climate of dependence on the federal government to the point where it becomes a way of life for many communities; a dependence from which it can be most difficult to break away.

It is evident that government dependence has reached considerable heights and is growing. Growing dependence can be attributed to a number of factors including demographic changes, the reverse migration back to reserve communities, the poor employment prospects in most communities, and the general rise in cost of living. Moreover, the high degree of welfare dependence seen together with the low labour force

participation and employment rates could suggest the possibility that welfare in some cases is being used as an alternative to employment, and may in some cases be used as supplementary income for those who are engaged in traditional pursuits.

However, while these factors have added to the growing dependence, they should not be viewed as the overriding cause. Rather, the blame for the acceleration in dependency lies in part with federal government politics and failing federal initiatives in the area of economic development of Indian communities. There has been a tendency to label isolated areas, without markets, resources and economic opportunities as non-economically viable, and in turn these areas have been targeted for social assistance. It may be argued that in such areas social assistance has by and large worked as a destructive mechanism toward individual or communal initiatives. And hence, in communities labelled as non-economically viable, social assistance has taken the place of expenditures on long-term economic development programs.

Dependence on social assistance must be considered a debilitating element characterizing Indian communities. There is a critical need to break away from the pattern of dependency. Although some may view this kind of assistance as a shield against employment in secondary type jobs and exploitative employment conditions, such arguments must be viewed as questionable (Wien, 1986). First, exploitative

forms of employment do not characterize reserve communities in general. And second, with regards to off-reserve Indians, social assistance has become a cycle of dependency which is hard to break and which even 'shields' Indians from access to suitable employment opportunities.

As long as jobs are scarce, of low skill requirement, poorly paid, and of a casual and seasonal nature, the incentive to choose employment over social assistance may be rather low. Furthermore, if getting off social assistance means having to migrate off-reserve to find employment, it is highly unlikely that the dependency cycle will be broken. Therefore, solutions must be found within the communities.

2.5 A NOTE ON THE PROJECTION DATA AND ITS QUALITY

The population projection data on the Canadian status Indian population and the overall Canadian population used in section 2.2 was developed by the Demography Division of Statistics Canada.

Indian Register data which provides data on vital events, was used as base data for the projections on status Indians. The Indian Register provides the most current available data on the demographics of status Indians. In performing the projections the Indian Register data was adjusted for late reporting of births and deaths (DIAND, Population Projections, 1990). In the case of the Canadian population projection series the 1986 Census was used as base population (Statistics Canada, 1989).

For the purpose of this study a medium growth scenario of the status Indian population and a slow growth scenario of the Canadian population were chosen.

The medium growth scenario appears to fit the current Indian demographic trends most accurately, e.g. it is based on assumptions of slowly declining fertility, decreasing mortality at a moderate rate, completion of Bill C-31 registration by 1990, the migration of 18 percent of the newly reinstated Bill C-31 population to an on-reserve location, and no international migration (Ibid.). In the case of the Canadian population a slow growth scenario (projection no. 2) was chosen. This scenario appears to

constitute a smooth continuation of observed past trends, e.g. declining fertility, moderately declining mortality, and falling net migration (For details see Statistics Canada, 1989). Also, in both cases the projected data for the period 1986-1992 was compared to actual observed data (Indian Register data 1986-1992, 1986 Census count on the Canadian population and Statistics Canada population estimations between census counts) and it was found that the chosen growth scenarios matched that data with the least error.

These projections of course have certain limitations. The accuracy necessarily depends on the reliability of the population base data and on the assumptions made on vital events and migration.

The accuracy of the Indian projection data must be a primary consideration especially since the present study uses it as a point of departure. However, one should not be too concerned with its exact accuracy since the data is only used for illustrative purposes and for purposes of indicating the broad trends taking place in Indian demographics.

With respect to the accuracy of the Indian population projections, the actual Indian Register data up till 1992 was found to match the medium scenario projection quite closely. The projected data deviated on average only about 4 percent from the actual data. Looking at specific provinces the projected data was slightly less accurate for some

provinces, which is partly due to the small size of the base population in those provinces.

The important thing to keep in mind is that the projection employed in the present study illustrates a possible future population trend provided the population follows the underlying assumptions on rate of growth of population, vital events, and migration between on and off-reserve.

2.6

IMPLICATIONS.

The above outlined economic and employment circumstances of the status Indian population have several implications for the economic development of Indian communities, of which the major ones will be briefly considered here.

While the Indian population is faced with some very serious economic problems including a considerable lack of economic and employment opportunities, these problems are only going to magnify many fold in years to come when seen in light of the changing demographic composition.

The rate of growth of the Indian population throughout the projection period significantly surpasses that of the Canadian population. However, it is falling and the

disparity is narrowing albeit modestly. The high growth is putting increased pressures on finding suitable jobs for the growing number of Indian people residing on-reserve. In particular, the Indian on-reserve population will experience increasing economic pressures as reverse migration continues and growth on-reserve remains relatively high. Indians on reserve rely on social assistance more than other Canadians, and this reliance may grow without immediate progress in community economic development.

Across Canada the differences in the rate of growth of population indicate that some provinces and regions will experience more pressure on resources and scarce employment and economic opportunities in the future (the prairie provinces in particular), whereas others will be able to benefit from significant decline in growth. While a high growth pattern will help foster a broadened political, social and economic influence and thus could be considered a positive trend, the fact remains that most Indian communities are still ill prepared to take advantage of this growth. And without significant progress in employment and economic development, Indian population growth will only add to the already widespread economic disparity found within most on-reserve communities. Moreover, as the Indian on-reserve population continues to gain increasing growth momentum relative to the off-reserve population, it is evident that efforts in terms of economic and employment development on-reserve need to be reevaluated and

subsequently followed by a massive effort on the community economic development front. However, since most communities are small in population size and rural in nature, economic development opportunities have many obstacles and development will depend to a large degree on the extent and nature of reserve based and local resources, as well as government financial support for employment creation and business ventures.

While the overall growth of the Indian population poses several concerns for consideration, the changing age structure requires more immediate attention as it has direct implications for economic development. Financial resources will have to be increasingly directed toward the growing working aged population. As the population ages and the working aged group continues to increase its share of the total population, the pressure on economic development, employment creation and business opportunities will rise. This will raise many planning and policy issues and put pressures on various levels of governments to commit to long term financial support for education, training, and creation and expansion of employment and economic opportunities. Failure of governments to respond to these considerations could have significant cost-implications including a growing reliance on social assistance. While the decline in the Indian dependency ratio (due to the gradual aging of the population), is expected to lead to a decline in the degree of economic dependence, this will only happen if the growing

demand for employment is being met, and in turn, only if the government exercises commitment to financial support for employment and economic development. At the same time, as the youth matures into the young adult years, expenditures on post-secondary education will grow considerably, so will competition for scarce educational funds.

The reinstatement of a large number of Indians under Bill C-31 has also raised some concerns among Indian communities about the possible economic impacts of returning registrants to reserve communities. According to the Bill C-31 impact survey (1990), bands are concerned about the potential increase in the competition for scarce jobs in the communities as well as a potential increase in the competition for educational funds. However, on a more positive note, bands see the potential for at least some positive spill-over effects from the influx (however small) of Bill C-31 registrants. Since Bill C-31 registrants are generally better educated and in turn may possess better job skills, they could bring new ideas, different trades, and contacts to the outside with them to the reserve community.

The growing working aged population has resulted in a slight increase in the Indian labour force participation in recent years. However, the increase in this age group is taking place in an on-reserve employment market unable to satisfy current requirements, and in an off-reserve labour market where unemployment rates are already high. As a result, many Indians have become discouraged workers and

simply have given up participating in the labour force. Because of the very low labour force participation among Indians a higher level of employment, comparable to that found in the mainstream economy, can only be reached by finding jobs for those already participating in the labour force, while at the same time encouraging greater participation by those not in the labour force, and providing employment for those potential new entrants. More than half of the Indian population is not in the labour force, and of those who do participate about 16% are unemployed. Furthermore, the lowest rates of employment are found among the new entrants, and if their demand for employment will not be met, the pool of discouraged workers may grow in the future.

Moreover, the high degree of unemployed Indians especially on-reserve is an indicator of the high degree of entrenched unemployment and an indication of the underdeveloped economic infrastructure within Indian communities. The high proportion of non-participating Indians who have never been employed indicates the severity of the problem.

The significant economic disparities between Indians and other Canadians can be explained by the low levels of employment. Only about one-third of the Indian population is cited as employed, meaning that a considerably small section of the population has the burden of providing for a much larger non-economically active population. This problem is

magnified when seen in light of the large proportion of young dependents, the seasonal and short-term nature of most Indian employment, as well as the general low income levels found among Indians. Moreover, the disparity between on and off-reserve employment rates has implications for future development. It is particularly significant because more than two-thirds of the Indian population resides on-reserve, and this proportion is even expected to grow slightly by year 2011.

Age-specific employment rates indicate that employment rates are higher for prime wage earners and the middle aged compared to the youth. Therefore, in view of the projected future trends in the proportional representation of each of these three working aged groups, it is possible that as the youth proportion declines and a subsequent increase in the prime wage earning and middle aged groups is realized, the general employment level will improve. Alternatively, of course, the increase in the mature segment, and subsequent increase in competition for scarce jobs, may result in more unemployment and a higher proportion of discouraged workers among this group. This could have severe economic implications for future development prospects.

Increased attention must also be given to the growing female-to-male ratio due to Bill C-31. In view of the observed lower employment levels among Indian females, viable long-term development efforts will have to place

significant emphasis on employment needs of women. Failure will undermine any comprehensive development efforts.

2.7

CONCLUDING COMMENTS.

The above analysis has shown that the Indian population is undergoing significant changes in its demographic composition and the projected future changes in population dynamics will have significant impacts on the economic circumstances of the Indian population.

The changing demographics will, as demonstrated, add to an already highly critical employment situation unless immediate efforts are undertaken to reverse current trends of low labour force participation and high unemployment among the Indian population.

In addition, it is evident that the financial dependence on the federal government has reached considerable heights and is growing. Failure to find solutions to the current employment problems and the projected increase in demand for employment will only exacerbate the high level of financial dependence in the near future.

The growing financial dependence on the federal government can in part be attributed to the changing demographics, the reverse migration back to on-reserve

communities, and the lack of employment and economic opportunities within Indian communities. However, as will be discussed in more detail in chapter 6.0 and 7.0, social assistance has often taken the place of expenditures on long-term economic development programs. Thus, part of the blame for the acceleration in dependency lies with the federal government and its lacking or inadequate efforts in the area of economic development of Indian communities.

In outlining the above implications associated with the changing Indian demographic composition and its related employment and economic impacts, it becomes evident that employment and economic development must become an absolute priority with both federal and band governments. In order to design an appropriate development strategy that can begin to address the complex and diversified issues related to contemporary Indian employment and economic circumstances, several issues must be considered in turn.

Chapter 3.0 seeks to arrive at an appropriate theoretical framework that may serve as the basis for identifying elements of a comprehensive strategy for employment and economic development of Indian communities.

CHAPTER 3.0

IDENTIFYING AN APPROPRIATE THEORETICAL FRAMEWORK.

3.1 INTRODUCTION.

This section of the study seeks to present some brief basic viewpoints on different theoretical approaches to explaining variations in labour force outcomes, and then to evaluate their applicability to the Indian context. Specifying a theoretical framework relevant to the Indian context serves the purpose of highlighting the circumstances within which Indians seek employment, and thus helps identify possible obstacles to Indian labour force participation and employment success which must be overcome if a higher level of employment and economic development is to be achieved.

The main theoretical perspectives on Indian employment patterns and trends fall into essentially three main groupings; those that adhere to orthodox thinking and thus emphasize individual traits as being predominant in determining labour force success; those that focus on a dependency paradigm arguing that the lack of labour force success amongst the Indian population is due to their dependent state; and finally, those who specify a dual

economy framework arguing that Indians by and large are relegated to a secondary labour market with limited mobility, and as a result are unable to achieve high participation and success rates.

In reviewing the literature on labour market theories it becomes evident that existing labour market theories are separately inadequate at explaining Indian labour force participation and employment success as, when viewed separately, they are inadequate at capturing the complexity of Indian employment conditions. However, by allowing for some broad generalizations, and by incorporating elements of existing theories, it is possible to identify a framework that can serve as an analytical tool in analysing the complex issues involved in Indian employment and economic circumstances.

3.2

THE ORTHODOX PERSPECTIVE.

Orthodox approaches to explaining how individuals participate and perform in the labour market center around the idea that each individual enters the labour market with a set of attributes. These attributes encompass productive characteristics and personal preferences that by and large determine that individual's chances in the labour market.

By focusing on the characteristics of the individual, orthodox theories attempt to explain why there are low-wage and low-status jobs, and why these jobs are concentrated largely within minority groups.

One line of orthodox thinking focuses on economic theory in attempting to explain an individual's participation in the labour market. This type of theory is based on the assumption that people enter the labour market with certain individual productive characteristics, e.g. innate ability, education, training, and job experience. On the basis of these productive characteristics the individual will, in seeking to maximize future income, make rational decisions concerning investment in human capital. An individual gets paid in accordance with his or her productive capacity. Since the productive capacity is directly determined by the combination of individual productive characteristics, an individual will maximize

lifetime earnings by choosing to invest in human capital, thereby deferring present income to improve future earning power (Wien, 1986, p. 82). Orthodox thinking further maintains that if education, training, and work experience is equally available to all people, then differences in employment patterns and wages can be explained by such factors as differing innate ability and differing preferences. Thus, from an orthodox perspective the labour market works well, and requires at most some minor government intervention to maintain full employment. Within this framework individuals have a psychologically determined set of preferences and are able to determine their own satisfaction. Consequently, if unemployment exists it is because individuals choose to be unemployed, and thus, individual choice dictates economic outcomes. This line of thinking has at times led to some rather extreme views on the unemployed. According to Robert Lekachman, 'the unemployed are dumb, illiterate, immoral, lazy, or some unattractive combination of these qualities' (Quoted in Cherry, 1980, p. 15). Forces that may undermine equality (i.e. similar workers receiving similar treatment) and create artificial barriers to a free labour market should, according to orthodox thinking, be removed. Such forces include union activity, minimum wage legislation, and unemployment compensation (McArthur, 1989). Moreover, there is the potential for temporary distortions to the working of a free labour market. While discrimination is considered

such a temporary distortion, it is believed that it will be eliminated through competition.

Another line of orthodox thinking emphasizes the sociological background of the individual. This line of thinking suggests that how an individual fares in the labour market, and the choice of employment or career, is determined largely by factors that influence the value system and preferences of the individual, the primary ones being; age, gender, family background, initiative, values and attitude (Wien, 1986; Peters et al., 1992).

Along the same line of thinking can be found the "culture of poverty" thesis (Oscar Lewis (1968)), which basically suggests that minorities are caught in a culture of poverty that is characterized by community disorganization, family disintegration, welfare dependency, personal disorganization, and rejection of middle-class values (Peters et al., 1992; Wien, 1986). By adapting to this culture it becomes difficult for the individual to improve his or her socio-economic position.

Finally, modernization theories (Rostow (1970)) divide the economy into two sectors; modern and non-modern. The basic idea behind this type of theory is that the non-modern sector lacks certain factors important to achieving development. Common impediments to development in the non-modern sector are low ambitions, risk aversion strategies, family ties, and lack of entrepreneurial and industrial skills. The solution to the underdeveloped state of the non-

modern sector is sought through strategies of modernization which focus on the diffusion of elements of the modern sector, such as economic, social and political institutions (McArthur, 1989, p. 40).

i. APPLICATION TO THE INDIAN CONTEXT.

It can be argued, that by and large orthodox thinking has laid the framework for much of federal strategies and policy measures directed at achieving Indian employment and economic development. One need just look to the overriding emphasis on achieving a higher educational attainment amongst status Indians, as well as measures directed toward creating a pool of Indian business entrepreneurs. In effect, orthodox thinking has largely tended to emphasize the supply side and has in turn, particularly in the past, tended to downplay or ignore the demand side of the labour market.

The Hawthorn-Tremblay Report (1966) was one of the earliest and most significant studies on Indian economic conditions and essentially laid the ground work for federal supply side policy measures. This report recommended that efforts of the Indian Affairs Branch should be directed toward increasing the educational attainments of the Indian people. For example, one of the main recommendations made by the report was that "the main emphasis on economic development should be on education, vocational training and

techniques of mobility to enable Indians to take employment in wage and salaried jobs" (Hawthorn, 1966, p. 13). In addition, the report recommended that the development of locally available resources should only be looked upon as playing a secondary role for those Indians who did not choose to seek employment outside the reserve (Ibid.).

Since then, federal policy measures have subscribed heavily to supply side measures, and key areas have been investments into education and vocational training and, until more recently, mobility assistance for Indians seeking employment off-reserve to facilitate the adaptation of the Indian population into the mainstream economy.

Demand side strategies have been limited in the past, but are gaining increasing attention in more recent times. Such strategies commonly include job creation, employment equity, and human rights legislation. However, it is fair to argue that orthodox development strategies have largely failed at achieving equal access to employment by Indians.

In particular, as will be discussed in more detail in chapter 6.0, measures undertaken by both Employment and Immigration Canada and the Department of Indian Affairs have proven largely ineffective at meeting the special needs of Indian people. Furthermore, as shown in chapter 2.0 of this study, no substantial improvements in economic conditions have occurred. Indian employment patterns and trends are still characterized by participation rates far below national averages, unemployment is chronically high

especially on the reserves, and income from wage labour is individually and collectively far below that for any other group in Canada.

In all fairness, factors such as inadequate education and skill levels and lack of experience must account partially for the lower levels of employment of Indians compared to other Canadians. Nonetheless, despite large amounts of financial resources directed at enhancing Indian educational and skill levels no significant improvements in employment have occurred (Nicholson, 1987; McArthur, 1989). It is therefore clear that discriminatory labour market practices are distorting the working of competitive forces. There is a need to incorporate more vigorously demand side measures into development strategies as well as pay more close attention to structural constraints facing the Indian labour force.

Business development strategies have also tended to exhibit at least some level of orthodox influence. These strategies have largely taken the form of enterprise financing and the provision of management advisory services to Indian owned enterprises. Business failures have tended to be blamed partly on lack of business experience of Indian entrepreneurs, and partly on the foundation of Indian businesses, in the sense that investments in Indian businesses often cannot be justified because the foundation necessary for success is lacking within most on-reserve communities (McArthur, 1989, p. 37). The high failure rate

lies partly with the behaviour of federal funding agencies, who often themselves lack the necessary business expertise to assist Native businesses, exercise inadequate financial support, and lack commitment (Loxley, 1986, pp. 163-171). A major problem is the excessive risk aversion strategies of federal departments and agencies. Many community economic development projects are heavily undercapitalized and end up as small and uncoordinated projects.

In general, contemporary business development programs carried out by Industry, Science, and Technology, are characterized by limited accessibility, numerous eligibility criteria, and low funding levels, as will be discussed further in chapter 6.0. Moreover, many Indian businesses could survive if business development strategies were more sensitive to the barriers facing Indian entrepreneurs, and if they were geared more carefully to the context within which they operate, the reserve economy. For example, Wolfe et al. (1989), found that micro-enterprises are widespread on Indian reserves. They are generally quite viable and serve an important function in the communities since they are generally based on local needs and local demand. Moreover, they are usually tailored to the Indian culture and generally operate alongside other economic activity.

The modernization theory also exhibits many flaws. Probably one of the predominant criticisms that should be emphasized here is the inaccurate argument that Indian culture somehow inhibits development and Indian success in

the labour market. For example, in analyzing several case studies in the province of Manitoba, Deprez and Sigurdson (1969) found that Indian culture did not stand in the way of Indian adaptation into an industrial economic environment (p. 96). Also, a comprehensive study done on native participation in mining in the north indicated that in general natives adapted quickly to a wage economy and industrial employment. Only minor adjustments in the early stages of employment were necessary. (Sub-Committee, 1992, pp. 123-130). In general, there has been no evidence to suggest that Indian culture is an impediment to achieving economic development.

The idea of sub-cultures on reserves has also been challenged. In studying a Manitoba Indian reserve, Lithman (1984) argued that it would be tempting to interpret the low participation in job opportunities or the low educational attainment as the organizational outcome of cultural differences. However, according to Lithman, Indians are capable and competent and the fact that they are excluded from employment opportunities is the result of the ability of Whites to influence Indian access and performance (p. 60).

Overall, it can be said that interpreting Indian conditions within an orthodox framework leads to policy measures that tend to overlook the special circumstances of Indian people, and thus produce results that are

ineffective, and at worst contribute to pushing Indians even further to the margins of the Canadian mainstream economy.

3.3 DUAL ECONOMY AND SEGMENTED LABOUR MARKET.

The dual economy perspective or segmentation theory emerged in the U.S. in the late 1960s. Originally it was developed in an attempt to account for the situation of black workers, but has since been extended to include various minorities, disadvantaged and underprivileged groups (Berger and Piore, 1980, p. 15).

The dual economy and segmented labour market approach does not focus on individual characteristics and attributes as the prime determinant of labour market performance, but rather the emphasis is on the structure of the labour market, and the factors within this structure that determine how an individual fares in the labour market.

The basic tenet of this approach is that the labour force is divided or discontinuous, resulting in it being described as a "dual" or segmented labour force.

The dual economy is composed of "core" and "periphery" sectors. The firms of the core sector exhibit oligopolistic market structures, they are capital intensive with long production runs, use advanced technology, and offer working conditions that attract a stable labour force. On the labour

side, the core sector is distinguished by the presence of large industrial unions that wield significant bargaining power. In contrast, the periphery sector is characterized by the presence of a large number of small firms, whose levels of technology are considered lower and less capital intensive, who control little market power, with a large non-organized labour force and fluctuating need for labour (Appelbaum, 1979, p. 107).

The dual labour market is the theoretical basis for the segmented labour market. Under the dual labour market hypothesis, the labour market is divided into two independent segments, a "primary" and a "secondary" labour market, which correspond respectively to the "core" and "periphery" sectors of the economy.

Primary labour markets are characterized by more attractive and better paying jobs, on-the-job training opportunities, opportunities for career advancement, and stable employment. In contrast, secondary labour markets are characterized as being inferior and less attractive, consisting of low skill requirements and low wages, few on-the-job training opportunities, limited upward mobility and general unstable employment (Piore and Berger, 1980, p. 17). By and large, the secondary labour market is composed of disadvantaged and underprivileged groups. Ethnic and racial minorities, women and the youth fall into this category. The unstable nature of the jobs found in the secondary labour market arises from the general seasonality

of these jobs, sensitivity to sudden shifts in taste and fashion, declining industries or marginal firms, and the limited prospects for continuous employment (Cherry, 1980, p. 34).

According to the segmented labour market theory, labour markets are segmented because workers in some jobs may be shielded from competition with other workers, or because workers are prevented from competing for certain jobs. And thus, there is very little mobility between the labour markets. This, of course, is in sharp contrast to orthodox economics which maintains that individual productive characteristics determine labour market outcomes. Discrimination is viewed as a main factor in preventing disadvantaged groups and minorities from entering the primary labour markets.

According to segmentation theorists, as long as there is a need for the kind of jobs found in the secondary labour markets, there will always be groups in society that will experience high unemployment. Only a fundamental change in the economic system could eliminate these jobs, and hence high unemployment within certain groups in society.

Piore (1980) identifies one group of workers who actually stand to benefit from the high unemployment of secondary workers; white prime-age male workers. First, Piore notes that firms which provide their workers with guaranteed employment can do so only if they can transfer fluctuations in productions to other firms. This is done by

subcontracting the variable portion of demand to marginal firms, firms which are able to exist only through the use of secondary workers. Second, Piore claims that without a labour force willing to accept uncertainty and instability, there would be an accelerated movement abroad of declining industries. This would, in turn, cause increased unemployment of higher-paid, more skilled white male workers who service these industries (Cherry, 1980, p. 35).

i. APPLICATION TO THE INDIAN CONTEXT.

Although the dual economy and segmented labour market perspective is based on broad generalizations, it nonetheless has some intuitive appeal when applied to the context of the Indian labour force. It seems to offer at least some partial explanations for the broad general pattern of Indian employment, especially off-reserve. Whereas the orthodox theory highlights the individual, the dual economy and segmented labour market theory argues the fact that an entire group of people within society is experiencing a similar pattern of employment, despite the fact that they exhibit differing individual characteristics.

Literature attempting to relate Indian employment circumstances to a dual economy and segmented labour market perspective usually highlight a common denominator as the overriding reason for this pattern of segmentation;

discrimination towards Indians by other Canadians. Indian people often find themselves restricted to entry-level, poorly paid jobs despite their experience, and often their experience on-reserve has been cited as being largely ignored as the basis for advancement in employment off-reserve. Discrimination has been argued by Indians themselves to be the main factor allocating them to poor jobs when they leave the reserve to seek employment off-reserve (The Royal Commission on Aboriginal people, 1992, p. 32).

Although educational attainment has been shown to lessen the degree of segmentation, empirical evidence still suggests that Indians with comparable educational attainment as other Canadians achieve less success in the labour market compared to other Canadians (Kariya, 1989, p. 33). Thus, it has been found that while Indians with a university degree achieve a higher level of economic well-being than Indians without a degree, they achieve significantly less labour market related success than degree holders amongst other Canadians (Armstrong et al., 1990, p. 31). Although this appears to be the general trend, it has been empirically documented by Hull (1987) that Indian women with a greater level of educational attainment are less likely to be employed than Indian males with less education (p. 153). This finding could suggest that educated Indian females experience a higher degree of segmentation than their male counter-parts.

On the basis of a survey of native women in the Winnipeg labour market, Hull (1981) found that native women are stuck in a segmented labour market. Hull based this argument on the general high unemployment of these women, their low income, lack of work experience, and employment in typically low-paid and insecure jobs, with few opportunities for advancement. Although education and family responsibilities were cited as the major reasons for lack of employment success, discrimination was one of the main barriers to employment identified by the women in Hull's survey. The survey also indicated that while native women held more ambitious career goals (than what might be suggested by their low-skill employment patterns), and sought to advance these through work or by seeking training and skill upgrading, they had little chance to do so.

Moreover, studies have found that native people represent a significant and expanding segment of Canada's poor. Extreme disparity exists between the native population and other Canadians, and only a small segment of the urban natives is participating in the labour market (Clathworthy and Gunn, 1981, p. 84). In addition, in a study on native employment in the Winnipeg labour market, Clatworthy (1981) found that native employment was heavily concentrated in a few sectors of the economy. Construction, manufacturing and processing, and service occupations were the predominant areas of employment among native males, while for native females, service and manufacturing and processing

occupations were most common. Furthermore, while the occupations held by natives were commonly of a low-skill and low-wage nature, there was also evidence to suggest very limited or non-existent occupational mobility (p. 63). Likewise, Wien (1986) found evidence to suggest that the Micmac Indians of Nova Scotia are disproportionately represented in the marginal sector, and once in this sector there appears to be a number of barriers preventing mobility out of it (pp. 97-99). Discrimination of various types is a common barrier.

In general, empirical evidence and various case studies tend to support the thesis that Indians experience a segmented labour market with relatively limited mobility. However, the theory is mostly applicable to the off-reserve labour market where Indians must compete with other Canadians for employment. And even when solely applied to the off-reserve context, application can only be done with some very broad generalizations.

First, it can be argued that the labour market is far too complex and heterogeneous to be divided into two separate segments. Secondly, hiring across segments is growing, especially of Indians with higher educational levels. And therefore, educational attainment tends to lessen the degree of segmentation. For example, there is even evidence to suggest that Indians with university degrees find it easier to find employment than some non-Indian degree holders, partly because there is a lack of

well educated Indians to fill jobs within the emerging Indian political, social and economic institutions (E.g. Armstrong (1990)).

These points necessarily put a question-mark on one of the basic tenets of the segmentation theory, that mobility is limited or non-existent.

3.4 THE DEPENDENCY AND INTERNAL COLONIALISM PERSPECTIVE.

In its simplest form dependency theory views underdevelopment as being a direct result of the expansion of the capitalist system through colonization. By viewing underdevelopment as the outcome of capitalist expansion, it strongly departs from the modernization perspective found in orthodox thinking.

The main idea behind dependency theory is that the development of the modern sector (core area) of society leads to the underdevelopment and stagnation of the traditional sector (periphery). Dependence is viewed as a conditioning situation in which the economy of the traditional sector is conditioned by the development of the modern sector. A dependent relationship exists when the traditional sector can only expand as a reflection of the growth of the dominant sector. The traditional and the

modern sector do not exist independently of one another, as in the dual economy model, and it is exactly the nature of an exploitative relationship between the two sectors that inevitably results in the development of the modern sector and underdevelopment of the traditional sector. The traditional sector becomes dependent upon the modern sector for economic assistance, since the modern sector drains the traditional sector of the means to its survival. Thus, in effect, while capitalism can be an engine of growth in the modern sector it tends, to produce underdevelopment and poverty in the traditional sector.

According to Paul Sweezy (1986) this scenario can be found in the relations between advanced capitalist countries and colonial and semi-colonial countries as well as within these countries (Paul Sweezy in Griffin, p. 1104).

Similarly, Andre Gunder Frank (1972) maintained that capitalism had become an integrated structure of metropolises and satellites that bound nations, regions, and urban-rural areas into dominant, dependent relationships.

For the purpose of this particular study the interest in the dependency perspective lies in its application to relations between regions within a nation, or in other words, in its attention to the concept of internal colonialism.

An internal colony is broadly speaking an area exploited for the benefit of another (Wien, 1986, p. 105)
This exploitative relationship is in broad terms

characterized by the channeling of resources from the internal colony to the dominant core area. A common theme in the dependency theory is the extraction of natural resources in the internal colony often by a multinational corporation. Natural resources are extracted at low cost often using local low wage labour. Profits generated leave the area, often to be invested in the dominant core. Thus, internal colonies can be viewed as areas where a somewhat more non-capitalist mode of production is used to support the capitalist mode of production outside the internal colony.

This scenario of internal colonialism inevitably causes distortions in the local economy. These distortions center around external control and priorities, the appropriation of surplus by multinationals that is generated by extraction of resources within the internal colony, and the emergence of a class structure within the local population (Peters et al., 1992, p. 9). This class structure generally consists of four social classes. Wien (1986) summarizes the groupings as follows: "a capitalist bourgeois class of business-men who serve to link the peripheral economy to the metropolitan centre, a restricted middle class which is centred around government employment, a privileged working class segment, and a large, marginalized underclass" (p. 109).

Robert Blauner (1969) identified some distortions related to external control and priorities. In his view internal colonialism takes the form of the indigenous group being subject to forced integration, excessive control by

the dominant society, subject to a policy that serves to constrain, control and destroy the culture and economy of the internal colony (Robert Blauner in Ponting, 1986, p. 85).

i. APPLICATION TO THE INDIAN CONTEXT.

In many versions of internal colonialism, the role of state policy as opposed to private industry and multinational corporations is emphasized. Ponting (1986) identifies several micro-level indicators of internal colonialism. In their application to the Canadian Indian context, these indicators emphasize the socio-fiscal control exercised by the Department of Indian Affairs and Northern Development (DIAND). Some general themes are the inadequate resourcing and preparation for Indian bands who administer their own affairs, economic underdevelopment caused by inadequate resourcing of bands' economic development, excessive risk-aversion strategies, lack of information to bands, lack of consultation with bands, exclusion of bands from decision making, and control over financial resources (Ponting, 1986, p. 86).

As will be argued in chapter 6.0, current federal initiatives directed at Indian economic development continue to display traces of internal colonialism, as suggested by Ponting (1986).

Several traces of internal colonialism can be identified just by observing the structure of on-reserve Indian economies. Broadly speaking, these economies can be noted for their divergent production structure where it is common to observe local resource use and production within communities being geared not to satisfy the needs of community residents, but rather to satisfy an external demand. Also, in accordance with characteristics of dependent economies, the economies of Indian on-reserve communities suffer because of a lack of sources of income due in part to difficulty with retaining income within the community. It is common place to see both jobs and property in the hands of people from outside the community, which in turn causes profits and various forms of income to leave the community to benefit the outside.

Indeed, the perspective of internal colonialism appears to offer a plausible theoretical background for understanding contemporary Indian employment patterns and trends, and in turn may set the foundation for developing strategies and policies to address the problems of lack of economic development within Indian reserve communities. Like any other theoretical perspective, it is however based on broad generalizations, and there are reasons to be cautious in arguing for its applicability.

First, in analyzing one of the main themes of this perspective, the exploitation by multinational corporations in the internal colony, it is important to recognize, as do

some dependency theorists, that multinational corporations can be a source of economic growth within the local economy, by creating jobs and by introducing the local population to a wage economy. For example, the Sub-Committee on native participation in mining in Canada (1992) found evidence of mining corporations contributing in a positive way to the economies of northern reserve communities. Resource extraction has created jobs, business opportunities, training opportunities, and there is even evidence to suggest that it has enabled the native population to continue with traditional pursuits. Some corporations have entered into agreements with the native people that permit a flexible work schedule for native employees which enables continued involvement in traditional pursuits. Moreover, wage employment helps support the costs involved in pursuing traditional pursuits. On the other hand, there is evidence of some negative environmental impacts due to resource industry. Native people have been raising their voices about the pressures on their traditional economic base. They argue that the animal rights movement has drastically reduced the price of furs, that traplines have been disrupted by hydro dams, and animals and rivers have been interfered with by mining and forestry clear-cutting, and government regulations restrict what can be hunted, trapped, and fished, and when (Royal commission on Aboriginal People, 1992, p. 31).

Second, it is probably debatable to what extent contemporary reserve economies can be said to have developed a class structure due to external dependent ties. First, Indian reserves are recognized by their lack of business development and entrepreneurial undertakings. Thus, there is only limited opportunity for the emergence of a class structure on-reserve dividing those who own the means of production and those who do not. Moreover, employment in the Indian public sector has been found to contribute almost half of the jobs on reserves (DIAND, The Indian Public Sector, 1990, p. 8). Thus, it would appear that reserve economies are characterized by a labour force that is predominantly employed in public sector jobs. On the other hand, with the increase in the Indian public sector, due to the devolutionary policy undertaken by DIAND since the mid 1980s, the potential for a new distribution of control within Indian communities is emerging. Evidence gathered from an initial assessment of the Devolution Policy has suggested that the devolution may result in a new type of dependence; that between Tribal Councils and bands (DIAND, Appendices, 1991). Interviews with Indian bands has indicated that some resent having a new level of bureaucracy forced down upon them in the form of Tribal Councils (Ibid.).

In general, while recognizing that applicability of the dependency and internal colonialism perspective must be done with some caution, it would appear that this perspective

offer at least some plausible point of departure for understanding Indian economic circumstances, and thus may serve useful in identifying elements of an employment and economic development strategy.

3.5 THE MARXIAN PERSPECTIVE.

Although many of the marxian views have already been touched upon in the foregoing discussion, the marxian perspective nonetheless requires a section by itself, because it puts forward an interesting alternative view on the reason for persistent high unemployment. Since high unemployment is at the heart of the problem in this particular study, the marxian argument of "a reserve army of labour" requires some closer attention.

At the root of the marxian perspective is class struggle and exploitation. Class struggle over the distribution of income is considered the primary factor which explains economic outcomes. The marxian view discounts psychological factors and the role of individual choice. If workers are unemployed it is a result of the profit motive of the capitalist system.

The "reserve army" of unemployed labour threatens and competes with employed labour, so that wages are kept low enough to allow the production of surplus value (Devine, p.

21). Thus, the "reserve army" is the fundamental prerequisite to maintain the social and economic hierarchy of the capitalist system (Cherry, 1980, p. 33). In fact, Marx found the Malthusian theory that demographic forces created labour surplus to be an insult to the working class (Gillis et al., 1987, p. 91).

Capitalism can expand too much compared to labour power supplies, causing wages to rise faster than labour productivity. When the demand for labour supply rises the function of the "reserve army" is undermined which results in a deterioration of the incentive of labour to produce surplus value. This "wage squeeze" depresses the rate of surplus value and the income share of profits. As a result capitalism cannot tolerate lasting high employment and hence in capitalist societies there is a need to recreate the reserve army of unemployed to raise profitability. Full employment policies could upset the functioning of the capitalist system by increasing the bargaining position of labour, by undermining the threat of dismissal as a disciplinary tool, and by furthering social and political changes (Boddy and Crotty, 1975, p. 3).

i. APPLICATION TO THE INDIAN CONTEXT.

According to Marxist theory, minority labour has tended to serve as a source of low-wage labour and a source of division in the working class.

The marxian perspective has been applied to the Indian context to explain the persistent high levels of unemployment. For example, Loxley (1981) argued that much of the Indian labour force can be described as a "reserve army of labour", a low-wage labour force that can be drawn upon when needed, and subsequently serves to keep down the cost of labour in the regional economy.

Although viewing the Indian labour force as a "reserve army of labour" offers an interesting attempt to explain Indian participation in the labour force, or lack thereof, it nonetheless has some critical shortcomings.

Firstly, in contemporary times it is highly debatable to what extent the Indian labour force could even begin to fit into the marxian line of thinking. The observed improvements in educational attainment amongst Indians, along with growing political awareness and Indian institution building point to an Indian labour force that is now standing up for its rights. Moreover, in contemporary times with unionism and state legislation protecting the rights of minorities, it is increasingly difficult to exploit minorities as a cheap and flexible labour force, at least on a larger scale.

Secondly, as has been discussed earlier, the Indian population constitutes but a small proportion of the total Canadian population. Thus, considering the small size of bands and the relative small size of the working aged segment within these bands relative to the regional population, it is highly questionable to what extent the Indian labour force could serve to suppress wages of other Canadians in the regional economy. On the other hand, while it is questionable to what extent Indian labour would be able to suppress regional wages, it is however possible that Indian labour may provide a source of cheap labour in more remote locations. For example, the Sub-committee on native participation in mining (1991) found (in surveying the responses given by mining companies on the benefits of hiring native people to work in the mines) that major benefits to hiring native labour include; access to a local workforce, lower operating and transportation cost, and nearby sources of goods and services (p. 108). Because of the remote location of minesites, some employees must be flown in. Native people represent the closest source of potential employees. Their closer location, relative to other sources of labour, has been identified as a major cost saving benefit (Ibid. p. 136). This practice of hiring native labour which obviously lowers the demand for labour from elsewhere, could potentially act to suppress wages of miners in the particular mining location.

On the other hand, some companies indicated higher costs associated with hiring native people because of lower productivity due to lack of experience, more complex personnel relations, and training and skill upgrading (Sub-Committee, 1992, p. 115).

Thus, while it appears that in mineral extraction the Indian labour force may be viewed in some respect as a cost saving device, in other respects there may be costs involved in using a labour force that may be ill prepared for industrial employment in terms of lack of educational background and unfamiliarity with work in the industrial world. Hence, it is debatable to what extent companies can actually benefit from exploiting cheap Indian labour. Also, in contemporary times the state has taken on an important role, and its presence at least in principle tends to work against the exploitation of cheap labour. And thus, it is highly debatable to what extent the marxian notion of a "reserve army of labour" can be applied to the Indian context.

3.6

CONCLUDING COMMENTS.

While none of the labour market theories presented can be explicitly rejected, since they all exhibit at least some elements of merits, they all nonetheless have certain shortcomings, and can be applied only as broad generalizations.

As the literature indicates, the Indian labour force is highly complex in that Indians participate in various ways in labour force activities, they receive income from various sources, and factors largely beyond the control of Indian people may dictate performance and access to opportunities, such as reserve location, access to resources, and discriminatory labour market practices. Moreover, one of the major difficulties with attempting to apply these theories independently lie in the conflicts that arise as a result of variations due to on- and off-reserve employment differences.

With that in mind, it is possible to arrive at a framework that, while making allowances for some broad generalizations, can provide at least some useful point of departure for the task at hand.

Looking first at the orthodox perspective, this perspective only provides a partial explanation for the low labour force success amongst Indians. It is correct that general low educational achievements are barriers to

employment opportunities and restrict access to certain jobs. However, the orthodox perspective fails to explain why highly educated Indians experience barriers in the labour market just as it fails to explain why an increase in expenditures on education has not resulted in a significant increase in Indian labour force successes, and thus, it fails to recognize that discriminatory practices play a major role, and that special barriers, particularly those related to the Indian Act and the reserve system, significantly affect Indian employment and economic opportunities. Therefore, orthodox policies directed solely at improving and upgrading the supply of Indian labour through education, training and skill upgrading, will ultimately fail if not implemented along with policies directed at both eliminating demand side barriers, such as discriminatory labour market practices, as well as directed at improving accessibility to business financing.

While the dual economy and segmented labour market theory has certain appeal as a starting point for interpreting and analysing the vast overrepresentation of Indians in low-wage, low-skilled jobs, it can only be applied with some broad generalizations to the off-reserve context. Its major flaw lies in its lack of attention to the mobility across occupations made possible by government legislation, employment equity programs, and the rising demand for Indian employees to fill high status positions within the expanding Indian administration and institutions.

Moreover, it fails to account for the increase in educational attainment amongst Indians which has tended to limit the degree of segmentation.

The marxian notion of class structure and a "reserve army of unemployed", has too many flaws when applied to the Indian context. While the idea of Indian labour forming a "reserve army" seems like a plausible explanation for the high degree of unemployment and the poor nature of jobs held by Indians, it nonetheless fails to recognize that the Indian labour force by and large is not even considered competition, and does not penetrate the industrial sector in vast numbers.

The dependency and internal colonialism paradigm seems to offer a plausible explanation for the underdeveloped state of Indian employment and economic conditions. While it has certain shortcomings and can be applied only with some level of generalization, it nonetheless seems to address some of the major issues involved when analysing Indian employment and economic circumstances.

In conclusion, in view of the noted shortcomings as well as identified merits of the highlighted labour market theories, it becomes necessary to incorporate elements from more than just one perspective when choosing a theoretical framework to be used as a point of departure. It seems plausible that a mix of orthodox ideas and elements of the dependency and internal colonialism paradigm can serve as a point of departure in analysing and interpreting Indian

labour market and economic circumstances. The orthodox perspective can provide a partial explanation for the lack of employment success among the Indian population, while the dependency paradigm can go even further and help understand the context within which the Indian population lives and thus provide insights into the type of barriers that must be overcome to achieve full access to employment and economic opportunities by Indian people.

CHAPTER 4.0

CAUSES AND DETERMINANTS OF INDIAN
EMPLOYMENT CIRCUMSTANCES.

4.1 INTRODUCTION.

The focus so far has in broad terms been on explaining Indian labour force participation and employment characteristics by focusing on the circumstances within which Indian people find themselves. This has been done by highlighting observed trends and patterns of Indian demographic, employment and economic circumstances, and by attempting to identify a theoretical framework that characterizes the Indian labour market.

The major analytical problem is now that of isolating factors, not referred to above, that help determine the shape of the distribution of employment opportunities within the Indian labour force. Thus, this section seeks to identify factors that help influence Indian labour force activity. The main emphasis of this causal analysis will be on the on-reserve context since the purpose of this section is to provide a basis for identifying strategies for achieving employment and economic development within on-

reserve communities. The factors identified are those deemed to be of major importance in shaping an individual's chances in the labour force, or lack thereof. They include: gender; health conditions; housing conditions on reserve; educational achievement; acquired work experience; level of business and entrepreneurial experience; involvement in subsistence pursuits; cultural norms and values; and migrant status. These factors will be discussed in turn.

4.2 INDIVIDUAL FACTORS LINKED TO EMPLOYMENT
 CIRCUMSTANCES.

i. GENDER.

Empirical evidence has tended to show a common trend; within the Indian population, Indian males fare better in the labour market than do their female counterparts. Employment rates are lower for females than males, and females living on-reserve who belong to the young working aged group (15-24 years) experience the lowest rate of employment, and their employment rate is approximately two-thirds that of Indian males. In contrast, Indian males experience the highest employment rates for all age groups, and employment is highest in the prime wage earning age

group (25-44). In addition, labour force participation rates in urban areas appear to be lower for females than for males, and unemployment rates are higher. The same pattern appears for Indians living on-reserve (Clathworthy, 1981; Nicholson, 1987).

Lack of employment success for Indian women within on-reserve communities is generally linked to a combination of poorer economic and employment opportunities for Indian women combined with a tendency for Indian women on-reserve to pursue traditional domestic roles instead of actively seeking wage employment (Nicholson and Macmillan, 1986, p. 77).

In addition, Indian women with children are less likely to be actively participating in the labour force when compared with women without children (Hull, 1981). In general, child care and family responsibilities are primary factors that enter into the decision-making process when Indian women evaluate whether to seek employment or not. Such considerations often lead to lower motivation toward career advancement or other employment goals. In contrast, on-reserve males are generally less constrained by child care responsibilities, and their traditional role as head of households may tend to act in their favour when scarce on-reserve employment opportunities are being allocated.

In general, there tends to be a relationship between Indian gender roles and ability or willingness to work. Men are still recognized as the sex with the best and most

continuous access to wage employment, and women are the sex most concerned with children and households. These gender roles, and their impact on access to employment and economic opportunities, must be considered in an economic development strategy in order to ensure equal opportunity within Indian communities.

ii. HEALTH CONDITIONS

Poor health is a deterrent to achieving improvements on the employment and economic front since it can be linked to an individual's productive capacity and ability or motivation to participate in economic activities. At the same time, the general poor health of the Indian population has been linked to a number of factors including poor housing, low hierarchical positions, low-self-esteem, lack of control over one's lives, absence of meaningful participation in economic activities, and disconnection from biological and cultural heritage (Young et al., 1991, p. 78). Thus, it would appear that while poor health is caused in part by a number of economic related factors, these same factors cannot easily be improved without simultaneous improvements on the health front.

The general economic despair characterizing most Indian communities is often seen acted out in violence, suicide and widespread alcoholism; factors that all tend to undermine

the ability to function successfully in the wage economy. Death by suicide is about 2.5 times more common among Indians than the general population, and death from injury and poisoning is four times more common. The rate of violent death is just under three times as likely as for other Canadians (DIAND, Dept. Overview, 1989, p. 13).

The gap between quality of life of Indians and the population in general is significant. Life expectancy for Indians is about eight years shorter than for other Canadians. The infant mortality rate is about 1.7 times the national average. While the health of Indians is significantly below national standards it is nonetheless improving; over the past decade life expectancy at birth for Indians has increased noticeably (by 2.4 years for males, and 3.9 years for females), and infant mortality is only one-fifth what it was 25 years ago (Ibid.).

The improvements witnessed in the general health conditions among Indians, however small, can be attributed to improved living conditions, better access to quality of health care and a growing community involvement in enhancing quality of life through education and health related services. Further improvements in the health of the Indian population will, however, be related to achievements in the area of employment and economic development. Since ability and motivation toward participation in economic activities are closely interrelated with the general health of an

individual, an economic development strategy must move on both fronts simultaneously.

iii. HOUSING CONDITIONS ON RESERVE.

Research has indicated that the family home is generally a fundamental component of an individual's sense of security, confidence and self-esteem. Moreover, quality of housing has been linked to perceptions of status and authority in community life; factors which may have an impact on mental health (Young, et al., 1991, p. 81). Furthermore, there is a direct link between housing conditions and a person's life chances, e.g. probability of finishing school, and probability of health risks (which in turn, as discussed above, is linked to an individual's productive capacity and ability or motivation to participate in economic activities).

While housing conditions have been improving, very serious housing problems remain in most Indian communities. Houses within on-reserve communities are over-crowded, in bad physical condition, and often lack basic amenities. While nationally almost all houses have basic amenities, running water, and central heating, Indian housing shows a very different picture; only 67% of houses have sewer or septic tanks, 75% have running water, and 69% have central heating (DIAND, Dept. Overview, 1989, p. 14). About one-

third of all houses are overcrowded, about 16 times the Canadian figure, and about 11 times the figure of communities near reserves (Ibid.).

In view of the obvious severity of on-reserve housing conditions and related impacts on community employment and economic activity, an economic development strategy must make a special effort to address the issue of on-reserve housing.

iv. EDUCATION.

Along lines of orthodox theory, the observed lack of educational attainment among the Indian population is a primary obstacle to achieving a higher degree of labour force participation, an increased rate of employment, and a higher level of income. Nonetheless, as will be indicated in the following, despite improvements in Indian educational attainment there still exists a considerable disparity between Indian and overall Canadian educational attainment.

According to 1986 Census figures, the proportion of the Indian population with less than grade 9 education is much higher than that for the total Canadian population (37.2% compared with 17.3% for the total Canadian population), (Table 29). A large proportion of the on-reserve population (44.7%) have less than a grade 9 education compared with about 25% of the off-reserve population. Thus, the

educational attainment of off-reserve Indians is significantly higher (although this may be partly due to the age difference) and it is closer to the level seen in the overall Canadian population than that of on-reserve.

Also, according to 1986 Census figures, the proportion of the Indian population with at least a high school education is much smaller than that for the overall Canadian population (27.6% of the Indians compared with 55.6% of Canadian total), and the proportion has only increased marginally in the 1980s (Table 29).

TABLE 29

STATUS INDIAN EDUCATIONAL ACHIEVEMENT, PERCENT OF POPULATION 15 AND OVER.
1981 AND 1986

	LESS THAN GRADE NINE EDUCATION		AT LEAST HIGH SCHOOL EDUCATION	
	1981	1986	1981	1986
TOTAL STATUS	39.1	37.2	26.4	27.6
ON-RESERVE	48.3	44.7	19.4	21.7
OFF-RESERVE	24.3	24.4	37.5	37.5
CANADA	20.1	17.3	52.1	55.6

SOURCES: DIAND, 1989. HIGHLIGHTS OF ABORIGINAL CONDITIONS 1981-2001: PART III.

NOTE: 1981 AND 1986 CENSUS DATA IS NOT DIRECTLY COMPARABLE DUE TO UNDERCOUNT OF 1986 CENSUS.

This can be partly attributed to the influence of family circumstances on the success of Indian students. Low family status and family poverty significantly adversely effects the likelihood of Indian students completing high school. Moreover, this effect of socio-economic status is

more pronounced among Indians than other Canadians (Hull, 1981).

There also exists a disparity between on- and off-reserve high school completion. While this disparity has been narrowing, the proportion of high-school graduates is still about 16% higher off-reserve than on-reserve. This disparity could reflect a tendency for off-reserve Indians to be more motivated by greater opportunities to participate in the main-stream economy.

TABLE 30
STATUS-INDIAN POST-SECONDARY ENROLMENT, 1981-1992.

YEAR	ENROLMENT	% INCREASE
1981/82	5,464	-
1982/83	6,810	24.6
1983/84	8,062	18.4
1984/85	8,617	7.4
1985/86	11,170	29.6
1986/87	13,196	18.1
1987/88	14,242	7.9
1988/89	15,572	9.3
1989/90	18,535	19.0
1990/91	21,300	14.9
1991/92	21,442	0.7

SOURCE: DIAND, 1992. BASIC DEPARTMENTAL DATA.

link between education and employment is not as obvious as in the general population.

While various studies support the thesis that educational attainment does improve an individual's chances in the labour market, this claim is generally followed by the argument that barriers such as discrimination hinder full benefits of educational attainment by Indians.

Armstrong et al. (1990) found a positive link between educational attainment and employment opportunities and level of income. Empirical evidence indicated that the differences in labour force activity between Indians and other Canadians decreases as the level of education increases, and the relative gain in economic well-being due to educational attainment is greater for Indians than other Canadians (p. 19). Hull (1986) found a similar link between educational attainment and labour force activity; educational attainment is associated with higher labour force participation and higher employment rates (p. 114). In addition, employment related improvements are greatest for off-reserve Indians (p. 119). Likewise, while Clatworthy (1981) arrived at similar relationships, he also reported that education related improvements in labour force participation appear to be greatest for Indian women.

Nonetheless, despite some obvious links between educational attainment and employment characteristics, various studies have indicated that there exist barriers to employment, even for Indians with comparable educational

achievements to other Canadians. For example, in comparing labour force success of Indian and non-Indian degree holders, Armstrong et al. (1990) found that, while there exists a positive link between education and employment, non-Indian degree holders enjoy more favourable labour force activity rates, with Indians having a median income of about two-thirds that of non-Indians (p. 5). Similarly, Paul Kariya (1989) found that a disparity exists and on average Indians are earning less per annum, and he subsequently concluded that post-colonialism casts a long shadow which includes discrimination and economic displacement (p. 43).

Nicholson and Macmillan (1986) have suggested possible reasons for the lower levels of employment among Indians despite comparable educational attainment. They suggest factors such as more limited access to employment opportunities, discriminatory practices in the labour market, lack of specialized skills and experience, inadequate support mechanisms for job training and placement, and attitudes toward participation in a wage economy (p. 179). In addition, some studies lean toward a segmented labour market approach to explaining the lack of labour market success among Indians (e.g. Wien, 1986; Hull, 1981; Clatworthy, 1981). For example, Wien (1986), concluded upon empirical testing and analysis of the Micmac Indian labour force that making investments in education is only of marginal relevance for improving the prospects of permanent

employment due to the presence of a segmented labour market (p. 148).

The findings of this causal analysis must become primary considerations in outlining a viable employment and economic development strategy. A development strategy must have as a priority to identify solutions to overcome lack of accessibility to employment and existing barriers to equal opportunity by Indians.

V. WORK EXPERIENCE.

It has been argued earlier in this study that orthodox theories of the human capital kind cannot easily be applied to the Indian case, in part because of the presence of discriminatory labour market practices toward Indian people, and consequently, Indian work experience does not always lead to employment and career advancements.

In the case of off-reserve employment opportunities the dual economy and segmented labour market perspective does seem to offer some valid explanation for the observable limited occupational and employment mobility of Indians. Moreover, in agreement with a dual economy thesis there appears to be little impact of previous work experience on unemployment rates, but a strong relationship to labour force participation (Hull, 1981, p. 35). In addition, some studies have suggested that there is no significant

relationship between occupational status and years in the labour force among Indians. Indians by and large remain in low-status occupations (e.g. Clatworthy (1981)).

While Indian work experience may not always lead to job opportunities and career advancements as suggested above, general lack of suitable work experience is likely in many cases the actual determining factor. While Indians may have many informal skills and volunteer work experience, they often lack recognized work experience. Moreover, major barriers include limited or no work experience at all, or at best lack of suitable work experience. Lack of suitable work experience can especially pose a problem for Indians residing on-reserve who choose to seek employment in off-reserve locations, since work experience obtained on-reserve is for the most part not recognized as a basis for advancement in off-reserve jobs.

An employment and economic development strategy must then address the issues of; eliminating existing barriers to equal opportunity by Indians; making special provisions for Indians to obtain work experience; and last but not least, matching local opportunities with local human resources by adhering to community perceptions of what constitutes suitable work experience.

availability for new business start-ups, they nonetheless report that the range of Native owned businesses includes many sophisticated entrepreneurial enterprises. They argue that Natives are as versatile as other Canadians in adding to their accumulated local knowledge in the pursuit of employment and business opportunities (p. 12). In addition, researchers such as Wolfe et al. (1989) have challenged the basic assumption that the on-reserve Indian population is not engaged in productive economic enterprises. For example, Sherman (1988), uncovered more than 90 types of micro-enterprises on a South Dakota reserve and found that they formed an intricate network of horizontal and vertical linkages (Wolfe et al., 1989, p. 19). Moreover, according to Wolfe et al. micro-enterprises are widespread on Canadian Indian reserves. These enterprises operate within what Wolfe et al. refer to as a "hidden economy", and subsequently are largely non-advertised enterprises. But despite their "hidden" nature, local community residents know where to find them and subsequently make use of their services or buy their products on a regular basis. The full business potential inherent in such enterprises is, however, often neglected, partly because communities fail to realize their strengths and importance, and partly because communities often have been influenced to believe that only large, sponsored projects have importance for the reserve economy. Although micro-enterprise experience (e.g. babysitting, catering, carpentry, painting, autobody repairs,

housecleaning etc.) may not produce the kind of business experience that is required to advance in enterprises off-reserve, they nonetheless appear to serve an important function within on-reserve communities by meeting local needs.

It is possible that a focus on creating Indian entrepreneurs through financial supported business ventures of the kind found in mainstream economy is still too ambitious an effort in view of the relative low levels of education and business experience characterizing most Indian communities, as well as it may counteract Indian values. Also, ambitious projects will have the tendency to lean too much on outside assistance, which may counteract community based efforts. In contrast, micro-enterprises, while often cash based and operating on a very small scale, do have attributes that can be attractive to small Indian entrepreneurs by being flexible and operating outside any form of external control mechanism.

Thus, while an employment and economic development strategy must seek to further Indian business and entrepreneurial experience, it must also be sensitive to both Indian value systems as well as identified needs and abilities, thereby promoting sustainable community futures.

vii. SUBSISTENCE PURSUITS.

In identifying individual characteristics that influence wage employment it is important to consider the participation in traditional pursuits or subsistence, (non-wage activity) especially considering the importance of this activity in many remote and northern communities.

Much literature has investigated Indian participation in traditional pursuits, and various researchers have attempted to explain the influence of Indian tradition on wage employment. There appears to be at least some uniform agreement that many on-reserve Indian communities function within some level of a mixed economy, in which traditional forms of harvesting food take on various importance, ranging from being largely a one-time-a-year event (e.g. annual wild rice harvesting on a Manitoba Indian reserve (Lithman, 1984) to being the predominant way of sustaining the community (e.g. hunting and trapping in Fort Norman and Fort Simpson (Bone, 1989)).

The mixed economy is an economy that combines participation in a market economy with a non-monetary subsistence economy. Non-monetary activities (traditional pursuits) may take the form of hunting, fishing, trapping, lumbering, gathering, and farming. The value of the non-wage sector in some communities in the mid-1970s varied between 41 percent and 58 percent of total community income. Wage employment provided between 28 percent and 39 percent of

total income, and transfers accounted for between 13 percent to 21 percent (DIAND, Indian Conditions, 1980, p. 59).

Research indicates that participation in subsistence activities does impact wage employment. The availability of country food enters into the decision-making process of Indian community members when evaluating the advantages of part-time versus full-time work, and different types of employment opportunities. Moreover, it is possible that Indians who engage in subsistence activities use less time and effort in seeking suitable wage employment. And hence, subsistence activities may take time away from involvement in educational and career improvements.

It is difficult to establish the exact cause and effect of subsistence activities. Some research indicates that subsistence is part of traditional Indian culture, and wage employment is undertaken only to support the cost of participating in subsistence activities, to provide an income for off-seasons, and to make up for an inability of subsistence to provide the total food intake. On the other hand, increased participation in wage employment may lead to a reduction in subsistence activities, since introduction to a wage economy has a tendency to limit the ties to traditional ways of making a living.

In studying the communities of Norman Wells, Fort Norman, Wringley and Fort Simpson, Bone (1989) found that for about half of the community residents country food (wild game, fish, birds, and berries) accounted for at least 40

percent of their food intake (p. 26), and thus, the traditional practice of harvesting, preparing and eating country food was argued to remain a vital part of Indian culture. While subsistence activities was found to be of great importance in making a living, wage employment would be pursued that complemented these activities.

In fact, in many tradition based economies wage employment will take on at least two major functions; it enables a person to complement harvested food with store bought food, just as it enables a person to pay the expenses involved in pursuing traditional ways of making a living. For instance, Cox (1987) suggests that in northern communities wage employment would indeed have to be very regular in order to represent a net gain. The high cost of store bought food in northern communities makes it necessary for wage income to be substantial in order to represent a net gain, and for families to be just as well off as if they were harvesting country food on the side. Wage income enables the participation in subsistence activities by providing the income necessary to pay for harvesting equipment, transport into the bush etc. (p. 261).

Hence, in the case of northern remote communities where store food is expensive, community residents often complement wage employment with subsistence activities to maximize real income. To avoid reliance on welfare, a mix of wage employment and subsistence is often necessary. Income generated from wage employment may be too little to cover

the high cost of living. Likewise, relying solely on subsistence activities is largely a thing of the past, as it is close to impossible to obtain total food intake this way.

In conclusion, while it may be difficult to establish the direct link between wage employment and participation in subsistence pursuits, just as it may be difficult to establish individual preferences and the criteria that enters into the decision-making process when deciding between wage employment and traditional pursuits, subsistence should, to the extent it is found necessary for cultural or traditional reasons, be considered in some form in economic development strategies.

viii. CULTURE.

In highlighting possible impacts of Indian culture on employment characteristics, there appears to be essentially two important areas for consideration. First, culture may influence the way work is organized within the community setting. And second, questions have been raised about Indian culture and its compatibility with employment in a modern economy off-reserve.

First, there appears to be various ways in which Indian culture may impact work patterns within the community. According to Usher (1971), among some Indian tribes the focus is on individual achievement and independence of work,

while according to Hedican (1986) in some tribes a task is performed through the exchange of future labour for someone's immediate services, (Peters et al. (1992)) and in yet other tribes the stress is on sharing and cooperation rather than on the accumulation of individual wealth and competition (Wien (1986)).

While much research points to a more communal organization, sharing and cooperation within Indian communities, Deprez and Sigurdson (1969) have challenged this common assumption by arguing that the high level of welfare dependency within many Indian communities has tended to undermine the necessity for economic interdependence among community residents, and in turn has tended to break down a vital component necessary for maintaining community solidarity (p. 92).

Second, on the issue of cultural incompatibility, there have been various opinions voiced on the topic of whether Indian culture is incompatible with employment off-reserve, or at best a barrier. For instance, Wien (1986) found that although the Micmac Indians display unique cultural traits different from other Canadians, there does not seem to be support for the idea that these differences represent a significant barrier to off-reserve employment (p. 152). Likewise, as touched upon earlier, Deprez and Sigurdson (1969) reached a similar conclusion when studying cases in Manitoba. They noted that Indians can make the economic

transition to non-traditional employment before acquiring the necessary cultural re-orientation (p. 101).

In conclusion, while culture may not be an impediment to wage work as such, it may enter into the equation when deciding on type of employment (e.g. deciding between traditional pursuits and wage work), just as it may influence the way work patterns are organized within on-reserve communities. The point to keep in mind is that different Indian tribes may have different value systems, and cultural diversity is just as much a factor within the Indian population as is the general diversity and complexity characterizing Indian reserve communities. Hence, a community economic development strategy must be very sensitive to broad variations in cultural norms and values, while at the same time recognizing that culture is not an obstacle to achieving successful community economic development.

ix. MIGRATION.

Migration is an important consideration in identifying Indian individual characteristics that impact employment trends. Migrant status can be used as an indicator of how strong the ties of an individual may be to the reserve community, and in turn could be used as an indicator of an

individual's willingness to migrate between on- and off-reserve location to look for work.

Empirical evidence has shown that Indians move less often than other Canadians, and that about two-thirds of on-reserve residents do not move at all. This has led some researchers to suggest that on-reserve Indians show a general lack of flexibility to respond to job opportunities outside the reserve community (Nicholson and MacMillan, 1987, p. 15). Also, the lack of migratory movements has been linked to the high degree of federal dependence found on reserves. Government welfare and family allowance payments may tend to keep Indian community residents within the community throughout most of the year as this type of dependence may tend to create a state of hopelessness on the part of welfare recipients, while undermining personal initiative.

While Indians move less often than other Canadians, a significant proportion still migrate extensively between on and off-reserve locations. However, in his study of a Manitoba Indian reserve, Lithman (1984) found that although an overwhelming number of people left the reserve community these cases could not be treated as out-migration. Rather, out-migration was found to be of a casual and temporary nature and often triggered by circumstances from which temporary relief was thought. And thus, migratory movements was seen to be more of a means to staying in the reserve community, rather than leaving it (p. 57).

In general, lack of out-migration among Indian people is clearly an indicator of a preference for community living. And thus, one should be cautious with linking Indian migrant status with welfare dependency and a perceived lack of flexibility on the part of Indians to respond to off-reserve employment opportunities. In view of the lack of migration among Indian people, as well as in view of the growing on-reserve population, measures must be taken to create sustainable and viable employment and economic opportunities within Indian communities.

4.3

CONCLUDING COMMENTS.

The above causal analysis identified a number of factors that help shape an Indian person's chances in the labour force, or lack thereof. The analysis showed that a large number of factors influence an individual's chances in the labour force, and therefore in order to achieve improved employment and economic circumstances among the Indian population it is necessary to move on many fronts simultaneously. A strategy will have to consider both gender issues, the general health of Indian communities and their housing conditions. Also, since in the Indian population the link between education and employment is not as obvious as in the general population, a strategy must identify

solutions to overcome lack of accessibility to employment and overcome existing barriers to equal opportunity by Indians. Moreover, a strategy must address the problem of lack of business experience and work experience among the Indian population while at the same time be sensitive to both Indian value systems and identified needs and abilities, thereby promoting sustainable community futures.

The causal analysis reached several conclusions regarding components of a strategy for community economic and employment development. These conclusions will be taken into consideration in chapter 7.0 when designing a development strategy.

CHAPTER 5.0

CHARACTERISTICS OF THE RESERVE COMMUNITY AND ITS
SURROUNDINGS THAT MAY AFFECT EMPLOYMENT OPPORTUNITIES.

5.1 INTRODUCTION.

This section seeks to identify variables that significantly influence the employment chances of the reserve community, and thus must be considered in a community economic development strategy.

While individual attributes and productive characteristics, as analysed earlier, significantly influence an individual's choices, performance, and success rates in the labour market, there are nonetheless broad variations in employment characteristics across reserves. This is because there are factors over which the individual has little control, and those factors relate to the characteristics of the reserve community and its surroundings.

Employment opportunities and patterns and trends of labour force participation of on-reserve Indians exhibit broad variations. These variations are caused by essentially two sets of factors; factors that describe the reserve environment (internal variables); and factors that describe the environment surrounding the reserve (external

variables). Since the internal and external variables differ considerably across reserves, different reserves have different employment opportunities and different patterns and levels of participation in the labour force. Understanding the diversity among different reserves, and their complex nature of employment characteristics is vital in order to be able to devise sound and viable strategies for community economic development.

The internal variables are largely impossible to control or influence by the individual, but the community can collectively exercise some level of control and influence. External variables, on the other hand, are largely impossible to change, manipulate or in any way control by the community let alone the individual reserve resident. However, it is nonetheless important to understand the external forces since this will allow the community to understand barriers to development. This in turn will enable the community to devise measures directed at achieving community self-reliance and less reliance on the external environment.

Internal variables fall into some broad categories of reserve demographics, reserve opportunities (wage and non-wage), attitudes toward a wage economy, and internal politics regarding distribution of resources. External variables, on the other hand, center around the level of reserve remoteness, and in turn level of accessibility to off-reserve employment and business opportunities, as well

as the economic characteristics of markets surrounding the reserve. The following presents an overview of each of these components.

5.2 INDIAN COMMUNITY CHARACTERISTICS AFFECTING
EMPLOYMENT CIRCUMSTANCES.

i. COMMUNITY POPULATION SIZE.

There are a total of 604 Indian bands distributed among all regions, and the average Indian band has a population of just over 800 people (DIAND, Indian Register, 1992). Indian band size and on-reserve community population size does not necessarily correspond directly, since the on-reserve population is usually somewhat smaller than the band size as not all band members reside on the reserve. Nonetheless, the size of the band does give a good indicator of the size of the community population. Moreover, the size of the band has significant importance since it makes up the primary unit of organization of the Indian population.

In 1990, just over 10% of all bands had a population of more than 1000 people. However, the band size is rising, and projections have indicated that by 1996 almost one quarter of Indian bands will have a population of more than 1000 (Ponting p. 63). The number of smaller bands, with less than 500 members, will decrease from approximately 70% in 1990 to

approximately a half by 1996. Still, the average size will continue to be small and this has significant implications for on-reserve opportunities. Small band size is particularly a concern in B.C. and NWT, as opposed to the prairie bands that belong to the larger band category (Ibid.).

The small size of the on-reserve population limits the ability of the community of engaging in business ventures and resource industry. In general, it is at best possible to sustain only very modest-scaled industrial and commercial enterprises. With the exception of some small service or retail businesses some communities are simply too small to support many businesses by themselves. This in turn influences the band members' dependence on jobs with band administration, make-work projects by federal departments and other external agencies, and the need to seek employment off-reserve.

Thus, the size and rate of growth of Indian bands is a central concern. For bands with a critically small population size ways must be found to overcome problems related to diseconomies of small scale, lack of local economic opportunities, and lack of human resources necessary to build a sustainable economic base.

On the other hand, the growth in band size, especially as a result of Bill C-31, poses some immediate concerns since most communities are still ill prepared to take advantage of this increase in number of band members.

An already serious problem of unemployment will be exacerbated if employment and economic opportunities within reserve communities do not begin to materialize. Thus, a primary concern must be that of finding ways to address the problem of diseconomies of small scale in Indian communities.

ii. COMMUNITY EMPLOYMENT OPPORTUNITIES.

The economic base of an Indian reserve, its level of economic development, and the degree of institutional development largely determine the kind of opportunities available to the reserve population. In turn, the type and combination of work opportunities, as well as the opportunity to engage in traditional pursuits, largely determine labour force participation and employment rates within on-reserve communities.

Reserve economies are highly diversified, and the economy generally takes the form of a mix of some wage employment (often seasonal, short-term, or casual), some employment with band administration, which is now expanding due to the devolution of DIAND, some off-reserve employment, some income generation through informal and unrecorded economic activities, some degree of subsistence activities depending on reserve location, and a large dependence on government welfare. These characteristics of the reserve

economy in and by themselves reflect the limited opportunities, or more importantly, the lack of suitable or meaningful opportunities for on-reserve residents, and thus, reflect the general underdeveloped state of most reserve economies.

The general lack of employment and economic opportunities on reserves, is linked, of course, to the very restricted market, lack of community infrastructure, a limited resource base for most communities, and their general remoteness.

Rural reserve communities, according to DIAND geographic zones located between 50 km and 350 km from the nearest service centre, are often characterized by inadequate institutional development and general lack of economic development. These factors combined with the social problems on-reserve and the proximity to urban centres results in lack of employment opportunities. While the large majority of the labour force holds a number of jobs during the year, permanent employment is limited.

Urban reserves, located within 50 km from the nearest service centre, while sharing some of the same characteristics as the rural reserves, usually exhibit a greater degree of institutional completeness, employment and economic development. The closer proximity to local economies provides a greater market for business and industrial ventures, and makes it possible for on-reserve residents to take advantage of off-reserve employment

opportunities through daily commuting. Moreover, income generated from off-reserve employment can help spur economic growth when income is spent within the community.

Remote northern communities, located over 350 km from the nearest service centre, while often characterized as a generally secure socio-cultural environment with close ties to traditional ways of harvesting food, are for the most part adversely affected by limited economic opportunities. Income sources are often quite limited; some government funded projects, traditional fishing, hunting, and trapping activities for domestic as well as commercial use, and welfare. Furthermore, the diversity of the more remote reserves means the Indian population does not form a single, cohesive economic unit. In general, there is an obvious lack of visible trade or other linkages among remote located reserves which subsequently present special barriers to employment and economic development. Moreover, development of industrial centres and the presence of resource extraction industry has only provided very limited employment for residents of these communities. Mining production, for instance, tends to occur within a very confined area, and hence employment tends to be highly restricted. Furthermore, production related linkages with other established communities tend to be minimal (e.g. Northern Manitoba Economic Development Commission, 1992, p. 48).

Thus, there is a need for comprehensive community economic development strategies that seek to find viable solutions to barriers standing in the way of the creation of economic opportunities within the diversity and complexity of Indian community settings.

iii. COMMUNITY SUPPORT FOR PARTICIPATION IN WAGE EMPLOYMENT.

Community attitudes towards participation in wage employment may have significant bearing on the type of employment undertaken by community members, and the range of employment opportunities available. Likewise, the degree of community support for participation in wage employment will influence economic development initiatives.

For instance, Indian communities that maintain strong ties to a traditional way of living, often tend to view local or area resource development as a threat to their existence. Indian people often contend that such activities offer few if any benefits to local communities. Furthermore, within very tradition based Indian communities, it is possible that business development may be met with resistance, since by such communities profitable businesses may be viewed as yet another threat to Indian cultural values.

Yet other communities have developed a tendency to view welfare as an "Indian right". Due to their separate cultural heritage it is felt by some Indian people that they are entitled to special forms of support. This in turn may create situations where communities become complacent and come to expect others to do things for them, since welfare provides the opportunity to withdraw from economic life. Such debilitating trends can be blamed on the long history of colonization and dependency created by DIAND. While communities characterized by overwhelmingly high levels of welfare dependency may in theory support participation in wage employment, general economic despair may cause community members to withdraw from economic life, and in turn may result in the community remaining passive about efforts to create and expand employment opportunities.

In most communities, however, there is full community support for participation in wage employment, and the community has a desire to find ways of creating and expanding on-reserve employment and economic opportunities. However, economic development strategies must be sensitive to the diversity of Indian communities. Some communities may settle for a mix of traditional and modern activities, while others may opt for modern business development.

iv. COMMUNITY ALLOCATION OF EMPLOYMENT OPPORTUNITIES.

Employment opportunities on-reserve may be assigned according to different criteria than in the mainstream Canadian economy. Differences in allocation of employment opportunities has to do with the often limited number of opportunities on-reserve but also the different value system found within on-reserve communities. It appears that the on-reserve allocation of employment opportunities is to some degree influenced by two factors; gender, and need.

First, on-reserve employment rates are higher for males than for females. According to Nicholson and Macmillan (1987), this may reflect several things. First, it may reflect that females on-reserve maintain more traditional domestic roles and therefore participate to a lesser degree in wage employment. Second, the nature of jobs on-reserve may favour males. And third, it may reflect the fact that jobs are allocated on a family or household basis. Since male members are primarily considered heads of households this may help skew the distribution of scarce jobs towards males (p. 75).

Second, research has indicated that resources and opportunities are to a large degree allocated on the basis of need. This finding is in agreement with the above suggestion that scarce jobs are allocated to heads of households. In allocating jobs, the primary concern is to accommodate those who are unemployed or in other ways in

need of a job. This is what enters into the decision-making process (e.g. Lithman, 1984). In addition, DIAND has often argued for the employment of those unemployed with the largest number of dependents, preventing efficiency criteria from achieving greater prominence in federal financed make-work projects.

The allocation of jobs within communities will remain a major issue for years to come in view of the rapid growth in the working aged population. An economic development strategy, while having as a priority to make job opportunities more readily available, must also consider ways of dealing with current lack of such opportunities and ways of fair distribution of scarce jobs.

5.3 SOME EXTERNAL FACTORS AFFECTING INDIAN EMPLOYMENT CIRCUMSTANCES.

i. COMMUNITY REMOTENESS AND ISOLATION FROM LOCAL MARKETS.

Reserve remoteness is a particular concern in all regions except for the Atlantic provinces, and the prairie provinces of Saskatchewan and Alberta. The rest of the regions are characterized as having about one-third of their reserves located in remote or special access areas. The

problem is particularly obvious in Manitoba, NWT and the Yukon, where over more than 40% of the Indian population lives in remote or special access areas.

An increasing share of the Canadian Indian population lives on urban reserves, 37.2% as of 1990; 38.6% lived in rural areas, while 5.5% and 18.6% of Indians lived in remote or special access areas respectively. Thus, as of 1990, 75.8% of the Indian population lived on either urban or rural reserves without access problems, and 24.1% lived in areas outside of easy access to the nearest service centre (DIAND, Basic Departmental Data, 1992). Consequently, for about a quarter of the Indian population, remoteness and accessibility is a concern to be considered.

The problem of remoteness is even more severe when coupled with the small size of bands, and their scattered pattern. As a result, many Indian reserves are not only isolated from mainstream Canadian economy but also from each other.

The rural nature of Indian bands and the relatively high proportion of remote reserves has significant impacts on accessibility to labour and commodity markets, services and institutions and factors that may help determine the ability to achieve economic and employment development in reserve communities. Employment and labour force participation is critically affected by such factors as limited access to information on jobs, limited access to

educational institutions, and lack of access to services and markets for any products produced locally.

Accessibility affects a community's access to a range of market goods and services at a reasonable cost. Also, it affects access to markets for on-reserve business ventures and for products produced locally. Moreover, it affects ready and reliable access to medical and other public services and, importantly, it affects access to employment opportunities.

Special considerations may arise for communities that are located in very remote or special access areas. Problems that may impede successful employment and economic development initiatives can often be related both to lack of large central communities to provide services, as well as to lack of transportation links. Moreover, reserves are disadvantaged in terms of their nearness to populations sufficient to support regional-scale manufacturing and service activities.

Thus, an economic development strategy must address the issue of overcoming problems related to the general isolated and scattered pattern of many Indian communities.

ii. CHARACTERISTICS OF LOCAL ECONOMIES NEARBY RESERVES.

The nature of the local economic base can be a factor in influencing the state of employment for on-reserve residents, as well as the degree and nature of economic development on-reserve. In general, broad variations in opportunities among reserve economies can in part be explained by variations in the nature of local economies nearby reserves. The role of the local economy should however not be overemphasized, since as will be outlined in chapter 7.0, it is possible to achieve employment and economic development without strong linkages to local mainstream economies.

Nonetheless, it is worth emphasizing how local economies may influence employment opportunities on-reserve. Local economies are particularly important for small communities with a limited resource base of their own, and with few linkages to other reserve communities. Essentially, local economies can serve as an extended market for products produced within the reserve, as well as a market to draw upon for employment, services, and training etc. The nature of local economies can affect the labour force participation in essentially three major ways. First, they are a potential source of off-reserve employment opportunities. Second, they affect the type of Indian business opportunities that are possible off-reserve. And third, they affect spending power,

which in turn influences market opportunities for Indian business ventures. Hence, the extent of the potential benefits accruing to on-reserve residents from involvements with the local economy depends on the nature of that economy, population size, type of industry, businesses, educational institutions, institutional completeness, in other words the level of employment and economic development of that economy. Without going into details, the local economy may offer different types of off-reserve employment opportunities. These opportunities depend on the type of industry and economic sectors that form the base of the local economy.

Lack of local economy employment opportunities coupled with lack of on-reserve resources may cause significant federal dependence. In northern remote communities where on-reserve employment opportunities are often limited, off-reserve employment with the resource industry is one way of generating some income in the community. Communities situated near an industrial site, mineral exploration or resource exploration have opportunities for off-reserve employment. In some northern communities this type of employment has been quite substantial and of significant importance to the reserve economy. For example, case studies have provided examples of mineral exploration companies throughout Canada entering into extensive employment agreements with reserve communities. In some cases companies have entered into agreements to hire a minimum of 25% of the

projects workforce from the community. Such agreements have in several cases provided the creation of the largest single package of continuing full-time jobs, and the opportunity to be introduced to the wage economy (Sub-Committee (1991, 92, 90).

While the local economic base affects the type of off-reserve opportunities available for the community residents, it also, as mentioned at the outset, affects the kind of business ventures the Indian population can engage in. The nature of the local economy determines the market for goods produced on reserve and services offered by Indian community members. Reserve communities located near large diversified highly developed local economies have the potential for creating viable businesses. While reserve communities in more remote and isolated areas may experience some barriers to business development they may find opportunities for serving the resource industry. For example, in northern communities Indians operate transportation and construction businesses that service industrial sites. They have the possibility of providing goods and services to the labour force working in resource industry projects. Indian people participate in businesses that supply and service the resource companies, and they enter contracts with companies who contract trucking services and construction. In some cases major northern investments in resource exploitation have provided the engine that has driven much small, medium, and large-sized Indian business development.

The nature of the local economy not only affects the type of businesses Indian people can provide, it also affects the demand. A healthy local economy will have a positive impact on the demand for goods provided by business. While northern communities have a restricted market and a restricted type of demand, they may be the only one serving that market. Indian run businesses near urban areas may find much more competition and discrimination may also be a factor working against their success.

While local economies can affect reserve opportunities, it is possible that in some cases off-reserve employment in local economies can have some negative side effects. For example, in analyzing the impacts on Indian people of the development of non-renewable resources nearby reserve communities, Berger (1977) found that gradually more and more Indians would give up their traditional subsistence type living to seek wage employment with the resource industry. He argued that reserve communities may experience widespread negative consequences if they give up subsistence or a culturally preferred lifestyle that offers a means of self-identification and self-respect to join a wage economy. He further argued that these adverse consequences could be exacerbated if the industrialized economy offers rewards that are only short-term (p. 179).

In identifying an economic development strategy the economic base of local economies should be considered, and where potential exists for communities to positively benefit

from the economic base of local economies this should be incorporated into the overall development plan.

5.4

CONCLUDING COMMENTS.

The above causal analysis of external and reserve based factors identified a number of variables that influence access to employment and economic opportunities by Indian community residents. This analysis showed that the diversity and complexity of Indian communities cause different reserve communities to have different access to opportunities. Also, the analysis concluded that the identified external and reserve based variables if addressed in a development strategy can become vital components in overcoming barriers and obstacles to employment and economic development of Indian communities.

Clearly, there is a need for a comprehensive community economic development strategy that seeks to find viable solutions to barriers standing in the way of the creation of employment and economic opportunities within the diversity and complexity of Indian community settings. A primary concern must be that of finding ways to address the problem of diseconomies of small scale in Indian communities, just as it is important to address the issue of overcoming problems related to the general isolated and scattered

pattern of many Indian communities. These issues will be addressed in more detail in chapter 7.0.

CHAPTER 6.0

FEDERAL ROLE IN INDIAN ECONOMIC AND EMPLOYMENT
DEVELOPMENT.

6.1 INTRODUCTION.

This section of the study seeks to present a concise review and assessment of contemporary federal initiatives directed at Indian economic and employment development.

The Constitution Act of 1867 gives the federal government jurisdiction over "Indians and lands reserved for Indians", and thus, historically Indians have been considered largely a federal responsibility, although provincial governments have certain responsibilities for Indians residing off-reserve (Hawkes, 1989, p. 64). Some provinces take on a more active role while others appear more complacent about their Indian population viewing them as a federal responsibility. Thus, while federal policies on Indian employment creation and economic development are accessible to Indians across Canada, provincial policies and programs do vary considerably, and consequently there are broad variations in Indian access to measures that may enhance their chance of employment opportunities.

Since the main focus of this study is on economic and employment development of on-reserve Indian communities, the

following will emphasize the federal role only. However, it should be mentioned that within more current policy frameworks provinces are being heavily encouraged to take on a more active role. Thus, while provinces are not emphasized here this is not to downplay their importance.

The following section identifies shortcomings and problems within contemporary strategies and subsequently argues the case for a community based economic development strategy that addresses these shortcomings.

6.2 THE FEDERAL ROLE.

The federal government assumes financial responsibility for the provision of a wide range of services available to on-reserve Indians. Of these services most are provided either by the federal government or the band with funding from the federal government.

Most federal departments are involved in some aspect of this programming in financial support of status Indians. While a considerable number of federal departments and agencies deliver programs and services to the Indian population the Department of Indian Affairs and Northern Development (DIAND) is responsible for the majority of the funds. Federal total expenditures on all aboriginal groups of \$5,041 Million according to 1992-1993 estimates, were divided between DIAND (72.3%); Health and Welfare Canada

(14.0%); Canada Mortgage Housing Corporation (5.4%); Employment and Immigration Canada (EIC), (4.0%); Industry, Science and Technology Canada (ISTC), (1.5%); Secretary of State (1.0%); Solicitor General (0.9%); Fisheries and Oceans (0.2%); Public Service Commission (0.15%); Justice (0.3%); National Defence (0.1%); other (0.15%) (DIAND, Growth in Federal Expenditures on Aboriginal Peoples, Feb. 1993, p. 9).

Out of the total federal expenditures on aboriginal peoples, (4.22% of total federal expenditures in 1992-1993) only a minor proportion is directed toward economic and employment development, and in fact the vast majority of these expenditures are driven by demographics. In fiscal year 1992/93, quasi-statutory expenditures accounted for more than one-third of the budget (38%), while basic services made up 36.4%, and only a mere 7.4% of the total Aboriginal budget was directed toward economic and employment development (Ibid., p. 10).

In general, the approach taken by the federal government has been that of supplying goods and services to Indian communities. Expenditures over the years have by and large been devoted to the provision of social assistance, welfare services, education, housing, and non-insured health benefits. Expenditures on education (a major component of basic services) are well justified in view of the link between educational achievement and employment opportunities, however it is clear that a government

strategy of investing in human resources will not be fully beneficial if a more educated population cannot find employment opportunities.

While a government services approach has certain merits in view of the poor conditions on reserves and the urgency of covering basic human needs that would otherwise not be met, it does however not provide long-term solutions to the underdevelopment of reserve communities and the deep rooted federal financial dependency. On the other hand it may be argued that Indian communities cannot succeed in pursuing economic development without first addressing basic need deficiencies within the communities, but it should also be made clear that resolving such deficiencies could be incorporated into development initiatives. This issue will be addressed in the next chapter.

Migration type strategies have been widely used to address the problems of underdevelopment of Indian communities. In the 1960s much emphasis was put on the assimilation of Indian people into the mainstream economy. Measures were undertaken to encourage Indian people to leave their communities to seek employment off-reserve. Such strategies were used because of a perceived lack of resources, lack of opportunities, and lack of markets in many small and isolated reserve communities. This led to policies geared toward relocating Indians to areas where employment would be plentiful.

The White Paper came out in 1969. It essentially recommended the complete integration of Indian people into the Canadian mainstream economy, while preserving some of the unique aspects of Indian life and protecting Indian lands. In 1970, the federal government withdrew the White Paper because it was rejected by Indian spokespersons as jeopardizing the special status of Indians.

Currently the federal government is following three main policies; first, to maintain and improve the normal community services available to Indians living on-reserve; second, to support Indians to become more self-reliant and take charge of their own communities; and third, to settle land claims. These policies are designed to work against assimilation and are as such, at least in theory, distinct departures from assimilationist policies of the past.

With that in mind, during the past couple of decades the federal government has been pursuing a policy of re-establishing Indian control over the affairs of Indian communities. The process consists in broad terms of transferring the responsibility for administering government programs and services to Indian councils. This has come to be known as the Devolution Policy.

The overall federal objective has been to reduce federal expenditures and achieve a reduction in the public service. Although devolution of DIAND has progressed steadily since the early 1970s it has been on the rise in the 1980s and 1990s. About three-quarters of the budgetary

expenditures in the Indian program are now being administered directly by Indian bands (up from just one-fifth in the early 1970s), (DIAND, Basic Departmental Data, 1992, p. 71).

Although the Indian population strongly supports a policy of re-establishing Indian control over the affairs of Indian communities the DIAND Devolution Policy has been met with much criticism. Criticism has not centred around the objective of the policy, but rather on the way in which the policy is being carried out. First of all, it has been argued that devolution was the result of needs to downsize DIAND, and therefore downsizing became the primary goal, not the creation of greater Indian self-reliance and increased accountability of Indian governments to their communities (DIAND, Appendices for the Evaluation of the Devolution of Advisory Services, 1991). Downsizing should never have been the driving force. An evaluation study found that the policy has been poorly implemented, and that Tribal Councils and bands have often been left with the responsibility for the provision of advisory services (mostly in the form of economic development, social development and planning) without proper training in these added responsibilities, and often before measures have been properly installed to take over this service delivery (Ibid.). Furthermore, advisory services (Stage I of Devolution Policy) are now often being delivered by Tribal Councils and band administrations in the absence of equivalent support mechanisms which DIAND enjoyed

prior to devolution. In addition, Tribal Councils and bands have reported an increase in workload and staff requirement but with inadequate funding for conducting new functions (Ibid). This may become an impediment to effective delivery of advisory services, and in turn could negatively impact on community development processes. Also, while this policy may have contributed to making delivery of program services more responsive to community needs and may be contributing to the development of administrative and management skills over the long term, it has not had any significant impacts on program control and flexibility in program management and design.

Also, so far there has been evidence to suggest that bands most successful within the framework of the devolutionary process tend to be characterized by their relative close proximity to urban centres, their relatively self-reliant communities due to business ventures, well-organized administrative machinery, and also, but not least their sizeable population with a diversified labour force from which to draw human resources (Ibid). This certainly poses some considerations for future policy recommendations for community economic development, especially considering the diversity of Indian communities and their often isolated location and relatively small band size.

Since the early 1980s the emphasis has been on initiating and developing a statutory base for self-government arrangements. In 1985, the federal government approved a strategy for Indian self-government. It

attempted, without success, to arrive at a Constitutional amendment on Indian self-government. Currently the moves toward higher Indian self-reliance are manifesting themselves in a variety of non-constitutional community-based initiatives. These include the devolution of DIAND as discussed above, alternative funding arrangements (AFA), and other policy and administrative changes within existing authorities. AFA (approved in 1986) is designed to allow Indian communities to take greater charge of program delivery and design. It allows for multi-year agreements with the objective to enhance long-term planning thereby making it possible to meet particular needs of the community. There are, however, a set of requirements that must be met which tend to exclude many Indian communities from participation in such arrangements. E.g., bands must have experience, expertise, and a sound financial position. With respect to the issue of control, while AFA allows bands more flexibility, control is still largely in the hands of DIAND.

Federal programs have attempted more or less successfully to address the main problems acting as barriers to economic development, including the Indian Act; problems arising from the reserve system; barriers to entering mainstream employment; and as discussed in a previous section, the continuing colonial dependence on the federal government for funding for development.

The problem of the Indian Act acting as a barrier to economic development warrants more attention here. The Indian Act is the most basic federal legislation dealing with Indian reserves. It is an Act that provides the federal government with considerable power over the Indian on-reserve population and the reserve land. Reserves are parcels of land set aside for the common use and benefit of bands. The title to reserve lands is retained in the Crown. Thus in effect, owing to the Indian Act, reserve lands are protected from the forces of the free market. Federal jurisdiction over the use of reserve land, as stated in the Indian Act, and jurisdiction over transactions involving sale or lease of reserve lands present significant obstacles to achieving economic development on-reserve. Subject to the Indian Act reserve lands may not be seized legally and, therefore cannot be used by Indian people or businesses as collateral for loans. And thus, the Indian Act provides a very stiff legal framework for on-reserve businesses. Because of the obvious difficulty of obtaining business financing due to the on-reserve legal framework Indian communities have come to rely extensively on the federal government for loans and grants to finance on-reserve economic development initiatives.

Since the release of the Penner Report in 1983 (Report of the Special Committee on Indian Self-government) there has been a noticeable increase in interest in both the concept and the development of improved mechanisms for the

provision of economic development assistance to Indian communities. The Penner Report in essence argued that self-government would require a viable economic base developed under aboriginal control at the community level (Report of the Special Committee, 1983).

Assistance for economic development has been available under a variety of federal programs. The programs have usually been short-lived and changes occur continuously which has tended to create impediments to planning at the community level as well as impediments to realizing the full benefits of such federal development initiatives.

Federal initiated and controlled economic development strategies in contemporary times have largely been in the area of labour market and business development. Such strategies have in the past decade, aside from DIAND development programs, been led by two major federal initiatives; the Native Economic Development Strategy (NEDP) from 1984-1989, and the current Canadian Aboriginal Economic Development Strategy (CAEDS), launched in 1989.

DIAND's Economic Development Program was established in the latter part of the 1940s with a mandate to advise and assist Indians in economic development and to provide funding and training in the areas of business development, employment, and institutional development. Until the latter part of the 1980s, when DIAND entered into a partnership with aboriginal groups, EIC, and ISTC in the current CAEDS,

the DIAND program included such sub-components as; the Indian Economic Development Fund, which has been criticized for being largely ineffective; the Employment Opportunities Program and the Employability Program, which have been largely geared toward short-term make-work projects, that have been criticized for deterring individual competitive behaviour and presenting an impediment to long-term planning and development; and various programs for the development of Indian entrepreneurs and enhancement of management skill training.

In 1985 a task force was established to report on the state of Indian economic development and to make recommendations for changes to DIAND's economic development strategy. The Task Force recommended that future emphasis be placed on Indian control of economic development, promotion of Indian entrepreneurs, removal of barriers to Indian business and institutional development, and greater interdepartmental coordination of programs for Indian economic development (DIAND, Task Force, 1986). While these recommendations are reflected in the current CAEDS policy statements, it is still too early to assess whether the recommendations are operational as CAEDS is still being implemented.

Launched in 1989, CAEDS is an aboriginal economic development initiative that operates through three major federal departments; DIAND, EIC, and ISTC. Essentially, DIAND is in charge of supporting community economic

development and resource development, while EIC is responsible for employment and skills development opportunities, and ISTC is leading in business development initiatives and the establishment of Aboriginal capital corporations (CAEDS Status Report, 1991). The objectives of CAEDS, while basically no different than program objectives of past federally initiated efforts, center around greater Indian control over the delivery of economic development programs, decentralization of program delivery, establishment of a broad array of Indian financial and local development institutions, and removal of barriers to economic and business development within federal programs.

Within CAEDS, DIAND has the responsibility for community economic development, resource development, and commercial development. In broad terms, DIAND's mandate is to assist in supporting the establishment of Community Economic Development Organizations (CEDOs) through the Community Economic Development Program, and the creation of region-wide Sector Development Institutions (SIDs) through a sub-component of the Community Economic Development Program; The Regional Opportunities Program (ROP). In addition, through the Commercial Development Program, DIAND seeks to provide viable Indian businesses with access to commercial debt financing and loan guarantees to overcome barriers to loan security due to the Indian Act. Furthermore, as part of the Resource Development Program, DIAND administers the Resource Access Negotiations Program (RAN) which broadly

speaking seeks to provide financial assistance to Indian communities in support of resource negotiations to enable communities to take advantage of resource developments both on and off-reserve.

While the objectives as laid out in this strategy seem to identify some of the main concerns of Indian communities, it is nonetheless evident that DIAND's promises of financial commitment and handing down of control mechanism have not been met. First, in the fiscal year 1993/94 DIAND undertook significant cuts in the Community Economic Development Program in order to divert funds to cover quasi-statutory and basic services. The ROP was cut by 28.8%. DIAND officials have indicated that ROP was singled out because it had not met departmental expectations in terms of the creation of sectoral development institutions (SDIs). Such a statement is surprising in view of the 1991 CAEDS Status Report which identified numerous successes with ROP, especially in terms of the creation of a significant number of SDIs across provinces. Also, ROP cutbacks should not be justified on either budgetary grounds or on efficiency criteria, since it is still too early to make a proper assessment of its impacts. Furthermore, it is surprising that a program which seeks to create opportunities along regional lines, thereby overcoming some of the problems related to limited economic potential within specific communities, is cut by one-third even before it is firmly established. Also, cuts are being undertaken at a time of

significant demographic changes. This will only serve to put even further pressure on an already highly critical Indian employment and economic situation. With respect to the issue of control, there have been reports from Aboriginal leadership that control is still largely in the hands of DIAND, and the Department continuous to establish new Boards to oversee and monitor the aboriginal administration of programs.

In the past, labour market strategies tended to focus on supply side measures, such as education and skill training, labour market information and assistance for moving to places of employment. While EIC and DIAND still concentrate heavily on supply side strategies, EIC has been attempting to address demand side issues through the Canadian Jobs Strategy (CJS), the Outreach and Employment-Equity program.

While EIC does not currently have a separate Aboriginal program, it does attempt to target Aboriginal groups through its mandate to offer assistance for selected high priority groups and equitable employment participation by members of special groups. However, EIC's main program components; CJS, the Outreach, and the Employment-Equity program have by and large proven unsuccessful at finding solutions to the labour market problems facing the Indian population and have proven largely inadequate at addressing their special needs.

The CJS has encountered extensive criticism. A major drawback to the CJS is its lack of a multi-year planning horizon, which makes it difficult for communities to incorporate elements of the strategy into economic and employment initiatives. In addition to the lack of a long-term planning horizon, CJS programs have been noted for their apparent lack of support for human resource planning. The programs are used primarily on a project-by-project basis that does not always coincide with the communities' human resource development needs (EIC, A Background Paper, 1989, p. 12). This has tended to serve as an impetus to incorporating CJS programs into community development strategies. In addition to such general shortcomings, the CJS has been criticized for its options criteria that in some cases present special access and eligibility barriers for Indian people. For instance, it has been argued that programs that require a wage subsidy from an employer for workplace training or retraining are difficult for Indian people to access because of the non-profit or public nature of most Indian owned organizations (Ibid., p. 14). Likewise, the 24-out-of-30-week rule, which requires that clients must have been out of work for at least 24 out of the past 30 weeks to be eligible for EIC's Job Development Program (a program which subsidizes employers to give training and on-the-job experience to long-term unemployed), is viewed as incompatible with the special needs of Indian people. The rule cuts off individuals who have had some work experience,

and thus, it does not begin to address the seriousness of chronic high levels of unemployment among the Indian population. However, more recently this rule has begun to show slightly more flexibility in the case of Indian clients. Criticism has also surrounded the CJS sub-component, Community Futures. While having some merits in its long-term approach to resolving chronic unemployment in community settings, the Community Futures program has presented special accessibility problems to Indian communities. Indian communities have largely been excluded from this program because of problems perceived by EIC in applying this strategy to them. Some problems deal with the generally small band size of most communities, difficulties with attempting to compensate for small population size by applying the strategy to several communities collectively, and the general economic backwardness of most communities. As a result of these perceived problems, the EIC approach has often been to incorporate Indian communities into larger non-Indian Community Futures designations (Ibid., p. 16). As a result the special Indian labour market needs may not be met. Yet another area of criticism is the lack of access to literacy training within CJS programs. This has been seen by many as a major shortcoming within CJS programs, especially in view of the already low level of educational attainment among the Indian population. In general EIC's response has been that literacy training is a provincial responsibility, and furthermore scarce funding will not be made available to

strategies that do not directly lead to labour market participation (Ibid., p. 17). Overall, the various shortcomings of the CJS program indicate the apparent lack of commitment to finding solutions to the special labour market problems facing the Indian population.

The Outreach Program is yet another EIC program. The merits of this particular program lie in its access-to-services strategy aimed at aiding disadvantaged groups overcome barriers to employment and employment related services. However, while often being more effective than employment centres at addressing the needs of the Indian population, particularly in more remote communities, this program has often been undermined as a result of lack of support from EIC together with a general marginalization of its undertakings.

The Employment Equity program has also proven less than successful at attending to the needs of Indian people despite its main policy objective of ensuring proportional representation of designated groups for employment opportunities. For example, within federally regulated Crown Corporations only 0.73% of all employees are aboriginal, although the minimum representation should be 2.1% to reflect the aboriginal working aged population (Ibid., p. 25).

However, EIC as part of CAEDS, is now in the stages of finalizing a new strategy that has as a primary objective to address the shortcomings of previous EIC efforts. This

strategy is known as "Pathways to Success". While "Pathways" has been designed with the objective of providing for greater Aboriginal control over employment and training program management, it is to be managed and controlled in partnership with EIC. Through a separate funding mechanism it is expected that the planning and operational needs of an Aboriginal delivery mechanism will be met. One main objective is to provide for flexible training and employment program criteria with respect to eligibility and entitlement, and to remove barriers to EIC programs, e.g provide for greater access to literacy and up-grading (EIC, Pathways to Success, 1990). The basic idea behind "Pathways" is the establishment of national, regional and local management boards consisting of both EIC officials and Aboriginal representatives to oversee that the special needs of Indian communities are being met. While these boards were expected to have been established in 1991, two years later the boards, which are essentially the main foundation of "Pathways", are still not in place. Implementation has been noted for its numerous delays, which in some respects reflect the level of commitment by EIC.

Business development strategies have been working alongside the labour market strategies. Their objective have been partly to increase the number of Indian owned and run businesses, and partly to increase employment by Indian people.

The rationale and justification for the broad array of government financing programs for Indian institutional and business enterprise development essentially lie with the lack of financing capital, lack of access to security for a loan due to the provisions of the Indian Act, and the general tendency of non-Indian financial institutions to be reluctant to handle small, often remote enterprises because of difficulties related to information gathering, monitoring and supervision of loans.

The main government initiative for Indian institutional and business financing has in the past decade or so been executed through first, the NEDP, which operated through then Department of Regional Industrial Expansion (DRIE) and, since 1989, has been carried over into a sub-component of CAEDS; the Aboriginal Economic Programs, which is administered by ISTC.

Financial assistance under NEDP was provided under three sub-components: Aboriginal Economic Financial Institutions; Community-Based Economic Development; and Special Projects (Nicholson, Policy and Management Consultants, 1987, p. 14).

First, through financially assisting in the building of Indian financial institutions, NEDP sought to promote Indian self-reliance through infusion of capital under the control and management of Indian people. Once established, these institutions were to provide the equity, venture capital, loans, management and technical advice necessary to nurture

aboriginal business development. Second, through community-based economic development designed to stimulate community-based business and industry development, NEDP sought to focus on those communities with little or no economic activity occurring. Community-based economic development projects which had the potential to be commercially profitable would receive first priority. This sub-element constituted a very minor proportion of the total NEDP program in terms of applications received and authorized financial assistance. Third, through the sub-component, Special Projects, NEDP provided funding for the establishment, acquisition or modernization of viable community-based economic development projects or viable aboriginal owned and controlled business enterprises, and for selected training, innovation and marketing initiatives. The objective was to support projects that while meeting the objectives of NEDP were not eligible for funding from other NEDP elements or government programs.

Through NEDP decision-making was to move closer to the local level thereby also strengthening accountability to communities.

In 1988 an NEDP program evaluation was undertaken which indicated that the NEDP, while being generally effective, operated under a less than efficient delivery system (Deloitte et al., 1988). NEDP inefficiencies were largely related to the bureaucratic structure under which it operated, such as delays in assessment of proposals

submitted to NEDP, delays in correspondence, delays in processing time, difficulties in communications with program officials, lack of feedback during process, and general slowness in decision-making (Ibid.).

While NEDP had as its main objective to create viable institutions and enterprises under aboriginal control and ownership to spur self-reliance, several of the actions taken by program officials seemed to largely counteract or work against this objective. For instance, there were numerous examples of control over institutions being exercised by NEDP delivery personnel (Ibid., p. 67). Projects were monitored very closely by NEDP and often Indian control was lost and projects would be revised so significantly that they would not even begin to resemble original proposals. Furthermore, even though institutions were under Indian ownership there was a tendency for NEDP to get involved with the composition of Boards charged with running these institutions.

Also, several NEDP criteria tended to undermine progress in economic development. First, in order to receive assistance projects had to demonstrate their viability and an opportunity to become profitable within a short time span (p. 69). This criteria is highly problematic since it largely fails to consider the economic environment of most communities. It is in fact highly questionable whether Indian owned businesses can make a profit within a short time span. Furthermore, benefits may accrue to Indian

communities even if enterprises are not viable, and therefore it could be argued that lack of profitability should not impact on a financial institution trying to solve the economic development problems facing a community. Second, certain types of business ventures could not be financed by NEDP. NEDP required that project proponents had at least 51% of the equity in a joint-venture (p. 74). Such a criterion placed limitations on aboriginal opportunities in participating in joint-ventures with non-aboriginals, even though such ventures could have the potential for creating positive spin-off effects such as establishing business experience. The problem with this criterion has been addressed in the CAEDS, and the limitation has been lifted in the current Aboriginal Economic Programs.

ISTC's Aboriginal Economic Programs, largely an extension of the NEDP, essentially concentrates on three broad areas; the provision of financial and developmental assistance to Aboriginals for business ventures, through the Aboriginal Business Development Program (ABDP); assistance for joint-ventures, which as mentioned earlier, no longer requires Indian majority ownership and control if significant developmental benefits can be achieved; and assistance for the establishment of Aboriginal capital corporations owned and operated by aboriginals.

As shown in Table 31, as of October 1992, the Aboriginal Business Development Program showed total approved authorized assistance of just over \$107 million.

While a total of 3056 project applications were received for assessment by ISTC, only 2470 were approved for assistance. Of the 2470 projects approved for assistance, 1528 (61.9%) were approved for status Indians with a total authorized assistance of approximately \$71 million (Table 32).

TABLE 31

ABORIGINAL BUSINESS DEVELOPMENT PROGRAM, BY PROVINCE, AS OF OCTOBER 27, 1992.

PROVINCE/ TERRITORY	TOTAL NUMBER OF PROJECT APPLICATION	ESTIMATED ASSISTANCE (\$)	TOTAL NUMBER OF PROJECTS APPROVED	TOTAL AUTHORIZED ASSISTANCE (\$)
ALBERTA	383	12,829,143	303	10,384,590
BRITISH COLUMBIA	438	42,804,002	308	21,016,014
MANITOBA	389	21,025,453	332	13,318,989
NEW BRUNSWICH	169	4,063,275	143	2,148,004
NOVA SCOTIA	207	4,053,789	165	3,220,006
N.W.T.	183	11,392,195	151	8,769,703
NEWFOUNDLAND	55	2,422,533	39	944,057
ONTARIO	524	22,801,742	442	17,713,478
P.E.I.	21	166,424	19	159,974
QUEBEC	372	16,336,831	229	11,029,228
SASKATCHEWAN	271	14,116,120	239	12,147,106
YUKON	44	8,333,929	33	6,822,678
TOTAL	3056	106,345,436	2470	107,673,827

SOURCE: ABORIGINAL BUSINESS DEVELOPMENT PROGRAM DATA, 1992.

These projects under status Indian ownership have created a total of just 2127 jobs. Furthermore, while these jobs are created under Indian ownership this does not

would require the creation of an estimated 25,478 new jobs in order to meet the demand for employment. This would cost ABDP a total of almost \$848 million. Thus job creation for unemployed status Indians would constitute approximately 17% of the total Aboriginal Budget of \$5,041 million in 1993. This has to be seen in light of the fact that only a mere 7.4% of the Budget is actually allocated to Employment and Economic Development (for all Aboriginal groups). For the more distant future the cost of job creation through ABDP would become staggering high.

TABLE 33

ABORIGINAL BUSINESS DEVELOPMENT PROGRAM.
ESTIMATED CAPITAL COST OF JOB CREATION, 1993-2011.

SELECTED YEARS	STATUS INDIAN WORKING AGED POPULATION	ESTIMATED LABOUR FORCE	ESTIMATED NUMBER OF UNEMPLOYED	ESTIMATED ABDP COST OF JOB CREATION (\$)
1993	341,631	161,250	25,478	847,800,000
1996	362,362	171,035	27,024	899,250,000
2001	399,323	188,480	29,780	990,950,000
2006	442,345	208,787	32,988	1,097,700,000
2011	483,628	228,272	36,067	1,200,100,000

NOTE: COST PER JOB SET AT \$33,276.

SOURCES: ABORIGINAL BUSINESS DEVELOPMENT PROGRAM DATA.

DIAND, 1990. POPULATION PROJECTIONS.

DIAND, 1992. BASIC DEPARTMENTAL DATA, FOR LABOUR FORCE DATA.

By 2011, the total status Indian working aged group will have reached a projected size of 483,628. This would

require the creation of 36,067 new jobs at a total cost of just over \$1,200 million, again assuming the labour force participation remains at the 1986 low level of 47.2%, and unemployment stays at its 1986 high of 15.8%. Of course, if Indian labour force participation were to be increased to match that of the overall Canadian level, this would mean a substantial higher demand for new job creation, as illustrated earlier in chapter 2.0, section 2.2. If the Indian labour force were expanded, as of 1993 an estimated 91,413 new jobs would be required to meet the demand for employment among the status Indian population. This would cost the ABDP no less than \$3,041 million, or just over 60% of the total 1993 Aboriginal Budget. By year 2011, the cost of job creation would have increased to an estimated \$4,306 million.

Thus, in view of the minor job creation in 1992 of just 2127 jobs, there is clearly no hope of ABDP meeting the already very conservative estimates of future job requirements. Moreover, in fiscal year 1993/94 this program experienced a 6% budget cut. In general, there is an obvious lack of commitment to meeting the needs of the status Indian population.

6.3 CONCLUDING COMMENTS.

More effort is required obviously, to ensure an effective and comprehensive approach to employment and

economic development that can begin to solve the critical employment problems facing the status Indian working aged population.

Devolution of authority over economic development programming to Aboriginal financial and economic development institutions has tended to help strengthen Indian self-reliance, however much work still needs to be done and a new approach is called for that addresses the problems encountered with the current Devolution Policy. So far control has laid firmly in the hands of the federal government although policy frameworks have tended to suggest otherwise. Special efforts will have to be geared toward economic self-reliance within Indian communities including achieving Indian self-government.

The continuing changing demographic composition of the status Indian population is exerting growing financial pressures on federal programs involved with the provision of services to the on-reserve population. Largely as a result of these pressures coupled with general federal fiscal restraint measures, federal financial commitments to economic development have slackened and efforts have been aimed at maintaining quasi-statutory and basic services to communities. Major gaps exist in government support for economic and employment development, as illustrated above. As the demand for sustainable employment opportunities undergoes continuous growth due to the maturation of the Indian population into its working-aged years, there will be

a subsequent need for an economic and employment development strategy that seeks to overcome the current grossly inadequate attempts at creating employment and economic opportunities while establishing a foundation for sustainable community futures.

While it is still too early to discuss the impacts of the current CAEDS, as the strategy is still being implemented and impact assessments are still in the works, it is possible to identify areas where CAEDS fails to address the unique circumstances of the aboriginal population and issues arising out of the changing demographics of the on-reserve Indian population.

Budgetary cuts within both the DIAND and the ISTC components of CAEDS have proceeded despite the growing need for economic development. While EIC has not experienced cut-backs, but is committing annual expenditures of \$200 Million, the Pathways strategy is still not operational and as a result Indian communities still rely on the highly inadequate CJS. Furthermore, while CAEDS was undertaken with the objective of furthering Aboriginal self-reliance it is evident that much control and manipulation still rests with DIAND, ISTC, and EIC. In general, it can be argued that the policies of NEDP, except for minor changes, are still characterizing federal initiatives and strategies have not changed in response to the changing demographic composition.

It is clear that in view of the changing demographics and the persistent chronic unemployment within on-reserve

communities there is a need for policies firmly committed to a community-based economic development strategy that entails long-term planning with control firmly vested with the Indian population. Such a strategy, while currently placed within federal policy frameworks, has largely failed in practice and it would appear that federal policy directions have been geared unofficially toward maintaining federal control measures. This in turn has tended to complicate aboriginal long-term planning and has imposed a series of inefficiencies on initiatives toward community-based economic development.

CHAPTER 7.0

IDENTIFYING ELEMENTS OF A STRATEGY FOR EMPLOYMENT
AND ECONOMIC DEVELOPMENT OF INDIAN COMMUNITIES.

7.1 INTRODUCTION.

The above review and assessment of contemporary federal initiatives for the economic development of Indian communities concluded that strategies so far have been both faulty and ineffective at rectifying the severity of Indian employment and economic circumstances. Furthermore, without immediate changes in strategies for the creation of employment and economic opportunities the Indian unemployment problem will continue to worsen to reach highly critical levels within the foreseeable future.

Thus, this section of the study seeks to identify a framework of community economic development that addresses the special needs of Indian communities and thus seeks to find viable long-term solutions to the general state of underdevelopment.

The theoretical frameworks have suggested some guidelines. Also, the trends indicated by the empirical evidence, and in particular the causal analysis of influential factors within and outside Indian communities are suggestive of possible solutions. Last, but not least,

shortcomings and failures of past and current federal economic development strategies help identify problem areas that need to be targeted to arrive at a workable strategy.

7.2 OUTLINING A FRAMEWORK FOR RECOMMENDATIONS.

Despite years of government efforts to develop Indian communities, most communities remain constrained by a high degree of entrenched dependency.

This dependency must be the primary target in an economic development strategy. Therefore, the underlying strategy must be a community based economic development strategy that provides a set of recommendations that collectively seek to enhance and further the move toward Indian self-reliance. This entails moving on more than one front at a time.

The underlying strategy would be one that emphasizes; Indian decision-making at the community level and community control over the development process; community ownership of enterprises and resources; the use of local resources rather than outside investments to build up the community; import substitution; investments in Indian human resources; economic activities that entail both traditional and modern activities; special attention to the needs of women; and

above all, one that makes a commitment to long term planning.

7.3 COMMUNITY BASED ECONOMIC DEVELOPMENT.

Community economic development is a process by which community members collectively seek to improve their socio-economic well-being by developing economically and socially viable communities (Ponting, 1986, p. 142). The process of community economic development is aimed at collective action to identify community needs, identify options, make choices, and stimulate collective action to achieve community based desired goals. It entails information gathering, economic analysis, research, testing various options, communal decision-making to arrive at a plan, and then taking steps toward action (e.g. see Mackie, 1986, p. 225; Loxley, 1986, p. 2; Westcost Information, 1988).

The key focus is on community involvement, shared sense of responsibility, community control over the development process, and goals based on broad community consensus. The main aim is to involve the community in working together to depart from the current substandard living conditions characterizing most reserves. This can be realized once the community has a desire to improve conditions, and has personal and communal needs that go beyond what can be realized in the present setting.

Since a process of community economic development is based on the participation and involvement of community members in identifying and resolving community problems, it presupposes the existence of, or ability to achieve, some level of community consensus.

Ponting (1986), argues that community based development has often been based on some romantic, idealized notion of community that has tended to overestimate the ability to reach consensus within Indian communities. In fact, some conflict is likely to arise between different interest groups. Economic development often necessitates major changes in the way a community participates in the economy (Mackie, 1986, p. 226). Such changes may entail moving toward greater involvement in the wage-economy which in turn may require loosening the ties to a traditional economy. This may create conflict and disruption within the community. Usually conflict arises over the distribution of economic and political powers, both within the community as well as between the community and external agencies and departments, (Ponting, 1986). Other research has identified similar important points. Communities have been noted for their non-homogeneous entities consisting of different social groups who may have different or opposing interests (Loxley, 1986). And often control over the reserve community economy is firmly lodged with the political leadership, the chief and the council (Lithman, 1984, p. 125). Thus, in some cases goals can only be reached with a significant

redistribution of economic and political powers (Loxley, 1986).

Thus, while common objectives of community based economic development, such as local control, self-reliance and development of opportunities presupposes an ability to reach some level of consensus among community members, it is important to address the issue of potential conflict that may arise from the non-homogeneous character of most communities, just as it is important to consider the redistribution of economic and political powers, both within the community and between the community and the outside. Without such considerations the objectives of community economic development may never be achieved.

Having briefly considered the basic idea behind community economic development and the process necessary to realize community objectives, the following will discuss specific elements of a strategy for achieving community economic development. These elements, as noted earlier, collectively seek to break with the dependency characterizing Indian communities, and by moving on several fronts simultaneously seek to find viable solutions to the underdevelopment of Indian reserve economies.

7.4 SPECIFIC ELEMENTS OF A STRATEGY FOR COMMUNITY
ECONOMIC DEVELOPMENT

i. Commitment to long-term planning.

It is clear that progress in on-reserve economic development and improved access to off-reserve labour and commodity markets will not be achieved in time to provide sufficient job opportunities on-reserve for the significant increase in the working aged population over the next couple of decades without an immediate and massive emphasis on Indian community economic development.

Past and current strategies of make-work projects and short-term job creation have counteracted Indian visions of long-term viable solutions to economic development within reserve communities. Such strategies have tended to perpetuate migration to off-reserve locations, which might not have taken place otherwise. Therefore, there is a need for a strategy that is fully committed to creating employment and economic opportunities, and thus incentives to stay in communities. Brain drain situations must be avoided at all costs as these undermine prospects for sustainable community futures.

A workable community economic development strategy must entail a commitment to long-term planning on the part of both Indian communities as well as the federal government.

CAEDS, being the main federal initiative for the economic development of Indian communities, must be prepared to exercise a comprehensive and long-term commitment to the financial support of community economic development. Also, in view of the limited time period (5 years) of CAEDS it is necessary with a firm financial commitment from CAEDS to ensure the establishment of a firm and viable foundation upon which future community economic development efforts can build. The primary function of CAEDS must be that of a funding vehicle fully committed to long-term planning initiatives at the community level.

Within the economic development sub-component of the DIAND program there has been a tendency to divert funds budgeted for economic development to other purposes whenever DIAND funds fall short in other areas. Such budget reallocations are prime indicators of a lack of federal financial commitment, and can have devastating effects on prospects of meeting the growing demand for employment and economic opportunities. Therefore, to realize gains from an economic development strategy DIAND must be firmly committed, and the development budget must receive greater importance.

ii. Identifying and meeting the needs of the community.

The strategy for community economic development should as far as possible, while based on the needs of the community, reflect the needs of the majority. Moreover, viable solutions to community economic development must be based on long-term planning that take into account the changing Indian demographic composition and related changes in the needs of the majority.

While many Indian communities may be ready to take on a community economic development plan that responds to the needs for employment and economic opportunities, there will be yet other Indian communities that cannot hope to pursue community economic development without first responding to much more basic need deficiencies within the community setting. It would therefore make sense to have Indian financial institutions take on the role of addressing these needs, since serious infrastructure deficiencies that now predominate most Indian communities severely inhibit economic development.

In designing a development strategy the true needs of the community, as opposed to felt needs, must be identified. True needs must in no way be reflective of manipulations performed by outside departments or agencies. Therefore, the role of CAEDS should be restricted to that of providing funding for hiring educated Indians to assist community

residents identify community needs. Failure to assist the community in mobilizing to identify their needs could result in needs being reflective of and determined by band administration. The Indian band administration is often slightly better educated and has links to the outside which puts it in a position to control the development plan and perform manipulations that suit its needs. And the needs of the band administration may not necessarily coincide with those of the majority. Such situations could ultimately if not controlled defeat any purpose related to community based economic development.

While needs should be reflective of the majority of the community population, it would make sense for communities to allow needs assessments for planning purposes to be slightly biased toward the growing working aged population (at least in the initial stages of the development process), since this age cohort provides the engine for future growth and thus must be encouraged to remain within the community. Also, communities that may wish to increase the migration to reserves of Bill C-31 Indians living off-reserve, may need to survey reasons why this group is hesitant to reside on-reserve, and subsequently incorporate their needs into a development plan.

iii. Culture

Successful community economic development must be very sensitive to cultural values. A development strategy that reflect cultural norms and values are more likely to capture the interest, commitment and broad consensus of the community. The strategy must therefore reflect the values and expectations in such areas as purpose, ownership, leadership, work schedule (flexibility toward traditional pursuits), environment, and decision-making.

iv. Economic activities that entail both traditional and modern activities.

A strategy of community economic development must be sensitive to possible links within the community to a traditional based economy, and subsequently, must evaluate and assess any benefits to the community of recovering, maintaining, or expanding such links. If a community finds that preservation of traditional activities is necessary for cultural or other reasons, a community economic development strategy should incorporate measures to maintain such activities. External agencies and departments must in no way undermine or downplay the importance of community involvement in traditional activities, and hence, support

for community economic development must not be at the expense of traditional activities.

The question of whether to maintain links to a traditional based economy and how to go about doing so will likely be a major issue only in communities that have not yet made the transition to a modern economy, or that are based on a mix of modern and traditional activities. Many communities, however, especially more urban ones, have already made a complete transition to a modern based economy and for many of these communities this has meant cutting any remaining ties to a traditional based economy. In such cases the question of recovering, maintaining or expanding ties to traditional ways will likely be less of an issue.

When a community decides to implement a community economic development strategy that entails both traditional and modern activities the issue of land use will become very important. In cases where links to traditional activities is a high priority land for hunting, fishing, and trapping may take precedence over land for business or commercial development. It is crucial that the community resolve such issues through majority consensus.

Maintaining ties to traditional activities while at the same time pursuing modern employment and business opportunities could be achieved through a community economic development strategy that incorporates various forms of alternative employee/employer relations, such as flexible

work schedules and possible work sharing programs in hunting, fishing and trapping seasons.

In addition to community based efforts, external support must come through CAEDS. CAEDS must make every effort to support initiatives where traditional activities are being considered in community economic development planning. This should entail financial support through the Resource Access Negotiations program for negotiations of flexible work schedules for Indian communities where traditional pursuits are necessary for cultural or traditional reasons.

Finally, a community economic development strategy may in some cases involve a more or less dramatic shift from a primarily traditional based economy to a modern wage economy. In such cases this may have the effect of undermining ties and established links to the traditional economy. Whether this effect is intentional or not, the result is almost certain to be the same; it makes it difficult for community residents to return to such a way of living if community projects fail. Therefore, a community economic development strategy must consider one of two alternatives; how to make provisions for incorporating traditional activities into the economic development plan or; how to obtain long-term financial support from external sources to ensure greater survival rate of community based economic development projects. CAEDS must play the leading

role of funding vehicle, fully committed to long-term planning initiatives at the community level.

v. Indian decision-making at the community-level and community control over the development process.

Any community economic development process must be based on Indian decision-making at the community level and community control over the development process. This provides a fundamental first step in the direction of departing from federal dependency and any remaining traces of internal colonialism.

Therefore, CAEDS must support fully Indian decision-making at the community level and community control over the development process. Failure to hand over decision-making and control can have devastating effects, and could continue the long history of colonization and dependency created by DIAND, and could perpetuate a tendency within some Indian communities to expect outside agencies to do things for them.

Indian communities have suffered under the past and current complex delivery processes found within the federal bureaucratic structure. Community economic development project material must flow through various channels before final approval is reached, and this tends to contribute to a lack of timely processing. It is expected that Indian

decision-making and control will help overcome barriers and inefficiencies created by such complex delivery processes.

An important step will be for DIAND to promote more vigorously community self-reliance and accountability of Indian governments to their communities through the Devolution Policy. This will entail addressing observed shortcomings with the current implementation of DIAND's Devolution Policy. Critical shortcomings have been noted in such areas as training of band administration, Indian input into policy directions, and band funding levels. Steps must therefore be taken to first, provide proper training for all band administrations that are taking over DIAND services. This will enable bands to provide services with the same level of expertise as those provided by DIAND. Second, DIAND must make provisions for extra funding to bands for the establishment of appropriate support-mechanisms similar to the ones available to DIAND staff. This will allow bands to provide services of similar quality as those provided by DIAND, as well as it will allow bands to overcome possible service shortfalls in the area of advisory services. Third, DIAND must ensure extra funding to allow bands to hire extra staff to meet added workload and new functions. Fourth, DIAND must provide additional support for bands that are more remote and of smaller size, factors which have tended to present special barriers to successful implementation of the Devolution Policy. And last, but not least, DIAND must make way for increasing Indian input into policy directions

and make appropriate levels of funding available to Assemblies of Chiefs for this purpose.

vi. Community ownership of enterprises and resources.

Community ownership of enterprises and resources must be a key factor in a strategy of community economic development. This kind of ownership, while meeting broader community goals other than mere profit maximization, tends to minimize economic disparities within the community while maximizing social benefits for the community at large. Because of limited resources and poor economic conditions within many reserve communities, development strategies that tend to minimize economic disparities while maximizing social benefits may often be preferred by Indian bands. Many bands have a uniform desire to work toward equal distribution of scarce resources and the prevention of accumulation of wealth by a few band members. Through community ownership it is possible to achieve greater community control over the development process, just as it is possible to achieve a higher level of participation and involvement of community members in identifying and resolving community problems.

Communities may consider the establishment of economic development corporations that own community enterprises and resources to ensure communal ownership where this is the

preferred strategy. Some bands may wish to establish these corporations independently of band administrations to avoid situations of excessive accumulation of political power within band administrations.

Community ownership is a main prerequisite to reverse outflows of profits, rents and other incomes from the community. And limiting or reversing such outflows of income is essential to achieve any progress in economic development and to create sustainable community futures.

A strategy of community economic development could make room for some private ownership. The basic idea should be for ISTC to financial support private enterprise projects whenever these have community support, while refusing financial assistance to private enterprises that compete with community ventures for financial support or in any way counteract social benefits to the community.

Finally, CAEDS should have as a high priority to financially support community owned ventures that seek to improve community infrastructure. Housing projects must be a primary consideration. While on-reserve housing is financed through various federal departments and agencies, the persistent problem of poor housing on-reserve indicates that additional measures are needed to meet growing community needs while improving existing needs.

vii. Use of local resources rather than outside investments to build up the community.

A strategy of community economic development must have as a main priority to use local resources as opposed to outside investments to develop the economic base of the community.

CAEDS's role should be that of financially supporting and promoting community economic development organizations which must have one key feature; they undertake or promote actions which lead to greater community self-reliance. These organizations must use local resources rather than outside investments to build-up the community, and their primary goal must be the creation of meaningful stable jobs.

While the emphasis must be on the use of local resources rather than outside investments to build up the community, employment at the reserve level may be expanded by attempting to attract non-Indian industries and businesses onto the reserves or to locations near them. This, however, should be limited to cases that will benefit the community, and subsequently do not compete with or in any way stand in the way of the survival of community based ventures. To attract non-Indian industries CAEDS must play a role in limiting the competition from other municipal and provincial jurisdictions by supporting special financial incentives for such industries.

viii. Import substitution.

Indian community economic development must emphasize as much as possible a strategy of import-substitution. Rather than importing products the community should purchase products produced within the community, and in turn the community should as much as possible produce products themselves to meet local demand, and to satisfy the true needs of the community.

CAEDS must support such a strategy. This may entail special business incentives to ensure that production will be geared to serving local needs and local demand, as well as price subsidies to ensure a local demand for products produced locally.

Also, DIAND must make it a main priority to settle outstanding land claims to expand the resource base of Indian communities. Controlling the land base and its resources is essential for sustainable Indian community economic development and self-reliance. Measures must be implemented for timely, effective and efficient settlement.

Due to the highly disparate distribution of resources among Indian reserves, and due to disadvantages caused by isolation often there is not a dependable market to reach, and the potential market share is marginal. Hence, it may be necessary for region-wide cooperation between some communities. CAEDS must be firmly committed to support initiatives that are geared to overcome problems related to

diseconomies of small scale. Thus, DIAND should make a long-term financial commitment to the ROP program, since this program offers a possibility for fostering region-wide cooperation through the establishment of sectoral development institutions. This means that DIAND in cooperation with Indian communities will have to reassess the contributions made by ROP, as well as re-evaluate its long-term potential in an economic development strategy. This should lead to an immediate stop of further funding cuts for this program, and an expansion of the program to re-establish its financial backing.

Also, CAEDS must help facilitate more co-operation between urban reserves and rural and remote reserves. Urban reserves have the benefit of a higher degree of institutional completeness which could benefit more isolated reserves. Furthermore, urban reserves have an expanded pool of valuable human resources through the reinstatement of Bill C-31 Indians.

For small highly underdeveloped communities, measures may be undertaken, not only to help identify opportunities within reserve communities, but also to help identify opportunities and markets within local economies nearby the reserve community. Thus, if a market niche can be found in local economies nearby the reserve, CAEDS should support business ventures to take advantage of these markets, either directly from the reserve community, through an Indian joint-venture, or by Indian region-wide cooperation. In

these situations the idea must be for bands to gain access to off-reserve employment and economic opportunities while as far as possible seeking to retain the income generated within the on-reserve community setting.

ix. Investments in human resources.

The ability to achieve successful community economic development is to a large extent determined by the type and availability of human resources within a given community. Therefore, investments in human resources must be an integral part of any community based economic development strategy.

Due to scarce job opportunities on-reserve, jobs are often allocated according to different criteria than in the mainstream economy. This has the potential to deter Indian competitive behaviour and undermine incentive for higher educational achievement. Therefore, CAEDS must support a strategy that, while ensuring needs are being met, has as its goal to ensure that Indians with educational backgrounds will be offered meaningful long-term opportunities. This would entail implementing a policy that ensures that education is linked with employment to avoid a phenomenon of the educated unemployed. Making investments in education is only of marginal relevance for improving the prospects of

permanent employment unless job creation is linked more closely to education strategies.

CAEDS must also ensure that population growth due to Bill C-31 does not cause increased competition for limited educational funds. This entails avoiding delays in processing of increased number of applications, as well as ensuring that educational funds match the increase in qualified applicants.

Moreover, CAEDS must ensure the successful and timely implementation of "Pathways". This will provide at least one potential means for providing for more aboriginal control and decision-making, and may be a start in the direction of eliminating existing attitudinal and systematic barriers which impede Indians from equal access to training and employment opportunities.

Human resource development at the community level must ensure that training, skill-upgrading, and other educational programs meet the needs resulting from business and community economic development projects. To become self-reliant communities must seek to steadily expand their capacity to organize projects. Thus, bands must actively seek to provide training programs for their members, and they should play a role in offering marketing, accounting and other business services.

DIAND has provided much training to up-grade the skills of band administration employees thereby improving Indian public sector occupations. The same strategy must be applied

to more disadvantaged occupational groupings to increase the number of higher paid more stable occupations.

Also, to stimulate human resource development CAEDS must support occupational and business skills training based on Indian designed community economic development strategies. This will also entail funding for Indian-controlled training institutions.

x. Business and entrepreneurial experience.

At the very root of successful community economic development is the ability to create viable economic opportunities at the community level. A community economic development strategy must, therefore, address the problem of a general lack of business and entrepreneurial experience within Indian communities.

While the Indian public sector still has some room for expansion, it is obvious that band administration or the Indian public sector will not be able to provide sufficient new employment opportunities to keep up with the projected growth in the working aged population. Therefore, CAEDS must be committed to the financial support of Indian business ventures, joint-ventures, and region-wide opportunities, including stabilizing existing businesses.

A primary obstacle to obtaining business and entrepreneurial experience by Indians and to engage in business ventures has been the tendency by federal departments and agencies to deny the existence of many viable economic opportunities. In fact, many economic opportunities could be realized with a more imaginative and sympathetic approach to the barriers that confront Indian people and their communities. A workable strategy would include a firm commitment by DIAND and ISTC to long-term support of Indian enterprise financing and a much greater willingness to take risks. DIAND and ISTC must also become more willing to consider Indian proposals, and must support enterprise financing which builds on skills and interests that actually exist, rather than imported ideas and organizational structures, and training from outside. Also, DIAND and ISTC must be more sensitive to Indian needs and abilities. For example, in the initial stages of a development process when human resources may be limited and business and entrepreneurial talent may be lacking or less developed, the community should refrain from engaging in projects that are overly ambitious. Ambitious projects will have the tendency to lean too much on outside assistance, which may tend to counteract community based efforts and subsequently defeat the purpose of community based economic development. In the initial stages of any development process the main idea must be that of building a solid capacity for further development initiatives.

The issue of decision-making and control is a primary concern. In contrast to past and current practices, DIAND and ISTC must leave decision-making and control over business development with Indian communities. Lack of Indian decision-making and control will create situations where manipulations are performed on Indian submissions of project proposals to federal program staff, which in turn may produce revised projects that are in conflict with the community's original project proposals.

Another consideration is the issue of to what extent projects should be able to show profitability. Because of high rates of unemployment, Indian communities often attach more importance to job creation than to profit-making. Thus, in view of the general lack of emphasis on monetary and material rewards for work, ISTC should not counteract this by focusing on profitable ventures only, but must be willing to support non-profit enterprises, and in turn depart from policies that tend largely to focus on turning Indians into private entrepreneurs with the stress on profit maximization.

Also, to encourage the creation of on-reserve business and entrepreneurial experience, DIAND and ISTC must install measures that encourage the Indian on-reserve "hidden economy" to surface. This would entail making provisions for the financial support of Indian micro-enterprises in cases where it can be demonstrated that these enterprises fill a purpose within the community. Recognition of and support to

micro-enterprises contributes to self-reliance and sustainable diverse appropriate development because it builds on community interests, using knowledge of local resources and community needs to meet the demand within the local market.

While micro-enterprises may serve a useful purpose within a community they do not provide links with other communities or the mainstream economy. This should not be an impediment to obtaining business financing, however.

While support for micro-enterprises is an important element in the development of Indian communities, support should be directed to those enterprises that will not compete with or in any way act as an impediment to successful implementation of community based projects.

Finally, ISTC must play a leading role in supporting Indian bands in overcoming the obstacles of diseconomies of small scale and limited strong ties with outside business organizations and markets. This will entail ISTC being more willing to financially support joint-ventures with less than Indian majority share, when such ventures are deemed by the community to be a positive, integral part of the development process.

xi. Addressing women's issues.

Any community based development strategy must address women's issues. Firstly, it is vital that women are drawn into the community economic planning process to be part of majority consensus on planning issues. Secondly, women must be given equal opportunity to become active participants in the economic development process and subsequently in employment and economic opportunities.

Moreover, targeting the needs of women is necessary to overcome the severe problems related to lack of inter-generational mobility within Indian communities. On-reserve women constitute a growing proportion of the on-reserve Indian population due to Bill C-31. In addition, on-reserve women increasingly head poor single-parent households. Therefore, the socio-economic status of women must be a key concern. A primary goal must be to facilitate an improved social and economic environment for the family unit, including breaking down existing barriers to inter-generational mobility.

A main concern must be the profound lack of work experience among on-reserve Indian women. While they often have some voluntary work experience or experience with unpaid work, Indian women lack recognized work experience. These problems are often compounded by the very fact that they often maintain traditional roles within reserve communities simply because scarce community jobs often are

allocated to males due to males' frequent status as heads of households. Programs must be incorporated into a development strategy which address these issues. CAEDS must fund programs that provide opportunities for women to gain meaningful work experience. This may mean subsidizing employment, and in some cases paying the full cost of employment experience. Furthermore, it would make sense to allocate part of the ROP program specifically to seeking and developing employment and business opportunities for women. Thus, the ROP program should make special provisions for financial assistance for the establishment of sectoral development corporations that have as a main priority to assist Indian women in finding jobs and business opportunities.

Finally, CAEDS must help finance programs that address the problems of finding and paying for daycare. The main goal of such programs should be to give women the choice and the opportunity to participate in the community development process and become active participants in the labour force. Since a large proportion of micro-enterprises in the on-reserve "hidden economy" consist of women providing babysitting services it would make sense to build on this micro entrepreneurial experience. While CAEDS should support the establishment of subsidized quality daycare facilities, these could be run by women already providing babysitting services. This would serve to eliminate current sources of less organized and often poorer quality daycare, while at

the same time eliminating the competition from these often lower priced services.

7.5 CONCLUDING COMMENTS.

The above outlined strategy provides a set of recommendations that collectively seek to enhance and further Indian self-reliance and thus further the move toward Indian self-government. The main objective of this strategy is to foster an economic environment that can set the stage for economically viable community futures. To achieve this, a central theme of the development strategy must be community control over the development process and community decision-making on planning issues. This in turn presupposes a greater transfer of control from federal departments and agencies to the community level, while at the same time maintaining a federal funding vehicle firmly committed to Indian economic initiatives.

CHAPTER 8.0

CONCLUDING COMMENTS

As has been widely documented throughout this study, during the past decade a trend towards high unemployment and welfare dependency has emerged, and despite years of federal government efforts to develop Indian communities, most communities remain constrained by a high degree of financial dependency. This dependency has reached considerable heights and is growing. While growing federal financial dependency can be attributed in part to poor employment and economic opportunities combined with significant demographic changes, it is evident that decades of faulty government strategies have exacerbated this already critical situation.

Contemporary federal economic development programs have failed at finding viable solutions to the severe on-reserve employment and economic conditions, and current policy frameworks do not seem to fare any better. As the demand for sustainable employment opportunities undergoes continuous growth due to the maturation of the Indian population into its working aged years, there will be a subsequent need for an economic and employment development strategy that seeks to overcome the current grossly inadequate efforts and that

has as an objective to establish a foundation for Indian self-government and sustainable community futures.

While Indian employment and economic circumstances are considerably worse than those of the overall Canadian population, progress is nonetheless being made, albeit at a very slow pace. Many reserves have gone from being largely dependent on outside markets for all goods and services, and from relying extensively on some form of traditional pursuits, to developing a community economic base with Indian owned businesses and being increasingly involved in wage employment. At the same time Indians are gaining more control over the economic development process. But needless to say, much work still needs to be done before Indian communities can begin to enjoy a higher level of economic and employment development, and a higher degree of self-reliance.

While community economic development depends to a large degree on the nature of reserve based and local resources, government financial support for Indian employment creation and business ventures remains an absolutely crucial component of a development strategy. In addition, it is evident that efforts in terms of economic and employment opportunities need to be reevaluated in a different light than in the past. In view of the changing demographics and the persistent chronic unemployment within on-reserve communities, it will be necessary with an immediate and massive emphasis on community economic development. More

specificly, there is a need for policies firmly committed to a community economic development strategy that entails long-term financial planning with control over the development process firmly vested with the Indian population.

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