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Measuring the Self-Reliance of Aboriginal Communities

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Canada

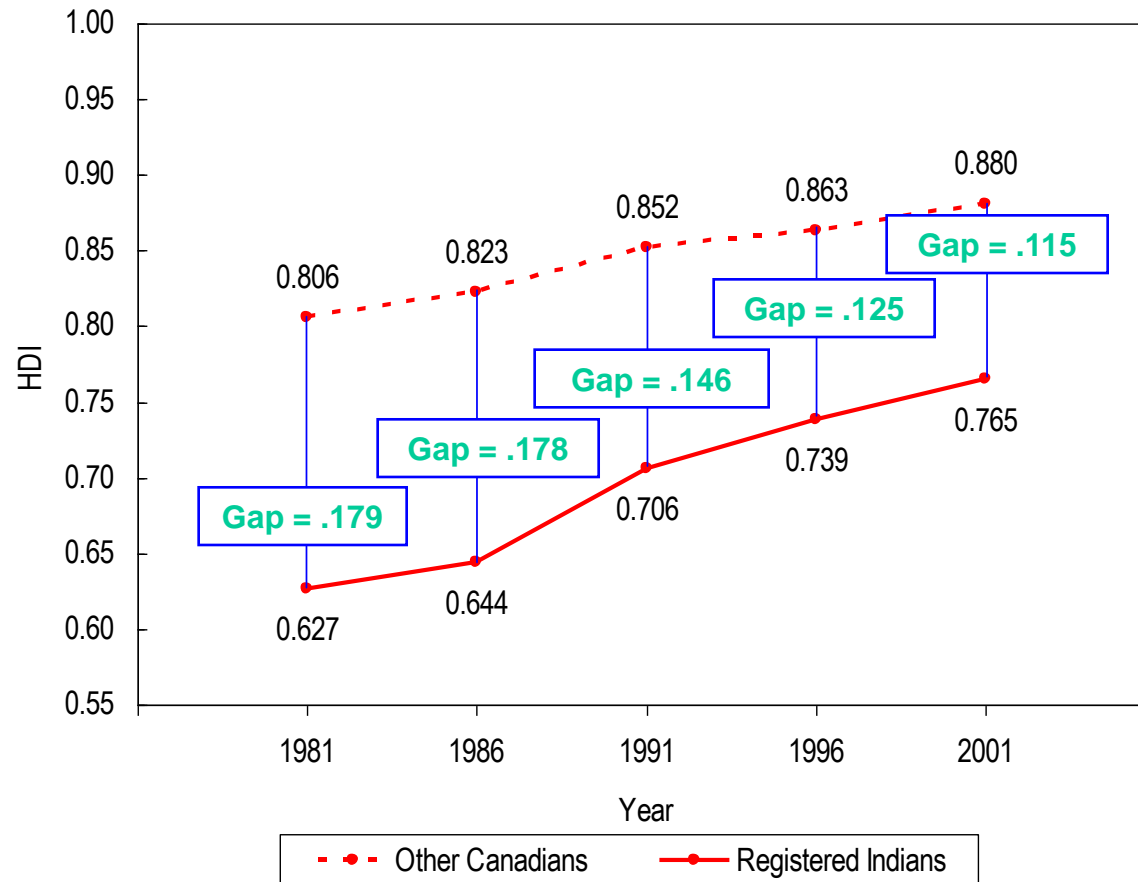


Purpose of Presentation

- Research on Well-Being of FN Communities
 - Background and Rationale
- Community Well-Being (CWB) Index
 - Methodology and Results
- Development of an Index of Community Self-Reliance



Human Development Index (HDI) Canada, 1981-2001



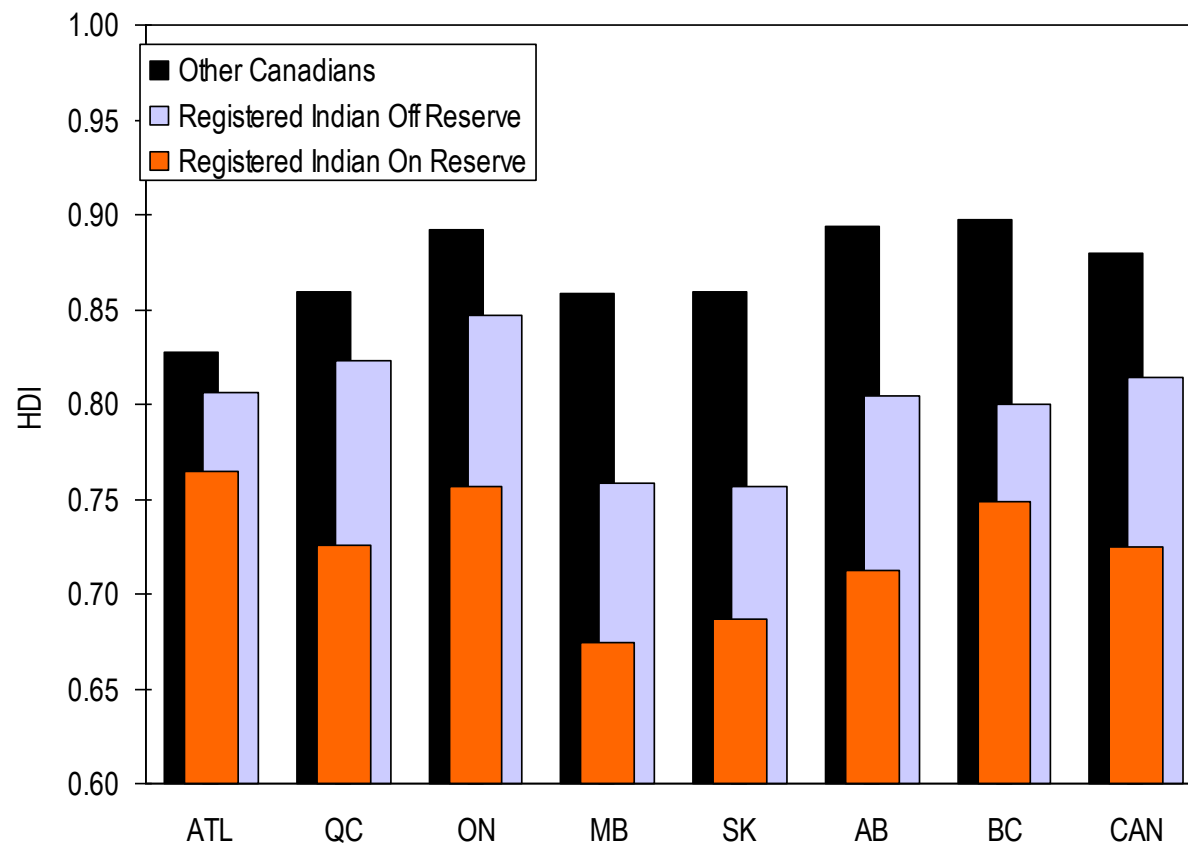
The HDI for Registered Indians is significantly lower than that observed for other Canadians.

The HDI gap between Registered Indians and other Canadians has been narrowing since 1981.

But improvements over the 1996-2001 period have not resulted in a significant 'gap reduction'.



Human Development Index (HDI) Regional Breakdown, 2001



The quality of life of Registered Indians varies significantly from region to region, from on to off reserve.

Disparity is the greatest on the Prairies :

- Lowest absolute HDI ratings (e.g. MB);
- Largest gap relative to the reference population;
- Largest population experiencing these disparities; also represents 14% of populations of SK/MB



Why Develop a Community Level Measure of Well-Being?

- **Measure**
 - Disparities in socio-economic conditions of FN communities in a systematic manner
 - FN well-being relative to other Canadian communities
 - Past (1981-2001) and future trends in the well-being of FN
- **Identify**
 - Prosperous FN communities which could serve as role models
 - Communities with serious socio-economic difficulties
- **Assess**
 - Determinants and correlates of well-being in FN communities
 - Impacts of specific programs and policies

The development of a community level indicator of well-being adds to the current understanding of well-being in First Nations communities – it does not define it.



Community Well-Being (CWB) Index

The CWB is derived from the Census of Canada.

It is founded on the methodology of the Human Development Index (HDI), but does not replicate it.

The index is composed of multi-faceted indicators (4).

The index scale runs from 0 to 1, with 1 being the highest score and 0 the lowest.

The CWB index was calculated for all Canadian communities (population > 64).

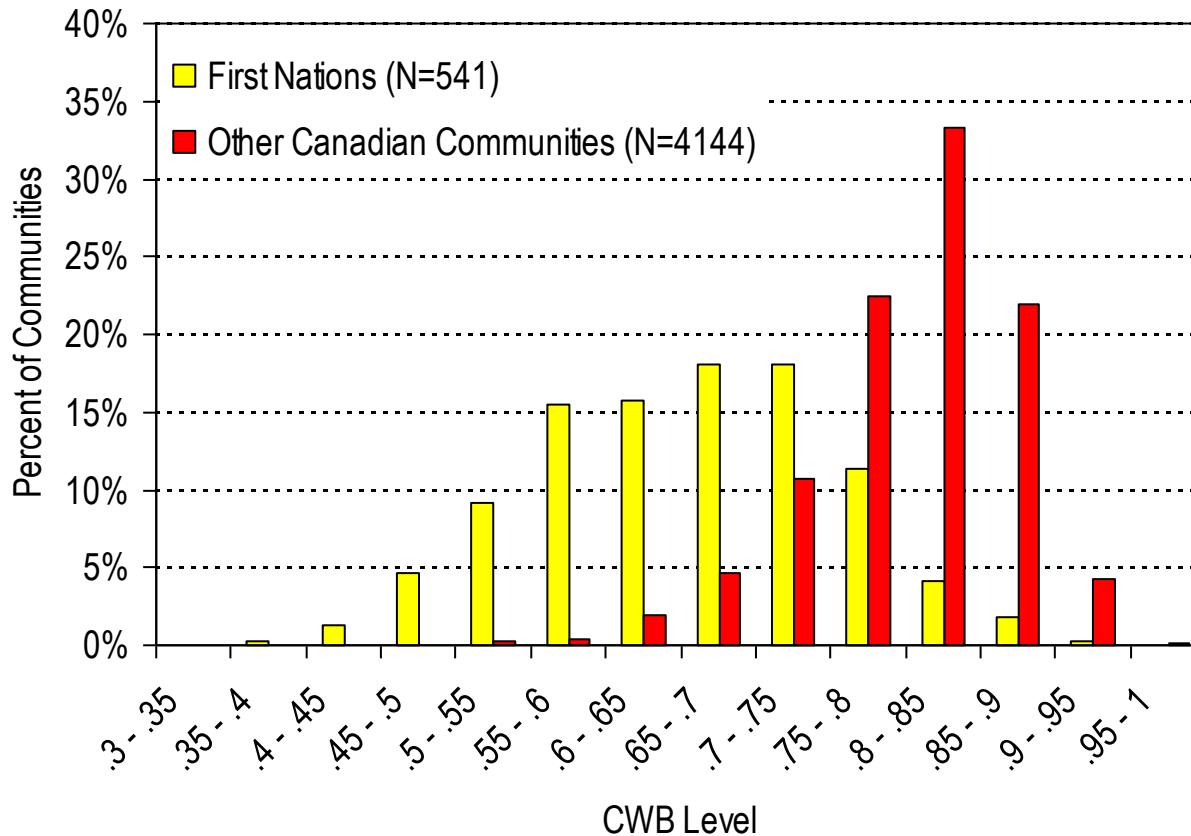
- ❶ Education
 - Literacy
 - High School +
- ❷ Labour Force
 - Participation
 - Unemployment
- ❸ Income
 - Total per Capita
- ❹ Housing
 - Quality
 - Quantity

The HDI is made of three equally-weighted indicators: income, life expectancy and education.

Due to data limitations, the CWB does not include a measure of life expectancy.



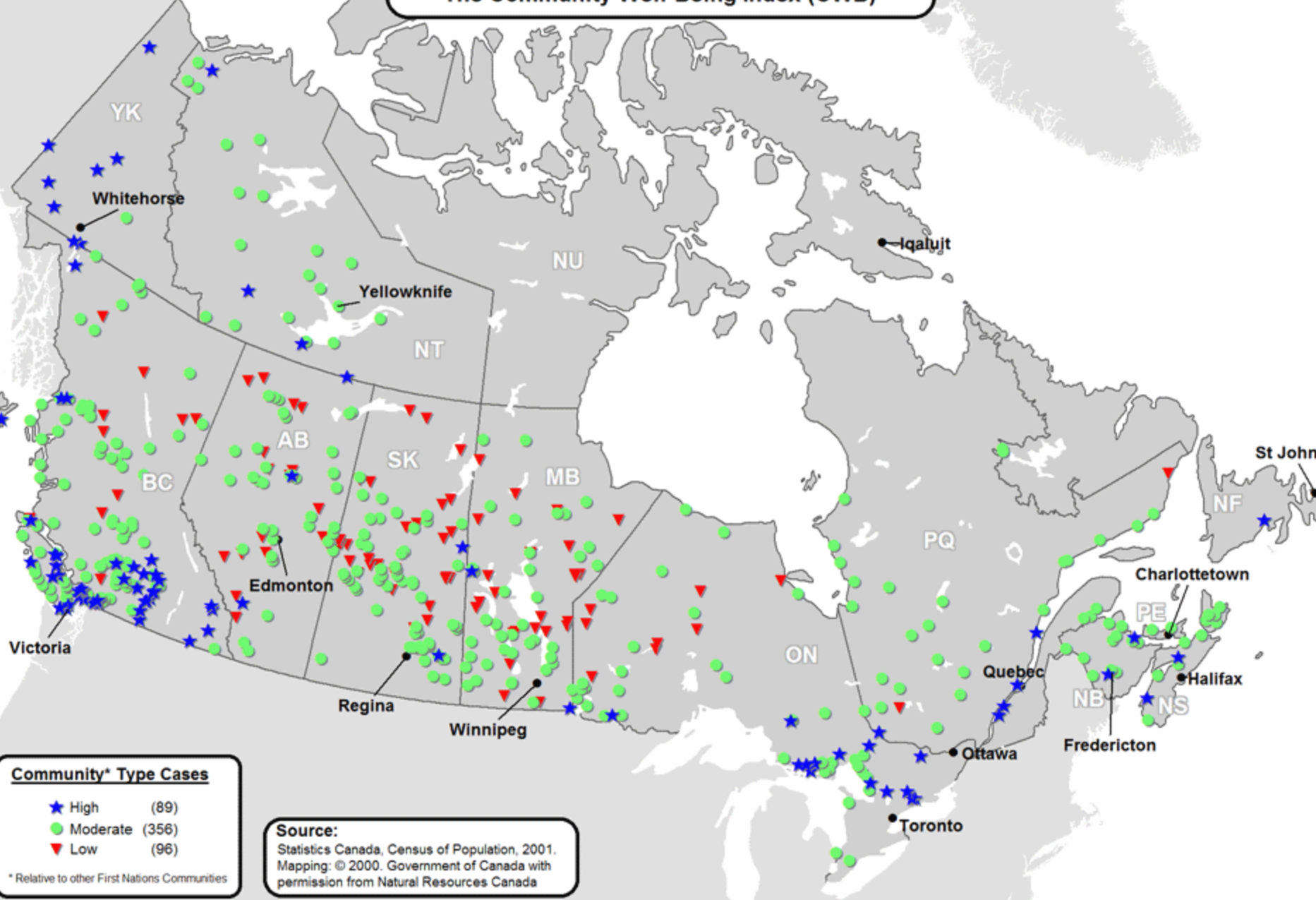
Distribution of Communities by CWB Level, 2001, Canada



Among the 'bottom 100' Canadian communities, 92 are First Nations.

Only one First Nation community ranks among the 'top 100' Canadian communities in 2001.

First Nations Community Well-Being in Canada: The Community Well-Being Index (CWB)



Community* Type Cases

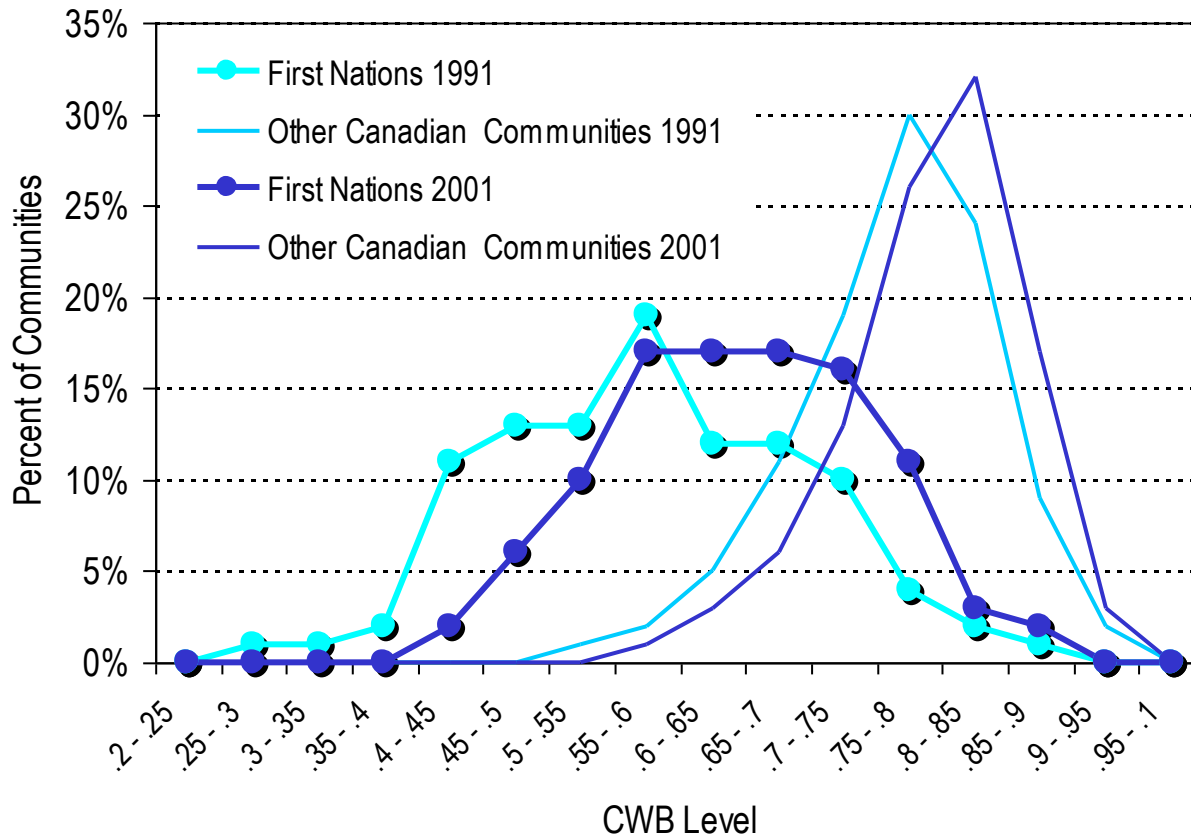
- ★ High (89)
- Moderate (356)
- ▼ Low (96)

* Relative to other First Nations Communities

Source:
 Statistics Canada, Census of Population, 2001.
 Mapping: © 2000. Government of Canada with
 permission from Natural Resources Canada



Distribution of Communities by CWB Level, 1991 and 2001 Canada






These distributions demonstrate that over the 10-year period...

- Both types of communities experienced “slow but steady” improvement
- The gap in well-being between First Nations and other Canadian communities persisted



Distribution of FN Communities by 1991 and 2001 CWB Level, Canada

399 First Nations Communities		2001 CWB Score			
		0.20- 0.39	0.40- 0.59	0.60- 0.79	0.80- 1.00
1991 CWB Score	0.20- 0.39	1	13	2	
	0.40- 0.59		123	96	
	0.60- 0.79		3	139	11
	0.80- 1.00			2	9

 Improved (31%)
 Stable (68%)
 Declined (1%)

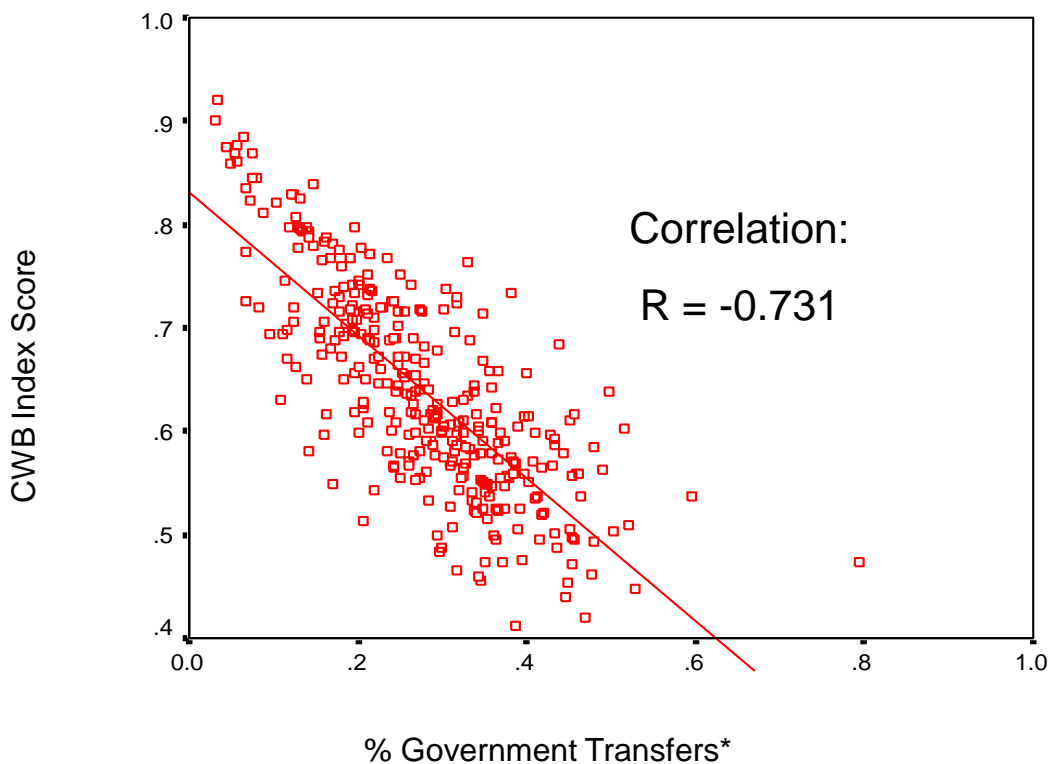
Comparable analysis of trends in CWB for other Canadian Communities reveals that :

- 22% of these communities have improved
- 75% have stayed the same
- 3% have declined



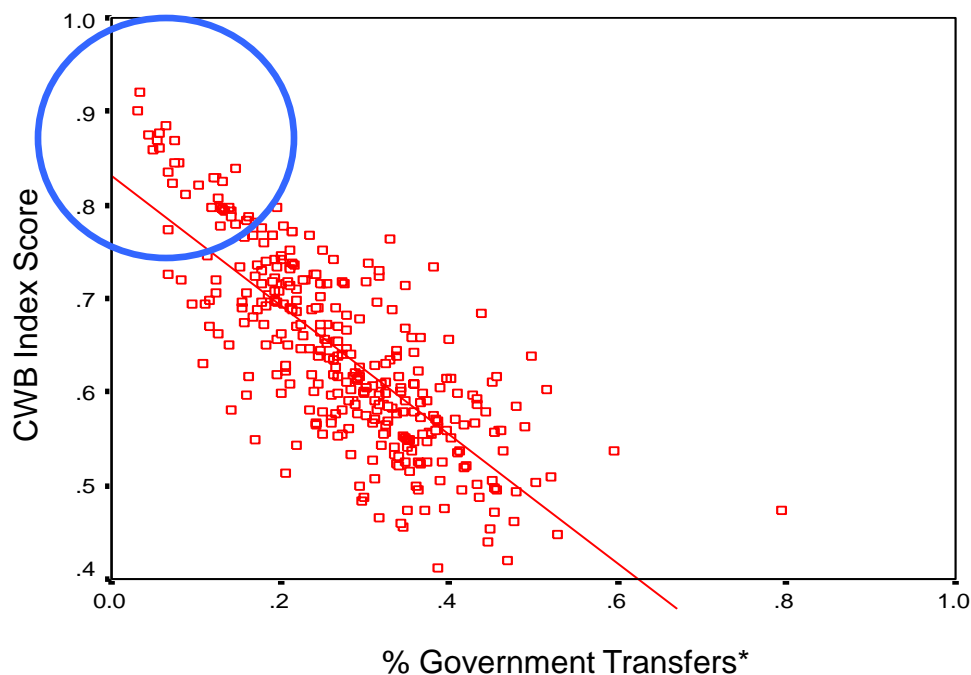
The next stage of the CWB research is to expand our knowledge of the social, economic and demographic determinants of well-being. The relationship between the CWB and Self-Reliance is quite strong.

There is a clear relationship between CWB score and proportion of income composed of government transfer payments; as communities' reliance on government money increases, well-being decreases.





Presumably, the First Nations in the upper left corner – those with high CWB scores and low levels of reliance on government transfer payments – represent economically healthy First Nations communities and potential sources of “best practices.”





- Even though some communities may have high levels of well-being, this does not necessarily mean that they are healthy economically. To be deemed such, their high well-being levels must be sustainable.
- Two keys to sustainable economic development in First Nations communities are **occupational diversity** and **private enterprise**.



- White (2003) identifies **occupational diversity** as a key component of sustainable community well-being. Communities with diverse economies are less vulnerable to economic fluctuations.
- Anecdotal evidence suggests that some First Nations (particularly those in small, remote areas where **private enterprises** are few) are over-reliant on the public sector for employment
 - Such communities are vulnerable to the economic fluctuations noted above, as well as to changes in government policy.
 - In such communities, real market-driven economic progress may be somewhat illusory.



Constructing of an Index of Community Self-Reliance

The Census reports four types of individual income: salaried, self-employment, government transfers, and investment income. The sum of these four sources equals total income.

An index of community self-reliance will be created by taking the ratio of income from government transfers to total income. Further adjustments will be made such that the salary income from public service jobs will be added to the income from government transfers. This analysis will be done using 2006 micro-level data and for previous Census years back to 1981 in order to assess trends. This analysis will be done for all Canadian communities so that comparisons can be made between Aboriginal and non-Aboriginal communities.

It is hypothesized that a vast amount of the job creation in FN communities over the last two decades is related to the growth of public service jobs, primarily through devolution. In theory, public service jobs should be sustained by a tax base.



To address these issues, we will examine occupational patterns in First Nations communities...

- **Are Aboriginal people overrepresented in certain sectors of the economy?**
- **Are First Nations communities occupationally or industrially diverse or do they tend to be dependent on a small number of employers?**
- **Has growth of private sector jobs kept pace with the population growth in FN communities?**



Are some First Nations communities overly dependent on public service jobs for income?

- We will examine the proportion of Aboriginal community members employed by the government, assess whether dependence on public service jobs has changed over time, and ascertain whether improvements in Aboriginal well-being have coincided with any changes in the ratio of public service to private sector jobs and their associated income.**
- We will exclude income from public service jobs from communities' income pools. This will permit us to assess directly the financial impact on First Nations communities of overdependence on government jobs. It will also provide an idea of the drop in well-being that may be expected should those government jobs become unavailable or not keep pace with population growth.**



Methodological Issues

The analyses proposed present a number of technical challenges:

- **Reconciling occupational/industrial classifications from different census years and integrating new occupations that have emerged with technological and social advances.**
- **Determining which of those occupations may reasonably be deemed “non-sustainable” public service jobs. In theory, public service jobs are sustainable only through taxes raised from private sector jobs.**

As with the CWB analysis, other methodological issues include the non-participation of certain FN communities and changes that Statistics Canada makes to its census subdivision geography as well as changes to census questions.