

The Potential Contribution of Aboriginal Canadians to Labour Force, Employment, Productivity and Output Growth in Canada: An update to 2006-2026

Andrew Sharpe, Jean-François Arsenault and Simon Lapointe
(Centre for the Study of Living Standards)

Abstract

Investing in disadvantaged young people is one of the rare public policies with no equity-efficiency tradeoff. The objective of the paper is to estimate the potential contribution of Aboriginal Canadians to labour force, employment, output, and productivity growth in Canada over the 2006-2026 period. We first examine the developments in educational attainment, labour force participation and income of aboriginal and non-aboriginal Canadians between 2001 and 2006 using the recently released 2006 census data. Then, using the methodology developed in Sharpe, Arsenault and Lapointe (2007), we estimate the potential benefit for the Canadian economy of increasing the educational attainment level of Aboriginal Canadians. We extend the original analysis five years to cover the 2006-2026 period. We find that increasing the number of Aboriginals who complete high school continues to be a low-hanging fruit and that significant and far-reaching economic and social benefits can still be realized. We present estimates of the extent to which increased Aboriginal education could contribute to alleviating two of the most pressing challenges facing the future of the Canadian economy: slower labour force growth and lackluster labour productivity growth. We find that under certain scenarios, a rapid convergence in educational attainment between Aboriginal Canadian and non-Aboriginal Canadians would not only significantly contribute to increase the personal well-being of Aboriginal Canadians, but would also lead to increased GDP, employment and productivity growth.

References

Sharpe, Andrew, Jean-François Arsenault and Simon Lapointe (2007) "The Potential Contribution of Aboriginal Canadians to Labour Force, Employment, Productivity and Output Growth in Canada, 2006-2017", CSLS Research Report 2007-04, November.