

The Labour Market and Economic Performance of Canada's First Nations Reserves: The Effect of Educational Attainment and Remoteness

Simon Lapointe (Centre for the Study of Living Standards)

Andrew Sharpe (Centre for the Study of Living Standards)

Abstract

The goal of this report is to investigate the relationship between educational attainment, remoteness, and labour market and economic performance at the reserve level for Aboriginal Canadians. The report uses reserve-level data on average earnings, GDP per capita, labour market indicators and distance to a service centre for 312 reserves. Using descriptive statistics, simple correlation and multiple regression analysis, the report draws conclusion on three important questions. First, the report finds that a higher level of educational attainment, on average, has a positive effect on the labour market performance of a reserve. Then, a positive link is found between educational attainment and economic performance (average earnings and GDP per capita). Also, the report finds evidence that remoteness of a reserve plays a role in its labour market and economic performance. Specifically, reserves situated near urban centres fare better than the ones in rural and remote areas and those not connected by road to a service centre. Finally, the report also analyses the role of governance on labour market and economic performance. It finds that better governance can lead to a better labour market, higher average earnings and higher GDP per capita.