The Impact of Broadband on Economic Development on First Nations in Canada

Ricardo de Avillez

The faster access to information made possible by broadband Internet connectivity has had an important impact on the economy, transforming existing production processes and making new ones possible. This report represents a first attempt at estimating the impact of broadband on economic development and job creation in Canada's First Nations reserves using econometric techniques. The report offers an up-to-date overview on the state of broadband availability in First Nations reserves, providing both national and provincial breakdowns of the data. It also details the main findings of the literature on the effect of broadband on economic development. Using a sample of 241 First Nations reserves and data from the 2001 and 2006 Aboriginal population profiles, we estimate the impact of broadband on average earnings and employment growth. Our econometric analysis failed to show a statistically significant impact of broadband on economic development, possibly due to data issues. It is suggested that future econometric studies on the topic would benefit from additional broadband data (for example, broadband penetration).