

2006 Census Research Paper Series



#12 –Aboriginals and the Economy of Northern Ontario

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Prepared for the Local Boards of Northern Ontario



EXECUTIVE SUMMARY

Background to the Report:

This study has been prepared for the 5 Local Boards in Northern Ontario and the Algoma Workforce Investment Committee. Due to the particular economic conditions in Northern Ontario, it is very important for the Northern Boards to properly understand the demographic and economic trends occurring in their region. This is the twelfth research report in a series that examines the current trends in Northern Ontario using data from the 2006 Census. Based on concerns expressed in the Trends, Opportunities, and Priorities (TOP) Reports, this report attempts to examine the situation of the regional Aboriginal population in the economy of Northern Ontario.

Methodology:

This report is based on newly released data from the 2006 Census as prepared by Statistics Canada. Data is also used from other Census years as compiled by Statistics Canada.

Findings: Analysis of the 2006 Census data has shown us several important facts about Aboriginals living in Northern Ontario and their participation in the regional economy. They are as follows:

- The Aboriginal population of Northern Ontario has increased rapidly over the past 10 years.
- The highest numbers of Aboriginals are found in the Districts of Kenora and Thunder Bay while the fastest growing Aboriginal populations are in Timiskaming and Greater Sudbury.
- While growth on reserves was high, the highest rates of growth were in the urban areas of Northern Ontario.
- The Aboriginal population is much younger than the rest of the population of Northern Ontario.
- The reserve-based Aboriginal population is younger than the urban-based Aboriginal population.
- There are relatively few Aboriginals over the age of 60 years.
- The Aboriginal population has lower levels of formal education than that of the region
- Reserve-based Aboriginals have lower levels of formal education than urban-based Aboriginals.
- Aboriginals have lower labour force participation rates than the average for Northern Ontario.
- Labour force participation rates of urban-based Aboriginals are higher than those of reserve-based Aboriginals.
- Few Aboriginals are employed in business-oriented industries such as retail trade, finance, and business services.
- A higher number of Aboriginals are employed in trades and blue collar occupations while fewer are employed in the higher paying professional occupations.
- Reserve-based Aboriginals have a higher percentage of occupations in social science, education and government service when compared to urban-based Aboriginals.
- Aboriginals experienced a significant decline in blue collar occupations between 2001 and 2006.

Section One: Introduction

This study has been prepared for the five Local Boards in Northern Ontario and the Algoma Workforce Investment Committee. The Muskoka, Nipissing, Parry Sound Local Training and Adjustment Board (Local Board #20), the Sudbury and Manitoulin Workforce Partnerships Board (Local Board #21), the Far Northeast Training Board (Local Board #23), the North Superior Training Board (Local Board #24) and the Northwest Training and Adjustment Board (Local Board #25) are among the 21 Local Boards established in Ontario in 1994.¹ These Boards were created to assist in assessing the workforce development needs and issues of each area. Each Local Board Area is made up of representatives of the key labour market partner groups; primarily business and labour, but also including educators and trainers, Aboriginal groups, women, persons with disabilities, francophones, racial minorities and youth. The Boards are sponsored by the Ontario Ministry of Training, Colleges and Universities.

The 2001 Census Research Series produced by the Northern Boards from 2002 to 2004 showed that Northern Ontario is a region undergoing important transformations. Economic growth in Northern Ontario has been significantly less than the provincial average since the 1970s. Since workforce development is seen as crucial to economic development by most people in the region, regional Boards are therefore necessarily involved in economic development discussions. Aboriginals represent a significant percentage of the population of Northern Ontario and are playing an increasingly important role in the economic development of the region. It, therefore, becomes very important for the Local Boards of Northern Ontario to understand the trends surrounding the participation of Aboriginals in the economy of Northern Ontario.

This is the twelfth and final research report in a series that examines the current trends in Northern Ontario using data from the 2006 Census. The first report analyzed the general population trends following release of that data in March, 2007. The second report looked at trends in youth out-migration. The third report looked at the extent to which the population of Northern Ontario is aging. The fourth report examined migration trends. The fifth looked at changes in labour force participation. The sixth and seventh looked at changes in industrial structure and occupational structure while the eighth report discussed trends in education levels. The ninth examined income trends in the region and the tenth looked at the participation of women in the regional economy. The eleventh discussed the situation of the regional Francophone population in the economy of Northern Ontario.

Section Two: Background to the Issue in Northern Ontario

2.1 Introduction to Northern Ontario

Northern Ontario comprises more than 88% of the land mass of Ontario but represents only 6.5% of the total population of the province (2006 Census). This percentage represents a decrease from 6.9% in 2001. As the region has no legislated boundaries, the definition of the region varies, especially as concerns its southern border. Currently, for the purpose of programming and statistical analysis, the provincial government has defined Northern Ontario as being comprised of the City of Greater Sudbury and the following districts: Kenora, Rainy River, Thunder Bay, Algoma, Cochrane, Manitoulin, Sudbury, Timiskaming, Nipissing, and Parry Sound. In 2000, the Ontario government decided to also include the Muskoka District Municipality in its definition of Northern Ontario. This inclusion was somewhat problematic in that the socio-economic characteristics of the Muskoka District Municipality differ from that of the other districts in Northern Ontario. In 2004, the government changed the definition to once again exclude the Muskoka District Municipality. For the purposes of FedNor programming, the federal government continues to include the Muskoka District Municipality in its operational definition of Northern Ontario. In the 2001 Census Research Series, the Muskoka District Municipality was included in statistics relating to Northern Ontario. Due to the recent change in definition by the provincial government, 2006-based reports exclude the area from statistics relating to Northern Ontario.² Comparisons between the data presented in the previous report need to take this change in definition into account.

The history of continuous settlement by non-Natives in Northern Ontario is relatively recent when compared to the rest of Ontario. Settlement in earnest started with the construction of the Canadian Pacific Railway in the late 1870s and 1880s. This was soon followed by the construction of the Canadian Northern Railway and the Grand Trunk and National Transcontinental Railways. Most non-Aboriginal communities in the region were initially railway towns.

Following the building of the railways, the region's growth has been driven primarily by the forest industry and by mining. The development of communities was, for the most part, undertaken by large resource extraction corporations based outside the region rather than by local entrepreneurs. This fact has meant that the social and economic structure of this region exhibits several unique characteristics.³

The first of these characteristics relates to an overdependence on natural resource exploitation. This has meant a high degree of vulnerability to resource depletion, world commodity prices, corporate policy changes, the boom and bust cycles of the resource industries, changes in the Canadian exchange rate, and changes in government policies regarding Northern Ontario.⁴

The second characteristic is a high degree of dependency on external forces. The fact that most communities were developed by outside interests means that local entrepreneurship has been

more limited than in other areas. This has served as a barrier to the cultivation of an entrepreneurial culture in these communities. This dependence is also seen in the area of political decision-making. Unlike most areas of Ontario, Northern Ontario is made up of Districts instead of Counties. Unlike Counties, Districts do not have regional governments. Northern Ontario is unique in Ontario in that unlike the Counties of Southern Ontario there is no regional government serving as an intermediary between the provincial government and municipalities.⁵

While all communities in the region share some common characteristics, Northern Ontario can be divided internally into three different types of communities:

Small and Medium-sized cities – Northern Ontario includes 5 cities with over 40,000 inhabitants. They are, in order of size, Sudbury (157,857), Thunder Bay (109,140), Sault Ste. Marie (74,948), North Bay (53,966), and Timmins (42,997).⁶ While these centres are heavily dependent on resource industries they are also relatively diversified in that they tend to be important centres for health, education, and other services for the outlying regions.

Resource Dependent Communities – The vast majority of the remaining non-Aboriginal communities in the region are resource dependent communities, or single industry towns, which share many distinct characteristics.⁷ These communities are smaller and less diversified economically than the small and medium-sized cities. They are much more directly dependent on resource industries.

Aboriginal Communities – The region of Northern Ontario is unique in terms of its large number of Aboriginal communities. The Aboriginal population makes up almost 12.6 percent of the population of the region.⁸ The population in the area of the region north of the 50th parallel is almost entirely made up of these communities. Of all the communities in the region, Aboriginal communities face the greatest number of social and economic challenges.

2.2 Existing Research on Aboriginal Communities

Many researchers have pointed out the differences between Native communities and non-Native communities.⁹ While there may be social and economic differences among the other regions of Canada, the differences between Aboriginal communities and other types of communities are much more profound. These differences include, in addition to the important cultural issues, a whole list of economic and social inequalities and social problems.¹⁰ There is little academic research indicating that this situation has changed to any great extent over the past few years.

In terms of general demographic changes, Maslove and Hawkes have pointed out that these communities have actually been growing due to high birth rates.¹¹ Related to these high birth rates, the populations of these communities tend to be younger than average. Educational differences between these communities and national norms tend to be large. Still, there is some evidence that the trend is towards a decrease in the rates of difference.¹²

According to Wotherspoon and Satzewich, In relation to non-aboriginals, aboriginal peoples have lower average incomes, lower rates of labour force participation, higher rates of

unemployment, and tend to be over represented in unskilled manual-labour positions.”¹³ Peter Usher and others have noted that most northern Native communities can be characterized as having a mixed economy.¹⁴ In this mixed economy income-in-kind from the land through traditional economic activities and cash income from wages and social transfers are shared between community members.

Research by Prattis and Chartrand has pointed to the importance of a “cultural division of labour” in the northern Aboriginal communities. This division is a system of socio-economic “segregation” between Natives and non-Natives where Natives “(occupy) the bottom of the segregation system”.¹⁵ While being negative for these communities, this cultural division of labour does at times serve to encourage the maintenance of Native culture and identity.

Section 3: Methodology

This report attempts to describe the general socio-economic characteristics of Northern Ontario’s Aboriginal population. This description is based on newly released data from the 2006 Census as prepared by Statistics Canada. These characteristics will be highlighted through a comparison of the characteristics of individuals living in Northern Ontario who claimed an Aboriginal identity with Northern Ontario as a whole and Ontario as a whole. Differences between reserve-based Aboriginals and urban Aboriginals are also examined. Where possible, trends are examined using data from previous censuses.

3.1 Potential problems with our method

Our method has several potential problems which must be mentioned. These include sampling error, the “random rounding” technique used by Statistics Canada, and problems with data for Aboriginal communities in Northern Ontario.

Unlike the first three reports in this series, most of the data used in this report is not from 100% of the population. Statistics Canada has two census forms; a short one that goes to all residences, and a long one, Form 2B, which goes to 20% of residences. Other than the data relating to population and age, data analyzed here is from Form 2B. This data is therefore a “sample” of total possible responses. It is meant to represent 100% of the population but, being a sample, it often does not. When the responses from the sample differ from what the responses would be from the entire population, we say there is “sampling error.”¹⁶

Using statistical analyses, we can calculate what the likelihood of sampling error is for a given number of responses. Generally speaking, the larger the number of respondents, the less sampling error is a problem. In our study, the data from smaller communities has a higher possibility of sampling error.

Another potential problem is the use of random rounding by Statistics Canada in its census data.¹⁷ In order to ensure confidentiality, census data is rounded up or down to the nearest 5 count. This has an insignificant effect on large numbers. On very small numbers, however, this process can

introduce a significant degree of error. This does not have a significant effect on numbers for the districts of Northern Ontario. This limits our ability to be confident about numbers for very small communities in Northern Ontario.

The third problem was mentioned in the first report in this series dealing with population change. A large number of Aboriginal communities are, for various reasons, improperly counted. This makes analysis of data relating to these communities difficult. Especially difficult are comparisons from one census year to another. While census data in a particular Aboriginal community may be reliable in one census year, this may not have been the case in previous years. As such, one can not compare these communities from one year to another.

This study attempts to solve this problem by limiting discussion of changes from census year to census year to those communities where reliable data is available for both years. This means that figures do not generally include all Aboriginal communities. The statistics should therefore be seen as representing a “sample.”

3.2 Defining Aboriginal

The first issue that confronts a researcher attempting to use Statistics Canada census data is choosing a definition of Aboriginal. In the past, different methods were used by census officials to determine who was an Aboriginal. This makes it extremely difficult to determine trends in Aboriginal populations using past censuses.¹⁸ The current census used four different definitions based on four different questions to determine Aboriginality: ethnic origin (including Aboriginal ancestries); Aboriginal identity; Registered or Treaty Indian; and Member of an Indian Band or First Nation. All of these indicators of Aboriginality have problems associated with them but a consensus is developing that the question dealing with Aboriginal identity is the least problematic.¹⁹ It is used in the Form 2B and is based on the following question:

18 Is this person an Aboriginal person, that is, North American Indian, Métis or Inuit (Eskimo)?

If "Yes", mark "⊗" the circle(s) that best describe(s) this person now.

No → Continue with the next question

Yes, North American Indian

Yes, Métis

Yes, Inuit (Eskimo) → Go to Question 20

This particular question has only been used consistently since the 1996 Census meaning comparisons are only reliable for the period from 1996 to 2006.

Several studies have noted that the Aboriginal population is not a homogeneous entity and that there are variations between those living on-reserve and those living off-reserve. Particular attention lately has been given to the off-reserve population living in urban areas.²⁰ In our 2001 Census Research Report Series, the report dealing with Aboriginal communities only examined

the Aboriginal population in communities where they represented a majority of the population.²¹ In this report we concentrate on the total Aboriginal identity population for Northern Ontario. We also examine differences between the on-reserve Aboriginal identity population and the urban Aboriginal identity population. As mentioned above, not all reserve Aboriginal communities have reliable data. As such we use only those communities with reasonably reliable data to represent a sample of the on-reserve Aboriginal population. The list of communities included in this sample is contained in Appendix A. The urban Aboriginal population is calculated using the Aboriginal identity population living in the urban centres of North Bay, Timmins, Greater Sudbury, Sault Ste. Marie, and Thunder Bay. It should also be pointed out that when we refer to Aboriginal communities in this report we are referring to those census sub-divisions that have official reserve status according to Statistics Canada. There are several communities in the region that are dominated by Aboriginals but do not have this status and as such they are excluded.

Section 4: The Aboriginal Population of Northern Ontario

4.1 Population: The Aboriginal population of Northern Ontario has increased rapidly over the past 10 years

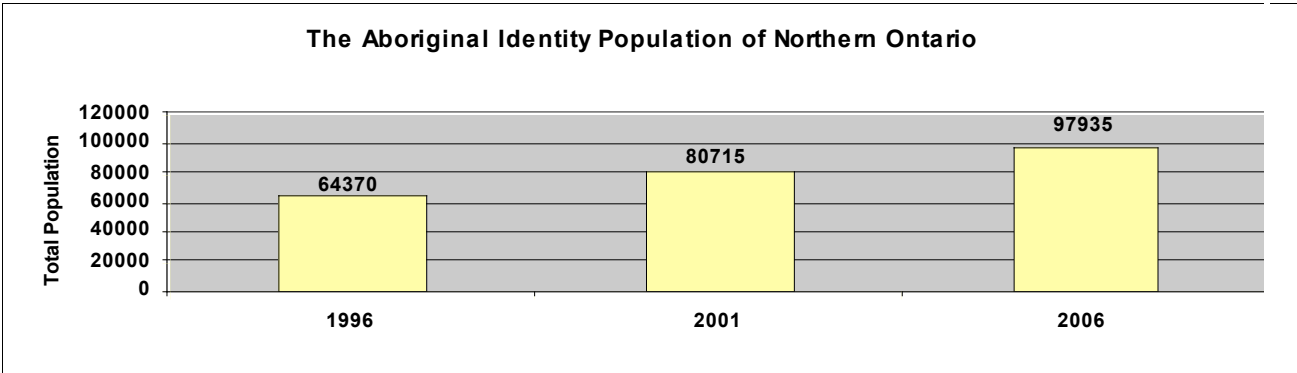


Figure 1 Source: Statistics Canada, Census of Canada, 1996, 2001, and 2006.

Figure 1 shows the total Aboriginal identity population for Northern Ontario in 1996, 2001, and 2006. The population has grown substantially over this period from 64,370 in 1996 to 97,935 in 2006. Figure 2 shows this growth graphically compared to the growth for Northern Ontario and Ontario. It is evident that the Aboriginal identity population is one of the fastest growing populations in Ontario. Its growth stands in marked contrast to the overall situation in Northern Ontario. The Aboriginal identity population of Northern Ontario grew by 52.1% from 1996 to 2006 while the total population of the region declined by 4.4% during this period.

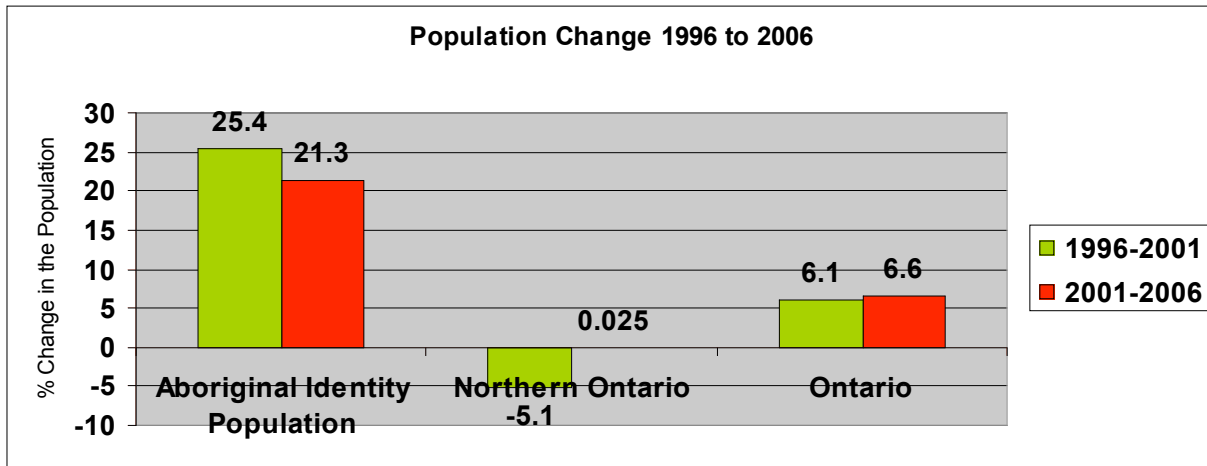


Figure 2 Source: Statistics Canada, Census of Canada, 1996, 2001, and 2006.

Figure 3 shows that this rapid growth has resulted in an increasing presence of the Aboriginal population in Northern Ontario. As a percentage of the total population of the region the Aboriginal population has grown from 7.9% in 1996 to 12.6% in 2006. If this trend continues, Aboriginals will represent the majority of the population of Northern Ontario by the year 2086. It should be noted that most of the growth over the 10 year period from 1996 to 2006 came among those who identified themselves as Métis. Those that identified themselves as a North American Indian increased by 28% over this period while those who identified themselves as Métis increased by 204%.

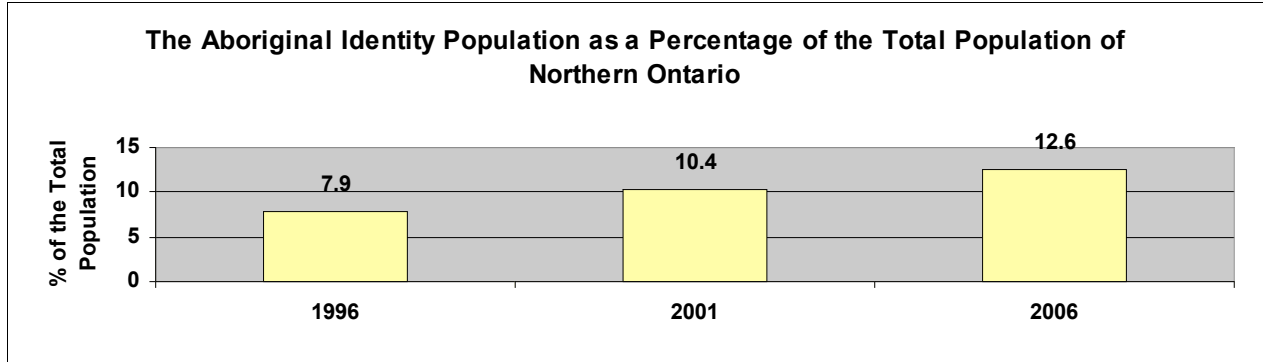


Figure 3 Source: Statistics Canada, Census of Canada, 1996, 2001, and 2006.

According to earlier studies that have been done of the Aboriginal identity population in Canada, this increase comes from two main sources.²² The first is natural increase. The Aboriginal population of Canada have higher birth rates and as such their population is increasing as the result of more children being born. Another important factor is “ethnic mobility”. This does not refer to the physical mobility of individuals but rather to the increased tendency of individuals to change their ethnic status from census to census. Since the 1980s Canadians have shown an increased willingness to declare their Aboriginal identity.

4.2 Population by Districts: The highest numbers of Aboriginals are found in the

Districts of Kenora and Thunder Bay

Table 1: The Aboriginal Identity Population of Northern Ontario by District

	1996		2001		2006		% increase in the Aboriginal Pop. 1996 to 2006
	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	
Northern Ontario	64370	7.9	80715	10.4	97935	12.6	52.1
Nipissing	4250	5.1	6130	7.5	7315	8.7	72.1
Parry Sound	1440	3.6	1855	4.7	2215	5.5	53.8
Manitoulin	3120	27.8	4640	37.1	5035	38.9	61.4
Sudbury	1600	6.3	2500	11.0	2885	13.6	80.3
Greater Sudbury	4470	2.8	7065	4.6	9635	6.2	115.5
Timiskaming	795	2.1	1215	3.6	1805	5.5	127.0
Cochrane	7445	8.1	8275	9.8	9665	11.9	29.8
Algoma	6425	5.2	10815	9.2	12925	11.1	101.2
Thunder Bay	11755	7.5	13180	8.8	15495	10.5	31.8
Rainy River	3040	13.2	3630	16.6	4615	21.7	51.8
Kenora	20030	31.8	21410	34.8	26345	41.2	31.5

Source Statistics Canada, Census of Canada, 1996, 2001, and 2006.

Table 1 lists the Aboriginal population for Northern Ontario by region for the period from 1996 to 2006. Those districts with the highest number of Aboriginals are Kenora, with 26,345 in 2006, and Thunder Bay, with 15,495 in 2006. The districts with the highest number of Aboriginals as a percentage of the population are Kenora and Manitoulin. In 2006, 41.2% of the population of the District of Kenora was Aboriginal while 38.9% of the population of the District of Manitoulin was Aboriginal. In terms of fastest growing Aboriginal populations, from 1996 to 2006 the Aboriginal population of Timiskaming grew by 127%. During this same period the Aboriginal population of Greater Sudbury grew by 115.5% while that of Algoma grew by 101.2%.

Table 2: The Aboriginal Identity Population of Northern Ontario by Urban Area

	1996		2001		2006		% increase in the Aboriginal Pop. 1996 to 2006
	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	Total Aboriginal pop.	Aboriginal pop. as a % of Total pop.	
Northern Ontario	64370	7.9	80715	10.4	97935	12.6	52.1
Total Urban	16735	4.4	26270	5.9	30895	7.1	84.6
North Bay	2055	3.8	3500	5.6	3205	6.0	56.0
Greater Sudbury	3080	3.4	7020	4.6	9590	6.1	211.4
Timmins	1745	3.7	2885	6.7	3275	7.7	87.7
Sault Ste. Marie	3345	4.2	5615	7.2	5980	8.1	78.8

Thunder Bay	6510	5.8	7250	6.8	8845	8.2	35.9
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Source Statistics Canada, Census of Canada, 1996, 2001, and 2006.

Table 2 lists the Aboriginal population of Northern Ontario by major urban area. Overall the urban Aboriginal population of Northern Ontario grew by 84.6% from 1996 to 2006, a rate higher than that of the region as a whole. In terms of total numbers of Aboriginals Greater Sudbury currently has the most followed by Thunder Bay and Sault Ste. Marie. As a percentage of the total population, Thunder Bay is the urban area with the largest with 8.2% closely followed by Sault Ste. Marie with 8.1%. All urban areas showed substantial growth in its Aboriginal population. All except Thunder Bay had rates of growth that exceeded the average for Northern Ontario. The most growth by far was seen in Greater Sudbury. From 1996 to 2006 the Aboriginal population of Greater Sudbury increased by over 211%.

A comparison of 10 year growth rates for Aboriginals living in Aboriginal communities is more difficult to determine. As pointed above, for various reasons some Aboriginal communities are incompletely enumerated. In addition, since not all the inhabitants of Aboriginal communities are Aboriginal, we need to access data which also lists the Aboriginal identity statistics for each of these communities. Statistics Canada only makes public this type of data for communities that have a population of at least 250 people. In 2006 Statistics Canada listed 124 census sub-divisions in Northern Ontario as Indigenous Reserves. Of this number, 16 did not have populations in 2006. Of the remaining 108 census sub-divisions, 53 had populations of less than 250. Of the remaining total, 5 were incompletely enumerated in 2006 and another 4 were excluded because they were incompletely enumerated in 2001 and as such data was not available for 2001 to 2006 comparisons. We are left with a ‘sample’ of 46 Aboriginal communities which are available for analysis. A list of these 46 communities is included in the appendix. As we pointed out in the methodology section of this report, all data presented in this report for Aboriginal populations in Aboriginal communities will come from this sample of 46 communities. While we are only using a sample of communities it is important to note that this sample probably represents in excess of 68% of the population of all Aboriginal communities.²³

While we can not provide very precise growth rates for Aboriginal communities in Northern Ontario from 1996 to 2006 we can provide reasonable estimations. In our 2001 Census Series report on Aboriginal communities in Northern Ontario we noted that from 1996 to 2001, the average growth rate of communities included in that report’s sample was 5.9%. The average growth rate of communities included in this report’s sample was significantly higher at 19.6%. While this rate of growth is lower than that of urban areas, given constraints such as limited on-reserve housing and infrastructure this growth is surprising.

4.3 Age Structure: The Aboriginal population is much younger than the rest of Northern Ontario

Figure 4 shows the percentage of the population in the major age groups in 2006. What is readily apparent is that the age structure of Aboriginals in Northern Ontario differs considerably from that of Ontario as a whole and from that of Northern Ontario. The Aboriginal population is a much younger population than that of the province and the region. Almost 28.9% of the total

Aboriginal identity population for Northern Ontario was under 15 years of age in 2006. The percentage for Ontario was 18.2% while the figure for Northern Ontario was 17.1%. There are some differences among the Aboriginal population as the urban Aboriginal population had fewer young than the reserve-based Aboriginal population – 26% to 33.2%. The Aboriginal population has had much fewer older people compared to the provincial and regional averages. In Northern Ontario 21.4% of the total population was over 60 years of age in 2006. The corresponding figure for Ontario was 18.3%. Among the total Aboriginal population, only 8.6% were over 60 years of age. Differences within the older Aboriginal population were less than with the younger age groups as reserve-based Aboriginals had a slightly higher percentage of people over 60 years of age than urban Aboriginals.

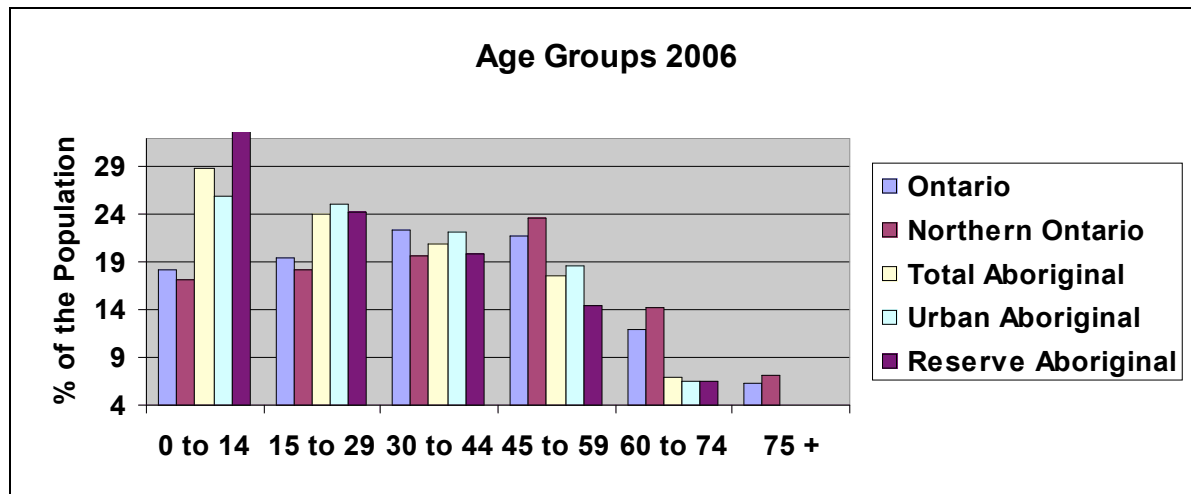


Figure 4 Source: Statistics Canada, Census of Canada, 2006.

4.4 Education: The Aboriginal population has significantly lower levels of formal education than that of the region

Figure 5 lists the highest level of education attained for people 15 years and over. In our previous report on education in Northern Ontario we noted that generally speaking, people living in Northern Ontario have lower levels of education than the averages for Ontario.²⁴ It is evident in Figure 5 that the Aboriginal population of the region has formal levels of education that are substantially lower than even the regional averages. In Ontario as a whole, 22.2% of the population does not have a high school degree or diploma while in Northern Ontario this percentage is 29.2%. For the Aboriginal identity population of Northern Ontario, 45.4% have not graduated from high school. In terms of the percentage of the population that has a university certificate or degree, in Ontario this percentage is 20.5 while in Northern Ontario it is 11.4. Only 4.9% of the Aboriginal identity population of Northern Ontario has a university certificate or degree.

Highest Level of Education: Population 15 years old and over 2006

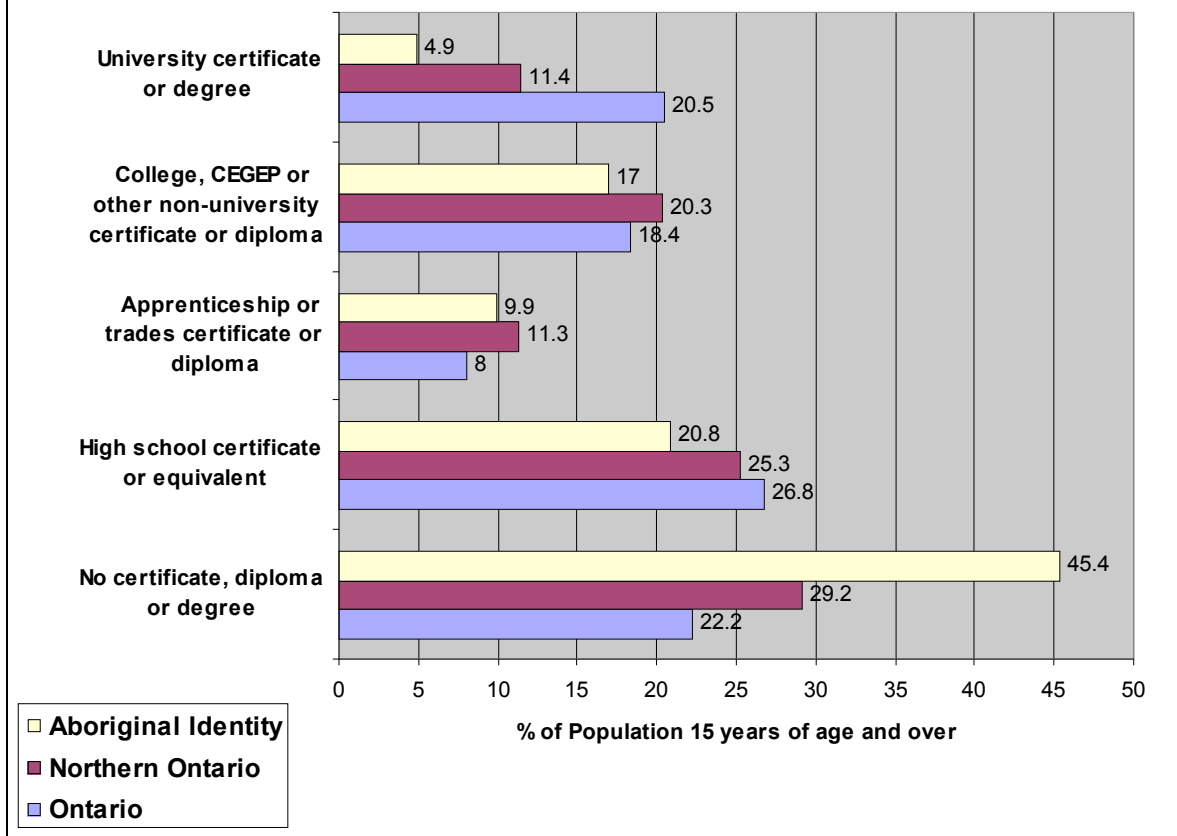


Figure 5 Source: Statistics Canada, Census of Canada, 2006.

Table 3 compares this data with those of the urban Aboriginal identity population and the reserve-based Aboriginal identity population. There are significant differences between the two populations. The percentage of the urban Aboriginal population that does not have a high school diploma is 34.4%. While this is high it is relatively close to the regional percentage of 29.2%. At 58.6%, the percentage of the reserve-based Aboriginal population that has less than a high school diploma as their highest level of formal education is significantly higher than that of urban Aboriginals. Table 3 also shows that the percentage of urban Aboriginals that have a trades certificate or diploma as their highest level of formal education is quite similar to the regional average. The percentage for urban Aboriginals is slightly higher than the percentage of reserve-based Aboriginals.

Table 3: Highest Level of Schooling for Population 15 Years of Age and Over - 2006

	Total population 15 years and over	Percentage of the Population with Less than High School Diploma	Percentage of the Population with Trades Certificate or Diploma	Percentage of the Population with University Degree

Ontario	9819420	22.2	8.0	20.5
Northern Ontario	642280	29.2	11.3	11.4
Total Aboriginal Identity	69620	45.4	9.9	4.9
Urban Aboriginal	22860	34.4	10.1	7.5
Reserve-Based Aboriginal	17845	58.6	8.6	3.0

Source: Statistics Canada, Census of Canada, 2006.

4.5 Labour Force Participation: Aboriginals have lower labour force participation rates

Table 4: Labour Force Participation Rates: Total population 15 years and over by labour force activity - 2006

	Participation rate	Employment rate	Unemployment rate
Ontario	67.1	62.8	6.4
Northern Ontario	61.2	56.1	8.4
Total Aboriginal Identity Population	59.5	50.2	15.6
Urban Aboriginal	61.8	53.2	14.0
Reserve-based Aboriginal	55.9	46.0	17.7

Source: Statistics Canada, Census of Canada, 2006.

Table 4 lists the labour force participation rates for the Aboriginal identity population in Northern Ontario compared to rates for Ontario and Northern Ontario. It should be pointed out that census labour force data for Northern Ontario has limitations due to seasonal variations. Job situations vary considerably throughout the year. Often, employment varies a lot from season to season. This is often the case in the forest industry. The labour force data collected in the 2006 Census, as was the case previously, do not account for seasonal variations or rapid shifts in employment. It represents the situation on May 15th, 2006. As such, census labour force data for such things as employment and unemployment rates have many problems associated with it. It is very dangerous to make generalizations about overall unemployment rates in a region based solely on census rates. Participation rates, which include those working and those unemployed, are more reliable as they are less likely to be impacted by seasonal variations.

The participation rate is the percentage of all people over 15 years of age who are either working or looking for work. The rates listed in Table 4 show that generally speaking, Aboriginals in Northern Ontario have lower participation rates than the average for both Ontario and Northern Ontario. The rate for all Aboriginals 15 years of age and older living in Northern Ontario was 59.5% compared to 61.2% for Northern Ontario and 67.1% for Ontario. The employment rates for Aboriginals also tend to be lower than those of the province and the region. It is important to point out that the lower participation rates and employment rates are troubling considering the fact that the Aboriginal population of the region is much younger than in Northern Ontario as a whole.²⁵

Unemployment rates for the Aboriginal population of Northern Ontario are substantially higher

than that of Ontario and almost double the rates for Northern Ontario as a whole.

In comparing labour force rates of reserve-based and urban-based Aboriginals, Table 4 shows that important differences exist. Both the participation and employment rates for urban Aboriginals are higher than those of reserve-based Aboriginals and their unemployment rates are slightly lower.

4.6 Industry Structure: Fewer Aboriginals are employed in business-oriented industries

Figure 6 shows the industrial structure for Ontario, Northern Ontario, and Aboriginals living in Northern Ontario for 2006. In our previous report on industry in Northern Ontario, we noted that the industrial structure of Northern Ontario differs from that of Ontario and in particular that Northern Ontario continues to have a higher percentage of primary resource industry jobs, a higher dependence on “public sector service” industries, a lower percentage of “professional service” industries jobs, and a lower percentage of manufacturing industry jobs.²⁶ Aboriginals in Northern Ontario generally tend to exhibit these same particularities but to an even more pronounced degree.

Aboriginals in Northern Ontario have a higher dependence on primary resource industry jobs. These include forestry and mining but also hunting and fishing.²⁷ Compared to the rest of Northern Ontario, Aboriginals living in the region have a similar rate of dependence on public sector service industries. Among these industries, higher percentages of Aboriginals are employed in health and social assistance jobs but lower percentages are employed in education. A higher percentage of Aboriginals are employed in the construction industries. Fewer Aboriginals are employed in business-oriented industries such as retail trade, finance, and business services.

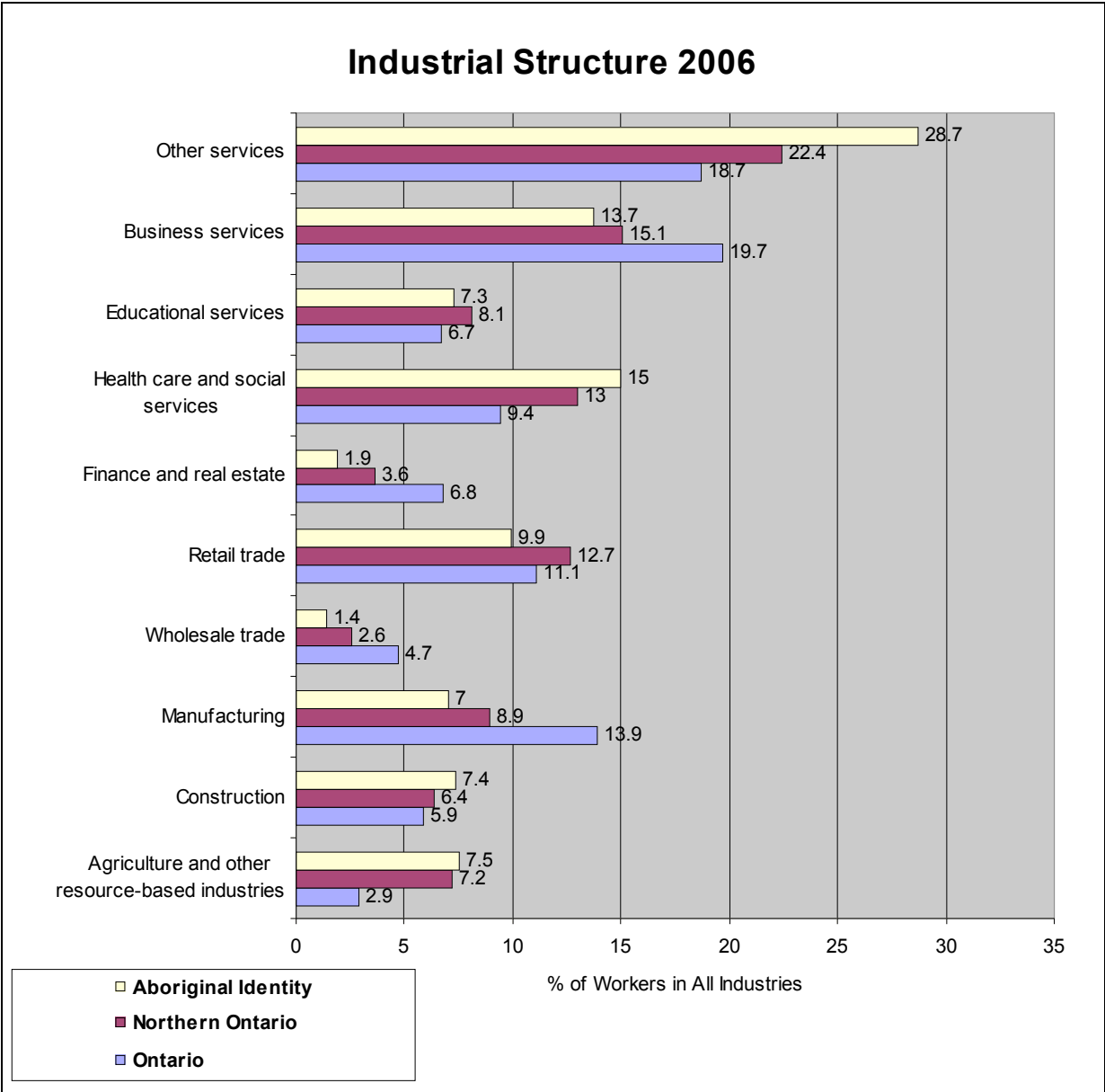


Figure 6 Source: Statistics Canada, Census of Canada, 2006. Community Profiles.

4.7 Occupational Structure: A higher number of Aboriginals are employed in trades and blue collar occupations while few are employed in the higher paying professional occupations

Figure 7 shows the 2006 occupational structure of the Aboriginal identity population living in Northern Ontario as compared with that of Northern Ontario and Ontario. It compares the totals for the one-digit occupational categories. In our earlier report on occupations in Northern Ontario we saw that Northern Ontario has a higher percentage of trades, and primary industry occupations and sales and service occupations as well as a lower percentage of management,

business, and natural and applied science occupations and occupations unique to processing, manufacturing and utilities.²⁸

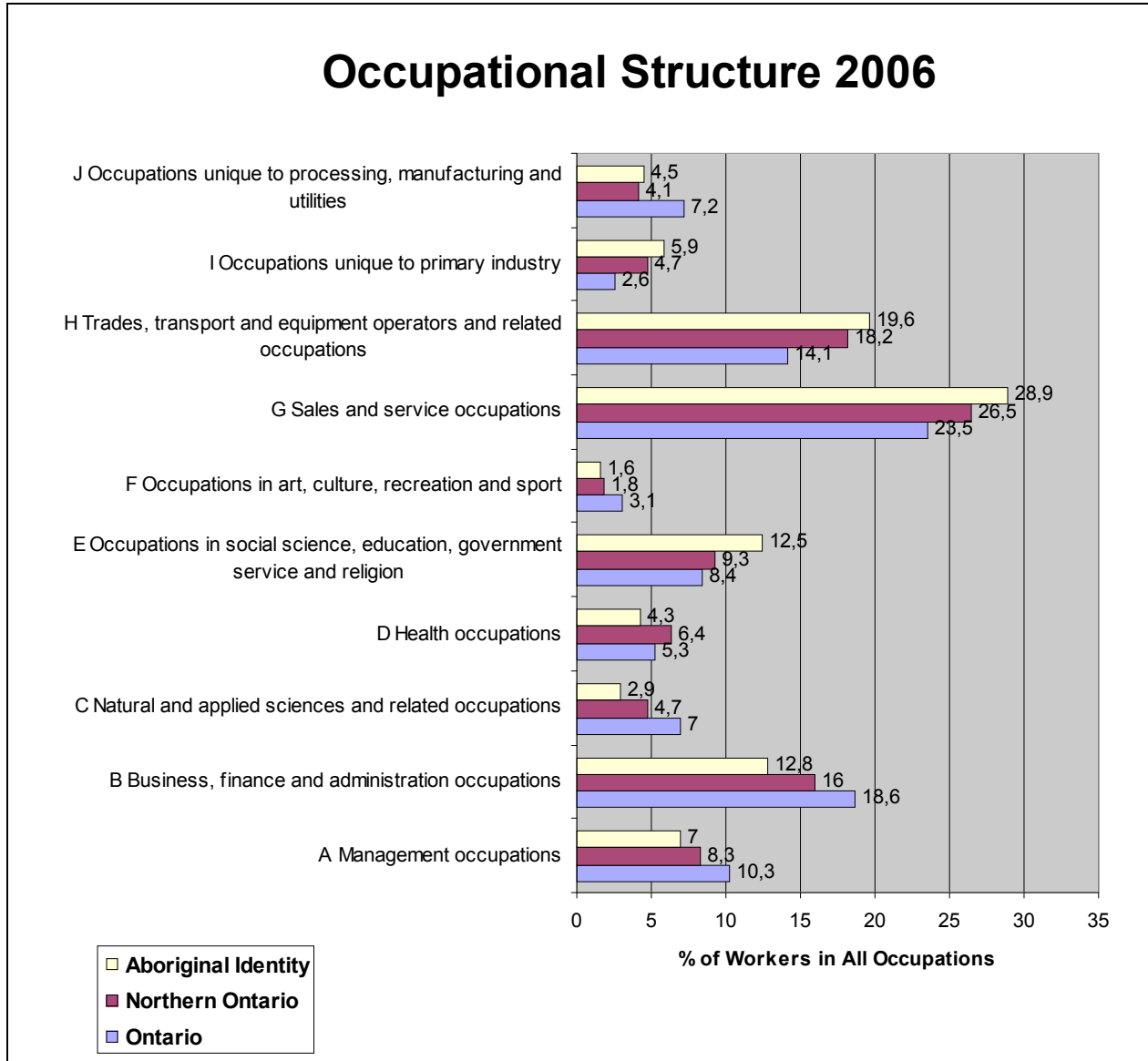


Figure 7 Source: Statistics Canada, Census of Canada, 2006.

As was the case with employment by industry, generally speaking Aboriginals in Northern Ontario have a similar occupational structure to that of the region of a whole but with even greater differences from that of the province. Aboriginals tend to have a higher dependence on blue collar occupations such as trades, transport and equipment operators (and related occupations), and occupations unique to primary industry. Other differences include a higher percentage of people employed in sales and service occupations, a higher percentage of people employed in social science, education, and government service occupations. Aboriginals have extremely low percentages of people employed in the higher paying professional occupations of management, business, and natural and applied sciences and related occupations. A noticeable

difference with Northern Ontario is that while in the region a higher percentage of people are employed in health occupations than the province as a whole, fewer Aboriginals are employed in these occupations.

4.8 Occupational Structure by Urban/Reserve Aboriginal: Reserve-based Aboriginals have a higher percentage of occupations in social science, education, government service

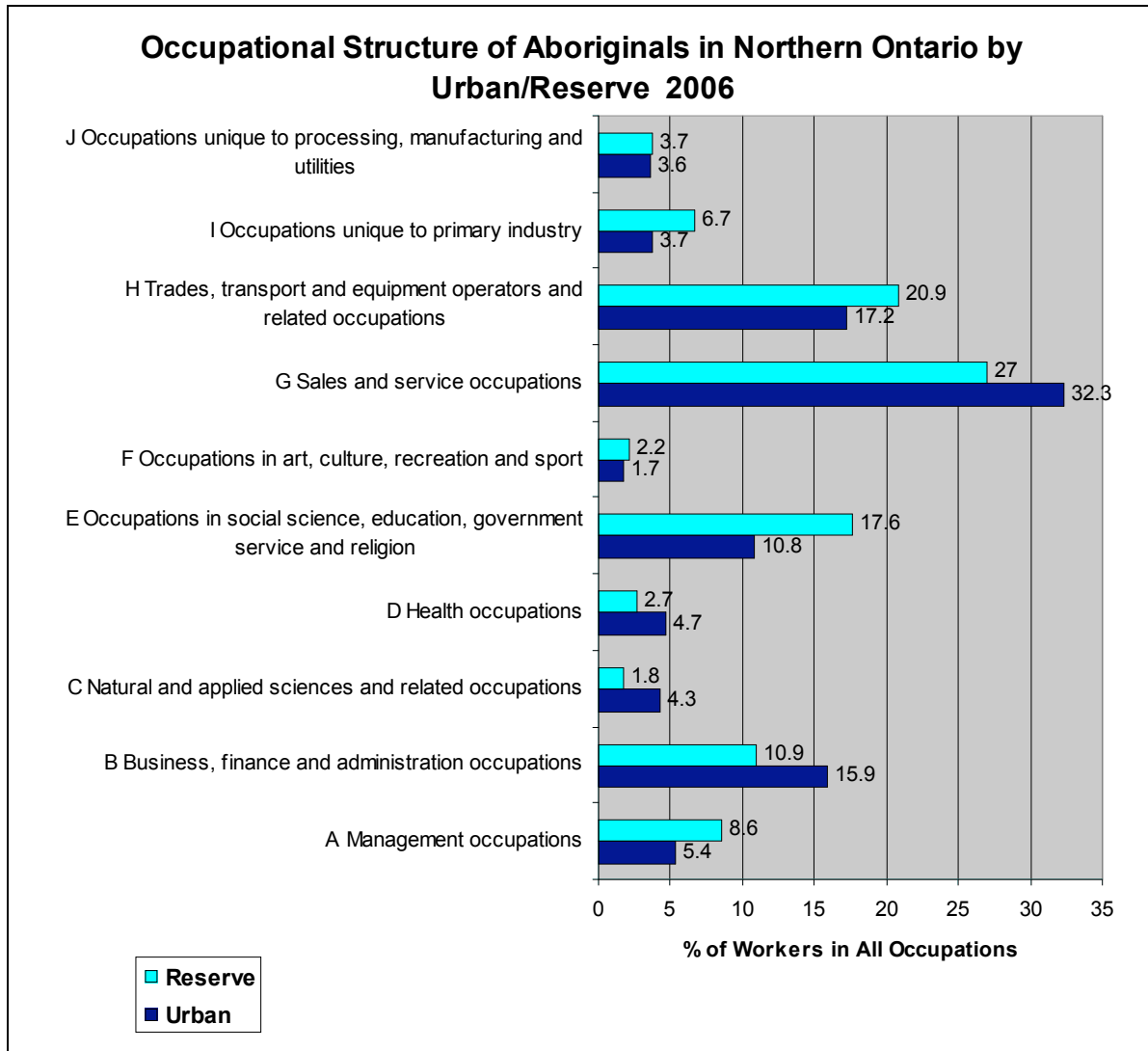


Figure 8 Source: Statistics Canada, Census of Canada, 2006.

Figure 8 compares the occupational structure of reserve-based Aboriginals in the region with urban-based Aboriginals. The biggest difference between these two groups is that reserve-based Aboriginals have a higher percentage of occupations in social science, education, government service and religion. Other significant differences are that urban-based Aboriginals have a higher percentage of occupations in sales and services and in business, finance and administration.

4.9 Changes in Employment by Occupation: Aboriginals experienced a significant decline in blue collar occupations between 2001 and 2006

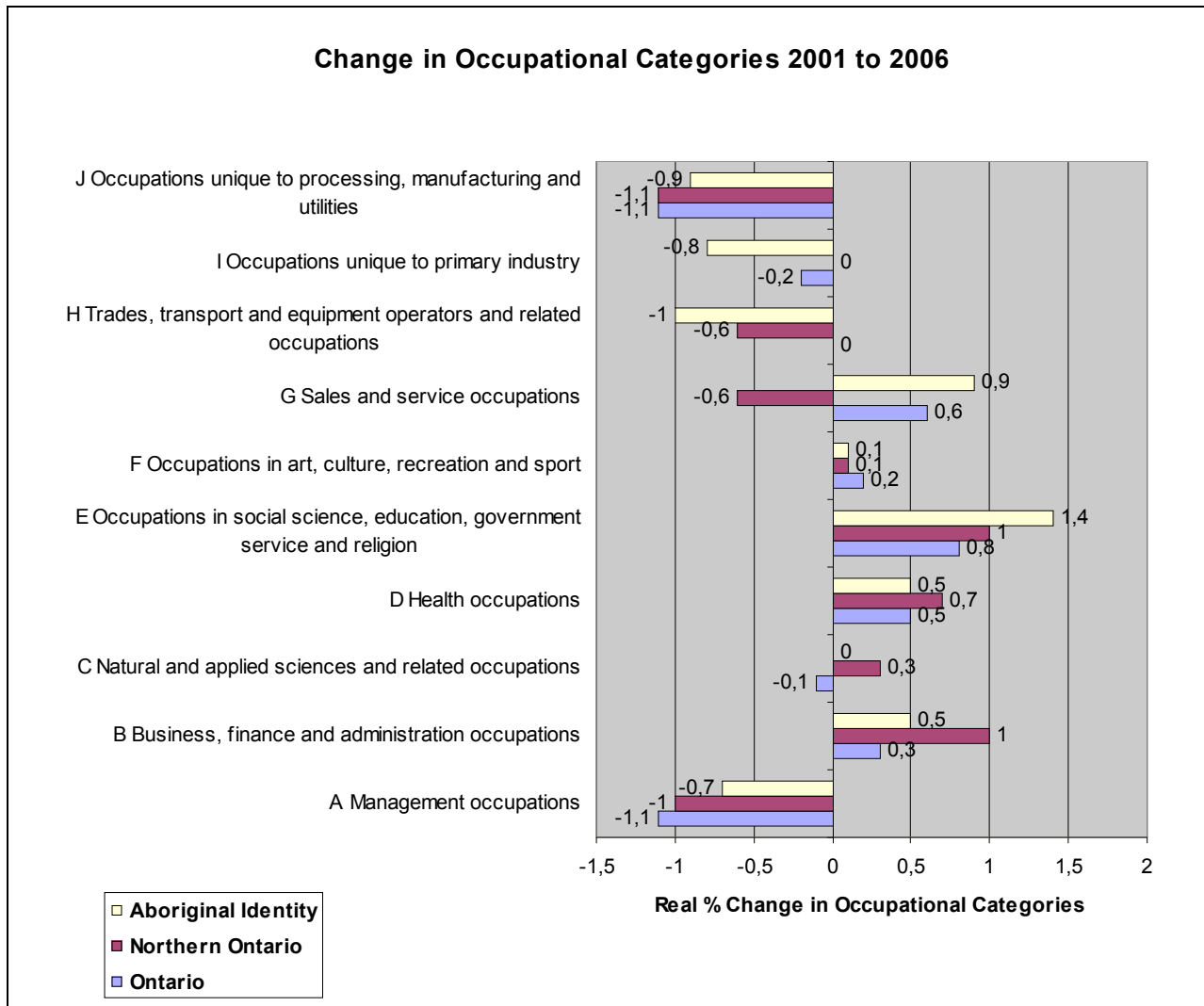


Figure 9 Source: Statistics Canada, Census of Canada, 2001 and 2006.

Figure 9 shows the real percentage change in each occupational category as a portion of the all occupations from 2001 to 2006 for Aboriginals living in Northern Ontario. These are also compared to changes for Northern Ontario and Ontario. Once again we can see that the trends among Aboriginals mirror trends in Northern Ontario generally but with a few noticeable differences. Among Aboriginals the percentage of those having a sales and service-oriented occupation increased from 2001 to 2006 while for the region as a whole it decreased. The percentage of Aboriginals employed in occupations unique to primary industries decreased from 2001 to 2006 while for Northern Ontario as a whole it remained the same. Among Aboriginals living in Northern Ontario, occupations showing the greatest percentage increases are in social science-based occupations, sales and service related occupations, business-oriented occupations,

and health-related occupations. The greatest declines were found in trades-related occupations, manufacturing-related occupations, primary industry-related occupations, and management occupations.

Section Five: Observations

Analysis of the 2006 Census data has shown us several important facts about Francophones living in Northern Ontario and their participation in the regional economy. They are as follows:

- The Aboriginal population of Northern Ontario has increased rapidly over the past 10 years.
 - The highest numbers of Aboriginals are found in the Districts of Kenora and Thunder Bay while the fastest growing Aboriginal populations are found in Timiskaming and Greater Sudbury.
 - While growth on reserves was high, the highest rates of growth were in the urban areas of Northern Ontario.
- The Aboriginal population is much younger than the rest of Northern Ontario
 - The reserve-based Aboriginal population was younger than the urban-based Aboriginal population.
 - There are relatively few Aboriginals over 60 years of age.
- The Aboriginal population has significantly lower levels of formal education than that of the region.
 - Reserve-based Aboriginals have lower levels of formal education than urban-based Aboriginals.
- Aboriginals have lower labour force participation rates than the average for Northern Ontario.
 - Labour force participation rates of urban-based Aboriginals are higher than those of reserve-based Aboriginals.
- Few Aboriginals are employed in business-oriented industries such as retail trade, finance, and business services.
 - A higher number of Aboriginals are employed in trades and blue collar occupations while few are employed in the higher paying professional occupations.
 - Reserve-based Aboriginals have a higher percentage of occupations in social science, education, government service than urban Aboriginals.
- Aboriginals experienced a significant decline in blue collar occupations between 2001 and 2006.

Notes

¹ As this report is being written, the Board #22 area, covering most of the Algoma District, is being represented by the recently established Algoma Workforce Investment Committee.

² While most of the statistics will exclude the Muskoka District Municipality, historical data

prior to 2006 will sometimes include this region. It should be pointed out that while this inclusion will have a slight effect on the precise calculations, Muskoka's relative small size as a percentage of Northern Ontario's population means that it will have little effect on isolating overall trends.

³ This has been pointed out by several government studies undertaken over the past 30 years including the Royal Commission on the Northern Environment (Fahlgren Commission). Final Report, Toronto, 1985 and the Task Force on Resource Dependent Communities in Northern Ontario, (the Rosehart Report) Final Report, 1986.

⁴ For an elaboration on these points see Dadgostar, B., Jankowski, W.B., and Moazzami, B. The Economy of Northwestern Ontario: Structure, Performance and Future Challenges, Thunder Bay: Centre for Northern Studies, Lakehead University, 1992.

⁵ For a detailed discussion of this aspect of Northern Ontario see McBride, Stephen, McKay, Sharon, and Hill, Mary Ellen. "Unemployment in a Northern Hinterland: The Social Impact of Political Neglect" in Chris Southcott (ed.) A Provincial Hinterland: Social Inequality in Northwestern Ontario, Halifax: Fernwood, 1993.

⁶ Canada, 2006 Census.

⁷ An elaboration on these unique characteristics can be found in Randall, James and R. G. Ironside "Communities on the Edge: An Economic Geography of Resource-Dependent Communities in Canada" The Canadian Geographer 40(10):17-35, 1996.

⁸ There are various indicators of Aboriginal status used in the 2006 census. The figure of 12.6% refers to those who have indicated an Aboriginal identity. If Aboriginal origins is used then the figure increases to 14.8%. If status as a Registered Indian is used then the figure is 8.3%.

⁹ Much of the research up until 1996 is contained in Royal Commission on Aboriginal Peoples, Report of the Royal Commission on Aboriginal Peoples Volumes 1 to 4, Ottawa: Minister of Supply and Services Canada, 1996.

¹⁰ See Frideres, James. Native Peoples in Canada: Contemporary Conflicts, Scarborough: Prentice-Hall. 5th ed., 1998; Wotherspoon, Terry and Satzewich, Vic. First Nations: Race, Class and Gender Relations, Scarborough: Nelson, 1993.

¹¹ Maslove, Allan and Hawkes, David A The Northern Population@ in Canadian Social Trends, Vol. 2, C. McKie and K. Thompson, eds., Toronto: Thompson Educational Publishing, 1990.

¹² Wotherspoon, Terry and Satzewich, Vic, op. cit..

¹³ Ibid. p. 42.

¹⁴ Abele, Frances A Understanding What Happened Here: The Political Economy of Indigenous

Peoples@ in Wallace Clement (ed.) Understanding Canada: Building of the New Canadian Political Economy, Montreal and Kingston: McGill-Queen's University Press, 1997.

¹⁵ Prattis, J. and Chartrand, J.P. AThe Cultural Division of Labour in the Canadian North: A Statistical Study of the Inuit@, Canadian Review of Sociology and Anthropology, 27(1), 1990, 53.

¹⁶ The following is the explanation of sampling error found in the 2001 Census Dictionary:
Sampling Errors Estimates obtained by weighting up responses collected on a sample basis are subject to error due to the fact that the distribution of characteristics within the sample will not usually be identical to the distribution of characteristics within the population from which the sample has been selected.

The potential error introduced by sampling will vary according to the relative scarcity of the characteristics in the population. For large cell values, the potential error due to sampling, as a proportion of the cell value, will be relatively small. For small cell values, this potential error, as a proportion of the cell value, will be relatively large. The potential error due to sampling is usually expressed in terms of the so-called "standard error". This is the square root of the average, taken over all possible samples of the same size and design, of the squared deviation of the sample estimate from the value for the total population.

The following table provides approximate measures of the standard error due to sampling. These measures are intended as a general guide only.

Table: Approximate Standard Error Due to Sampling for 2001 Census Sample Data

Cell Value Approximate Standard Error

50 or less	15
100 - 200	20
200 - 500	30
500 - 1,000	45
1,000 - 2,000	65
2,000 - 5,000	90
5,000 - 10,000	140
10,000 - 20,000	200
20,000 - 50,000	280
50,000 - 100,000	450
100,000 - 500,000	630
500,000 - 1,400,000	1,400

Statistics Canada, 2001 Census Dictionary, Ottawa: Ministry of Industry, 2002, p. 295,296.

¹⁷ The following is the explanation of random rounding found in the 2001 Census Dictionary:
Confidentiality and Random Rounding. The figures shown in the tables have been subjected to a confidentiality procedure known as **random rounding** to prevent the possibility of associating statistical data with any identifiable individual. Under this method, all figures, including totals and margins, are randomly rounded either up or down to a multiple of "5", and in some cases "10". While providing strong protection against disclosure, this technique does not add significant error to the census data. The user should be aware that totals and margins are rounded independently of the cell data so that some differences between these and the sum of rounded cell data may exist. Also, minor differences can be expected in corresponding totals and cell values among various census tabulations. Similarly, percentages, which are calculated on rounded figures, do not necessarily add up to 100%. Order statistics (median, quartiles, percentiles, etc.) and measures of dispersion such as the standard error are computed in the usual manner. When a statistic is defined as the quotient of two numbers (which is the case for averages, percentages, and proportions), the two numbers are rounded before the division is performed, except for income, owner's payments, value of dwelling, hours worked, weeks worked and age. For these variables, the two numbers in the quotient are not rounded. The sum is invariably defined as the product of the average and the rounded weighted frequency. It should also be noted that small cell counts may suffer a significant distortion as a result of random rounding. Individual data cells containing small numbers may lose their precision as a result. Statistics Canada, 2001 Census Dictionary, Ottawa: Ministry of Industry, 2002, p. 296.

¹⁸ For a discussion of the different definitions used to determine Aboriginality and problems associated with these definitions see Statistics Canada, How Statistics Canada Identifies Aboriginal Peoples, Catalogue no. 12-592-XIE, 2007.

¹⁹ See Guimond, E. “Fuzzy Definitions and Population Explosion: Changing Identities of Aboriginal Groups in Canada.” In Newhouse D. & Peters E. (Eds.), Not Strangers in These Parts: Urban Aboriginal Peoples. Ottawa: Policy Research Initiative, 2003, p. 36.

²⁰ See Newhouse D. & Peters E. (Eds.), Not Strangers in These Parts: Urban Aboriginal Peoples. Ottawa: Policy Research Initiative, 2003.

²¹ Southcott, C. Aboriginal Communities in Northern Ontario: 2001 Census Research Paper Series: Report #11, 2004, North Bay: Northern Ontario Training Boards, 22 pp.

²² See Guimond, E. “Fuzzy Definitions and Population Explosion: Changing Identities of Aboriginal Groups in Canada.” In Newhouse D. & Peters E. (Eds.), Not Strangers in These Parts: Urban Aboriginal Peoples. Ottawa: Policy Research Initiative, 2003,.

²³ The communities analyzed represent the largest Aboriginal communities in Northern Ontario. In 2006 the total population of enumerated Indigenous Reserves in Northern Ontario was 38,510. In addition there were 3 relatively large communities that were not enumerated in 2006. In 2001, the combined population of these communities was listed as 3,124. Estimating a growth rate of 19.6% for these three communities (the overall growth rate for the 46 sample communities) means that the likely population of these three communities in 2006 was 3,736. The total Aboriginal community population for Northern Ontario in 2006 was therefore probably 42,246. Since the total population of the 46 sample communities was 29,146, the sample represents 69% of the total population of all Aboriginal communities in Northern Ontario.

²⁴ Southcott, Chris Trends in Northern Ontario’s Education Levels Census Research Paper Series Report #8, Thunder Bay: Local Boards of Northern Ontario, May 2008, 38 pp.

²⁵ A substantial percentage of the population of both Ontario and Northern Ontario are over 65 years of age and do not participate in the paid workforce because they are retired. As pointed out earlier, a much smaller percentage of the Aboriginal population is over 60 years of age.

²⁶ Southcott, Chris The Changing Industrial Structure of Northern Ontario: Census Research Paper Series Report #6, Thunder Bay: Local Boards of Northern Ontario, April 2008, 39 pp.

²⁷ The importance of the hunting and fishing industry is presumed to be more important among reserve-based Aboriginals. Unfortunately it is very difficult to compare industry data for urban and reserve-based Aboriginals because of the fact that Statistics Canada has re-categorized industry data for the Aboriginal identity population into 10 categories instead of the usual 20 categories.

²⁸ See Southcott, Chris. The Changing Occupational Structure of Northern Ontario: 2001 Census

Appendix A

List of Reserves included in Reserve-based Aboriginal Calculations

Nipissing 10 (3548073) IRI 01021
Parry Island First Nation (3549073) IRI 02020
Whitefish River (Part) 4 (3551040) IRI 02020
Sucker Creek 23 (3551041) IRI 01010
Wikwemikong Unceded (3551043) IRI 01010
M'Chigeeng 22 (West Bay 22) (3551045) IRI 01020
Whitefish Lake 6 (3552051) IRI 02010
Constance Lake 92 (3556095) IRI 00000
Sagamok (3557071) IRI 00000
Serpent River 7 (3557072) IRI 00010
Mississagi River 8 (3557073) IRI 00000
Garden River 14 (3557074) IRI 01000
Fort William 52 (3558003) IRI 01010
Pic River 50 (3558062) IRI 01010
Lake Helen 53A (3558064) IRI 01010
Long Lake 58 (3558068) IRI 00000
Aroland 83 (3558076) IRI 00000
Neguaguon Lake 25D (3559060) IRI 01010
Couchiching 16A (3559063) IRI 01010
Seine River 23A (3559066) IRI 01000
Fort Hope 64 (3560053) IRI 02020
Cat Lake 63C (3560054) IRI 01010
Osnaburgh 63B (3560055) IRI 01010
Lac Seul 28 (3560056) IRI 02020
English River 21 (3560058) IRI 01010
Weagamow Lake 87 (3560059) IRI 02020
Wabaseemoong (3560061) IRI 02020
Sabaskong Bay 35D (3560063) IRI 01010
Kenora 38B (3560066) IRI 02020
Poplar Hill (3560067) IRI 00000
Shoal Lake (Part) 39A (3560068) IRI 01010
Deer Lake (3560070) IRI 02020
Sandy Lake 88 (3560071) IRI 01010
Kitchenuhmaykoosib Aaki 84 (Big Trout Lake) (3560075) IRI 02020
Sachigo Lake 1 (3560076) IRI 02020
Webequie (3560079) IRI 01011
North Spirit Lake (3560080) IRI 01010
Wunnumin 1 (3560085) IRI 00010
Wapekeka 2 (3560088) IRI 00000
Neskantaga (3560093) IRI 02020
Bearskin Lake (3560095) IRI 02020

Kasabonika Lake (3560096) IRI 00000
Muskrat Dam Lake (3560097) IRI 01010
Kingfisher Lake 1 (3560098) IRI 01020
Kee-Way-Win (3560104) IRI 00000
Rankin Location 15D (3557075) IRI 02020