

# Evaluation Reports

## Formative and Summative Evaluation of Nunavut Benefits and Measures Delivered under the Canada-Nunavut Labour Market Development Agreement

**Audit and Evaluation**

**Strategic Policy and Planning**

**June 2005**



Human Resources and  
Skills Development Canada

Ressources humaines et  
Développement des compétences Canada

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Nunavut Benefits and Measures Delivered  
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Development Agreement*

**Final Report**

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## *List of acronyms*

|         |  |
|---------|--|
| AHRDA   | Aboriginal Human Resources Development Agreement     |
| BES     | Building Essential Skills                            |
| CDO     | Career Development Officer                           |
| CMS     | Case Management System                               |
| CN-LMDA | Canada-Nunavut Labour Market Development Agreement   |
| CRA     | Canada Revenue Agency                                |
| DOE     | Department of Education of the Government of Nunavut |
| EAS     | Employment Assistance Services                       |
| EBSMs   | Employment Benefits and Support Measures             |
| EI      | Employment Insurance                                 |
| GN      | Government of Nunavut                                |
| HRSDC   | Human Resources and Skills Development Canada        |
| MC      | Management Committee of the CN-LMDA                  |
| NAC     | Nunavut Arctic College                               |
| NBMs    | Nunavut Benefits and Measures                        |
| SEO     | Self-Employment Option                               |
| TOJ     | Training on the Job                                  |





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# *Executive Summary*

## ***The Canada-Nunavut Labour Market Development Agreement***

The Canada-Nunavut Labour Market Development Agreement (CN-LMDA) was signed on May 11, 2000. Under the agreement, Nunavut assumed responsibility for the design and delivery of Employment Benefits and Support Measures (EBSMs).

In Nunavut, EBSMs are called the Nunavut Benefits and Measures (NBMs). During the evaluation period (2000-2003), four benefits and measures were delivered and they are: Building Essential Skills (BES – Skills Development), Training on the Job (TOJ – Target Wage Subsidy), Self-Employment Option (SEO) and Employment Assistance Services (EAS).

## ***The Evaluation of the Nunavut Benefits and Measures***

The evaluation covers both formative and summative issues and questions for the first three years of the CN-LMDA. The evaluation process began in fall 2003 and was completed in January 2005. Fieldwork activities were conducted between November 2003 and February 2004 and information was collected in five large communities – Iqaluit, Rankin Inlet, Cambridge Bay, Pangnirtung and Arviat - accounting for half the number of participants in NBMs.

The evaluation methodology included:

- Document review;
- Analysis of administrative records and secondary data sources;
- Survey of NBMs participants with 59 completions, almost one-third of participants in the five selected communities;
- Three focus groups with 5 participants in Iqaluit, 7 in Pangnirtung and 2 in Rankin Inlet;
- Interviews with 19 employers;
- Interviews with 16 key informants;
- Interviews with 20 community stakeholders.

## ***Evaluation Constraints and Limitations***

The evaluation of employment programs faces generally a number of constraints which influence the estimation of impacts, the interpretation and the generalization of results. In the unique labour market conditions and the socio-economic context of Nunavut, the following constraints and limitations were encountered:

- Comparison group analysis was deemed not feasible for practical and methodological reasons. Program impacts were measured by comparing the circumstances of participants before and after the participation in the program. Considering the Nunavut socio-economic context, these circumstances may differ for reasons other than participation in the program;
- Program success, as defined by the return to employment, is limited by lack of employment opportunities particularly in small communities. The variety of service providers of training in Nunavut limits the ability to attribute gains to the NBMs alone;
- Estimates are based on data collected from 59 survey completions of which only 41 provided approval to link their responses to administrative data. No statistical tests could be applied. In addition, a close analysis of survey responses demonstrates response errors combined with a high number of non-responses for some important questions;
- Participants, employers and stakeholders demonstrate reluctance to be interviewed, a reflection of an over-studied population;
- Administrative data lacked supportive information on participants;
- Findings regarding outcomes of participation and delivery cannot be generalized to the entire territory and the population of participants. Each community has a unique labour market and socio-economic conditions. Delivery of NBMs is uneven between the five selected communities and the rest of the Territory.

## ***Nunavut***

Nunavut is defined by its geography. It is a vast territory consisting of small, remote and widely scattered communities across nearly two million square kilometers. Twenty-six communities are incorporated. Community size ranges from under 200 to 7,000 people in the capital Iqaluit. Communities are accessible by air and by sea in the summer.

Eighty-five percent of the rapidly growing population is Inuit. The cost of living is high, housing and other infrastructure are in short supply, and there are many health and social challenges. More than one-half of the population has not completed high school. Unemployment rates are high and economic opportunities limited. Hunting, fishing and trapping remain important for many Inuit, and to many, employment is a way of supporting this activity and not an end in itself. Wildlife harvesting is not recognized as a form of employment. These people do not earn insurable income and do not qualify for Employment Insurance (EI).

The Government of Nunavut pursues a policy of decentralization of government services and aims to have 85% of employment in the public sector held by Inuit. Many jobs have been created in the public sector, but lack of paid employment remains the order of the day in most of Nunavut.

## ***Evaluation Findings***

### **1. Relevance and Design**

**The Nunavut Benefits and Measures are consistent with the *EI Act*, and with Federal and Territorial priorities.**

Based on the description in Annex 1 of the CN-LMDA, NBMs are consistent with the *EI Act*. The Federal Government aims to integrate the unemployed into the workforce and to provide economic development opportunities for Aboriginal people. The Territory of Nunavut is committed toward capacity building through training and recruitment in order to achieve a higher level of Inuit employment and by the decentralization of government services and employment. These goals are outlined in the Bathurst Mandate and Article 23 of the Nunavut Land Claims Agreement.

**The NBMs are relevant to employers, clients and communities. However, the lack of flexibility in programs guidelines and EI eligibility limit the relevance to local labour market needs, particularly in small communities.**

Key informants, stakeholders, employers and focus group participants agree that in the broadest sense, the NBMs are relevant to clients, employers and communities. There is no consensus, however, about whether they meet the needs of the Nunavut labour market. The lack of consensus is a reflection of the different labour market conditions in small and large communities. Lack of flexibility in program guidelines and the EI eligibility requirements limits the relevance of NBMs to local needs, particularly in small communities.

The following concerns limit the relevance of the NBMs:

- Low skills and education levels combined with limited employment opportunities in the wage economy, particularly in small communities, limit the number of EI eligible people, while EI Part II program funds are lapsing;
- Harvesting, carving and other traditional pursuits are not recognized as forms of employment for the purposes of the *EI Act*. People do not earn insurable income and therefore do not qualify for EI;
- Success under the NBMs is defined by return to employment. This may not be the best performance indicator, because employment opportunities are limited in small communities, many people lack skills for entry-level positions, mobility is limited by housing shortages, and these programs cannot create employment opportunities (use of the self-employment program is quite limited);

- Program guidelines limit the maximum term of training under Building Essential Skills to one year, when the need is for longer training. Participants cannot secure appropriate certification (e.g., diploma) while the Territory is having difficulties filling vacant positions with qualified Inuit residents.

## **2. Delivery and Implementation**

### **There is overlap and duplication between the LMDA and the three Aboriginal Human Resources Development Agreement (AHRDAs) Holders.**

There is major overlap between the LMDA and the three Aboriginal Human Resources Development Agreements (AHRDAs). AHRDAs may deliver programs to all Inuit and have a combined funding five times greater than that of the LMDA.

During 2000-2003, the three AHRDAs served a total of 1,774 clients including 81 EI eligible clients compared to 312 participants for the LMDA. While cooperation and partnerships have improved, including sharing of training initiatives, competition over EI eligible clients exists.

A large number of Nunavut Departments are involved in youth programming and training, in addition to Youth programs at Human Resources and Skills Development Canada (HRSDC) and Indian and Northern Affairs.

### **EI Part II program funds are lapsing and cost per participant is high.**

LMDA funding is just over \$2 million per year. Seventy-five percent of program funds were spent in the first three years of the agreement. \$3.4 million were spent on administration costs compared to \$4.8 million of program funds.

The average cost per participant ranges from \$12,910 for Self-Employment Option (SEO), \$14,058 for Training on the Job (TOJ) to \$15,591 for Building Essential Skills (BES). Factoring in all costs, including administration, the cost per participant in Benefits is estimated at \$24,750.

### **There are difficulties in delivery and reaching small communities.**

Due in part to rising salaries and benefits in Nunavut, the total number of person-years for administration and delivery paid for under the LMDA declined from 10.5 to 5.65 over the three-year period. Program delivery is hampered because travel by Career Development Officers (CDOs) is restricted. Delivery staff are located in only 6 of the 26 communities of Nunavut.

Delivery staff began to use the list of EI eligible clients provided by HRSDC in winter 2003. This information will facilitate the recruitment and the targeting of EI active clients, but not reachbacks.



There are few service providers of training outside of regional centres. It is difficult and costly to offer programs outside of the regional centres. BES training is provided mainly through contracts with Nunavut Arctic College (NAC). Third-party delivery of Employment Assistance Services (EAS) was tried in some communities but terminated after one year. These services are now delivered by CDOs.

### **3. Outcomes and Impacts**

#### **Primary Results Targets are not met and Nunavut does not accept the savings to the EI account indicator.**

The Primary Results Targets were not met. The programs attained less than one-half of the target for the number of active and reachback clients, two-thirds of the target for expected returns to work, and three-quarters of the target for savings to the EI account. The Government of Nunavut (GN) does not regard this last indicator as an acceptable measure of operational performance for Nunavut.

#### **No clear evidence of change in employment status and earnings of participants.**

In sum, the findings indicate a modest improvement in the employment and earnings of survey respondents that may be due to the programs, labour market conditions, or just random variation. These findings should be interpreted with caution due to the small number of respondents, to the possibility of response errors and the high number of non-response.

For example:

- There was virtually no change in the employment situation of participants, and they experienced an increase in earnings of less than 10%. This rate of change probably was in line with general wage changes in the territory. Employment remains an intermittent activity for most who took part in the programs; and
- The survey results indicate that there has been very little change in the number of weeks employed in a 12-month period (from 31.8 to 33.7 weeks, pre- to post-intervention). Few changes in type of work and industry could be observed between the pre- and post-intervention periods.

#### **There was not sufficient information to compare pre-/post program reliance on Government Support.**

For two in three survey respondents (38 of 59), employment was the main source of income. Employment Insurance was a main source for 13 respondents, income from spouse or family for 6. Income Support (from social assistance) and spousal/child support each were mentioned by three respondents. There is not enough pre-program information to determine the extent to which dependency on EI and Income Support changed from before the intervention.

**Participants are satisfied with the programs and services.**

Most participants were satisfied with the programs. Approximately two-thirds said the programs had helped them gain employment and enhanced their job-specific skills, increased their motivation and self-confidence and helped them to pursue further education or training. The same share felt their employment situation and life in general were better after the program.

**Employers are satisfied with the program. There is evidence that some are using the TOJ program as a subsidy.**

Eleven of twelve employers who responded stated that the NBMs helped to meet their needs. For most, this was an important source of training support, which helped to fill job vacancies, meet skill shortages, and to employ Inuit. Employers also mentioned the contribution to offset the high costs of employee turnover and to keep the wages competitive.

Seven of ten employers who responded to the question stated that they would have hired or trained as many people in the absence of the program.

**The impact of the NBMs on communities is limited to enhancing participants' skills and support for training infrastructure.**

LMDA delivery staff provided examples of the NBMs contribution to local infrastructure by providing day care facilities and housing for participants.

# *Management Response*

## **INTRODUCTION**

Pursuant to section 57 (1)(f) of Part II of the *EI Act*, active employment measures are to be designed and delivered within a framework that measures their success. Further, in this case the Canada-Nunavut Labour Market Development Agreement (LMDA) requires that both formative and summative evaluations be conducted respectively in the first and third year after implementing the Nunavut Benefits and Measures (NBMs).

This Management Response will form the basis for an action plan to address the key findings of the evaluation of the Nunavut Benefits and Measures, delivered by the Government of Nunavut under the LMDA, and funded through the Employment Insurance (EI) Part II account. The Joint Canada-Nunavut LMDA Management Committee (JMC) is committed to using the evaluation findings to bring about program enhancements to ensure that programs respond effectively to the needs of Nunavummiut and their communities.

The evaluation highlighted the need for flexibility in program design and program delivery, in order to ensure that programs are responsive to individuals' needs. The labour market in Nunavut is unlike that in other parts of Canada: the economy has an important land-based non-wage component, and the population is much younger, with lower educational attainment overall and an Aboriginal majority. This latter factor points to a need to enhance coherence with targeted programming, such as the Aboriginal Human Resources Development Strategy (AHRDS). The JMC will take action to address these and other findings.

The Joint LMDA Management Committee would like to thank all those who participated in the Formative and Summative Evaluations of the Employment Benefits and Support Measures (EBSMs) delivered under the Canada-Nunavut Labour Market Development Agreement and is pleased to provide this Management Response.

This evaluation examined both formative and summative issues. The formative aspect focused on questions related to program implementation and management, such as program relevance, design and delivery. The summative evaluation questions related to program outcomes and impacts.

The JMC has examined the evaluation carried out by the Audit and Evaluation Directorate and endorses the results with the need to highlight that the new territory would have greatly benefited from the guidance and assistance that a formative evaluation would have hopefully provided in the early stages of the LMDA.

## **BACKGROUND**

The Canada-Nunavut LMDA was implemented on April 1, 2000. Under this agreement, EI Part II program and administrative funds were transferred to the Government of Nunavut, which assumed responsibility for the design, management and delivery of the NBMs.

Active measures funded through EI Part II are intended to respond to regional and local labour market characteristics. In Nunavut, the government is challenged by unique demographic, social and economic conditions in the labour market:

- Nunavut has the fastest growing population and the youngest population in the country, with over 60% of Nunavummiut below the age of 25;
- very low literacy and essential skills levels, where over 75% of the labour force has less than high school; and
- a proportionally significant reliance on traditional occupations such as hunting and fishing.

Government is the dominant sector in the economy and will remain so in the near future, but there is expected growth in the private sector which will lead to the expansion of wage-based occupations. Business investment in mining and construction, particularly mineral exploration will continue to lead the growth in the private sector, and equally generate demand for higher skills.

Given the generally lower skill levels of the population, and the growing demand for higher skills, the Government of Nunavut has focused on addressing skills shortages through increasing literacy levels and providing opportunities for training and skills development.

Economic and human resource development are key pillars of collaborative efforts between the federal and territorial governments to achieve a vision to strengthen northern Canada and ensure that its residents share in the economic and social benefits of all Canadians. In this context, NBMs can play a strong role in support of the governments' priorities for skills and learning. At this juncture, the evaluation findings are very timely as they may inform the government on important policy, program and administrative enhancements that will lead to more effective and responsive NBMs.

## **KEY FINDINGS AND PROPOSED ACTION**

The Management Response proposes concrete activities to address observations arising from the evaluation findings, organized under four themes:

- Relevance of the NBM activities to the LMDA and labour market conditions;
- Delivery and implementation;
- Impacts and outcomes for participants; and
- Impacts for employers.

## **Key finding and proposed action: a. Relevance**

### **Observation 1:**

*The Nunavut Benefits and Measures (NBMs) are consistent with the EI Act and with the Federal and Territorial priorities and in the broadest sense are relevant to employers, clients and communities. However, there is a need for greater flexibility in program guidelines, and EI eligibility in order to enhance responsiveness to local labour market needs and to reflect the range of labour market conditions in various parts of Nunavut.*

### **Action 1:**

The evaluation served to highlight some of the distinct aspects of Nunavut's economy, labour market and demographics. Key among these is the shortage of opportunities for paid employment, very low high school completions, higher unemployment rates and the importance of the land-based economy.

The governments of Canada and Nunavut recognize that NBMs must be designed to respond to these unique characteristics, as well as reflect the skills and learning priorities of the territorial government (i.e. raising literacy, numeracy, and education levels). The Government of Nunavut has been working with Service Canada and HRSDC to explore options to enhance programming flexibility and broaden client eligibility within the parameters of the *EI Act*. The objective is to develop a set of program guidelines that can be responsive to the unique circumstances of Nunavut and therefore would be more conducive to meeting the labour market priorities of the Government of Nunavut.

In addition, the Government of Nunavut under the LMDA, working alongside the Aboriginal Human Resources Development Agreements (AHRDA's), could serve those who are EI eligible and non-EI eligible and jointly deliver more successful pre-employment and employment interventions to the entire potential workforce. Recognizing that the common objective is to better serve EI clients, the Government of Nunavut will continue to engage AHRDA holders in discussions to explore innovative ideas to rationalize and simplify service delivery to joint Aboriginal EI clients.

An improvement to LMDA relevance that has been made relates to participation in NBMs. Participation in NBMs now reflects the training schedules from one year to two years in order to allow for completion of the training programs as delivered by colleges.

## **Key finding and proposed action: b. Delivery and implementation**

### **Observation 2:**

*There is overlap and duplication between the programs delivered under the LMDA and the three Aboriginal Human Resources Development Agreements (AHRDAs) Holders.*

**Action 2:**

A key objective of the LMDAs was to reduce overlap and duplication in programming. By working in concert, federal, territorial and AHRDA partners will ensure that a broad range of programs and services are better coordinated and complementary to each.

The Joint Management Committee acknowledges the need to develop an overarching work/training master plan, especially since there are other training dollars i.e. targeting youth, equity groups, older workers, etc... The Government of Nunavut and Human Resources and Skills Development Canada (HRSDC) have started to address this through discussions to coordinate programming among Federal and Territorial departments with training monies, which will result in more collaborative use of funds and potentially improve access and relevance of employment interventions for all Nunavummiut.

The Government of Nunavut has the mandate and responsibility to govern its own programs and services; it is imperative that all AHRDA holders and Federal departments recognize that mandate, and work with the Government of Nunavut to streamline the delivery of employment and training programs across Nunavut.

The Government of Nunavut will continue with its work towards a closer collaboration with key Youth, Aboriginal, and HRSDC (including Service Canada) players on joint planning of NBM with other active labour market programs and services available to clients in Nunavut to ensure that there is coherence in delivery.

**Observation 3:**

*LMDA program funds are lapsing and cost per participant is high.*

**Action 3:**

The Governments of Canada and Nunavut acknowledge that challenges in delivering NBMs have contributed to a lapse of LMDA program funds; for example, lack of infrastructure challenges clients' mobility and access to programming. Presently, the Government of Nunavut is able to offer a broader range of benefits and support measures that were not utilized heavily in the first three years, such as Research and Innovation, Labour Market Partnerships and the Employment Assistance Services (EAS) program. Expanding use of these measures in Nunavut has already resulted in reducing funding lapses, and an increased utilization of program dollars.

The Government of Nunavut will also consider the feasibility of implementing a benefit which would be similar to the Job Creation Partnerships (JCP). The JCP is designed to provide eligible clients for opportunities to gain on-the-job experience for a temporary period of time while participating in community based projects. This benefit can have a positive impact both for individuals and communities, and therefore presents an opportunity for additional utilization of EI Part II funding in Nunavut.

Lapsing of program funds is also connected to limited administrative budgets for staff-related travel to deliver NBMs. The Government of Nunavut had not staffed to the 10.5 persons per year as originally negotiated due to limited budgets for salary. Given the pressures on

administrative resources, the Government of Nunavut in concert with its partners on the Joint Management Committee, will explore options to address this issue. The Joint Management Committee will consist of representation from Nunavut, Alberta Region and HRSDC National Headquarters (NHQ).

The evaluation indicates that factoring in all costs, including administration, the cost per participant is estimated at about \$25,000. It is the position of the JMC that participant costs are not out of line, when compared to costs in other programs. It should be noted also that in general, costs tend to be higher in Territories in comparison to other regions, mainly due to geographic and climate factors, as well as lack of economies of scale given smaller populations.

**Observation 4:**

*Administrative Systems and Information Exchange need to be brought up to par.*

**Action 4:**

The Government of Nunavut recognizes that in the early stages of the delivery of programs under the LMDA there were difficulties in developing a new data collection system appropriate to Nunavut.

In 2002/03 a fully electronic Case Management System (CMS) was instituted. All required data are presently being collected and management staff are verifying data integrity. Forced fields with additional components such as financial assistance and a follow-up section have assisted in the data gathering. A greater attempt is being made to obtain two telephone numbers where individuals might be reached. As many of the residents do not have access to private telephones, data collection after an intervention is in some cases difficult to complete.

Work with HRSDC staff as well as program modifications have been made to address some of the issues raised in this evaluation. The Government of Nunavut now has access to EI eligibility files and stripper files. Continued attempts by Community Development Officers has enhanced the completion level of case management files and attempts for more comprehensive follow up with clients and provision of data for the Monitoring and Assessment Report should address some of the deficiencies identified.

**Key finding and proposed action: c. Impacts and Outcomes**

**Observation 5:**

*Primary Results Targets are not met: the savings to the EI account indicator may not be the most important indicator in the circumstances of the Nunavut LMDA. There is a need to develop more appropriate progress indicators.*

### **Action 5:**

Primary Indicator 1 – Clients Served: The Joint Management Committee is committed to providing Government of Nunavut staff the required information to promote and ensure active EI or reachback EI clients are offered the option of accessing NBMs.

Primary Indicator 2 – Returns to Work: Low levels of literacy and education among Nunavummiut, along with few employment opportunities in small communities, and lack of mobility and housing shortages have made it difficult for clients of NBMs to achieve a return to work. Research and evidence confirm that much of Nunavut's growth sectors require a skilled labour force with higher levels of education and training. Part of the Government of Nunavut's objectives is to focus on developing a strong economy and infrastructure, creating housing and promoting life-long learning and education, which will address these issues and potentially improve the achievement of return to work under the NBMs.

Primary Indicator 3 – Savings to the EI Account: Many Nunavummiut work in traditional work, i.e. harvesting, hunting, carving, etc., and do not qualify for EI. Measuring participation in training and learning may therefore acquire more significance as an indicator of success. Efforts should be made to identify other success criteria that benefit Nunavummiut. The Joint Management Committee will consider options for developing performance indicators that are better suited to Nunavut's labour market and government's priorities. The Government of Nunavut will work with HRSDC to develop alternate indicators that would be more representative of Nunavut's skills and learning priorities.

### **Observation 6:**

*No clear evidence of change in employment status and earnings of participants.*

### **Action 6:**

Many of the interventions target pre-apprenticeship or entry-level employment, the results of which are more difficult to observe over a short-term period. Accordingly, statistical analysis of short-term measurement data will have to be cautioned. Additionally, this situation is compounded by the fact that apprentices may require much longer period of time to progress to level two or three due to insufficient hours of work completed. In small remote northern communities seasonal employment is a reality and no amount of artificial conditions can change that reality. Small samples do not allow for the predictive use of the findings. The long time expired between the evaluation and the data gathering might account for the poor response result and the lack of recall. A 12<sup>th</sup> month post employment completion survey is recommended for data gathering.

Discussions on the flexibilities of programs delivered under the LMDA have started and will continue in order to develop options and solutions to enhance the flexibility of programming in Nunavut. Arrangements that reflect the needs of Nunavut will require a much different set of objective and changes to the NBMs. A much closer follow-up of the participants using a 12 month post-participation survey will ensure a much more accurate reporting and greater access to the participants.



As the economy of Nunavut continues to grow and strengthen, and to move towards wage-based employment, there will be more opportunities for clients to benefit from their participation in NBMs.

**Observation 7:**

*Impact on employers: Training on the Job (TOJ) is advertised and used as a wage subsidy.*

**Action 7:**

The Governments of Canada and Nunavut acknowledge that there are few employers in most communities and even fewer able and willing to commit to coach and mentor new employees, and as a result, training on the job opportunities are limited. Employers experience challenges to TOJ, such as: training plans and reporting expectations demand a high-level of commitment and expertise; small companies and high staff turnover limit the possibilities. In spite of these challenges, many of the participating employers repeatedly get called upon to assist, and do so with a high level of community building spirit. No company has been refused TOJ training participants in the last five years.

As the program matures and as staff stabilizes, an increased level of partnership is occurring. Staff will follow up more closely and monitor and report on the quality and commitment to the training plans for those accessing TOJ. Additionally, staff will promote other benefits and support measure such as JCP which would also offer work experience to participants, when TOJ is not appropriate.

**CONCLUSION**

The Joint Management Committee considers that this evaluation fairly reflects the challenges faced in the Territory in administering the LMDA and acknowledges the findings of the evaluation. The Governments of Canada and Nunavut are committed to working together to find solutions that will better address the needs of Nunavummiut through more flexible, responsive and effective implementation of employment benefits and support measures.

The LMDA Joint Management Committee will monitor and report on the progress on the proposed actions that have been planned to address the findings of the Nunavut evaluation.

The end result of this action plan will be to make NBMs more relevant to individuals, communities and employers, through better coordination and enhanced coherence with other labour market programs, increasing the general essential and technical skills levels of eligible clients, and stronger linkages to the demand side of the labour market.



# 1. Introduction

## 1.1 The Canada-Nunavut Labour Market Development Agreement

The territory of Nunavut was created on April 1, 1999. Under the Canada-Nunavut Labour Market Development Agreement (CN-LMDA), signed on May 11, 2000, the Government of Nunavut (GN) assumed responsibility for the design and delivery of active Employment Benefits and Support Measures (EBSMs) under the *Employment Insurance (EI) Act* Part II. During the first three years of the agreement (2000-2003), the Government of Canada allocated more than \$6.4 million from the EI account towards the Nunavut Benefits and Measures (NBMs), plus \$3.4 million for program administration. Of the \$6.4 million of program funds, \$4.8 million were spent in the 2000-2003 period to serve 312 participants.

Under the agreement, Nunavut has provided three Benefits and one Measure (with the share of the 2002-2003 budget in parentheses):<sup>1</sup>

- *Building Essential Skills* (BES – 65%) has as its objective enabling unemployed persons to obtain employment by helping them obtain skills for employment, ranging from basic to advanced skills;
- *Training on the Job* (TOJ – 25%) uses a wage subsidy to encourage employers to create incremental employment for unemployed workers. The jobs are intended to be not temporary but part of the employer's normal operations;
- *Self-Employment Option* (SEO – 5%) provides support for unemployed individuals to help them start their own businesses or become self-employed through the purchase from third parties of coaching, business planning development support, technical advice and other self-employment services;
- *Employment Assistance Services* (EAS – 5%) supports third party organizations that provide employment assistance services to unemployed persons to help them obtain employment. Services include employment counseling, the provision of labour market information, job search assistance including job finding clubs, diagnostic assessments, information on government employment programs, case management services and the development of career action plans.

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<sup>1</sup> Other benefits and measures allowed for under the terms of the CN-LMDA but not offered as of 2002-2003 include Job Creation Programs, Labour Market Partnerships and Research and Innovations.

## 1.2 The Evaluation of Nunavut Benefits and Measures

This evaluation covers both formative and summative issues and questions for the first three years of the CN-LMDA (2000-01 to 2002-03) in the areas of:

- *Relevance and design*: addressing actual needs, consistency with principles, guidelines and intent of the *EI Act*, and fit with the needs and circumstances of Nunavut;
- *Delivery*: co-location, harmonization, cooperation and partnership, local flexibility, services in the language of choice, administrative systems, etc.;
- *Outcomes and impacts*: employment and earnings, dependency on EI benefits and income support, skills development, filling job vacancies, meeting training needs, meeting community needs, outcomes by type of program;
- *Cost-effectiveness*: the extent to which NBMs are the most appropriate and efficient means for achieving objectives, relative to alternative design and delivery approaches.

The evaluation process began in fall 2003 and was completed in January 2005. Fieldwork activities were conducted between November 2003 and February 2004 and information was collected in five large communities – Iqaluit, Rankin Inlet, Cambridge Bay, Pangnirtung and Arviat - accounting for half the number of participants in NBMs.

Information was collected through:

- A participant survey completed by 59 respondents, one-third of all participants in the five communities;
- Focus groups with 5 program participants in Iqaluit, 7 in Pangnirtung and 2 in Rankin Inlet;
- Interviews with 19 employers;
- Interviews with 16 key informants including senior officials of the Nunavut Department of Education (DOE) and Human Resources and Skills Development Canada (HRSDC), and NBMs delivery staff in DOE;
- Interviews with 20 stakeholders: representatives of the three Aboriginal Human resources Development Agreements (AHRDAs), Nunavut Arctic College (NAC), Nunavut Tunngavik Inc., local chambers of commerce or hamlet councils, and two third-party delivery organizations.

The evaluation of employment programs faces generally a number of constraints which influence the estimation of impact, the interpretation and the generalization of results. In Nunavut, the following constraints and limitations were encountered due almost entirely to the high cost and great difficulty of reaching persons and obtaining responses:

- The evaluation findings cannot be generalized to NBMs participants in all of Nunavut. The five selected communities are not representative of the other 21 communities of Nunavut with respect to the local labour market and the delivery of the NBMs, as discussed in Section 2;
- The approach does not include a comparison group, as it was judged difficult to obtain responses from a sufficient number of suitable people. Program impacts can be measured only by comparing the circumstances of participants before and after participation in the program. These circumstances, of course, may differ for reasons other than participation in the program;
- Statistical tests are not possible with 59 survey completions of which only 41 can be linked to administrative data by permission of the respondent;
- Outcomes analysis is possible only for BES (45 survey completions) and TOJ (11 completions) participants. One survey respondent participated in SEO and none in EAS;
- Information about the in-program experience and post-program circumstances of participants is limited as Income Support data were not available and data from the Case Management System (CMS) of DOE and HRSDC were incomplete.

Additional information about the design and limitations of the evaluation and the feasibility of conducting a comparison group analysis in the Nunavut environment are provided in Appendix A: Design and Conduct of the Evaluation.

### **1.3 Social and Economic Conditions in Nunavut**

Nunavut is defined by its geography. It is a vast northern expanse of nearly two million square kilometers with 26 small, widely scattered communities with populations from less than 200 to 5,236 in the capital Iqaluit (the population of Iqaluit increased to more than 7,000 since the 2001 Census) for a total population of 26,745. These figures exclude communities who are not incorporated. Communities can be reached only by air or by sea in the summer.

Eighty-five per cent of the population is Inuit. Nunavut's population increased by 8.1% from 1996 to 2001 compared to 4% for Canada as a whole. Thirty-seven percent of the population is less than 15 years old.

**Table 1**  
**Labour Market and Income Statistics, Total, Aboriginal and**  
**Non-Aboriginal Population, Nunavut, 2001**

|   | <b>Total population</b> | <b>Aboriginal population</b> | <b>Non-Aboriginal population</b> |
|---|-------------------------|------------------------------|----------------------------------|
| <b>Labour force</b>   |                         |                              |                                  |
| Participation rate  | 68.1                    | 61.8                         | 92.3                             |
| Employment ratio  | 56.2                    | 47.6                         | 89.2                             |
| Unemployment rate   | 17.4                    | 22.9                         | 3.3                              |
| <b>Persons with earnings</b>  |                         |                              |                                  |
| Number  | 12,355                  | 9,155                        | 3,200                            |
| Average earnings  | \$28,215                | \$20,011                     | \$51,686                         |
| <b>Worked full year</b>   |                         |                              |                                  |
| Number  | 5,080                   | 3,005                        | 2,075                            |
| Average earnings  | \$48,078                | \$38,505                     | \$61,942                         |
| <b>Persons with income</b>  |                         |                              |                                  |
| Number  | 15,450                  | 12,145                       | 3,305                            |
| Median income   | \$17,270                | \$13,190                     | \$32,263                         |
| <b>Share of income</b>  |                         |                              |                                  |
| Earnings  | 83.8                    | 75.8                         | n.a.                             |
| Government transfers  | 12.9                    | 20.5                         | n.a.                             |
| Source: Statistics Canada, Community Profiles and Aboriginal Population Profile, 2001 Census. Incomes are for the year 2000. Data for the non-Aboriginal population derived residually. |                         |                              |                                  |

Although improving, education levels are still very low. One in two Inuit have no high school diploma and only 1.7% of the Aboriginal population of 25 years and over has a university degree.

Almost nine in ten non-Inuit are employed, compared to less than six in ten Inuit. While earnings for Nunavut residents who worked full-time are higher than the national average, median total income levels for the Nunavut population are well below the national average. The cost of living is the highest in the country.

Employment opportunities in the wage economy are the greatest in the regional centres, while medium sized communities face the combined challenges of limited development and larger population size, leading to higher unemployment. There are limited employment opportunities in small communities.

Hunting, fishing, trapping, berry picking and camping are an important part of the social, cultural and economic life of Inuit. Four in five Inuit males between the ages of 15 to 54 engage in harvesting activities frequently or occasionally, and the value of the harvest is estimated at \$30 million per year.<sup>2</sup> For many Inuit, employment is a means to an end, rather than an end in itself. They work to earn enough money to pay for skidoos, boat motors, fuel, ammunition and other necessities for harvesting rather than to build a career.

<sup>2</sup> Conference Board of Canada, *Nunavut Economic Outlook*, Ottawa, May 2001, p. 32.

All these elements combine to make it difficult for the wage economy to grow. Since the late 1990s, the main impetus has come from the government of the new territory with large infusions of cash and a policy of decentralization of government services. The government also vigorously pursues the goal of making the Inuit share of public sector employment equal to that in the population (85%), an objective enshrined in Article 23 of the Nunavut Land Claim Agreement. Change in Nunavut from nomadic subsistence to a sedentary modern society in just two generations creates opportunity as well as enormous stresses:

- The radical changes taking place have brought about a host of social problems: drug and alcohol abuse, family violence and high rates of suicide and morbidity. These have a profoundly negative effect in this close, inter-connected society, and have a direct impact on efforts to develop a trained and educated labour force;
- Overcrowding due to a shortage of housing is a major contributor to employee absenteeism and poor school performance;<sup>3</sup>
- Lack of literacy skills in English can limit training and employment opportunities. Inuktitut remains strong;
- Many people are not willing to leave their home community and extended family to pursue training and employment opportunities;
- There is an enormous shortage of professionals and paraprofessionals among the dominant group, the Inuit, and even the more basic skills required in modern government and business operations are very much in short supply. In this environment, any training that enhances employability, literacy, numeracy, computer skills and other elementary clerical, secretarial and business skills is bound to make a positive contribution. In other words, the prima-facie case for labour market training programs in Nunavut is very strong.

## **The Five Communities**

The five communities covered in the evaluation include the capital, Iqaluit, also the regional centre for the Qikiqtaani (the Baffin) region, the two other regional centres Rankin Inlet (in Kivalliq) and Cambridge Bay (in Kitikmeot) and the large communities of Pangnirtung and Arviat. These five centres have (mostly as per the 2001 census):

- Forty-five per cent of the population and 54% of employment in Nunavut;
- A population that is 73% Inuit, compared to 94% for the other communities;
- More than 3,000 non-Inuit in total, compared to less than 900 in the other communities;
- More frequent transportation linkages;

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<sup>3</sup> Ibid., p.14.

- One-half of the workforce employed in the public sector and education and health services, just as in the other communities;
- 43% of the population with a high school diploma or more, compared to 27% of the population of the other communities;
- The very rapidly growing capital of Iqaluit, the seat of government and the business centre for the entire region;
- At least one Career Development Officer (CDO) resident in each community. Only one CDO is located outside of the five communities.

The contrast between the two sets of communities is best illustrated by the fact that during 2000-2003, 1,703 of the 2,172 EI recipients in Nunavut, or 78%, lived in the five centres, mainly a sign of the difficulty people outside the five centres have to qualify for benefits. However, the 312 NBM participants during these same three years are evenly divided between the two sets of communities (Table 2).

|               | Population    | Employment Insurance Beneficiaries |            |              | NBM Participants |
|---------------|---------------|------------------------------------|------------|--------------|------------------|
|               | (2001)        | (2000-01 to 2002-03)               |            |              |                  |
|               |               | Regular                            | Other      | Total        |                  |
| Arviat        | 1,899         | 314                                | 60         | 374          | 13               |
| Cambridge Bay | 1,309         | 99                                 | 43         | 142          | 21               |
| Iqaluit       | 5,236         | 413                                | 229        | 642          | 35               |
| Pangnirtung   | 1,276         | 203                                | 77         | 280          | 41               |
| Rankin Inlet  | 2,177         | 196                                | 69         | 265          | 46               |
| <b>Total</b>  | <b>11,897</b> | <b>1,225</b>                       | <b>478</b> | <b>1,703</b> | <b>156</b>       |

Source: Statistics Canada, 2001 Census and HRSDC data extracted in September 2003 and covering EI claims from April 1, 2000.

More details about the communities are given in Appendix B: A Brief Profile of the five communities.



## ***2. Relevance, Design and Delivery***

### **2.1 Consistency with the *Employment Insurance Act* and Governmental Priorities**

By comparing program description and implementation with the description of NBM in Annex 1 of the Canada-Nunavut Labour Market Development Agreement (CN-LMDA), the Nunavut Benefits and Measures (NBMs) are consistent with the *Employment Insurance (EI) Act*, although only four of seven available types of programs are being used by Nunavut. NBMs are also consistent with federal priorities to integrate the unemployed into the workforce and to provide economic development opportunities for Aboriginal people and northerners, as described in the February 2, 2004 *Speech From the Throne*.

NBMs are also consistent with Government of Nunavut (GN) priorities for capacity building through training and recruitment, achieving greater Inuit employment, and decentralization of government services and employment. These goals are outlined in the Bathurst Mandate and Article 23 of the Nunavut Land Claims Agreement.

### **2.2 Relevance to the Needs of EI Clients, Employers, the Labour Market and Communities**

Key informants, stakeholders, employers and focus group participants agree that in the broadest sense, the NBMs are relevant to clients, employers and communities. From a human resources perspective, the majority of survey respondents was satisfied with the programs. There is no consensus, however, about whether the NBMs meet the needs of the Nunavut labour market. The lack of consensus is a reflection of different needs and labour market conditions between small and large communities.

More specifically, stakeholders and key informants raised the following issues:

- Low skills and education levels combined with limited employment opportunities particularly in small communities limit the number of EI eligible people (i.e., people that can be served using LMDA funding), while EI Part II program funds are lapsing;
- Harvesting, carving and other traditional pursuits are not recognized as form of employment for the purposes of the *EI Act*. These people do not earn insurable income and therefore do not qualify for EI;
- Success is defined in the *EI Act* as the extent to which the active benefits and measures assist persons “to obtain or keep employment”. The focus on return to employment may not be the best performance indicator as employment opportunities are limited in small communities, many people lack skills for entry-level positions, mobility is limited by housing shortages, and NBMs do not create employment opportunities (use of the self-employment program is quite limited);

- Program guidelines limit the maximum term of training to 52 weeks, when the need is for longer training. For example, Nunavut Arctic College (NAC) representatives suggested more time is needed to train Inuit seeking government employment.

Members of the Management Committee from the Department of Education of the Government of Nunavut (DOE) felt that a more strategic approach was needed, including needs assessment to better understand the Nunavut labour market, community by community.

## 2.3 LMDA Funding and Cost per Participant

Program funding was just over \$2 million per year (Table 3). The funds are allocated annually to each of the four programs by the DOE on a percentage basis, and to the three regions on the basis of population. The allocations may be adjusted during the year based on demand.

In addition, for the 2000-2003 period, \$2,361 million was provided for administration to cover salaries, benefits and travel. The annual amount of \$787,000 remained the same while Nunavut salaries and benefits increased. DOE senior managers regard it as insufficient. For the first two years, subsequently extended to three years, \$600,000 was provided for capacity building and \$500,000 for technology systems.

While administration funds are fully spent each year, 75% of program funds were spent (Table 3).

|              | Programs |         |         |         | Administration |                   |         |         |
|--------------|----------|---------|---------|---------|----------------|-------------------|---------|---------|
|              | 2000-01  | 2001-02 | 2002-03 | Total   | General        | Capacity building | Systems | Total   |
| Budgeted     | \$2,008  | \$2,091 | \$2,329 | \$6,428 | \$2,361        | \$600             | \$500   | \$3,461 |
| Spent        | \$1,374  | \$1,747 | \$1,668 | \$4,789 | \$2,361        | \$542             | \$497   | \$3,400 |
| Lapsed       | \$634    | \$344   | \$661   | \$1,639 | \$0            | \$58              | \$3     | \$61    |
| Share lapsed | 32%      | 16%     | 28%     | 25%     | 0%             | 10%               | 1%      | 2%      |

Source: DOE Audited Financial Statements 2000-01 to 2002-03 and HRSDC personnel.

The average program cost per participant ranges from \$12,910 for Self-Employment Option (SEO) to \$15,591 for Building Essential Skills (BES) (Table 4). The cost of Employment Assistance Services (EAS) per participant is not calculated as the number of participants is under-reported and the program dollars include only moneys paid to third parties for delivery of the service. If, as a crude allowance, we leave out one-quarter of general administration expenses to reflect the cost of EAS delivery by CDOs, the combined program and administration cost of the three Benefits was \$7,600,000 for 307 participants, or \$24,750 on average.

**Table 4**  
**NBMs – Expenses by Program and Cost per Participant**

| <b>Program expenditures</b> | <b>2000-01</b>     | <b>2001-02</b>     | <b>2002-03</b>     | <b>Total</b>       | <b>Participants</b> | <b>Cost per participant</b> |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|-----------------------------|
| BES                         | \$959,469          | \$1,493,746        | \$1,475,671        | \$3,928,886        | 252                 | \$15,591                    |
| TOJ                         | \$309,216          | \$177,583          | \$187,976          | \$674,775          | 48                  | \$14,058                    |
| SEO                         | \$46,361           | \$39,917           | \$4,092            | \$90,370           | 7                   | \$12,910                    |
| EAS                         | \$59,269           | \$36,150           | \$0                | \$95,419           | 5                   | n.a.                        |
| <b>Total</b>                | <b>\$1,374,315</b> | <b>\$1,747,396</b> | <b>\$1,667,739</b> | <b>\$4,789,450</b> | <b>312</b>          | <b>\$15,351</b>             |

Source: DOE Audited Financial Statements 2000-2001 to 2002-2003 and HRSDC program data. Cost per EAS client has not been calculated as the number of EAS clients was under-reported.

## 2.4 Management and Delivery Structure

### Roles and Responsibilities

A Management Committee oversees management of the LMDA. It consists of three members from the GN and two from HRSDC. There is one NBMs Manager in Iqaluit and three Directors of Career and Early Childhood Services at DOE, one for each of the three regions, stationed in Pangnirtung, Rankin Inlet and Cambridge Bay. Career Development Officers (CDOs) are located in six communities and they report to the three directors.

GN employees involved with the NBMs also have other responsibilities. The intention was for 10.5 person-years to be paid for under the CN-LMDA, but this has not been achieved. The number of person-years allocated to the LMDA has declined from 8 in 2000-01 to 5.65 in 2002-03 due to the fixed level of administration funding (\$787,000 per year) while new and more expensive GN employee contracts have been negotiated.

CDOs travel to the other smaller communities as required and as budgets permit. In Qikiqtaani and Kivalliq, CDOs are responsible for all programs in certain communities assigned to them (three communities on average). In Kitikmeot, each CDO is responsible for a particular program in all five communities.

All key informants were clear on their roles in regard to the LMDA. There was no consensus among stakeholders about the clarity of their roles.

### Service Providers and Third-Party Delivery

Third-party involvement in the delivery of NBMs is as follows:

- BES training is provided mainly through contracts with NAC. Other training may be provided through the Municipal Training Organization, for example where a hamlet submits a training proposal to several sources (AHRDA, LMDA etc.) and the Department of Education of the Government of Nunavut (DOE) participates by

funding the participation of EI eligible clients. Training programs are offered in various communities as well as in locations outside Nunavut, depending on numbers, facilities and other resources required;

- Employers provide TOJ, with the CDOs monitoring progress;
- SEO is only used to a limited extent, by non-Aboriginal clients. In the Qikiqtaani region the Baffin Business Development Centre is paid a fee to analyze applications from potential candidates;
- EAS was initially delivered by Community Learning Centres in five communities. Significant difficulties were encountered with data gathering, placing the accountability framework in question, and the contracts were terminated. CDOs are the main providers of EAS services.

There are two key problems, both having to do with the small population and vast geography of Nunavut. Firstly, it is difficult and costly to offer programs outside the regional centres, for lack of sufficient trainees and facilities. Moving trainees to the regional centres for long periods is also very costly, and trainees are reluctant to be away from their families for long periods.

Most key informants and stakeholders confirmed that there are not enough third-party service providers overall, and none in most communities. They felt CDOs should have a larger presence in small communities. Travel for CDOs is restricted by LMDA administrative funding that needs to be supplemented by the GN. Some communities in the High Arctic have not been visited, and others receive only up to two visits per year. There is a high turnover rate of CDOs who tend to be Inuit and do not all have full qualifications, but they do speak Inuktitut which is vital to effective communication with the clientele.

Only 17 out of 57 survey respondents (29%) said that there was follow-up after they finished their program or service to see how they were doing.

## **Best Practices**

As examples of good practices, informants mentioned:

- Individual assessment of clients needs and how best to serve them;
- Delivery staff try to be flexible, e.g. to find ways to support families who accompany trainees through funding from outside the LMDA;
- Sharing experiences among delivery staff across Nunavut.

Specific individual successes:

- The Sanikiluaq Day Care extension training project done in partnership with numerous other organizations;
- A partnered carpentry training program in Cape Dorset;

- Cooperation with AHRDAs to assist specific clients, to organize training and to share related costs.

## **2.5 Reflection of Service Delivery Principles**

### **Expected Reduction of Overlap and Duplication**

The presence of the LMDA and three regional AHRDAs with similar mandates side by side is a textbook example of overlapping programs. Both target EI-eligible Inuit. The LMDA serves all EI-eligible persons, and the AHRDAs serve all Inuit, whether EI-eligible or not. As the Inuit make up 85% of the population and 95% of the unemployed, most of the clientele of labour market programs in Nunavut has access to both the LMDA and the AHRDAs.

There is no formal mechanism for co-operation. The parties sometimes work together to provide training, but they compete for EI eligible clients. The AHRDA programs can provide higher benefits than the NBMs. The AHRDAs jointly had about 5 times the amount of LMDA program dollars and served 1,774 clients (including 81 EI eligible clients) compared to 312 for the LMDA during 2000-2003 across Nunavut.

A second area of overlap is within the GN. A large number of GN departments are involved in youth programming, and there is a lack of coordination between GN departments in the area of training. Indian and Northern Affairs also has a youth employment program. Two key informants who felt qualified to comment agreed that there is duplication between HRSDC youth programs and the LMDA.

In all, the number of organizations involved in training is large. Key informants agreed there is no overarching strategic plan for training in Nunavut.

### **Community Partnerships, Support and Participation**

The level of collaboration is perceived differently by various partners. All five Management Committee members, most delivery staff and one Director stated that the NBMs helped to develop cooperation and partnerships with hamlets, AHRDAs, municipal training organizations, local companies and the Co-op.<sup>4</sup> DOE personnel felt that the working relationship between the Iqaluit DOE headquarters and Nunavut Arctic College (NAC) was close. By contrast, NAC and other stakeholders stated that collaboration on planning is insufficient and communication ineffective. NAC representatives did say the relationship with DOE people is getting better, and some DOE staff allowed that more still needs to be done. A series of meetings between DOE, NAC, the AHRDAs and other stakeholders have helped to improve coordination, although AHRDA holders felt this was insufficient.

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<sup>4</sup> A Co-operative or Co-op is a community-based member-owned business organization. In Nunavut, co-operatives have played a key role in business development in most communities, and currently operate businesses such as retail stores, arts and crafts marketing, hotels, and construction. Most co-ops are part of a territory-wide network.

Eight stakeholders felt the NBM s had not contributed to enhancing or creating partnerships, or were unaware of any such cases, and 8 of 14 employers who responded felt the programs were not delivered in partnership with them. However, all 14 employers said they liked the fact that DOE is delivering these programs, and DOE management and delivery staff felt that community support for the programs was good.

## **Communication and Public Awareness**

CDOs try to visit each community two or three times per year. In reality, this may be less (from 0 – 2 times) due to budget restrictions. Programs are promoted through brochures, personal contacts and on the radio. Income Support workers and Community Wellness coordinators also refer clients.

DOE Managers, regional Directors and delivery staff felt communication was effective, while NAC and other stakeholders felt communication was limited and could be improved.

Awareness of Canada’s contribution to the NBM s has been promoted through signs and brochures, verbal communication and the media. Delivery staff felt there was little or no public awareness of Canada’s contribution. Most employers were aware of the federal contribution.

## **Language of Service**

Program materials are published in English, French, Inuktitut and Inuinnaqtun, and all CDOs active during the evaluation field work period spoke English and either Inuktitut or Inuinnaqtun. Language of service was not identified as an issue by key informants and stakeholders, but sometimes it was difficult to find qualified instructors to deliver training in Inuktitut.

Application forms are in English only, and unilingual applicants rely on a CDO to help complete them. No focus group participants identified language as an issue. Forty eight of 54 survey respondents said that they had not experienced language difficulties.

## **One-Window Delivery**

Co-location between the DOE and HRSDC exists only in Cambridge Bay. HRSDC has two program officers in Iqaluit while the DOE office is in Pangnirtung. Co-location in Rankin Inlet has given way to offices across the street from each other. Two senior officials qualified to comment stated that there is an excellent relationship between HRSDC and DOE in all locations.

Two MC members stated that co-location would be a real benefit as DOE staff members are often called upon to help clients fill out forms to receive Part I benefits. The Director and delivery staff in Cambridge Bay felt that co-location is helpful. All client focus groups felt co-location would simplify services for clients.

## 2.6 Redress Mechanisms

Every complaint is entered into case logs or files, and followed up by the CDOs. Clients who do not receive satisfaction can take their concerns to senior management or even the Deputy Minister. Directors stated that almost all complaints were resolved by the CDOs or, in some cases, the Directors.

Most Management Committee (MC) of the CN-LMDA members and delivery staff stated there had been relatively few complaints from clients. Two Directors and three MC members said no adjustments had been made to programs. However, the content of some training courses has been revised in light of comments. For example, the amount of writing in a cooking course was reduced through use of photocopies, and safety boots were provided in a carpentry course.

One recurring complaint is late payment of EI living allowances. Focus group participants had brought this complaint to program personnel and their member of parliament, but noticed no changes. DOE attributes the problem to lack of bank accounts among program clients and a lack of banking services in some communities.

## 2.7 Administrative Systems and Information Exchange

Data exchange between HRSDC and DOE has had more than its share of problems during the first few years. There was difficulty in accessing the HRSDC “stripper file” of active EI clients that helps DOE find clients for NBMs. In the winter of 2003-2004 additional training was provided to staff and DOE now feels this issue has been adequately addressed. DOE still requests information on clients’ EI status on paper forms, but in future will be able to access this information directly from the HRSDC electronic system.

There were no uploads of GN data on new clients to HRSDC in the first year, and only a single report in each of the next two years. Significant numbers of records in the two uploaded files were rejected initially by the Data Gateway validation program. HRSDC and DOE worked on correcting the rejected records, and the final number of rejections for the June 2003 file was close to zero.

Two MC members who felt qualified to comment stated that at the time of the interviews there appeared to be effective information exchange. Both HRSDC and the Department of Education hope to see the system in future working more as planned, with quarterly uploads.

A new fully electronic Case Management System was instituted at DOE in 2002, and all program activity beginning with the 2002/03 fiscal year is recorded in this new CMS. The electronic CMS is currently operational at DOE headquarters in Iqaluit and at the three regional offices in Pangnirtung, Rankin Inlet and Cambridge Bay. While DOE headquarters in Iqaluit has access to all files in the system, regional offices only have access to the client files for their own region. The new CMS contains all the information

required by HRSDC under the LMDA, as well as the counseling tools, data and financial information related to the interventions.

Managers and delivery staff feel that most materials and tools are designed to meet their needs and are user-friendly, although it took some time to get to know them. Tools for the clients are simple. There still are problems: internal audits are behind due to delays in compiling DOE data; the system can be time-consuming and difficult to access; the regional offices cannot access or compile reports.

The system could be enhanced further by including Income Support payments and by tracking student progress over the years (it could help improve client follow-up). As well, a written annual narrative report on the activities of the NBM's would be desirable, as it could help stakeholders and the people of Nunavut understand the full range of activities undertaken through these programs.



## *3. Outcomes and Impacts*

### **3.1 Primary Results Measures and Participation by Equity Groups**

Annual targets are set for program participation and outcomes for every province and territory on the basis of national standards, and results are measured against these targets and reported in the Monitoring and Assessment reports. The three “Primary Results Indicators” are:

- The number of active Employment Insurance (EI) claimants that have access to Nunavut benefits and measures (Table 5);
- The number of EI clients returned to employment (Table 7);
- The amount of savings to the EI account (Table 7).

In all three years program participation was well below targets both for active claimants and reachback clients (Table 5). During the first year there were virtually no reachback clients, but in the second and third years the share of reachback clients was reasonably close to the target of 35%.

| <b>Table 5</b>                              |                         |                       |                         |                         |                       |                       |              |
|---|-------------------------|-----------------------|-------------------------|-------------------------|-----------------------|-----------------------|--------------|
| <b>Primary Indicator 1 – Clients Served</b> |                         |                       |                         |                         |                       |                       |              |
|   | <b>EI clients</b>       |                       |                         |                         |                       | <b>Non-insured</b>    | <b>Total</b> |
|   | <b>Active Claimants</b> |                       |                         | <b>Former Claimants</b> | <b>Active/total</b>   |                       |              |
|   | <b>Target</b>           | <b>Clients served</b> | <b>Served / targets</b> | <b>Clients served</b>   | <b>Clients served</b> | <b>Clients served</b> |              |
| 2000-01                                     | 197                     | 58                    | 29%                     | 3                       | 95%                   | 2                     | 63           |
| 2001-02                                     | 197                     | 95                    | 48%                     | 45                      | 68%                   | 7                     | 147          |
| 2002-03                                     | 197                     | 117                   | 59%                     | 84                      | 58%                   | 6                     | 207          |

Source: HRSDC – Employment Insurance Monitoring and Assessment Reports. The Government of Nunavut annual plan for 2002-2003 shows a target of 199 active EI cases. The targets for reachback cases were 106 in the first two years and 179 in the third year.

As regards equity groups, only one-quarter of participants are women (Table 6). The Aboriginal share is as high as the population share. Some of the self-identified visible minority participants are in fact Inuit. These outcomes for equity groups were attained without targeting of clients. Participants with disabilities are assisted on a case-by-case basis.

| <b>Table 6</b>  |              |                                  |                           |                           |                               |
|---|--------------|----------------------------------|---------------------------|---------------------------|-------------------------------|
| <b>New Interventions by Equity Group and Fiscal Year</b>  |              |                                  |                           |                           |                               |
|   | <b>Women</b> | <b>Persons with disabilities</b> | <b>Aboriginal persons</b> | <b>Visible minorities</b> | <b>Number of participants</b> |
| 2001-02   |              |                                  |                           |                           |                               |
| Number of participants  | 38           | 5                                | 120                       | 6                         | 151                           |
| Share of total (%)  | 25.2         | 3.3                              | 79.5                      | 4.0                       |                               |
| 2002-03   |              |                                  |                           |                           |                               |
| Number of participants  | 60           | 2                                | 223                       | 10                        | 251                           |
| Share of total (%)  | 23.9         | 0.8                              | 88.8                      | 4.0                       |                               |
| Source: HRSDC - Employment Insurance Monitoring and Assessment Reports. The 2000-2001 report gives no numbers for the CN-LMDA |              |                                  |                           |                           |                               |

In the third year of the Canada-Nunavut Labour Market Development Agreement (CN-LMDA), 66% of the target for returns to work and 77% of the target for unpaid benefits were achieved (Table 7). “Returns to Work” refers to the number of insured participants who are working in paid employment and have received support through EI Part II. “Unpaid Benefits” refers to the difference between an individual’s maximum entitlement to Part I benefits and the actual payout of such benefits. Unpaid Benefits should not be considered as savings given that they greatly exceed the amount that could represent potential savings. Further, most individuals who received Part I benefits, on average, only used two-thirds of their entitlement.

| <b>Table 7</b>   |      |   |                       |              |              |                                   |
|--|------|---|-----------------------|--------------|--------------|-----------------------------------|
| <b>Primary Indicators 2 &amp; 3 - Returns to Work &amp; Unpaid Benefits</b>  |      |   |                       |              |              |                                   |
|  |      | <b>Results</b>                                |                       |              |              | <b>Results as share of target</b> |
|  |      | <b>Apprentices</b>                            | <b>Group services</b> | <b>Other</b> | <b>Total</b> |                                   |
| <b>Targets</b>   |      | <b>Clients who returned to work (persons)</b> |                       |              |              |                                   |
| 2000-01  | 146  | nc  | nc                    | na           | na           |                                   |
| 2001-02  | 146  | 17  | 0                     | 20           | 37           | 25%                               |
| 2002-03  | 146  | 10  | 0                     | 87           | 97           | 66%                               |
|  |      | <b>Unpaid benefits (millions of dollars)</b>  |                       |              |              |                                   |
| 2000-01  | 0.62 | nc  | nc                    | na           | nc           |                                   |
| 2001-02  | 0.62 | 0.2   | 0                     | 0.07         | 0.27         | 44%                               |
| 2002-03  | 0.62 | 0.11  | 0                     | 0.37         | 0.48         | 77%                               |
| Source: HRSDC – Employment Insurance Monitoring and Assessment Reports. “nc” means not calculated. In 2000-2001 not all apprentices are included, and in 2001-2002, some results are slightly understated. |      |   |                       |              |              |                                   |

The Government of Nunavut (GN) disagrees with the third primary indicator, savings to the EI account, as it does not feel this is an acceptable measure of performance in Nunavut. In the 2002-2003 “Plan for Territorial Programs and Services Under the Canada-Nunavut Labour Market Development Agreement” the GN pledges to work with Canada to develop a model that better reflects Nunavut’s needs and realities.

## 3.2 Impacts on Participants

### 3.2.1 Profile of Participants in the Five Communities

For the purpose of this evaluation, all Nunavut Benefits and Measures (NBMs) participants in the five communities (190) were considered.<sup>5</sup> Based on administrative data, their characteristics are as follows:

- 86% were Inuit, 3% non-status Indian or Metis, and 10% non-Aboriginal;
- one-quarter were 40 years old or older and 35% were women;
- 73% were married or common-law, 15% were single, with data missing for 13%;
- Two-thirds had dependants, one-sixth having four or more dependants;
- 3% spoke Inuktitut / Inuinnaqtun only, 14% spoke English only, and 47% spoke Inuktitut / Inuinnaqtun and English, with no data for 35%;
- One-half had no high school diploma, 13% had high school diploma, 13% had vocational training or college, none had university, with data missing for 23%.

Some information about the incomes of the 190 participants is presented in Table 8.

| <b>Table 8</b>   |               |                |                                  |               |                |
|--|---------------|----------------|----------------------------------|---------------|----------------|
| <b>Employment Income in 2002 or Last Full Year Before Program Participation, and Total Income Support During 1995-2002</b> |               |                |                                  |               |                |
| <b>Employment Income in last year</b>  | <b>Number</b> | <b>Percent</b> | <b>Income support, 1995-2002</b> | <b>Number</b> | <b>Percent</b> |
| Less than \$10,000   | 65            | 34             | None                             | 75            | 39             |
| \$10,000 - \$19,999  | 45            | 24             | Less than \$5,000                | 48            | 25             |
| \$20,000 - \$29,999  | 26            | 14             | \$5,000 - \$9,999                | 25            | 13             |
| \$30,000 - \$39,999  | 25            | 13             | \$10,000 - \$19,999              | 24            | 13             |
| \$40,000 and over  | 29            | 15             | \$20,000 and over                | 16            | 8              |
| Total  | 190           | 100            | Total                            | 190           | 100            |

Source: Canada Revenue Agency.

The most common reasons for the last job separation were: shortage of work (layoff) for 74 participants (39%), quit for 35 (18%), other for 29 (15%), pregnancy or parental leave for 14 (7%), and apprentice training for 12 (6%). Six participants were dismissed.

One hundred and fifty-seven participants had regular claims as their most recent claim type, 13 had maternity claims, 8 had sickness claims, 4 had adoption claims, and data were missing for 8 participants.

<sup>5</sup> The total of 190 comprises 156 who participated during the three fiscal years 2000-01 to 2002-03, 19 during 1999-2000, and 15 during 2003-2004.

### **3.2.2 The Survey Respondents before the Intervention**

Of the 190 participants profiled above, 59 provided usable responses to a detailed survey questionnaire.<sup>6</sup> These represent 32% of participants in the five communities. Forty-one respondents agreed to have their responses linked to administrative data.<sup>7</sup>

The survey respondents are similar to the 190 program participants in most respects, but differ in two ways:

- 37 of 59 or nearly two-thirds live in Pangnirtung, compared to one-third of all participants;
- 25 of 39 are aboriginal, less than two-thirds, compared to 88% of all participants.

Employment and income patterns of survey respondents just before their participation in the programs were very similar to what they experienced over a longer period. In the week before the intervention, 62% reported having been employed. During the 1995-2002 period, they worked on average 63% of the time. Mean earnings in the last year before the intervention were \$22,045, compared to an average of \$22,184 during 1995-2002.

Employment spells tend to be of relatively short duration. Respondents worked on average 70 weeks per employment spell prior to the intervention. One-quarter worked up to nine months per spell, and another one-quarter worked 9 to 12 months per spell. During the last twelve months prior to the intervention, respondents worked an average of 31.8 weeks or 61% of the time.

As well, 17 of 41 respondents were laid off from their last jobs or saw a short-term job come to an end, and 9 quit their jobs. Other reasons included return to school (6 respondents), pregnancy or parental leave (5), injury or illness (2) and leave of absence (2).

Of 35 respondents who said they were unemployed or looking for work in the three months before the intervention, 11 found no job that matched their skills, and 10 lacked skills for available jobs. Nine lacked job search skills, and 9 had family responsibilities (multiple responses).

Of 36 respondents who reported being unemployed at some point during the year before the intervention, 27 had received EI benefits, and 14 of these had also received Income Support. Eight others received Income Support but not EI. The last claim was a regular claim for 29 respondents, and 7 had maternity or adoption benefits.

In the pre-intervention period, 39 survey respondents who had received EI benefits received \$292 per week on average. For the 25 who had received Income Support, the average annual amount during the 1995-2002 period prior to their intervention was \$1,152, and in the year before the intervention, \$653.

Two-thirds of survey respondents (26 out of 41) said they looked for work during the three months prior to their intervention, and 10 said they did not search for work.

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<sup>6</sup> Among the respondents may be some of the 34 participants who started the intervention prior to the CN-LMDA and after the evaluation period.

<sup>7</sup> The full results of the survey responses and merged data are available in a Technical Report.

Fourteen respondents called or visited employers to inquire about job openings, 11 visited a Nunavut Department of Education office, 10 responded to newspaper ads (multiple responses). A much smaller number visited an HRSDC office, received help from either the federal or Nunavut government, or searched non-government websites for job openings (4 for each activity).

### 3.2.3 The NBM Experience

Of the 190 participants, according to EI data, 157 participated in Building Essential Skills (BES) (81%), 30 in Training on the Job (TOJ) (16%), and 3 in Self-Employment Option (SEO). Just over one-half of participants (99) had one intervention, 51 had two, 30 had three, 7 had four and 3 had six or seven interventions Case Management System (CMS) data. For 169 participants the latest intervention was through the NBMs, while for 21 it was through an AHRDA. There were 18 apprentices. One hundred and thirty nine participants completed their program (73%), 15 did not (8%), 2 failed to report and the remainder were either in progress, not declared or “other”.

| Program                        | Nunavut |         |         |       | Five centres | Survey |
|--------------------------------|---------|---------|---------|-------|--------------|--------|
|                                | 2000-01 | 2001-02 | 2002-03 | Total |              |        |
| Building Essential Skills      | 78      | 76      | 98      | 252   | 157          | 45     |
| Training on the Job            | 11      | 13      | 24      | 48    | 30           | 11     |
| Self-Employment Option         | 5       | 2       | 0       | 7     | 3            | 1      |
| Employment Assistance Services | 0       | 1       | 4       | 5     | 0            | 0      |
| Total                          | 94      | 92      | 126     | 312   | 190          | 57     |

Source: HRSDC. Two survey respondents whose program use is not known are not included in the column “Survey”.

Of survey respondents, 45 had taken BES, 11 TOJ, 1 SEO, and 2 responses are missing. The proportions are similar to those for all 190 participants. There were 1.7 interventions per person on average over the three years, with 25 of 41 respondents having one, 13 two or three, and 3 four interventions. Five also had an intervention under an AHRDA. The mean length was 22.8 weeks.

Survey respondents learned about NBMs primarily from the Nunavut Arctic College (22 of 58) and DOE (20). Newspaper/radio (11) and word of mouth (9) were also mentioned. Other mechanisms were mentioned by 1 to 5 respondents.

One-half of survey respondents experienced no barriers in accessing or participating in NBMs. For 12 of 56 respondents, the most frequently mentioned barrier was a lack of financial support (BES) or wages considered too low (TOJ). Other barriers, each mentioned by 4 to 6 respondents are: difficulty finding an employer willing to participate, difficulty finding information about the programs/services, difficult application process, poor employer support/supervision, lack of program support/follow-up, too few program staff, and lack of or dissatisfaction with appeal/complaint process.

Of 57 respondents, 11 had encountered some difficulty accessing services in their language of choice.

### 3.2.4 *Employment and Earnings before and after Program Participation*

The share of respondents who reported some employment over a twelve-month period was virtually the same before and after the intervention. The average number of weeks they worked changed by a small amount, from 31.8 to 33.7 weeks.

| <b>Table 10</b>   |               |              |
|---|---------------|--------------|
| <b>Number of Weeks Worked Twelve Months Before and After Intervention</b> |               |              |
| <b>Number of weeks</b>  | <b>Before</b> | <b>After</b> |
| Zero  | 2             | 2            |
| 1 – 26  | 10            | 14           |
| 27 – 51   | 12            | 3            |
| 52  | 10            | 14           |
| Total responses   | 34            | 33           |
| <i>Mean number of weeks worked</i>  | 31.8          | 33.7         |
| Don't know / remember   | 13            | 26           |
| No answer   | 12            | 0            |

Source: Survey of NBM participants.

The share of persons working in government services increased from 38% to 43%, and that in construction from 18% to 24%, taking the most recent job before and after the intervention.

With respect to earnings, 25 of 56 respondents indicated no or little change, 17 indicated their wages rose while 3 said they decreased, and 11 did not know or remember. The mean net percentage increase was computed to be 9.5%, including an assumed change of 0% for the 25 who said wages stayed about the same. For the 15 who reported an increase or decrease, the mean net increase was 25.5%. Since this question was asked in general terms without indicating whether the question concerned hourly, weekly or annual wages, responses reflect some mix of changes in the rate of pay and changes in the amount of work.

In sum, the findings indicate a modest improvement in the employment and earnings of survey respondents that may be due to the programs, labour market conditions,<sup>8</sup> or just random variation. These findings should be interpreted with caution due to the small numbers of respondents and the high number of non-response.

<sup>8</sup> For instance, wages and salaries in the public service of Nunavut increased significantly during 2000-2003.

## **3.2.5 Post-Intervention Outcomes**

### **Employment after the Intervention**

The first job since the intervention was a permanent one for 10 of 25 respondents, while 6 had a seasonal job, 6 a short-term or contract job and 3 did not know. A number of the “permanent” jobs had come to an end before the survey took place. Survey respondents had 1.8 employers on average since their intervention.

Of the jobs of persons employed at the time of the survey, or the most recent one before that, one-half were temporary. Of 42 respondents, 18 were or had been in permanent jobs, 21 in seasonal, contract or short-term jobs, and 3 did not know. Twenty-six of the jobs were full-time, and all employed worked an average of 35.3 hours per week.

At the time of the survey, two in three respondents (34 of 50) were employed. Of the 16 who were not employed, 8 were unemployed and looking for work, and the other 8 were homemakers (3), on maternity or sick leave (2), in school or not looking for work (one each), and 2 did not know (multiple responses).

The nature of jobs of participants reflects the jobs available in Nunavut. Seventeen respondents worked or had worked in the public sector, 6 for private businesses, and 4 for the Co-op, and 6 for Inuit organizations. Ten worked or had worked in the construction sector, 7 in health, education and social services, 4 in the service sector and 4 in housing associations. Seven were or had been construction workers / labourers, 6 truck drivers, 4 receptionists or clerks, 3 cashiers or stock persons, 3 customer service agents, 3 tenant relations officers.

### **Dependence on EI and Income Support**

For two in three survey respondents (38 of 59), employment earnings are a main source of income. Employment Insurance was a main source for 13 respondents, income from spouse or family for 6. Income Support (IS) and spousal/child support each were mentioned by three respondents. There is not enough information to determine the extent to which dependency on EI and IS changed from before the intervention.

### **Further Education and Training**

One purpose of the Nunavut Benefits and Measures (NBM) is to encourage participants to pursue further education or training. In answer to a question about the type of activities pursued by participants in the post-intervention period to increase skills, 12 of 53 respondents said they took a training course, 11 said they found a job, 10 pursued volunteer activities, 5 did nothing, and 13 did not know or remember.<sup>9</sup>

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<sup>9</sup> The high share of persons who did not know or remember what they did to increase skills, and the fact that 12 said they engaged in education or training but 21 indicated what level of education they achieved raises doubts about the extent to which respondents understood the questions.

## Job Search Outcomes and Problems Finding Employment

Sixteen of 39 respondents, who answered this question, had actively looked for work since finishing their employment program or service, and 20 had not. There were not enough responses to report the amount of effort made in searching for jobs. Lack of job openings, jobs that do not pay enough, and lack of work experience were the most frequently encountered problems in the search for paid employment.

## Responsibility and Involvement in Decision-Making

Focus group participant mentioned that they had been involved in choosing their NBMs services and the time of training, only one-half felt that the services helped them take charge of their training needs. Four Career Development Officers (CDOs) indicated no action planning is taking place.

Four DOE managers and CDOs felt that the programs had made a limited contribution, and the three NAC representatives agreed and saw some change in confidence and self-esteem. Four CDOs said that the degree to which people take responsibility depends on the individual's maturity, motivation and mobility. Many participants have social problems and remain reliant on income support and the social network. Delivery staff had to work hard to get people to apply and leave their communities for training. If there is no work in the community, some people tend to just stay on Income Support.

## Satisfaction with the Effects of the Program

A majority of survey respondents regarded the NBMs assistance as useful in various ways (Table 11). All focus group participants stated that participation had improved their job skills, job prospects, attitudes and self-confidence, and for many, income increased as well. Most said the intervention had no impact on satisfaction with their current job.

| Outcomes   | Somewhat/extremely useful |         | Don't Know | All responses |
|--|---------------------------|---------|------------|---------------|
|  | Number                    | Percent | Number     | Number        |
| Increasing motivation to achieve career/personal goals   | 36                        | 71      | 5          | 51            |
| Increasing self-confidence                               | 35                        | 71      | 7          | 49            |
| Helping to pursue further education or training          | 34                        | 70      | 7          | 49            |
| Gaining specific job-related skills                      | 31                        | 63      | 7          | 49            |
| Finding/keeping employment or self-employment            | 31                        | 61      | 5          | 51            |
| Gaining work experience on-the-job                       | 29                        | 60      | 8          | 48            |
| Increasing sense of optimism about future work prospects | 29                        | 58      | 6          | 50            |
| Clarifying career best suited for                        | 25                        | 56      | 11         | 45            |
| Source: Survey of NBMs participants                      |                           |         |            |               |

<sup>10</sup> Survey respondents were asked to choose from five ratings for usefulness, as follows: 1: much less, 2: somewhat less, 3: neither less nor more, 4: somewhat more, and 5: much more. Answers about satisfaction with employment, income, etc. reported in the three paragraphs in this section were structured in the same way.



In addition, three out of four respondents declared themselves more satisfied with their current or most recent job and with their employment experience since the intervention. Three in five were more satisfied with future opportunities for work and advancement in their field. One-half were more satisfied with their wages, while 5 of 35 were less satisfied. As for employment benefits, one-third was more satisfied and one-fifth less satisfied.

Nearly two-thirds of 51 to 53 respondents were more satisfied with the quality of life, the future outlook, life satisfaction and overall wellness than they were before the intervention, with only one to three expressing less satisfaction.

### **Completion of Action Plans**

On average, action plans were 11.7 weeks in duration, according to the EI administrative data. Almost one-half (18) were less than four weeks long. For 25 of 30 survey respondents for whom data were available, the recorded action plans results were: 23 were employed and 2 self-employed.

Seventeen out of 57 survey respondents (29%) said they were contacted to see how they were doing after they finished their program or service. What clients said about the follow-up was not consistently recorded in the CMS.

## **3.3 Impacts on Employers**

Nineteen employers were interviewed. Many had experience with several program elements with a number of employees, in particular TOJ and apprenticeships, and their comments cannot be separated by program element. One employer, a large construction company operating throughout Nunavut, had employed 30 trainees.

Twelve employers indicated the programs met their needs. They regard the programs as an important source of training support that helped to fill job vacancies, meet skill shortages, employ Inuit, keep wages competitive, and offset the high costs of employee turnover. However, high turnover limits the benefits of employee training.

Of ten employers who responded, seven stated they would have hired or trained as many people if there had been no public program funding.

Eight employers felt the programs were not delivered in partnership with them, while six said they had been involved or were active partners, partly through the wage subsidy but in one case through collaboration to make the project work. Seven employers said the initiative to use the programs came from themselves. They all agreed the paperwork related to NBMs was not burdensome.

### **3.4 Impacts on Communities**

Like employers, communities may benefit from an increase in skills, employee motivation, entrepreneurship and employment among residents due to their participation in NBMs. The programs may also enhance social and economic infrastructure and foster partnerships and working relationships among various parties.

As noted earlier, the NBMs had at most a very minor impact on employment. The benefit of greater skills in the workplace can be gauged only by comments from participants and employers. These comments were positive. SEO had little impact on business development because of low participation, and this only in Iqaluit among the five communities.

Impacts on infrastructure are also modest due to the scale of the program activity. As examples of support for local infrastructure, MC members from DOE listed housing units being repaired with labour provided by local carpenters being trained in Cape Dorset, renting of classrooms for training, and provision of day care in communities where training and local workshops take place, e.g. for carvers. In one community, a training program for carpenters resulted in doubling the size of the day care facility. Most DOE managers and staff felt the programs support community social and economic infrastructure. Seven NAC and other stakeholders felt changes to the social and economic infrastructure were limited or could not be attributed specifically to NBMs.

Facilities may be insufficient for programs to reach their maximum impact. In Iqaluit, upon completion of a training program for cooks, some graduates who could find work were not able to stay because of lack of housing.

### **3.5 Impacts by Type of Program**

Employment outcomes after program participation were virtually identical for BES and TOJ clients. Employment before participation is not broken out by program element.

#### **Building Essential Skills (BES)**

Of the 312 program clients, 252 used BES, as did 157 of the 190 clients in the five communities. The BES program provides financial support to apprentices attending the in-school training portion of their apprenticeship. Yearly participant numbers for Nunavut ranged from 76 to 98. Of 40 survey respondents who had taken part in BES programs and for who data were available, 28 (70%) had found employment after the completion of their intervention. Twenty participants (50%) were employed full-time and 1 (2.5%) was self-employed. A further 8 (20%) were employed part-time (less than 30 hours per week, but not in school). Only 6 respondents (15%) were unemployed and looking for work.

A variety of training programs were offered: pre-employment and literacy; office administration, business administration, computer skills and accounting; training for community health representatives; and pre-trades, cooking, carpentry, welding, air brakes, tapestry making and mining. The cost of delivery is high: a four-week welding access pilot program for sixty people in three Nunavut communities cost \$156,000, and a 38-week welding certificate program in Goose Bay for sixteen students from across Nunavut cost \$134,000. Most training takes place in Nunavut, but some courses are held elsewhere because of lack of facilities.

The program is client-driven by dint of the fact that program funds are transferred to clients to buy seats in training courses. The Building Essential Skills Benefit, as described in Appendix 1 of the Canada-Nunavut LMDA, supports the principle that client choice must be respected. Yet in Nunavut there is no ongoing training activity that EI beneficiaries can simply sign on to, as is commonplace in the larger urban centres in the south. All training has to be arranged, and programs are only delivered when there is a sufficient number of trainees. While some training has been made possible by combining NBM and AHRDA clients, more training could be provided if access was not restricted to persons eligible under EI, or if the program had more control over funding.

DOE supplements funding for trainees with Income Support payments and other funds, for instance funds for travel to training sites. The Income Support budget for trainees was \$400,000 over the three years.

According to the guidelines, BES students are expected to contribute \$200 to their training except in case of hardship. But practice varies. Five CDOs said the participants contribute nothing, and one key informant indicated they contribute financially if they can, but many are on Income Support and cannot afford to do so. Three focus group participants had paid a percentage of their tuition (one had paid \$300), while ten did not contribute.

### **Training on the Job**

In total, 48 of 312 program clients used TOJ, and among the 190 clients in the five communities 30 used that program element. Participation was concentrated in time and place, with 9 participants in Pangnirtung in 1999-2000, 10 in Cambridge Bay in the next year, and 6 in Pangnirtung in 2001-2002.

Of ten survey respondents who had taken part in the program and for whom data were available, 5 had found employment since the completion of the intervention. Of the 10 respondents, 4 were employed full-time and 1 was self-employed. One participant was employed part-time and 2 were unemployed and looking for work.

DOE pays a wage subsidy of up to \$7.50 per hour, and the employer pays from \$3.50 to more than \$10 per hour plus benefits.

The three focus groups were unanimous in listing as factors for successful employment outcomes the benefits of training in the form of greater skills and self-esteem and a more positive attitude towards their jobs.

According to the majority of CDOs and two other informants, some employers use the program strictly as a subsidy to the business, and in some cases let employees go when the subsidy runs out. Three focus group participants said the work they did when their wages were being subsidized was menial and not up to their level of training. Other factors limiting success are:

- Lack of scheduled or adequate monitoring and follow-up, according to five CDOs;
- Lack of employment opportunities, and low self-esteem that prevents some people from applying, according to one DOE Director;
- Unrealistic trainee expectations such as thinking they will receive the training funds directly themselves, according to four CDOs.

The majority of employers who responded do not regard the wage subsidy as critical to their hiring decision. Some employers complained of high turnover while some trainees reported they were laid off when the program ended. Some employers said there should be more information available and that the program should be tailored more to the realities of the northern construction industry.

Three DOE managers and delivery staff stated that the TOJ program is being implemented as a targeted, client-centred subsidy. Three said it was both a targeted client-centred subsidy and general business subsidy.

### **Self-Employment Option**

Only seven people used this program during the first three years of the LMDA. Limited participation was attributed in part to the more generous funding and support from AHRDAs. As well, applicants lack equity and are uncertain about how to write a business plan or proposal. Business opportunities in many Nunavut communities are also very limited. Three informants confirmed that most participants have been successful at creating businesses, but there is no information to confirm this.

### **Employment Assistance Services**

A variety of EAS services are delivered by CDOs on a one-to-one basis to unemployed individuals, such as resume writing, job search, pre-employment courses, life skills, employment and career counseling and budgeting. HRSDC data show only 5 EAS participants for all of Nunavut during the three-year evaluation period, although this appears to be highly under-reported. For example, one CDO reported she had provided these services to about 30 clients in only a few months.

## 4. Conclusion

The design and findings of this evaluation reflect the particular circumstances of Nunavut, with its small, young wage economy and a government intent on providing employment to Inuit with limited education and work experience in many of the scattered communities of the newly created territory. To men, especially in the smaller communities, paid employment means being able to buy the equipment needed to live on the land.

The key findings are:

- The Nunavut Benefits and Measures (NBMs) are consistent with the *Employment Insurance Act*, and with Federal and Territorial priorities;
- Overall, the NBMs are relevant to employers, clients and communities. However, the lack of flexibility in programs guidelines and Employment Insurance (EI) eligibility limit the relevance to local labour market needs, particularly in small communities;
- Program funds are lapsing and there are difficulties in organizing training outside of regional centres. Program costs per participant are high;
- Due to the Nunavut context, there is overlap and duplication between the Labour Market Development Agreement (LMDA) and the three Aboriginal Human Resources Development Agreements (AHRDAs) by design. They target the same clients with similar programs. Partnerships for sharing training costs exist but insufficient and competition over EI eligible clients exist;
- Stakeholders and employers see a lack of consultation, and clients see very little follow-up by program officers;
- The targets for the primary results indicators are not met and Nunavut does not accept the saving to the EI account indicator;
- There was virtually no change in the employment situation of participants, and they experienced an increase in earnings that was probably in line with general wage changes in the territory. Employment remains an intermittent activity for most who took part in the programs;
- Most participants were satisfied with the programs.



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# *Appendix A: The Design and Success of the Evaluation*

## **Overview**

The evaluation reported in this document covers both formative and summative issues. As per section 7.6 of the agreement, Canada and Nunavut established a Joint Evaluation Committee to support and oversee the design and the conduct of the evaluation. The Committee met in person and had weekly teleconference with the contractors hired to carry out the evaluation in order to review proposed methodologies, research instruments, and draft reports.

The Committee decided to conduct the evaluation in fieldwork in five large communities: the capital, Iqaluit, and the large communities of Rankin Inlet, Cambridge Bay, Pangnirtung and Arviat. The Committee also decided to forgo comparison group analysis in light of the high cost and great difficulty of gathering adequate responses. The fieldwork comprised a survey of program participants, focus groups with participants, interviews with employers, stakeholders and key informants. The evaluation study is also informed by document review and administrative data. The fieldwork was documented in the form of five case studies, one for each community. This report, however, documents the findings for the five communities jointly.

## **Fieldwork**

Members of the research team resided in Iqaluit and visited the four other communities. Only a single visit of up to five days was possible because of budget constraints. Clients and others were contacted in advance. Not all participants could be reached during this visit, as many had moved, were out of the community, or did not have a telephone. Much effort was expended trying to persuade people to provide information as there was considerable resistance to being surveyed in some communities. Some respondents failed to answer all questions. Failure to reach people during the single visit made it necessary to complete some interviews by telephone later, or to collect written responses that were not always complete. In Pangnirtung, a resident Inuit fieldworker conducted a second survey session and this contributed greatly to the high number of survey completions there.

Research was conducted in Inuktitut, Inuinnaqtun and English.

Thirty-two percent of participants in the five communities, and a much higher proportion of those actually in the community at the time of fieldwork, completed the participant survey: Arviat (3), Cambridge Bay (6), Iqaluit (9), Pangnirtung (37) and Rankin Inlet (4).

Participant focus groups were held in Iqaluit (5 participants attended), Pangnirtung (7 participants attended) and Rankin Inlet (2 responded to the focus group questions individually).

Sixteen key informants were interviewed: three senior officials and three regional Directors of Department of Education of the Government of Nunavut (DOE); eight delivery staff including seven Career Development Officers (CDOs) and a regional supervisor; Human Resources and Skills Development Canada (HRSDC) personnel at National Headquarters, Alberta Regional Office and in Iqaluit; and two informants who worked on the negotiation of the CN-LMDA one of whom was subsequently involved in implementation and delivery. At their request, and with the approval of a member of the CN-LMDA Management Committee, the four Pangnirtung delivery staff provided consensus responses in a joint session.

Twenty stakeholders were interviewed, representing the three Aboriginal Human Resources Development Agreement (AHRDAs) and Nunavut Tunngavik Inc., the Chamber of Commerce or Hamlet Councils, Nunavut Arctic College and two third-party delivery organizations.

Nineteen employers were interviewed.

### **Absence of a Comparison Group Analysis**

Many quasi-experimental evaluations use a comparison group of persons who are not program clients to estimate net program impacts. This approach is considered crucial in the evaluation of labour market programs, and it is a mandatory feature of Employment Benefits and Support Measures (EBSMs) evaluations.

Members of the comparison group should be in the same labour markets and have employment histories similar to those of program participants up to the time of the program intervention. The employment and earnings experience of comparison group members then is indicative of what would have happened to program participants had they not participated, and the difference in outcomes between program clients after the intervention and non-clients at more or less the same time measures the impact of the program.

The argument for not using a comparison group in this study is twofold:

- The supply of good candidates for a comparison group is very limited;
- The practical difficulties and cost of reaching comparison group members and making them respond to a survey are simply high.

As for the first argument, the ideal comparison group consists of persons from the same communities and with similar characteristics who were eligible for the programs but were randomly excluded from participating. In Nunavut, participants responded to general promotion for the programs or were referred by HRSDC personnel or Income Support Workers. Thus it seems that participation was not on a random basis, but some selection took place, either due to personal initiative or through intervention by program officials. This raises the possibility that better outcomes after participation may be due to personal initiative and perceived suitability rather than the program, a problem common to many studies using comparison groups.

As well, the presence of AHRDAs with a level of funding five times greater than that for the Nunavut Benefits and Measures (NBMs) increased the number of people that received training or other program support, and this limits the pool of candidates for a comparison group. There were 1,774 people who took part in AHRDA programs during the evaluation period. While some of these also took part in NBMs, none qualify as candidates for a comparison group.

Further, stakeholders and key informants indicated that there is competition between the AHRDAs and the CN-LMDA for Inuit, who make up 85% of the population and can apply to both. Some take part in several programs from either source over a period of several years. Significant amounts of NBMs program funds are not spent each year, while delivery staff stated they must work hard to encourage potential clients to apply to the programs. Both the competition for clients and the lapsing of funds suggests those who want training are getting it, and thus there are no good candidates left for a comparison group.

Finally, since the number of jobs in communities is limited, comparing the post-program employment status of participants to a group of non-participants may not be practical. Too many participants and non-participants are likely to be outside the workforce from time to time for lack of jobs. This lack of opportunity to capitalise on labour market programs may also limit the ability of a pre-/post-program comparison for participants to measure the impact of the programs.

As regards the second argument, the experience gained in completing participant surveys in the five communities indicates that a comparison group survey of non-participants would probably be very costly and time consuming. Such a survey could not be conducted by telephone, and would require in-person interviews by fieldworkers in each community speaking both English and Inuktitut or Inuinnaqtun. Given the reluctance of the over-studied population in Nunavut to participate in such surveys, sufficient time, perhaps months, would have to be allowed for fieldworkers to convince sufficient numbers of non-participants to respond.



## *Appendix B:*

# *A Brief Profile of the Five Communities*

Nunavut has three regions: Qikiqtaani, (Baffin), where the capital Iqaluit and Pangnirtung are located; Kivalliq (Keewatin), the area west of Hudson Bay, with Rankin Inlet as the regional centre and Arviat to the south of it on the shore of the Bay, and Kitikmeot, the arctic islands, with Cambridge Bay on Victoria Island as the regional centre.

All five communities have excellent air transportation access. Iqaluit has daily flights from Ottawa and Montreal. There are daily flights from Iqaluit to Yellowknife via Rankin Inlet, and also via Cambridge Bay. Rankin Inlet also has daily flights from Winnipeg, with a stop at Arviat. Pangnirtung is only a short hop away from Iqaluit.

The capital and the two regional centres are the transportation hubs for their respective regions, and have businesses engaged in transportation, distribution and accommodation services. They are also the seats of the regional government and the regional Inuit associations. The Nunavut Arctic College (NAC) has a campus in each of the three centres.

| <b>Table 12</b>   |               |                      |                |                    |                     |                |
|---|---------------|----------------------|----------------|--------------------|---------------------|----------------|
| <b>Population, Labour Market and Income in Five Nunavut Communities, 2001</b> |               |                      |                |                    |                     |                |
|   | <b>Arviat</b> | <b>Cambridge Bay</b> | <b>Iqaluit</b> | <b>Pangnirtung</b> | <b>Rankin Inlet</b> | <b>Nunavut</b> |
| Population  |               |                      |                |                    |                     |                |
| Number of persons, 2001   | 1,899         | 1,309                | 5,236          | 1,276              | 2,177               | 26,745         |
| Change 1996-2001 (%)  | 21.8          | -3.1                 | 24.1           | 2.7                | 5.8                 | 8.1            |
| Share ages 0-14 (%)   | 42.6          | 32.8                 | 28.5           | 37.7               | 36.8                | 37.1           |
| Labour force  |               |                      |                |                    |                     |                |
| Participation rate  | 53.7          | 70.9                 | 81.8           | 66.0               | 76.1                | 68.1           |
| Employment ratio  | 43.5          | 60.6                 | 74.5           | 50.9               | 66.2                | 56.2           |
| Unemployment rate   | 19.0          | 14.5                 | 8.9            | 22.9               | 13.0                | 17.4           |
| Earnings  |               |                      |                |                    |                     |                |
| Persons with earnings   | 655           | 695                  | 3,125          | 600                | 1,090               | 12,355         |
| Average earnings  | \$23,012      | \$31,494             | \$41,752       | \$19,115           | \$33,879            | \$28,215       |
| Worked full year, full time   | 250           | 315                  | 1,775          | 155                | 600                 | 5,080          |
| Average earnings of full-time workers   | \$40,940      | \$52,567             | \$55,698       | \$40,619           | \$47,830            | \$48,078       |

**Table 12 (continued)**  
**Population, Labour Market and Income in Five Nunavut Communities, 2001**

|   | Arviat   | Cambridge Bay | Iqaluit  | Pangnirtung | Rankin Inlet | Nunavut  |
|---|----------|---------------|----------|-------------|--------------|----------|
| Income                                      |          |               |          |             |              |          |
| Persons with income                         | 940      | 820           | 3,520    | 740         | 1,290        | 15,450   |
| Median income                               | \$13,216 | \$20,896      | \$34,951 | \$14,752    | \$25,824     | \$17,270 |
| Earnings as share of income (%)             | 76.7     | 87.2          | 92.5     | 74.3        | 88.8         | 83.3     |
| Government transfers as share of income (%) | 20.3     | 9.1           | 4.7      | 22          | 8.1          | 12.9     |

Source: Statistics Canada, Community Profiles, 2001 Census.

The capital Iqaluit is the government, transportation and business centre for the entire territory. Parliament and headquarters of government departments relocated there. It is also the location for the Nunavut regional offices of the federal government. People from the south fill a large number of professional and technical positions. As well, a significant number of people from other communities in Nunavut have re-located to Iqaluit for employment with government.

Pangnirtung is a tourist destination because of its location near the spectacularly scenic Auyuittuq National Park, and has transportation and accommodation services as well as arts and crafts. Arviat, a community created around the middle of the past century to feed starving Inuit, has the weakest economic base of the five communities. While Pangnirtung has a campus of the Nunavut Arctic College, Arviat has its head office. The operations division of the Nunavut Housing Corporation is located in Arviat, and the regional offices of DOE and Health and Social Services are located in Pangnirtung.

There is considerable diversity in the composition and growth of the population of the five communities, and in labour market conditions and incomes (Table 13). The capital Iqaluit is unique with respect to population size, the large presence of non-aboriginal people, and rapid population growth resulting from the establishment of the Territory of Nunavut. At the other extreme are Arviat and Pangnirtung, where there are few non-Inuit and a limited number of government jobs. Except for their size, these two communities are much like the 21 communities of Nunavut that were not covered by this evaluation. The regional centres Rankin Inlet and Cambridge Bay are more or less in the middle between these two extremes with respect to population characteristics and economic activity.

**Table 13**  
**Population, Labour Market and Income of the Aboriginal Identity Population**  
**in Five Nunavut Communities, 2001**

|   | Arviat   | Cambridge Bay | Iqaluit  | Pangnirtung | Rankin Inlet | Nunavut  |
|---|----------|---------------|----------|-------------|--------------|----------|
| Aboriginal identity population  |          |               |          |             |              |          |
| Number of persons, 2001   | 1,790    | 1,035         | 3,065    | 1,205       | 1,720        | 22,720   |
| Share of total population (%)   | 94.3     | 79.1          | 58.5     | 94.4        | 79.0         | 85.0     |
| First language not E or F (% of total population)                       | 93.0     | 28.0          | 53.0     | 94.0        | 62.0         | 73.0     |
| Labour force  |          |               |          |             |              |          |
| Participation rate  | 50.5     | 64.6          | 71.4     | 63.9        | 70.0         | 61.8     |
| Employment ratio  | 39.9     | 52.3          | 58.8     | 48.3        | 57.5         | 47.6     |
| Unemployment rate   | 21.0     | 20.2          | 17.6     | 25.5        | 18.6         | 22.9     |
| Earnings  |          |               |          |             |              |          |
| Persons with earnings   | 570      | 480           | 1,420    | 540         | 740          | 9,155    |
| Average earnings  | \$18,916 | \$23,117      | \$29,762 | \$17,061    | \$26,724     | \$20,011 |
| Worked full year, full time   | 195      | 170           | 655      | 120         | 355          | 3,005    |
| Average earnings of full-time workers                                   | \$34,721 | \$43,485      | \$46,116 | \$38,344    | \$41,486     | \$38,505 |
| Income  |          |               |          |             |              |          |
| Persons with income   | 860      | 600           | 1,755    | 675         | 930          | 12,145   |
| Median income   | \$11,744 | \$15,328      | \$19,979 | \$13,232    | \$15,792     | \$13,190 |
| Earnings as share of income (%)   | 72.5     | 80.3          | 86.5     | 70.6        | 83.9         | 75.8     |
| Government transfers as share of income (%)                             | 25.6     | 15.1          | 9.9      | 25.3        | 12.6         | 20.5     |
| Source: Statistics Canada, Aboriginal Population Profiles, 2001 Census. |          |               |          |             |              |          |

The Aboriginal identity population (almost entirely consisting of Inuit) has below-average employment and incomes in all five communities (Tables 13 and 14). Given their large share of the population, the difference in employment and income illustrates the large gap that exists between Inuit and non-Inuit.