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The Economic Structure of the Nunavik Region (Canada): Changes and Stability

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**THE ECONOMIC STRUCTURE
OF THE NUNAVIK REGION (CANADA) :
CHANGES AND STABILITY**

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1- INTRODUCTION

1.1 Overview of the region

Nunavik is the northern portion of the province of Québec inhabited by the Inuit people (map 1). The Inuit account for approximately 90% of the region's 8 000 inhabitants, and live in fifteen villages located along the coast of Hudson Bay, Hudson Strait, and Ungava Bay (map 2).

Using data collected in 1983, we have already shown that the formal economy of the Nunavik region was characterized by a marked predominance of the government sector, massive imports, and sluggish growth in the private sector; that salaried employment had become the standard method of earning an income for a large proportion of the population; and that so-called traditional activities, especially hunting and fishing destined for food production, were an inherent component of the government and commercial structure, even though not all of this production was subsidized or sold on markets (Duhaime 1993, 1991a, b, c, d).

Other studies conducted since this time tend to confirm these findings. The predominance of government activity was once again highlighted by labour force studies. Based on the same classification we used in 1983, Lefebvre (1994: 51) showed that the breakdown of jobs by type of establishment had remained virtually unchanged over a decade, with 71% provided by the government sector in 1993 as compared to our findings of 70% in 1983. Other studies, using different methods, showed similar results: the government sector accounted for 65% of jobs in the late 1980s (OPDQ 1991: 13) and 68% in 1991 (Lamothe and Lemire 1992: 72). Reinforced by the implementation of the James Bay and Northern Québec Agreement (JBNQA) in 1978 and the steady growth in government expenditure that resulted, (Simard 1994, Peters 1989), this phenomenon seems to have caused a gradual increase in the importance of local and regional levels of government (Lefebvre 1994: 52), comparable to that observed previously in Alaska (Knapp and Morehouse 1991) and in Greenland (Benoît and Marrens 1992).

The proportion of wages in the makeup of personal income appears to be increasing steadily, according to studies by Simard et al. (1992) and Lamothe and Lemire (1992: 82). Lefebvre has observed a trend toward the conversion from part-time to full-time jobs and an increase in the number of Inuit in the labour force (1992: 54), perhaps due to the progression in levels of schooling (Lamothe and Lemire 1992: 35). However, he confirms our findings of 1983 which showed that, as a group, the Inuit people earn less than

non-Natives (Lefebvre 1994: 70).

The increase in the amount of subsidies awarded to Inuit for their hunting, fishing and trapping activities (OPDQ 1991: 28, SAA 1991, 1989, 1988), and the establishment, following years of planning, of a number of slaughterhouses and distribution outlets for wild game, are evidences of the continued overlapping of traditional activities with the regular markets, also present in the Northwest Territories (Smith and Wright 1989), Alaska (Caulfield 1992), and Greenland (Nutall 1991). In addition, the increase in the average age of so-called "regular" hunters (Lamothe and Lemire 1992: 90-91) and the levelling off of the number of sculptors (Lamothe and Lemire 1992: 91) and of the income earned from sculpture (OPDQ 1991: 39) seem to indicate a relative decline in these activities, due largely to competition from salaried employment and the attraction of store-bought food (Duhaime and Lévesque 1991: 51).

Finally, statistics show that the private sector continues to play a negligible role in the region's economy (Lefebvre 1994: 51-52, OPDQ 1991: 35), which should maintain the substantial deficit in the trade balance.

These studies use a variety of indicators that make comparison with the systematic data obtained for 1983 rather difficult. Ongoing economic studies are not carried out on the Nunavik region, which means that information cannot be obtained from the national accounts; moreover, provincial data which, taken alone, could give us a clearer idea of its economic situation, are combined with data from neighbouring regions with markedly different demographic, social and economic characteristics (OPDQ 1991). This is due mainly to the fact that Nunavik has no distinct political status within Québec, but is considered a region like any other. This is not the case for regions such as the Northwest Territories, which have adequate statistical coverage, or Nunavut, the Inuit portion of the Northwest Territories which will officially become a separate territory in 1999 (GNT 1994). Although we are able to evaluate growth in the public sector based on employment or expenditure, it is impossible to determine its relative importance if public-sector indicators are not systematically compared to those of the private sector. In addition, recent indicators do not consider the data necessary for socioeconomic analysis and comparison, such as the gross domestic product (GDP). This study aims to produce a diagnosis on the general state of the Nunavik economy using new macroeconomic data, and to give a clear idea of the nature of the changes that have occurred over the past decade, of which the available literature provides only a general impression. In short, we will attempt to assess the scope of these changes and analyze their implications.

1.2 The approach and its limits

To produce indicators that are systematically comparable to those published for 1983, we have chosen to use the same approach, that is, adapting the system of national accounts to the regional context. Although these macroeconomic indicators are important, they consider only one aspect of commercial transactions, and thus do not provide an exhaustive analysis of the region's economic context. Developed after the Second World War to monitor economic trends in Western market economies, they measure market transactions (monetized income and expenditure) among agents (individuals, companies, governments), sectors (primary, secondary, tertiary) and branches (hunting, fishing, mining, etc.). Consequently, they provide no information on the fundamental aspects of social and economic relationships, given that they fail to consider non-market means of production, distribution and consumption. Although this approach has the same limits regardless of where it is applied, they are particularly obvious in northern Native communities where, thanks to culturally transmitted traditional practices, a large proportion of food consumption results from non-market transactions and non-remunerated productive work.

Despite the considerable limits of these economic indicators, they are nonetheless valuable if used appropriately. It is true that they provide no information on certain significant aspects of the economy and society; however, if we accept the data presented here at face value, that is, as indicators on certain fundamental aspects of the formal economy of Nunavik, then they contain important evaluation potential. Finally, considering that the methods used in 1983 (previously published data) and in 1991 (data presented herein) are identical, they enable us to define, solely in their specific reference area, elements of change in the land of the Inuit people, which is the purpose of our study.

1.3 Method

The data from 1983 have been updated. 1991 was used since it was the most recent year for which we could obtain relevant data in sufficient quantities. These data were collected by polling establishments and analyzing available documentation. In cases where estimates proved necessary, basic data and the techniques used were taken from Duhaime (1987). A similar procedure was used for data processing. All the data were integrated to form a social accounting matrix for 1991 (Robichaud 1994). The matrix approach is referred to as "social" in the broadest sense of the term because it clearly highlights the interaction between economic

agents and sectors, unlike the traditional approach used to compile national statistics or the input-output tables which are part of the system of national accounts (the latter shows this interaction to a limited extent). Comparative data from Canada (or Québec, where applicable) are taken from Statistics Canada publications and have been expressed, where possible, as constant dollars using the appropriate indices.

2- THE ECONOMIC STRUCTURE

2.1 Economic growth

In 1983, the per capita GDP for Nunavik was 19% lower than that of Canada (Table 1); in 1991, this gap had narrowed to 17%. These preliminary observations are significant and herald a general trend in the indicators observed. It is not surprising that the per capita GDP for Nunavik is lower than that for Canada as a whole, since salaried employment and private entrepreneurship, which had existed in the country's southern regions for several decades, did not become common in this region until barely 30 years ago. What is astonishing is that the gap between the Nunavik and Canadian GDPs is as narrow as it is, given the situation in 1960 when the trade-based economy was already a mere shadow of its former self and the presence of the government was discreet compared to what it was to become, and given that the economy during this era was based largely on transactions of natural resources outside of regular market channels. Although we have no quantifiable data which would enable us to systematically analyze the changes that have occurred, we know that they must have been considerable to enable the transition from an economy dominated by traditional activities to one driven by market forces (Duhaime 1991, 1985; Simard 1982); in short, to trigger the transformation from a culturally dominated society to one based on the economy (Scardigli 1983).

Remarkably enough, the gap between the Nunavik and Canadian GDPs continues to lessen. The main measures affecting the Inuit and provided for under the James Bay and Northern Quebec Agreement (JBNQA) came into force around 1978. We would thus be justified in believing that most of the Agreement's effects would have been felt by 1983. However, this does not appear to be the case. The relative narrowing of this gap seems to indicate that the economic standing of the region and its inhabitants is improving and that this is due, at least in part, to the lasting impacts of the JBNQA. The characteristics and trends of the northern economy would have to be studied in order to verify these hypotheses; in the meantime, we will see that the other components of the GDP and their respective trends appear to do just that.

First, like the GDP itself, per capita personal expenditure on consumer goods and services was lower in Nunavik than in Canada, but increased more rapidly in Nunavik (by 23% during the period surveyed as compared to 17% for Canada as a whole between 1983 and 1991), which is indicative of some improvement in individuals' standard of living, after trailing far behind the rest of the nation. Also, per capita government expenditure in Nunavik was higher, and increased more rapidly; moreover, capital expenditure per capita in Nunavik was considerably higher than in Canada in both 1983 and 1991, due mainly to the public sector. This suggests that efforts to improve government services in Nunavik had already had a substantial impact by 1983, and continued into 1991. In short, the fact that the overall growth of the Nunavik economy is more vigorous could be due mainly to government action aimed at closing the gap between this region and the rest of the nation. The important role played by the government in 1983 and its increase in 1991 calls for a more in-depth analysis, which will follow shortly.

2.2 The industrial structure

The sectoral breakdown of Nunavik's economic activity confirms the importance of the State's role in 1983 and again in 1991 (Table 2). Considered as a branch of economic activity, public administration accounted for 41% of the GDP at factor cost in 1983; this figure had risen to 51% by 1991. This proportion and its growth are considerable. In the Province of Québec, this figure stood at around 7% for the same two years, and in fact diminished slightly between 1983 and 1991. Even in the Northwest Territories, where the economic situation is similar to that of Nunavik, this proportion was 26% in 1984 and 32% in 1991 (GNT 1994: 36).

Another significant fact is that in Nunavik, the most important branches of economic activity after public administration are construction, trade, and transportation, all of which are linked to a certain extent to the government's presence. Transportation is largely dependent on day-to-day government operations, while construction and related transportation services also rely heavily on government expenditure. The situation is different in the Province of Québec, where the service industry is the most important branch of economic activity, followed by manufacturing, finance and trade. In Nunavik, these sectors play only a minor role in the generation of wealth: trade and the service industry have maintained their relative position, while the negligible proportion represented by finance is on the increase; the manufacturing sector shows a dramatic downturn, a reflection of the glut of Inuit sculpture on global markets. Mining also displays a drastic decrease;

since operations ceased in the Purtuniqu mine near Salluit, exploration campaigns alone account for this sector's share of the GDP. The scope of government activity and its growth confirm the state's position as the most important industry in the regional economy, while underlining the relative weakness of other industries and their belaboured growth. This contrast characterizes Nunavik's economy and enables us to assess its discrepancy with that of Canada as a whole.

2.3 Spatial distribution of economic activity

The above phenomena are reflected in the transactions between the region and the rest of the nation and how they have evolved. In 1983, the import value of goods and services in Nunavik was already high compared to Canada, and had risen further by 1991 (Table 1). During this period, per capita imports in Canada doubled, which explains the slight reduction in the gap between Canada and Nunavik. However, in 1991, per capita imports in Nunavik were still more than three times higher than in Canada. The preponderance of imported goods and services in the regional accounts mirrors the low production levels of goods and services for local consumption and, consequently, the dependence of the northern economy on the rest of the country. It also emphasizes anew the key role played by government operations, which generate a considerable amount of wealth, thanks to which imports become possible.

While imports were increasing, exports were dwindling: already negligible in 1983, they had shrunk even more by 1991. However, these results disguise certain changes in the nature of exports. In 1983, virtually all exports came from sales of asbestos from the Purtuniqu mine, which ceased operations in the following years. However, in 1991, exports were mainly sales to non-residents of travel-related services such as hotel and restaurant services and transportation. This is the result of the almost total discontinuation of this type of operations by the provincial government, which had been virtually the sole supplier of tourist accommodation during the previous two decades. In short, although the value of exports dropped, the nature of the economic activities that account for exports is different today. In 1983, mining exports inflated regional data, but had few real economic repercussions for local residents, whereas in 1991, export-oriented regional activities impacted directly on Inuit communities. It is true that these were not brand-new activities; however, their role in the region's economy and their spinoffs were highly significant. The state's withdrawal from hotel and restaurant services in particular enabled the development of a genuine private sector, which has since fulfilled a considerable

proportion of the demand, including government demand.

It is assumed in Nunavik that it is always possible to explain the economy through the role played by the State, even through roles it no longer plays. Analyzed this way, the data concerning GDP measured on an expenditure basis and those concerning the spatial and sectoral breakdown of economic activity show that, as a whole, the structural characteristics of the regional economy, in 1983, appear to have been maintained in 1991 if, as we have done, conclusions are drawn based on these two studies.

However, the changes affecting the structural characteristics of the Nunavik economy are such as to impact on this analysis substantially. Growth of the GDP is more rapid in Nunavik than in Canada and the gap between the two is narrowing, and personal and government expenditure are also increasing more rapidly in Nunavik than in Canada. In short, overall growth sustained by the governmental presence has improved the level of income of individuals. This in turn explains the increase in imports, while the decline in exports conceals an upswing in the activity of enterprises which exploit domestic markets.

3- ECONOMIC AGENTS

3.1 Persons

In 1983 and 1991, per capita personal income was lower in Nunavik than in Canada (Table 3). However, this gap had narrowed by 1991. This result is in keeping with the general trend observed to date. However, a fact emerges that is surprising given the regional context. The increase in the scope of government operations is compatible with a rise in the payment of transfers to individuals, which would logically bolster personal income. However, this does not seem to have happened; instead, the increase in personal income is due to a higher occurrence of salaried employment and a greater number of Natives in the labour force rather than to personal transfer payments.

In Nunavik, wages earned by workers account for three quarters of personal income, and the share of the GDP (income basis) they represent is larger in Nunavik than in Canada (Table 4). This reveals a singular characteristic of the regional economy, that is the predominance of salaried employment. From an historical perspective, this fact alone bears eloquent witness to the scope of the changes that have occurred in the region over the past thirty years. The relative weight of salaried employment points to a massive conversion from formerly widespread activities such as

hunting and fishing for subsistence and trade to market work activity.

The share of wages in the makeup of personal income in the Nunavik region, already relatively more predominant than in Canada, also increased much more rapidly. While it rose 72% in Canada between 1983 and 1991, it jumped 121% in the Nunavik region during the same period. It may be assumed that this growth is based on the scope of government action in the region, but we will come back to this point.

In the meantime, we observe that this increase in salaried employment is characterized not only by its scope, but also by its features. Indeed, the elements triggering this increase differ between 1983 and 1991. First, the salaries earned by Natives increased 143%, while those of non-Natives rose 103% (Table 4). This points to a relative readjustment between Native people and non-Natives with regard to earnings. Although Nunavik Natives make up 90% of the resident population, they earned considerably less than half of all wages in 1983. This gap had narrowed by 1991, although it remained sizable. This situation is due to the massive seasonal influx of non-resident skilled workers (in construction and mining activities, for example), the high level of remuneration and professional qualifications, and the considerable proportion of employed non-Native residents.

The increase in Native salaries is not uniform: it is more obvious in the energy, transportation, and hunting and fishing sectors, and it is more or less equivalent to the increase in non-Native wages in other sectors (Table 2). In other words, this relative readjustment does not seem to be due to a natural movement of Inuit access to the job market, which would have similar repercussions on all sectors of economic activity. Instead, it could be caused by a deliberate effort to improve the employment situation of the Native majority. This would be plausible on the part of Native firms, in the area of transportation for example; it would also be likely for firms which have understood the strategic or political expediency of hiring more Natives, for example, in the energy sector.

Whatever the case, Native workers are earning an increasing proportion of wages in a society where salaried employment has taken on astounding proportions, given the historical context in which it appears. It thus makes sense that transfer payments do not account for the increase in personal income, despite what we may spontaneously assume, given the key role played by the state.

Direct transfers to persons, especially those paid under

social programs such as social assistance, unemployment insurance and family allowances, accounted for 16% of personal income in Canada in 1991. In Nunavik, during the same year, they represented only 11% of personal income (Table 3). However, the analysis of transfer payments is not that simple. In Nunavik, almost all of the Native population lives in public housing which posts a considerable operating deficit. If we consider the deficit as an indirect transfer to persons, this boosts social transfer payments and personal income to \$6.6 million in 1983 and \$33.5 million in 1991. Measured this way, transfers represented 28% of personal income in 1991, a much higher proportion than in the rest of Canada. Analysis of the changes recorded between 1983 and 1991 provides other significant data. In Canada, the proportion of personal income represented by transfers to persons increased more than 1% between 1983 and 1991. However, in Nunavik, it dropped 6 or 7%, depending on whether or not public housing subsidies are calculated. Finally, in absolute values, transfers to persons in Canada increased more rapidly than transfers to persons in Nunavik (excluding housing subsidies), but this increase slowed when housing subsidies are taken into account.

These data reflect a number of predominant features of the region's economy, for example, the singularity of the public housing situation in Nunavik. The housing subsidy for Inuit is such that it is more or less equal to the total amount of direct transfers paid to persons. It is true that this cannot be considered as cash in hand for these households; however, it is crucial to our study, since it represents a form of savings for these households which can devote a considerable portion of their budget to other expenditure items, thereby benefiting from an improved standard of living.

These data also reveal that regular social programs account for a dwindling share of personal income, and that this share is in fact lower for Nunavik than for Canada. This situation is due to the startling increase in salaried employment since the 1970s, marked by a major construction boom which definitively consolidated the trend toward sedentation, and by the coming into force of the James Bay and Northern Québec Agreement, followed by the expansion of the government presence (Duhaime 1991, 1992). A fundamental factor in the organization of society, wages have direct essential impacts on administrative action, the driving force behind economic development. The relative decrease in the proportion of direct transfers as part of personal income indicates that, more and more frequently, the Inuit support themselves by earning wages. But the increase in indirect transfers which affects everyone indiscriminately, that is the public housing subsidy, prevents us from interpreting this

trend as an indication that the regional economy is becoming more self-sufficient, although it may well point to greater self-sufficiency on the part of individuals. By working at salaried jobs and obtaining food outside regular market channels, the Inuit are able to make ends meet. This is due partly to the hard work of the residents of Nunavik and partly to government action.

3.2 Public administration

We have already seen clear indicators of the key role played by the government as of 1983, and the reinforcement of this role in 1991: as compared to national statistics, per capita government expenditure and investment in fixed capital were higher in Nunavik and increased more rapidly; public administration was the most important industry in the region in 1983, and became even more so by 1991; and the income generated locally by government operations (mainly salaries, but also housing transfers) was largely responsible for the relative improvement in the economic standing of the Native residents and of the region's inhabitants as a whole.

These indicators might lead us to believe that Nunavik's economic development depends more on centralized government powers than on local dynamics, and that this trend, which had already emerged in 1983, would be maintained into the present decade. We would have every reason to do so, since the majority of the costs of governing Nunavik are assumed by the Canadian and Québec governments, and since the region itself generates little tax revenue. However, certain facts must be considered. First, it is difficult to judge local dynamics on the basis of these data, since they are based on general findings which disregard details and nuances. Furthermore, they provide us with no information on non-market transactions, and consequently yield only a partial overview of the region's economy. Although the few studies conducted on the subject are not based on recent data (Lévesque and Duhaime 1991), they tend to confirm that the Inuit diet relies heavily on game, which is commonly produced, distributed and exchanged outside regular market channels.

These results also reveal little about local and regional private enterprise. We know that these firms generated profits representing 17% of the net domestic income at factor cost in 1983, and 14% in 1991 (Table 4). The relative decrease in the Nunavik proportion is identical to that of Canada in 1991; this reveals less about regional characteristics than it does about the impact of private enterprise on Canada's economic trends, which show similar patterns in both Canada and Nunavik. The

regional proportion is in fact lower than the corresponding national figure: whereas profits represented 14% of net income in Nunavik in 1991, this same figure stood at 25% in Canada (Table 4).

It would be risky to submit definite reasons for this gap, mainly because the topic has not been sufficiently documented. To understand it, appropriate chronological and qualitative data would be required. Little is known about this crucial aspect of the region's development, and research on this subject in Nunavik is only beginning (Bhérier, Gagnon and Roberge 1989; Hamelin and Potvin 1989). However, the discrepancy does reveal certain details. The fact that the profits posted by Nunavik businesses account for this proportion of net income is in itself a phenomenon if we analyze it from a historical perspective. Indeed, the very existence of duly incorporated small businesses, sufficiently large to be included in statistical surveys and lucrative enough to generate profits, is a recent phenomenon in Inuit communities where, for most of the century, the economy relied heavily on the activities of family units, whose harvesting of living resources produced both consumer goods and the means of transacting with fur-trading companies. This presupposes a genuine dynamic of considerable quality, that is a Native adaptation of Western methods of transacting business, a change in traditional methods of earning a livelihood. Viewed from this angle, the entrepreneurial and resolutely modern nature of the northern economy emerges clearly.

Finally, the external source of public administration funding should not automatically lead us to assume that local and regional agents are not considered in the distribution of government work. The increase in the figures between 1983 and 1991 confirms that the role played by the public administration is relatively greater in Nunavik than in Canada as a whole. In Nunavik in 1991, almost all types of per capita government expenditure were higher than in Canada, such as expenditure on goods and services (as a percentage and per capita) and investment (Table 5). The only areas in which Canada led Nunavik were in transfers to persons (once again, depending on whether housing subsidies are factored in), and in transfers to corporations, which may be due to the limited number of eligible firms (Table 5). Against this backdrop, the breakdown of government expenditure by level of government shows the following specific traits (Table 6). In Canada, in both 1983 and 1991, government expenditure was equally divided between the federal (38%) and provincial (40%) levels, with the local level accounting for the remainder. However, in Nunavik, this distribution differs greatly. First, the provincial level accounts for the majority and shows a steady increase,

accounting for 50% of government expenditure in 1991. Next, the local and regional levels, with 37% of government expenditure in 1991, account for a greater share than the federal, which drops to 13% in 1991. Table 7, which gives figures for intergovernmental transfers, shows that the provincial level is the main transfer source, and that the local and regional levels are the ultimate recipients of intergovernmental transfers.

In short, these changes in the distribution of government work, recorded in the form of economic statistics, were already emerging in the middle of the previous decade, and the guidelines governing them set out in detail in the JBNQA. While withdrawing from day-to-day administration of matters which do not fall under its exclusive spheres of jurisdiction, the federal government maintains an important role in the formulation and funding of the programs it oversees; however, this role is diminishing with regard to financial matters. The Québec government is taking over, extending its regular administration to Nunavik, which swells its operating budget, and increasing its financial responsibility for areas administered locally, which ups its transfer payments. Finally, local and regional authorities are significantly stepping up their role in the implementation of government policies and programs, and are thus receiving a growing share of external funding.

These data thus reveal that local and regional authorities are playing a more important role in government activity, that is in the economic operations that are the most essential to Nunavik. In short, northern authorities are being affected by major development trends, even if they are not instigating them.

4- CONCLUSION

The findings set out in this paper confirm the importance of the state's economic role, as we observed ten years ago and as subsequent studies have tended to corroborate (Lefebvre 1994, Simard 1994, Lamothe and Lemire 1992, OPDQ 1991). Public administration dominates regional activity in Nunavik, a trend that was reinforced by 1991. This is accompanied by a shift in the relative weight of the political players. As a rule, central governments maintain their roles in the formulation and funding of policies and programs, while local and regional governments step up their role in implementing them. This decentralization is in keeping with a relative increase in the salaries earned by Natives and with an overall increase in Native income.

These trends would appear to indicate a quest for political autonomy in Nunavik, a movement observed not only in Canada but worldwide, sparked by the

International Decade of the World's Indigenous People (ICHRDD 1996). Examples in similar circumpolar regions include the adoption of home rule in Greenland, the creation of the North Slope Borough in Alaska, the constitution of republics and autonomous regions in northern Siberia, and the Nunavut Accord.

This is a valid assumption. The progress made by the decentralized authorities does not give them full responsibility for defining policies and programs; nonetheless, it does enable them to discern the problems resulting from the application of national policies to Nunavik, to demand changes, and ultimately, to call for the transfer of jurisdiction.

However, political trends have not changed the fact that between 1983 and 1991, Nunavik gained no additional economic autonomy; instead, it depends to an even greater extent on tax revenues from outside the region to finance public administration and the resulting generation of wealth. The scope and imbalance of the amounts in question hammer home the fact that this characteristic situation of collective economic dependence will likely persist, even if political powers are redistributed.

The increase in regional wealth also coincided with a rise in mass consumption and imports. These data, which concern solely the formal economy and consider only general indicators, provide no information about the effect of the increase in income and consumption on hunting and fishing for subsistence purposes. An entirely different type of study would be required to determine this, but we will take the liberty of advancing the following hypothesis: in the land of the Inuit, where the vast majority of individuals support themselves through salaried employment linked more or less directly to government work, this increase in monetary income could open the door to domestic food production. If this should prove the case, we would witness the modernization of the ancestral way of life, an overlapping of traditional activities with market activities. But it is also possible that in this region, the increase in salaried employment could depreciate these activities and boost market consumption, even of food products.

The transition to an economic order, which such a study would demonstrate, should not be interpreted as an improvement in social well-being. The growing state-governed economy and the massive spending it generates in social sectors such as education, health and social services, and various infrastructures have not eliminated the problems in these areas. By the same token, the increasing dependence on central governments and on their financial powers has coincided with the emergence and omnipresence of a

bureaucratic culture and an autonomy-based ideology. Although they reveal much about social reality, macroeconomic measures alone are insufficient to take its myriad of nuances and contradictions into account.

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MAP 1



TABLE 1- GDP (expenditure basis) for Nunavik and Canada (at constant 1991 prices)

Nunavik:	1983		1991	
	\$000	\$ per capita	\$000	\$ per capita
Personal expenditure on consumer goods and services	58 350,4	9 263,4	87 602,2	11 387,3
Government current expenditure on goods and services	86 514,6	13 734,6	147 680,3	19 196,7
Investment in fixed capital and stock variations	46 358,7	7 359,7	63 558,3	8 261,8
Exports	31 730,5	5 037,4	16 711,5	2 172,3
Imports	-115 366,5	-18 315,1	-161 401,2	-20 980,3
GDP at market prices	107 587,6	17 080,1	154 151,1	20 037,8

Canada:	1983		1991	
	\$000 000	\$ per capita	\$000 000	\$ per capita
Personal expenditure on consumer goods and services	319 735	12 560,3	412 246	14 661,3
Government current expenditure on goods and services	116 474	4 575,5	144 436	5 136,8
Investment in fixed capital and stock variations	88 518	3 477,3	129 013	4 588,3
Exports	104 716	4 113,6	163 943	5 830,5
Imports	-92 658	-3 639,9	-172 453	-6 133,2
Statistical discrepancy	-2 276	-89,4	-2 419	-86,0
GDP at market prices	534 509	20 997	674 766	23 997,7

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.
 Statistics Canada, National Income and Expenditure Accounts, Annual Estimates 1982-1993, 13-201.

TABLE 2- Sectorial GDP at factor cost for Nunavik and Quebec (at current prices)

Nunavik (\$000):	1983					1991				
	GDP	%	Labour Native	Labour Non-Native	Capital	GDP	%	Labour Native	Labour Non-Native	Capital
Agriculture	-	-	-	-	-	-	-	-	-	-
Forest	-	-	-	-	-	-	-	-	-	-
Fishing and trapping	873,9	1,3	813,9	0,0	60,0	1 761,6	1,3	1 719,2	0,0	42,4
Mining	11 725,9	17,9	8,8	6 500,0	5 217,1	5 552,5	4,2	9,3	5 543,2	0,0
Manufacturing	1 234,9	1,9	1 234,9	0,0	0,0	351,3	0,3	351,3	0,0	0,0
Construction	6 860,1	10,5	352,5	4 492,5	2 015,1	15 743,6	11,8	788,0	10 468,9	4 486,7
Transportation and storage	5 137,3	7,8	321,6	3 216,9	1 598,8	14 396,5	10,8	3 301,3	7 227,8	3 867,4
Communications	612,2	0,9	356,5	255,7	0,0	1 098,6	0,8	639,7	458,9	0,0
Electricity, gas and water	1 130,1	1,7	144,1	986,0	0,0	1 906,7	1,4	1 277,3	629,4	0,0
Trade	6 752,2	10,3	2 995,9	504,2	3 252,1	15 657,4	11,8	7 500,8	2 499,9	5 656,7
Finance, insurance and real estate	155,3	0,2	0,0	19,4	135,9	852,5	0,6	0,0	6,5	846,0
Public administration	27 059,8	41,3	14 732,9	12 326,9	0,0	68 062,1	51,1	36 617,1	31 445,0	0,0
Services	4 055,3	6,2	1 175,1	1 112,9	1 767,3	7 716,6	5,8	1 674,4	1 645,5	4 396,7
GDP at factor cost	65 597,0	100,0	22 136,2	29 414,5	14 046,3	133 099,4	100,0	53 878,4	59 925,1	19 295,9

Québec (\$000 000):	1983		1991	
	GDP	%	GDP	%
Agriculture	1 409	1,7	2 133	1,6
Forests	442	0,5	849	0,6
Fishing and trapping	45	0,1	62	0,0
Mining	1 075	1,3	1 385	1,0
Manufacturing	17 468	21,6	26 791	19,9
Construction	3 903	4,8	6 798	5,0
Transportation and storage	4 245	5,2	6 313	4,7
Communications	2 940	3,6	3 838	2,8
Electricity, gas and water	4 025	5,0	6 012	4,5
Trade	8 904	11,0	16 040	11,9
Finance, insurance and real estate	10 215	12,6	18 671	13,8
Public administration	6 309	7,8	9 642	7,1
Services	20 000	24,7	36 364	27,0
GDP at factor cost	80 980	100,0	134 898	100,0

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.

Québec: Bureau de la statistique du Québec, Direction des comptes économiques.

TABLE 3- Sources and disposition of personal income for Nunavik and Canada excluding housing subsidy (at current prices)

Nunavik:	1983		1991	
	\$000	\$ per capita	\$000	\$ per capita
Wages, salaries and supplementary labour income	51 550,7		113 803,5	
+ Interest, dividends and miscellaneous invest. income	1 496,4		4 153,9	
+ Current transfers from government to persons, capital assistance and transfers from non-residents	11 777,5		15 556,0	
+ Transfers from corporations	354,6		5 377,6	
Personal income	65 179,2	10 347,5	138 891,0	18 054,2
- Direct taxes and other current transfers to government	9 923,0		25 900,3	
Personal disposable income	55 256,2	8 772,2	112 990,7	14 687,5
- Personal expenditure on consumer goods and services	42 239,1	6 705,7	87 602,2	11 387,3
- Current transfert to corporation and non-residents	13 605,9		22 094,4	
Personal savings	-588,8		3 294,1	

Canada:	1983		1991	
	\$000 000	\$ per capita	\$000 000	\$ per capita
Wages, salaries and supplementary labour income	221 800		381 645	
+ Net income received by farm operators from farm prod.	2 599		887	
+ Net income of non-farm uninc. business, incl. rent	21 061		35 784	
+ Interest, dividends and miscellaneous invest. income	45 127		85 714	
+ Current transfers from government to persons, capital assistance and transfers from non-residents	51 863		99 929	
+ Transfers from corporations	602		900	
Personal income	343 052	13 476,3	604 859	21 511,5
- Direct taxes and other current transfers to government	67 039		139 993	
Personal disposable income	276 013	10 842,7	464 866	16 532,7
- Personal expenditure on consumer goods and services	231 452	9 092,2	412 246	14 661,3
- Current transfert to corporation and non-residents	4 258		8 595	
Personal savings	40 303		44 025	

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.

Canada: Statistics Canada, National Income and Expenditure Accounts, Annual Estimates 1982-1993, 13-201.

TABLE 4- GDP (Income basis) for Nunavik and Canada (at current prices)

Nunavik:	1983			1991		
	\$000	%	% of net inc.	\$000	%	% of net inc.
Labour income	51 550,7	76,2	83,0	113 803,5	73,8	86,3
Native	22 136,2	32,7	35,6	53 878,4	35,0	40,9
Non-Native	29 414,5	43,5	47,3	59 925,1	38,9	45,5
Corporate profits, interest & Investment income	10 573,5	15,6	17,0	17 996,7	11,7	13,7
Net domestic income at factor cost	62 124,2	91,8	100,0	131 800,2	85,5	100,0
Capital consumption allowances	3 472,8	5,1		1 299,2	0,8	
Indirect taxes, less subsidies	2 096,2	3,1		21 051,7	13,7	
GDP at market price	67 693,2	100,0		154 151,1	100,0	

Canada:	1983			1991		
	\$000 000	%	% of net inc.	\$000 000	%	% of net inc.
Labour income	221 800	54,7	70,1	381 645	56,6	74,7
Corporate profits, interest & Investment income	94 475	23,3	29,9	129 095	19,1	25,3
Net domestic income at factor cost	316 275	78,0	100,0	510 740	75,7	100,0
Capital consumption allowances	47 060	11,6		81 622	12,1	
Indirect taxes, less subsidies	40 135	9,9		79 985	11,9	
Statistical discrepancy	2 247	0,6		2 419	0,4	
GDP at market price	405 717	100,0		674 766	100,0	

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.

Canada: Statistics Canada, National Income and Expenditure Accounts, Annual Estimates 1982-1993, 13-201.

TABLE 5- Government expenditures by types, for Nunavik and Canada, net of transfer payments between levels (at current prices)

Nunavik:	1983			1991		
	\$000	%	\$ per capita	\$000	%	\$ per capita
Expenditures on goods and services	62 817,7	58,2	9 972,6	147 680,3	66,4	19 196,7
Investment	31 900,1	29,6	5 064,3	58 782,2	26,4	7 641,0
Transfers to persons	11 857,3	11,0	1 882,4	15 740,1	7,1	2 046,0
Transfers to corporations	1 366,0	1,3	216,9	319,6	0,1	41,5
Total	107 941,1	100,0	17 136,2	222 522,2	100,0	28 925,3

Canada:	1983			1991		
	\$000 000	%	\$ per capita	\$000 000	%	\$ per capita
Expenditures on goods and services	84 571	52,6	3 322,2	144 436	52,0	5 136,8
Investment	10 350	6,4	406,6	16 397	5,9	583,1
Transfers to persons	49 947	31,1	1 962,1	98 387	35,4	3 499,1
Transfers to corporations	14 675	9,1	576,5	15 886	5,7	565,0
Transfers to non-residents	1 194	0,7	46,9	2 690	1,0	95,7
Total	160 737	100,0	6 314	277 796	100,0	9 879,7

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.

Canada: Statistics Canada, National Income and Expenditure Accounts, Annual Estimates 1982-1993, 13-201.

TABLE 6- Government expenditures by levels, for Nunavik and Canada including transfer payments between levels (at current prices)

Nunavik:	1983			1991		
	\$000	%	\$ per capita	\$000	%	\$ per capita
Federal	47 439,3	23,5	7 531,2	51 813,8	13,1	6 735,2
Provincial	94 039,4	46,6	14 929,3	197 282,2	49,8	25 644,4
Regional	43 355,2	21,5	6 882,9	83 903,2	21,2	10 906,4
Local	17 110,1	8,5	2 716,3	63 275,1	16,0	8 225,0
Total	201 944,0	100,0	32 059,7	396 274,3	100,0	51 511,0

Canada:	1983			1991		
	\$000 000	%	\$ per capita	\$000 000	%	\$ per capita
Federal	77 215	38,2	3 033,3	133 466	37,7	4 746,6
Provincial	81 025	40,1	3 182,9	142 332	40,2	5 062,0
Local*	43 865	21,7	1 723,2	78 087	22,1	2 777,1
Total	202 105	100,0	7 939	353 885	100,0	12 586

Sources: Nunavik: Duhaime, 1987; Robichaud, 1994.

Canada: Statistics Canada, National Income and Expenditure Accounts, Annual Estimates 1982-1993, 13-201.

* Including regional and local administrations and hospitals.

TABLE 7- Transfer payments between levels of government for Nunavik (\$000 at current prices)

Incomes to:	Expenses from:				
	Local	Regional	Provincial	Federal	TOTAL
1983					
Local	19,5	1 862,0	13 690,4	250,7	15 822,6
Regional	0,0	357,9	42 869,7	432,7	43 660,3
Provincial	0,0	0,0	82,5	34 115,2	34 197,7
Federal	0,0	0,0	0,0	3,5	3,5
TOTAL	19,5	2 219,9	56 642,6	34 802,1	
1991					
Local	0,0	2 404,3	56 219,8	277,6	58 901,7
Regional	0,0	1 106,0	81 983,0	1 741,9	84 830,9
Provincial	0,0	0,0	152,8	29 338,8	29 491,6
Federal	0,0	0,0	0,0	3,2	3,2
TOTAL	0,0	3 510,3	138 355,6	31 361,5	

Sources: Duhaime, 1987; Robichaud, 1994.