Land Claim Settlements and their Impacts:
Regional Dynamics and Bottom-Up Economic Development in Nunavik and Nunatsiavut (Canada)

vorgelegt von

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Erklärung


 Ort, Datum  Unterschrift
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<td>ACOA</td>
<td>Atlantic Canada Opportunities Agency</td>
</tr>
<tr>
<td>ACUNS</td>
<td>Association of Canadian Universities for Northern Studies</td>
</tr>
<tr>
<td>AFN</td>
<td>Alaska Federation of Natives</td>
</tr>
<tr>
<td>AHDR</td>
<td>Arctic Human Development Report</td>
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<td>AMAP</td>
<td>Arctic Monitoring and Assessment Programme</td>
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<tr>
<td>ANCSA</td>
<td>Alaska Native Claims Settlement Act</td>
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<tr>
<td>CAD</td>
<td>Canadian Dollar</td>
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<tr>
<td>CBC</td>
<td>Canadian Broadcasting Corporation</td>
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<td>CCI</td>
<td>Canadian Circumpolar Institute</td>
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<td>CEEP</td>
<td>Community Enhancement Employment Program</td>
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<td>CIBC</td>
<td>Canadian Imperial Bank of Commerce</td>
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<td>CLCA</td>
<td>Comprehensive Land Claim Agreement</td>
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<td>DAAD</td>
<td>Deutscher Akademischer Austausch Dienst (German Academic Exchange Service)</td>
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<td>Distant Early Warning Line</td>
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<td>DKK</td>
<td>Danish Krones</td>
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<td>Division of Northern Labrador Affairs</td>
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<td>Desgagnés Transarctik Inc.</td>
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<td>GDP</td>
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<tr>
<td>ICA</td>
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<td>ICC</td>
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<td>International Labour Organization</td>
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<td>INAC</td>
<td>Indian and Northern Affairs Canada</td>
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<td>IPSSAS</td>
<td>International PhD School for Studies on Arctic Societies</td>
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<td>IPY</td>
<td>International Polar Year</td>
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<td>IRA</td>
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<td>ITK</td>
<td>Inuit Tapiriit Kanatami (previously: ITC: Inuit Tapiriit of Canada)</td>
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<td>IWGIA</td>
<td>International Work Group on Indigenous Affairs</td>
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<td>Nunavik Financial Services Corporation</td>
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<td>Nain Inuit Community Government</td>
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<td>Permanent Forum on Indigenous Issues (United Nations)</td>
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<td>Department of Rural, Agricultural and Northern Development</td>
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<td>Royal Commission on Aboriginal Peoples</td>
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<td>RCMP</td>
<td>Royal Canadian Mounted Police</td>
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<td>TFPCS</td>
<td>Torngat Fish Producers Cooperative Society</td>
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<td>TMNP</td>
<td>Torngat Mountain National Park</td>
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<td>TSI</td>
<td>Torngait Services Inc</td>
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<td>TTI</td>
<td>Taqramut Transport Inc.</td>
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<td>TUC</td>
<td>Torngait Ujaganniavingit Corporation</td>
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<td>UN</td>
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<td>U.S.</td>
<td>United States (of America)</td>
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<td>WGIP (UN)</td>
<td>UN Working Group on Indigenous Populations</td>
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1 Development Approaches in the Arctic Context

Human development in the Arctic has undergone dramatic changes in the last four decades affecting northern communities and societies. Adapting to these changes has been a challenge for northern indigenous people and their traditional culture, knowledge, lifestyles and living conditions. Current and future effects of climate change on their traditional land will even intensify these challenges in the future. The international discussion on the rights of indigenous people since the 1970s and more recently the increased research as well as education and outreach activities during the Fourth International Polar Year (IPY) (2007-2008) have contributed fundamentally to raising awareness on these issues in science, politics, media and the general public.

A shift in the approach to development in the Arctic can be observed since the 1950s. Top-down development, triggered and controlled by stakeholders from outside the Arctic dominated this process at the beginning through increased natural resource exploitation, military activities during the Second World War and the subsequent Cold War Period, as well as increased influence from national governments through the creation of permanent settlements and the provision of health, educational and social services. Since the 1970s, growing political influence of indigenous peoples and the reaffirmation of indigenous rights by politics and courts have resulted in a bottom-up approach to development, giving northern indigenous peoples the ability to shape their future from within their region. The signing of regional agreements regarding land and self-government rights all across the Arctic is seen as a result of this development.

This project intends to show the basis of these bottom-up approaches in the Arctic and will then describe the regional dynamics and local impacts caused by them in two specific Canadian Arctic regions: Nunavik and Nunatsiavut.

1.1 Definition of the Arctic Region

The Arctic region or Circumpolar North extends over an area of about 40 million square kilometers or eight percent of the Earth’s surface (YOUNG and EINARSSON 2004: 18). Defining the exact southern boundary of this region has proven to be a challenge for scientists over the years as depending on the criteria used it changes considerably.
There are a number of physical geographical characteristics that can be used, like the 10°C July isotherm, the treeline or the Arctic Circle (66°32’51” North) (WÜTHERICH and THANNHEISER 2002: 11) (Map 1).

The Arctic Monitoring and Assessment Programme (AMAP), one of the five Working Groups of the Arctic Council, has defined the Arctic as the “terrestrial and marine areas north of the Arctic Circle (66°32’N), and north of 62°N in Asia and 60°N in North America, modified to include marine areas north of the Aleutian chain, Hudson Bay, and parts of the North Atlantic Ocean including the Labrador Sea” (Arctic Monitoring and Assessment Programme 2003) (Map 1). While these definitions seem logical when
describing natural processes in the Arctic, they have proven to be difficult in cultural, political and economic terms.

Using political and administrative criteria, the Arctic encompasses the northern portions of eight nation states: United States (Alaska), Canada, Denmark (Greenland), Iceland, Norway, Sweden, Finland and Russia (DAHL 1993: 103). In most of these states, the political, demographic and economic centre is situated outside the Arctic regions, causing several developmental challenges (YOUNG and EINARSSON 2004: 17). For the purpose of this dissertation, the definition of the Arctic Human Development Report (AHDR) published by the Stefansson Arctic Institute in 2004 is used, defining the Arctic as “all of Alaska, Canada, North of 60°N together with northern Quebec and Labrador, all of Greenland, the Faroe Islands, and Iceland, and the northernmost counties of Norway, Sweden and Finland” (YOUNG and EINARSSON 2004: 17) (Map 1). In Russia it comprises the Republics of Karelia and Komi, the Murmansk and Arkhangelsk Oblasts, the Yamalo-Nenets, and Khanty-Mansi Autonomous Okrugs, the Taimyr and Evenkia former Autonomous Okrugs, the Republic of Sakha, the Magadan Oblast, and the Chukotka and Koryakia Autonomous Okrugs (GLOMSROD 2006: 9).

1.2 Arctic Indigenous Peoples: The Inuit and Their Homeland

Of the 10 million inhabitants of the Arctic region, about 70 percent are living in the Russian Federation. Not even four percent of the total Arctic population is indigenous with the majority living in Alaska, Arctic Canada and Greenland (DUHAIME and CARON 2008: 11). The exact number of indigenous people living in the Arctic is, however, very hard to determine, as official statistics from several Arctic countries do not identify indigenous peoples specifically. There is no internationally accepted official definition of the term “indigenous peoples”. The United Nations usually refers to the definition of Special Rapporteur José Martinez Cobo taken from his Study on the Problem of Discrimination against Indigenous Populations in 1971: “Indigenous communities,  

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1 Norway, Finland and Sweden do not register Saami as an ethnicity in their official statistics. Greenlandic statistics only distinguish between people born inside and outside of Greenland, however people born in Greenland are mostly considered to be Inuit. In the US Census, indigenous people are defined as American Indians and Alaska Natives. The Canadian Census distinguishes between Inuit, First Nations and Métis and in Russia, the census identifies the Saami, Nenets, Khanty, Sel’kup, Enets, Nganasan, Dolgan, Evenk, Even, Yukagir, Chukchi, Chuvan and Eskimo/Inuit-Yupik as indigenous people (BOGOYAVLENSKIY and SIGGNER 2004: 29).
peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts of them. They form at present non-dominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal systems. [...] On an individual basis, an indigenous person is one who belongs to these indigenous populations through self-identification as indigenous (group consciousness) and is recognized and accepted by these populations as one of its members (acceptance by the group)” (HANNUM 1996: 89).

The Inuit, who will be the main focus of this project, are spread today over four countries: Canada, USA (Alaska), Denmark (Greenland) and Russia (Autonomous Republic of Chukotka). Their total number in 2007 was estimated to be around 155,000 (Inuit Tapiriit Kanatami / Inuit Circumpolar Council Canada 2007: 16). The term “Eskimo” previously used especially by non-Inuit for these peoples was largely replaced in recent decades due to its derogatory nature. It allegedly derived from the neighbouring Algonquin and meant “eater of raw meat” (BJERREGAARD and YOUNG 1998: 13; KAPLAN 1999; CREERY 1994: 105). “Inuit” meaning “the people” is the preferred term in Canada today (CREERY 1994: 105). According to BERGER (2006), it “refers to the Inuvialuit and Copper Inuit in the western Arctic, the Netsilik and Caribou Inuit of the central Arctic, the Iglulik and Baffinland Inuit of the eastern Arctic, the Ungava Inuit of northern Quebec, and the Labrador Inuit” (BERGER 2006: 5). In Greenland the Inuit population uses the terms “Greenlanders” or “Kalaallit” (KAPLAN 1999; McGHEE 1996: 5; CREERY 1994: 105). Alaska Inuit groups are the Inupiat and Yup’ik. The latter also live on the Chukotka Peninsula in Russia (BJERREGAARD and YOUNG 1998).

2 Russia for example uses a different definition for its indigenous people saying “the people living in the regions of the north, Siberia, and the Far East on the territory of traditional occupancy of their ancestors, maintaining traditional ways of life, economy and trades; numbering less than 50 thousand persons, and considering themselves distinct ethnic communities.” (Russia 2000, §1 in FONDAHL, G. and G. POELZER 2003: 112)
1. Development Approaches in the Arctic Context

Map 2: Inuit Nunaat

The Canadian Inuit homeland “Inuit Nunaat” (Map 2) encompasses four artificially created regions or land claim settlement areas: Nunavik, Nunatsiavut, Nunavut and the Inuvialuit Region, almost one third of Canada’s land mass (Inuit Tapiriit Kanatami 2004: 2). Although traditionally various Inuit groups have lived in these areas, the creation and naming of these regions is a result of the land claims process and the signing of land claim and self-government agreements with the Canadian Government in the last four decades (Chapter 2.2.3).

1.3 Development Theory in the Arctic Context: The Bottom-up Approach

According to WEISSLING (1989), “development consists of directed strategies and programs implementing ways and means to improve living standards, processes that,
whether formal policy or not, lead to change in a people’s societal and economic structures, and *theories* that seek to explain and/or predict why and how strategies and processes affect any given target population” (WEISSLING 1989: 209).

Especially during the middle of the 20\textsuperscript{th} century, top-down development strategies and programs to improve living standards of indigenous peoples and other “less developed” peoples in the world had a major impact but have largely failed, “often damaging their traditional economies leaving communities less self-reliant and therefore worse off than before” (ANDERSON, CAMP II, DANA, HONIG, NKONGOLO-BAKENDA and PEREDO 2005: 106).

Several theories have been developed since the 1940s, to explain development processes and the reasons for these failures as well as the general differences in development worldwide. POTTER, BINNS, ELLIOTT and SMITH (1999) define development theories as “sets of apparently logical propositions, which aim to explain how development has occurred in the past, and/or should occur in the future” resulting in various development strategies that are “practical paths to development which may be pursued by international agencies, states in the First, Second and Third Worlds, non-governmental organizations and community-based organizations, in an effort to stimulate change within particular nations and regions and continents” (POTTER, BINNS, ELLIOTT and SMITH 1999: 43).

There are several similarities but also differences between development processes in the Arctic and in developing countries. And although development theories are usually discussed in the context of developing countries, they can be transferred to Arctic settings as well. Both are located at the periphery. According to HUSKEY and MOREHOUSE (1992) peripheries or remote regions are “physically, economically, and political distant from centers of wealth and power; they are culturally or ethnically diverse and sparsely settled; and they exhibit extreme limits on their autonomy, self-sufficiency and welfare” (HUSKEY and MOREHOUSE 1992: 128). As a periphery both regions are reliant on a powerful core, which in the case of the Arctic is mostly located outside the Arctic. MÜLLER-WILLE (1987) described that “…relations between the South and North are continuing to be ones between core and periphery, an extension of colonial attitudes that cater to the political and economic needs and goals of the ‘mother country’ or core. In that way, the circumpolar North shows similar characteristics to those of Third World countries or developing areas throughout the world, although its individual regions are integral parts of modern industrialized nation-states” (MÜLLER-WILLE 1987: 352).
However, the biggest difference to developing countries is that Arctic regions in most parts are not independent nations but rather parts of “large, complex, democratic nation-states that have elaborate constitutional-legal systems, rich economies, and overarching, dominant cultures (HUSKEY and MOREHOUSE 1992: 129). In an attempt to incorporate this difference, several authors in the 1970s and 1980s like MANUEL and POSLUNS (1974), MÜLLER-WILLE and PELTO (1979), WEISSLING (1989) and MÜLLER-WILLE (1990) therefore developed the concept of the Fourth World for regions like the Arctic, that is “countries or regions that have people who are enclaved indigenous minorities within larger dominant societies [that] live within developed, industrialized nations, and although citizens of those nations, they have minority representation and are governed at least federally by non-indigenous people” (WEISSLING 1989: 209).

Central element to development in the Arctic is the traditional lands and the rights to use the resource on these lands. Despite growing influence from non-indigenous “southern” cultures, the traditional lifestyle, culture and economy still plays a large role among the indigenous people of the Arctic and they continue to rely on their traditional land and its natural resources. They consider the land as their homeland on which they had lived before European interest reached them and which they had adapted to over thousands of years. It has become inseparable from their culture and their nation’s identity (YOUNG and EINARSSON 2004: 22; DAHL 1993: 103; ANDERSON, CAMP II, DANA, HONIG, NKONGOLO-BAKENDA and PEREDO 2005: 106). They also consider the land and its resources the foundation upon which they want to rebuild the economies of their nations (ANDERSON, CAMP II, DANA, HONIG, NKONGOLO-BAKENDA and PEREDO 2005: 106).

A result of this vision of their traditional lands and its present and future use is that since the middle of the 20th century, indigenous people are getting increasingly caught between the interests of mostly non-indigenous and non-Arctic interests in the Arctic region, who see the Arctic as a resource frontier or a “storehouse of natural resources of interest to industrialized societies to the south” (YOUNG and EINARSSON 2004: 22). This vision has governed political and economic development for a long time during the 20th century. Up until the 1970s, development projects mainly focused on harvesting the many natural resources of this remote region like oil, gas and minerals. Any impact on or rights of the local indigenous population were ignored. With the increased political participation and legal recognition of indigenous people this changed over the last four decades allowing for more participation and benefits for indigenous people from these resource development projects (Chapter 2).
This change in approach to development is part of a general change of viewpoint observed in development theories since the 1950s. Early perspectives of development theories mainly focused on promoting economic growth and analyzing how to measure it. In the 1950s and 1960s, however, with growing disparities between industrialized and non-industrialized countries, development theories started to include social and economic structures within the developing countries that caused these inequalities (WEISSLING 1989: 210). Two different approaches to development emerged during this time:

The modernization theory stated that inequalities in development between developed and developing countries can be overcome on an “imitative basis” (POTTER, BINNS, ELLIOTT and SMITH 1999: 46). ROSTOW (1953) for example suggested a series of stages that a developing country or region passes through, disposing of traditional ways of living and becoming a modern and prosperous state. The terms ‘modernization’ and ‘development’ were used as synonyms. Key to measuring the quality of life was believed to be monetary income and economic growth (ANDERSON, CAMP II, DANA, HONIG, NKONGOLO-BAKENDA and PEREDO 2005: 110). In this school of thought, underdevelopment is seen as the result of traditional internal factors as part of the culture, society, demography and economy within the developing countries (SCHOLZ 2004: 81; HUSKEY and MOREHOUSE 1992: 129). “New values, norms, institutions, and organizations had to be introduced to transform the old social order. Elements of traditional societies that constitute obstacles to modernization had to be replaced” (BROHMANN 1996: 20). Reducing these deficits by using help from the outside in the form of technical, financial and economic cooperation will mobilize internal forces and will lead to a dynamic development process (KULKE 2008: 210, SCHOLZ 2004: 81).

As a contrasting approach, dependency theory emerged in the 1960s and 1970s, after it became clear that the modernization approach had failed. Colonialism was considered one of the major contributors to the continuing social and economic problems of the “developing countries” (WEISSLING 1989: 210; ANDERSON, CAMP II, DANA, HONIG, NKONGOLO-BAKENDA and PEREDO 2005: 111). Dependency theory stated that the conditions in developing countries are not the result of their internal factors but rather reflect how they had been integrated into the global capitalist system (POTTER, BINNS, ELLIOTT and SMITH 1999: 63). Underdevelopment results from development controlled by Western capitalists meaning “that the periphery (or satellite) was doomed to underdevelopment because of its linkages to the core(s)” (WEISSLING 1989: 210). The continuation of external influence (e.g. through development aid) does not lead to overcoming but rather to a consolidation of the structures that were created top-down from
the outside (SCHOLZ 2004: 83; HUSKEY and MOREHOUSE 1992: 129). Only an end or overcoming of this deformation will lead to an end of the dependency (POTTER, BINNS, ELLIOTT and SMITH 1999: 63; SCHOLZ 2004: 84).

Over the last few decades, both, modernization and dependency theories, have converged but still kept their distinctive focus (HUSKEY and MOREHOUSE 1992: 129). However, starting in the 1970s, these theories and their top-down approach to development were increasingly criticized as reality showed no improvement in the living conditions in developing countries (POTTER, BINNS, ELLIOTT and SMITH 1999: 67, SCHOLZ 2006: 104).

An alternative is the bottom-up approach or development from below developed in the 1980s\(^3\) (POTTER, BINNS, ELLIOTT and SMITH 1999: 68; WEISSLING 1989: 209). “These concepts grew out of the argument that capital-intensive development strategies relying on export oriented growth leaves rural residents open to the uncertainties and negative consequences of price fluctuations, declining terms of trade, and the unreliability of food import and distribution systems” (WEISSLING 1989: 209). This development approach supports economic systems that are controlled by the local population. Development and change has to come from within the communities and has to spread from the small communities in the periphery of a region to the regional centres (SCHOLZ 2006: 105). By increasing the power of the local communities they “identify a common objective and focus on specific issues related to their basic needs” (SAKU 2004: 258).

STÖHR (1981) named several criteria for enacting development from below: “broad access to land; a territorially organized structure for equitable communal decision-making; granting greater self-determination to rural areas; selecting regionally appropriate technology; giving priority to projects which serve basic needs; introduction to national price policies; external resources only used where peripheral ones are inadequate; the development of productive activities exceeding regional demands; restructuring urban and transport systems to include all internal regions; improvement of rural-to-urban and village communications; egalitarian societal structures and collective consciousness” (POTTER, BINNS, ELLIOTT and SMITH 1999: 69)

Regional Agreements regarding land and self-government rights signed with indigenous peoples like the Inuit in the Arctic (Chapter 2) are examples for the bottom-up approach to development. They were made possible on the one hand through an increasing political

\(^3\) Other synonyms for development from below are: agropolitan development, grassroots development and urban-based rural development (POTTER, BINNS, ELLIOTT and SMITH 1999: 68)
participation on the side of the indigenous peoples, and the willingness of the national governments to support development from within the regions. They encourage collective local control over resources and economic development and equip the Inuit with the economic and political power to control their future development. Moreover, the agreements promote the cooperation of economically less viable communities and recognize the importance of local initiatives. Similar to the goal of all development approaches, improving the living standards of the Inuit by providing basic community needs is the main objective of these agreements. Creating this development from below is however facing a number of challenges in the Arctic, among them the remote location, small population base and scattered settlements which cause high costs of production and hinder the economic viability of community-based projects (Chapter 3) (SAKU and BONE 2000a: 264). In 1996, the Royal Commission on Aboriginal People in Canada estimated “the costs to the Canadian economy of the underdevelopment of Aboriginal people and their communities was $7.5 billion” and would increase to $11 billion by 2016 “unless the socioeconomic circumstances of Aboriginal people improve dramatically” (Inuit Tapiriit Kanatami 2004: 2). According to their calculations an improvement of economic development and so a reduction of the economic gap between Aboriginal and non-Aboriginal people by 50 percent within 20 years, would result instead of a $11-billion burden in a $375 million annual contribution to the Canadian economy (Inuit Tapiriit Kanatami 2004: 2).

1.4 Research Question and Purpose of the Study

One of the central purposes of the regional agreements with the Inuit was to create an economic base in order to improve development and initiatives from within the various regions and thus promote economic self-reliance for the Inuit beneficiaries. While on the one hand the Inuit were supposed to be enabled to continue their traditional activities and lifestyle, on the other hand these agreements intended to facilitate their integration into the modern Canadian economy as a way to improve their living conditions and to reduce the high unemployment rates in northern communities (SAKU and BONE 2000b: 294; SAKU and BONE 2000a: 262-263).
This project aims to evaluate the result of this bottom-up development in two of the Canadian Inuit regions – Nunavik and Nunatsiavut. Central focus and research objective of the study will be: what kind of economic bottom-up initiatives have been created within the Inuit regions after the settlement of the regional agreements since the 1970s and what is their impact on a regional and local level? In four parts, this study will examine: What is the basis for this bottom-up development? What regional dynamics influence economic development in Nunavik and Nunatsiavut? What kind of economic bottom-up initiatives are developed in these Inuit regions based on the economic and political benefits gained in the regional agreements? And, what impacts do these initiatives have on the local level?

To begin with, the basis of the bottom-up development is being analyzed. How did the recognition of indigenous rights on the international and national level contribute to that? The struggle of the Inuit to gain political and legal recognition of their traditional rights to land and self-government in the form of agreements with their national governments is part of a larger discussion on indigenous rights held on the international level since the 1970s. Which events led to this international discussion and how did it evolve? Who are the stakeholders involved and what are the results? This international discussion on the rights of indigenous people not only gained support among individual national governments but also resulted in criticism and sometimes even rejection. In the Arctic, each national government has developed a unique way of solving the question of indigenous claims to land and self-government. What different approaches did three of the nations that are home to the Inuit – United States of America (Alaska), Denmark (Greenland) and Canada – take in settling the Inuit claims to land and self-government? Why did these states agree to negotiate indigenous rights with the Inuit? What types of agreements have been reached and what do they contain?

After establishing these basic conditions that enhanced bottom-up development in the Arctic since the middle of the 20th century, the study will focus on two regional case studies – Nunavik and Nunatsiavut in Canada – and the regional dynamics triggered through the settlement of land and self-government claims with the Inuit. Both regions show the characteristics of all Arctic economies and so an understanding of some of the realities that have to be faced by economic initiatives in such remote regions is necessary.

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4 A detailed analysis and comparison of bottom-up development in all Arctic Inuit regions is desirable but well beyond the possibilities of this study.

5 This chapter focuses on the United States (Alaska), Denmark (Greenland) and Canada. The Russian Yup’ik will not be included in this discussion as developments in their country towards recognizing indigenous rights are completely different.
What are the challenges faced by business initiatives regarding the market, local labour force, infrastructure and available support services? What characterizes the economy in Nunavik and Nunatsiavut? What is the role that traditional culture and subsistence activities play? What causes the importance of the public sector for the regional economy and how do the regional residents benefit from it? Nunavik and Nunatsiavut have, similar to other Arctic regions been seen as resource frontiers for many centuries, leading in the 20th century to a very strong mining sector dominating the regional economic output. What kinds of mechanisms are created in the mining sector that allow for a regional participation and economic benefits for the communities and residents from this externally controlled activites?

The settlement of land and self-government claims with the Inuit in Nunavik and Nunatsiavut has provided them with a variety of development tools. The James Bay and Northern Québec Agreement, Labrador Inuit Land Claim Agreement and Nunavik Inuit Land Claim Agreement contain many economic benefits like monetary compensations that enhance bottom-up business initiatives in the private sector of both regions. Businesses have been created for 40 years on a small scale by local entrepreneurs as well as on a larger scale in the form of cooperatives and ethnic corporations on the regional and community level. What lead to their creation? What kind of economic sectors do they participate in? What kind of support mechanisms are in place for especially smaller businesses? How do the businesses contribute to the local economy and the local labour market? Are employment opportunities created through them that allow for direct benefits of the residents? Tourism has been identified in this regard as an economic sector that allows for the most regional influence. Since when do the regional stakeholders invest in tourism? What impact of tourism is already noticeable in Nunavik and Nunatsiavut and what are the potential areas that regional businesses can invest in? What influence does the creation of national parks in both regions have on tourism and how can regional businesses benefit from them?

The last part of the study analyzes the impacts of these bottom-up initiatives on the community-level. The two regional centres Kuujjuaq (Nunavik) and Nain (Nunatsiavut) have been selected for this analysis. What effects are visible on the community-level? What impact do the bottom-up initiatives have on the community labour market? What are the main employers in these two communities? How do these newly created opportunities enhance existing and create new employment opportunities on the community-level? As both are the largest communities in their region, with the unique situation of a strong public administration sector and the presence of many services and infrastructure not
available in other communities in Nunatsiavut and Nunavik, the development of Nain and Kuujjuaq is not comparable with that of other regional communities.

1.5 Methodology and Data Collection

a) Data Collection

The data for this project was collected in two ways. First, an intensive literature review had been conducted both, on the internet and in libraries with a special polar focus. Partly funded through a fellowship of the German Academic Exchange Service (Deutscher Akademischer Austausch Dienst – DAAD) polar libraries had been visited in Canada and Denmark: the Circumpolar Library Collection at the University of Alberta in Edmonton, Canada, a special library founded by the Canadian Circumpolar Institute (CCI) with more than 300,000 publications on the Arctic region in September 2007 and May / June 2008; and the Polarbibiothek of the Danish Polar Centre (closed in 2009) and the Institute for Eskimology and Arctic Studies of the University of Copenhagen in August 2008.

Second, a field work phase in Nunavik and Nunatsiavut was completed between June and August 2008, partly funded by the German Academic Exchange Service (Deutscher Akademischer Austausch Dienst – DAAD). Three communities were chosen as the main focus for the fieldwork: Kuujjuaq and Kangirsuk in Nunavik as well as Nain in Nunatsiavut. Due to a weather-related change in travel, the other four Nunatsiavut communities (Hopedale, Makkovik, Postville and Rigolet) were visited briefly by ship. Other interviews during the fieldwork phase were conducted in Montreal (Canada), Ottawa (Canada), Goose Bay (Canada) and Nuuk (Greenland; during the 6th International Congress of Arctic Social Sciences).

A research permit for Nunatsiavut had been issued by the Nunatsiavut Government in July 2008. The terms of the research permit require the author to hand in a copy of this dissertation to the Nunatsiavut Government as well as a copy of all pictures taken during the stay in Nunatsiavut (the author will be credited for their use). The author also agreed to an interview at the local radio station OKalaKatiget Society to inform the residents of Nunatsiavut about the research project. In Nunavik, no research permit was necessary but the local Inuit organizations and administration had to be informed about the research project.
In addition, a PhD seminar (4th International Ph.D School for Studies on Arctic Societies IPSSAS – Self-Governance in the Arctic Societies: Dynamics and Trends) was attended in Kuujjuaq, Canada in May 2006. The seminar provided a possibility to exchange research ideas between the nine PhD candidates and 14 faculty members and guest attending. The two-day Sivunivut Forum organized by Makivik Corporation as part of the seminar, provided a wealth of information and insight into regional and local matters in Nunavik related to the self-government negotiations in Nunavik that contributed to the understanding of the Nunavik part of this project. Guest speakers from all major Nunavik organizations (Kativik Regional Government, Kativik School Board, Nunavik Regional Board on Health and Social Services) as well as community representatives from all Nunavik communities attended the forum.

Feedback and information was also gained through the attendance six international conferences during the research phase (8th International Association of Canadian Universities of Northern Studies (ACUNS) Student Conference on Northern Studies in 2007, 6th International Congress of Arctic Social Sciences in 2008, 9th International ACUNS Student Conference on Northern Studies and Polar Regions in 2009, Arctic Frontiers 2010, IPY Oslo Science Conference 2010 and the 24th International Polar Meeting of the German Society of Polar Research 2010).

\textit{b) Interviews}

The author conducted 40 interviews during the fieldwork phase and after with representatives of national, regional and local Inuit organizations, regional and local administrations in Kuujjuaq and Nain, scientists as well as business owners in Kuujjuaq, Kangirsuk and Nain.

Semi-structured interviews were used with scientists as well as representatives of national, regional and local Inuit organizations and regional and local administrations. While a number of questions related to regional economic and political development were similar with all interviewees, the majority of questions were open and flexible and specifically directed to the interviewee’s professional position within the organization interviewed. These interviews were conducted between June and August 2008.

Standardized interviews were used for businesses in Kuujjuaq, Kangirsuk and Nain to be able to get comparative results. These interviews were kept short to about five to ten minutes per interviewee and contained questions on the business itself, business support as well as the relationship and viewpoint of the owner towards the traditional economy and
future economic opportunities in the communities (Appendix 2). The interviews with the business owners were conducted in July and August 2008 (Appendix 1).

A source for identifying businesses in the three Kuujjuaq, Kangirsuk and Nain were business lists provided by the local or regional administrations:

- **Nunavik Regional and Private Business Directory** from November 2007 published by the *Research and Economic Development Department* des *Kativik Regional Government* in Kuujjuaq

- **Information Directory** for the town of Nain in Nunatsiavut from July 2008

- **Nunatsiavut Business Directory** of the Nunatsiavut Business Centre Inc

In both regions, not all business owners were present during the fieldwork period and some were not interested in participating in the survey. The attitude towards the interviews was different in Nunatsiavut than in Nunavik. An explanation might be the fact that there is less research activity in Nunatsiavut and research activities are controlled by the Nunatsiavut Government through research permits.

The community of Nain and its community infrastructure and businesses were also mapped. A handdrawn scetch provided by the Nain Inuit Community Government served as the basis. Determining the location of the small businesses in Nain proved a challenge, as no street address of their business location was available and businesses were not all the time marked with signs. The community is so small that this is not considered necessary, a occurrence seen in most northern communities. Not all of the businesses in Nain could be located in this study. In Kuujjuaq, an updated city map of the local tourists information (Nunavik Tourism) was available.

c) **Statistics Data**

The availability of statistical data to analyze current demographic and economic factors is a challenge. Statistics Canada, the national statistics agency in Canada, conducts a census every five years, the last one being from 2006. However, the census areas do not align with Nunavik and Nunatsiavut. Both regions are integrated into larger census areas which makes the identification of data regarding the two regions difficult. Community profiles with statistical data on Aboriginal people, education, family and households, immigration and citizenship, income and earnings, labour, language, language at work, mobility and migration, place of work, population and visible minorities are available for each community, but no such information is available for the regions as a whole. Regional
values are only available in the Aboriginal community profile which only includes aboriginal people. The non-aboriginal part in the region is not included in this.

In general, the availability of statistical data for Nunavik is better than for Nunatsiavut. Important sources are economic analyses that have been carried out in Nunavik by researchers from Laval University (e.g. DUHAIME) as well as the Kativik Regional Government (KRG) over the last few decades. In 1995, 1998 and 2005 specific studies have been conducted by KRG on the development of the labour force in Nunavik.

In Nunatsiavut the situation is different. Besides data in the community profiles and Aboriginal community profiles published by Statistics Canada hardly any recent data is available. As the Nunatsiavut Government is still in the process of setting up its administration, no studies on labour force characteristics have been conducted yet. The most recent analysis on “Renewable Resource Use and Wage Employment in the Economy of Northern Labrador” was published in 1986 by BRICE-BENNETT for the Royal Commission on Employment and Unemployment, Newfoundland and Labrador. Other authors like TREUDE (1974), TREUDE (1979) and USHER (1982) also provide good statistical analyses with data until the 1980s.

In both Nunavik and Nunatsiavut the current statistical data for the individual communities is derived from Community Profiles and Census Tables published by Statistics Canada for 1996, 2001 and 2006 as well as Community Accounts published by the Newfoundland and Labrador Statistics Agency for 1996, 2001 and 2006. Regional values for “Nunavik” and “Nunatsiavut” in this study are calculated as an average of the individual community values from the sources above for Nunavik⁶ and Nunatsiavut⁷ communities. A statistical error due to Statistics Canada random rounding processes (rounded up or down to a multiple of “5” or “10”) to ensure confidentiality of individual responses is expected.

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⁶ Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsualujjuaq, Kangiqsujuaq, Kangirsuk, Kuujjuaraapik, Puvirnituq, Quaqtaq, Salluit, Tasiujaq, and Umiujaq

⁷ Nain, Hopedale, Makkovik, Postville, Rigolet
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The legal settlement of land and self-government rights with indigenous peoples in the Arctic is not an isolated regional phenomenon but rather part of a worldwide struggle for indigenous rights since the 1970s. Since then, an increasing amount of scientific literature on indigenous issues has led to a growing awareness of the problems of indigenous peoples in politics and in the public worldwide.

2.1 Recognition of Indigenous Rights on the International Level

The international discussion on the rights of indigenous peoples can be divided in several phases, starting in North America and spreading in subsequent phases into Latin America, Australia, Asia and Africa (KRAAS 2002: 11). The debate in North America was initiated by a series of events in the 1960s and early 1970s including an increasing number of reports on bad living conditions of the indigenous population in the 1950s and 60s, the worldwide movement to abolish colonialism in the 1960s, the beginning of the American Indian Movement in the United States in 1968, as well as scientific and media coverage of protests on a statement of the Trudeau Government in Canada on Indian Policy, commonly known as White Paper on Indian Policy in 1969, and protests of the Cree and Inuit in Québec on hydroelectric development plans in their region (1971). This led to a growing self-awareness among indigenous peoples in North America, that some form of political organization would be necessary to improve their situation (MAYBURY-LEWIS 2003: 327; DITTMANN and KRAAS 2002: 71; ABELE 2002: 12). The foundation of many national and international indigenous organizations can be dated around this time, including the Inuit Tapirisat of Canada (today: Inuit Tapiriit Kanatami) in 1971 and the Inuit Circumpolar Conference in 1977 (Inuit Tapiriit Kanatami 2005; Inuit Circumpolar Conference 2003; ABELE 2002: 12).

The United Nations contributed substantially to the international discussion. In 1982, a Working Group on Indigenous Populations (WGIP) was established on the lowest level of

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8 An earlier version of this chapter has been published in FUGMANN 2008: 76-80
the United Nations human rights organizations (International Work Group for Indigenous Affairs n.d. a). Indigenous organizations even without consultative status with the UN Economic and Social Council (ECOSOC) gained unlimited access to this working group and were able to bring forward their problems and proposals (Office of the UN High Commissioner for Human Rights 1996 – 2006a: 2). The Inuit Circumpolar Conference was participating actively in the WGIP starting in 1984 (SAMBO 1992: 30). Among others, the task of the WGIP is the collection of information about indigenous peoples’ issues, and between 1985 and 1993, the drafting of a UN Declaration on the Rights of Indigenous Peoples (Office of the UN High Commissioner for Human Rights 1996 – 2006a: 2).

Even prior to the WGIP, the International Labour Organization (ILO), a specialized agency of the United Nations, was the first organization focusing on indigenous issues in a comprehensive way by publishing two important conventions. The Indigenous and Tribal Populations Convention No. 107 from 1957 still reflected the common view of the 1940s and 1950s, concentrating on assimilation, integration and non-discrimination of indigenous and tribal peoples, but also recognized collective and individual land rights, indigenous traditional legal systems “and the right to compensation for land taken by the government” (HANNUM 1996: 93). A revision of the convention was conducted starting in 1987 in which the representative of the Inuit Circumpolar Conference became the “spokesperson on behalf of all indigenous peoples participating in the revision process and led the battle against Canada and other governments” in the discussion on the terms “peoples” versus “populations” (SAMBO 1992: 30). In 1989 the ILO adopted the Indigenous and Tribal Peoples Convention No. 169, which was at that time the most detailed and legally binding instrument on indigenous peoples’ rights, establishing “minimum standards with respect to the civil, political, social and economic rights of indigenous and tribal peoples” (QUANE 2005: 655; Office of the UN High Commissioner for Human Rights 1996 – 2006b: 3). Only 17 countries (Argentina, Bolivia, Brazil, Colombia, Costa Rica, Denmark, Dominica, Ecuador, Fiji, Guatemala, Honduras, Mexico, Netherlands, Norway, Paraguay, Peru, Venezuela) ratified this Convention but “its impact extends beyond these states due to its influence on the funding policies of several development banks” (International Labour Organization 2005; QUANE 2005: 656).

Further recognition of indigenous peoples’ issues was achieved by the declaration of the International Year of the World’s Indigenous Peoples (1993) by the United Nations, and after recommendations of the World Conference on Human Rights in Vienna that same year, the declaration of the first International Decade of the World’s Indigenous Peoples (1995 – 2004) by the UN General Assembly (Office of the UN High Commissioner for
2. Basis for Bottom-Up Development: Regional Agreements with the Inuit in the Arctic

Human Rights 1996 – 2006c: 6; DAHL 2004: 9). The goal of the Decade was the “strengthening of international cooperation for the solution of problems faced by indigenous peoples in such areas as human rights, the environment, development, education and health” (DAHL 2004: 9). Two concrete major objectives were the:

- establishment of a Permanent Forum on Indigenous Issues by the UN Economic and Social Council (ECOSOC). After extensive discussions, this highest UN human rights organ dealing with indigenous issues was created in 2000 with the mandate to discuss indigenous issues related to economic and social development, culture, the environment, education, health and human rights (International Work Group on Indigenous Affairs n.d. b). The Permanent Forum has an advisory role for the UN ECOSOC and indigenous organizations even without consultative status with the UN ECOSOC have permission to take part in its meetings as observers (Office of the UN High Commissioner for Human Rights 1996 – 2006 d: 2)

- adoption of the Declaration on the Rights of Indigenous Peoples (DAHL 2004: 9), which was not achieved by the end of the first Decade. The Commission on Human Rights (today: Human Rights Council) established a Working Group on the Declaration in 1995, with the purpose to review the text and send it to the UN General Assembly for adoption. Indigenous organizations even without consultative status with the UN Economic and Social Council had permission to help draft the Declaration in this Working Group (International Work Group on Indigenous Affairs n.d. c).

On September 13, 2007, the Declaration was finally adopted by the United Nations General Assembly. The vote count showed an overwhelming majority of 143 votes in favour of the Declaration. Canada, Australia, New Zealand and the United States were the only countries that voted “no”. Another 11 countries (Azerbaijan, Bangladesh, Bhutan, Burundi, Columbia, Georgia, Kenya, Nigeria, Russian Federation, Samoa, Ukraine) abstained from voting (International Work Group on Indigenous Affairs 2007). Three of the four countries that voted against the declaration have changed their position since then: Australia endorsed the declaration in April 2009, New Zealand in April 2010 and Canada recently endorsed it in November 2010. A month later, even the United States announced a change in its position regarding the Declaration and an intend to support it (UN Permanent Forum on Indigenous Issues 2009; UN Permanent Forum on Indigenous Issues 2010a; UN Permanent Forum on Indigenous Issues 2010b; International Work Group on Indigenous Affairs 2010).
The Declaration on the Rights of Indigenous Peoples is the first UN document which extensively addresses the collective rights of indigenous peoples (VENNE 1998: 115). It contains “minimum standards for the survival, dignity and well-being of the indigenous peoples of the world” (Article 43) (UN Human Rights Council 2006: 72), for example:

- the “right to self-determination” (Article 3);
- the “right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions” (Article 5);
- the “right to belong to an indigenous community or nation, in accordance with the traditions and customs of the community or nation concerned” (Article 9);
- the” right to practice and revitalize their cultural traditions and customs” (Article 11);
- the “right to participate in decision-making in matters which would affect their rights” (Article 18);
- the “right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation, or use, as well as those which they have otherwise acquired” (Article 26);
- the “right to the recognition, observance and enforcement of Treaties, Agreements and Other Constructive Arrangements concluded with States or their successors and to have States honour and respect such Treaties, Agreements and other Constructive Arrangements” (Article 37);
- the “right to have access to financial and technical assistance from States and through international cooperation, for the enjoyment of the rights contained in this Declaration” (Article 39);

(UN Human Rights Council 2006: 58 – 73)

One of the most controversial articles in the Declaration was Article 3. It says “Indigenous peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development” (UN Human Rights Council 2006: 61).

The right to self-determination of peoples, a fundamental principle and right under international law, was first explicitly recognized in 1960 in a de-colonization context in the Declaration on the Granting of Independence to Colonial Countries and Peoples by the UN General Assembly (HANNUM 1996: 34). This Declaration, as well as several other documents in the following years (e.g. International Covenant on Civil and Political Rights
and International Covenant on Economic, Social and Cultural Rights 1966), declares: “All peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development” (HANNUM 1996: 34 and 41). So far the United Nations had been hesitant to extent this right beyond the traditional de-colonization context but the UN process on the rights of indigenous peoples shows that the understanding of the scope of this right may be developing further (HENRIKSEN 2001: 7). The UN Declaration on the Rights of Indigenous Peoples affirms in its preamble that indigenous peoples are equal to other peoples and acknowledges “that the Charter of the United Nations, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights affirm the fundamental importance of the right of self-determination of all peoples” (UN Human Rights Council 2006: 60). As the term “peoples” in international law is closely linked to sensitive political and legal issues, there exists no definition of that term (HENRIKSEN 2001: 8). But if indigenous peoples are identified as “peoples” under international law, then they have the right to self-determination (VENNE 1998: 119).

Self-determination would enable indigenous peoples to control their own destiny and ensure their continued existence as distinct peoples (HANNUM 1996: 95). However, many states are concerned that accepting indigenous peoples’ right to self-determination would “entail a right to secede and to do so unilaterally” (SCOTT 1996: 818) and therefore would “potentially threaten democracy, stability, peace and the political and territorial unity of existing States” (HENRIKSEN 2001: 14). On the other hand, this concern seems to be unfounded as the territorial integrity is one of the most fundamental principles of international law and the right to self-determination is nowhere interpreted or mentioned to be the right to secede from existing states. The “right of peoples to self-determination is not a right for peoples to determine their status without consideration of the rights of other peoples with whom they are presently connected and with whom they will continue to be connected in the future” (SCOTT 1996: 818). Moreover, many indigenous peoples also emphasize that they do not claim secession but internal self-determination, meaning the right to self-government or territorial autonomy of their own economic, social and cultural development. The proceedings of a meeting of experts in Nuuk in 1991 identified the “exercise of adequate powers and self-government within the traditional territories of indigenous peoples as a prerequisite for the development and maintenance of traditional indigenous cultures and for the survival of indigenous peoples” (HENRIKSEN 2001: 15).

As internal self-determination or self-government would not threaten the territorial integrity of states it is likely to be accepted more easily and some say it is only a matter of
time until a formal recognition of a right to internal self-determination of indigenous peoples is reached (QUANE 2005: 664f). One step in this direction was done by incorporating the right to self-government in the United Nations Declaration on the Rights of Indigenous Peoples. Article 4 acknowledges: “Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions” (UN Human Rights Council 2006: 61).

2.2 Recognition of Inuit Rights on the National Level in the Arctic

Parallel to the international debate on the rights of indigenous peoples, the Inuit in the Arctic fought for recognition of their rights on their national levels. Sparked by political developments in Alaska, Canada and Greenland and growing pressure from plans to develop large-scale projects in the extraction of non-renewable resources, this debate led since the 1970s to a series of agreements with the Inuit in the Arctic granting considerable rights within their traditional settlement areas. Interestingly, this was possible although especially Canada and the United States showed for a long time that they did not approve of setting standards for the rights of indigenous people on the international level.

Despite the differences in the national settings and the legal approaches to settling land and self-government claims of Inuit, the contents of these agreements show similarities. Apart from providing the Inuit with the possibility to decide on their own affairs on a political level, one of the central purposes of the described regional agreements is to create an economic base and to promote economic self-reliance for the Inuit beneficiaries and thus contributing to economic development from within the region. Therefore they contain diverse economic benefits, including cash compensation, ownership of land and surface resources, ownership of sub-surface resources, co-management rights, resource royalty shares, traditional hunting and fishing rights, provisions for land-use planning, programs for economic development, training and job creation as well as policies for receiving benefits out of resource development projects in their settlement area. The extent to which these rights and benefits are granted depends on the national and also regional settings.
2. Basis for Bottom-Up Development: Regional Agreements with the Inuit in the Arctic

2.2.1 Alaska Native Claims Settlement Act

The Yupik and Inupiat in Alaska were the first Inuit group to settle the question on their aboriginal land rights with their national government as part of a collective agreement for all Alaska Natives. Alaska, the only Arctic state of the United States is the home of several indigenous peoples. “Alaska Natives” is the general collective term that is used for the Yupik, Inupiat, Aleut, Athabaskan, Tlingit, Haida and Tsimishian people (KORSMO 1994: 81). With 96,998 people they comprise roughly 15 percent of the total population of Alaska. Almost half of the Alaska Natives are Eskimo⁹ (OGUNWOLE 2006: 2).

The recognition of the rights of the Alaska Natives was a long process that started in 1867, when the United States bought Alaska from Russia (PULLAR 2005: 100). The Treaty of Cession between the US and Russia declared that inhabitants of the region could either return to Russia within three years or could remain in Alaska and become US citizens. Regarding the “uncivilized tribes” of Alaska, the treaty stated that they would be “subject to such laws and regulations as the United States may, from time to time, adopt in regard to aboriginal tribes of that country” (KORSMO 1994: 87). Over the next few decades, a legal debate emerged supported by several court decisions on either side, whether the Alaska Natives held a collective aboriginal title to their traditional territories (similar to Native American in the rest of the United States) or whether they only had individual rights similar to non-Native inhabitants of Alaska (KORSMO 1994: 89).

In 1934, the U.S. Congress passed the Indian Reorganization Act as part of the assimilationist policy of the time. The act “put a stop to further allotment of Indian lands, permitted the Secretary of the Interior to acquire new lands in trust for landless Indians or existing reserves, provided money from a revolving loan fund for economic development, and permitted Native communities to organize their governments under federal constitutions and to establish federally chartered businesses or cooperatives” (CASE and VOLUCK 2002: 11). Two years later, the Act was amended to include Alaska Natives. Although the IRA strengthened indigenous self-governance, only 69 villages reorganized and only six IRA reservations were established in Alaska as it was perceived that the policy was still influenced too much by the U.S. government (PULLAR 2005: 104).

The 1960s and 1970s brought many changes to Alaska Natives. A favourable court decision by the United States Court of Claims regarding claims of aboriginal title in southern Alaska by the Tlingit and Haida caused several similar claims to appear by other

⁹ The term “Eskimo” is still used in the Alaskan context as an umbrella expression for the Yupik and Inupiat.
indigenous groups in the following years (CASE and VOLUCK 2002: 156). At the same time, in 1959, Alaska became the 49th state of the United States of America. A land transfer of 103.5 Million Acres (almost 419 000 km²) or roughly one third of Alaska was made from the U.S. government to the new state government in Alaska (KORSMO 1994: 90). However, during the land selection process, the new state government ignored any aboriginal claims to the areas it selected. This led to protests and increasing political organization of the Alaska Natives and the creation of several indigenous organizations. The Alaska Federation of Natives (AFN) was founded in 1966 as part of this movement (PULLAR 2005: 107). In 1966, the U.S. Secretary of the Interior Steward Udall imposed a land freeze and stopped the land selections by the State of Alaska until the claims of the Alaska Natives were resolved (CASE and VOLUCK 2002: 156).

The situation was worsened, when in 1967 a large oil field was found in Prudhoe Bay on the North Slope of Alaska and a pipeline was proposed to transport the oil to the South (CASE and VOLUCK 2002: 157). The U.S. Congress war forced to act and decided to settle all aboriginal claims in one collective agreement: the Alaska Native Claims Settlement Act (ANCSA) of 1971.

The act had only provisions regarding economic benefits and was intended to pave the way for Alaska Natives to leave their traditional activities and participate solely in the wage-based economy. Traditional tribal governments that had been created before the passage of ANCSA were not included and did not receive any land rights. Instead, ANCSA created a number of for-profit corporations on the regional and village level in which Alaska Natives were enrolled as shareholders and who received the cash from the compensation payments as well as other benefits like resource rights to invest those into business opportunities. As a limitation, Alaska Natives born after December 18, 1971 did not receive any ANCSA stocks other than through inheritance, court order in a divorce of child custody dispute (CASE and VOLUCK 2002: 159). Altogether 12 regional corporations were created in Alaska, and a 13th regional corporation with its headquarter in Seattle for Alaska Natives living outside of Alaska. This last corporation only received part of the financial compensation from ANCSA but no land or other benefits (CASE and VOLUCK 2002: 160).

ANCSA provided for a financial compensation of US$ 962.5 Million paid to the Alaska Native Fund (CASE and VOLUCK 2002: 160). The fund was then divided among the regional corporations based on the number of shareholders in each corporation. To ensure that the village corporations received funds as well, each regional corporations had to pay
50 percent of its share from the Alaska Natives Fund to the village corporations (CASE and VOLUCK 2002: 165). In addition, 70 percent of the revenues of a regional corporation have to be redistributed among all land-owning regional corporations and through them to the village corporation. This practice has made sure at least in the first few decades after the passage of ANCSA that some of the village corporation were able to survive (CASE and VOLUCK 2002: 166).

Through ANCSA, Alaska Natives had to surrender rights to 325 Million acres (1.315 Million square kilometres) in Alaska as well as aboriginal hunting and fishing rights (McNABB 1992: 86). In compensation they received surface rights to 45 Million acres (ca. 182,000 square kilometres) of which 22 Million acres (ca. 89,000 square kilometres) had to be transferred to the village corporations. The regional corporations however received subsurface rights to the land that was distributed among the village corporations (CASE and VOLUCK 2002: 161).

ANCSA has two main deficiencies that were not resolved:

- Aboriginal hunting and fishing rights were extinguished as the US Government assumed that the Alaska Natives would stop their traditional activities after the passage of the act and would fully move to the modern wage-based economy (KORSMO 1992: 92; McNABB 1992: 87)
- Stock in the Alaska Native corporations was restricted to be for Alaska Natives only for 20 years and after 1991 this could be sold to anyone. Stock shares could be inherited to Alaska Natives born after ANCSA was passed but otherwise they were not able to get any shares (KORSMO 1992: 92; McNABB 1992: 87).

Several amendments have been made since then to ANCSA in order to solve some of the shortcomings. An amendment in 1991 for example made sure that the corporations stayed under Native control unless the corporations themselves opt to sell their shares (KORSMO 1992: 96). It permitted also the issuance of stock shares to Alaska Natives born after ANCSA was passed (McNABB 1992: 87). Several ANCSA corporations, including the Arctic Slope Regional Corporation, NANA Corporation and Doyon Ltd. voted to adopt this measure.
2. Basis for Bottom-Up Development: Regional Agreements with the Inuit in the Arctic

2.2.2 Self-Government in Greenland

Greenland ("Kalaallit Nunaat") managed to get the most extensive self-government rights of all Inuit groups in the Arctic and "is often considered a model for other indigenous peoples" (DAHL 2005: 150).

After early settlements of the Vikings in 985 AD, the Danish-Norwegian missionary Hans Egede was the first European to establish a settlement in Greenland near present-day Nuuk. The Royal Greenland Trade Company (KGH: Det Kongelige Gronlandske Handelskopiagn) was created in 1776 and created a trade monopoly until the mid of the 20th century (NUTTALL 1994: 1-5).

The Danish approach to colonizing the Inuit was different to that in other parts of the Arctic (e.g. Canada and Alaska) and aimed at protecting the Inuit hunting culture (NUTTALL 1994: 6). The missionaries learned Greenlandic and used the Inuit dialect spoken around Nuuk in churches and schools. In 1766, for example the entire New Testament had been translated into Greenlandic and in 1861 a first newspaper in Greenlandic with the name Atuagadliutit was published (DAHL 2005: 156; NUTTALL 1994: 4). According to DAHL (2005), this created a "sense of unity around being a Greenlander and the identity of being a Greenlander, Kalaaleq, emerged gradually in the 18th and 19th century" (DAHL 2005: 156).

Also on the political level, the Danish approach to colonizing Greenland was different. Already in 1860, district councils were introduced with elected Greenlandic members and members of the colonial administration. In 1911, these district councils were replaced by municipal councils and two provincial councils for Southern and Northern Greenland (DAHL 2005: 157; LARSEN 1992: 200). The two provincial councils were merged into one council in 1960 (FOIGHEL 1980: 3). In 1953, Greenland’s status as a colony was transferred into being a distinct region within the Danish realm. Greenland was able to send two representatives to the Danish Parliament from now on (DAHL 2005: 157; LARSEN 1992: 200).

During World War II Greenland was cut-off from the German-occupied Denmark and established closer ties to the US. Several military bases were set up in Greenland, of which Thule Air Base is still in use (DAHL 2005: 157). The 1950s to 1970, led by large investments in the fishing industry and housing, more and more educated young Greenlandic Inuit and a movement into larger settlements, the traditional Greenlandic society changed.
Apart from creating social problems, this also resulted in a growing political awareness of Greenlandic Inuit, similar to other Inuit regions in the Arctic (DAHL 2001: 38; NUTTALL 1994: 8). Especially the younger generation who had been educated both in Greenland and Denmark played an important role in that movement. After an unsuccessful attempt during the 1950s and 1960s to establish Danish parties in Greenland, the 1970s brought the formation of own Greenlandic parties: e.g. Siumut party in 1977, Atassut party in 1977 and Inuit Ataqatigiit in 1978 (LARSEN 1992: 206 – 208; LYCK 2000: 98 - 99). At the same time, a Danish Greenlandic Commission (Home Rule Commission) established in 1975 negotiated an arrangement for Greenland to be able to decide on its own affairs (DAHL 2005: 150).

a) Home Rule 1979 – 2009

The Home Rule Act and its accompanying acts (e.g. Act on Mineral Resources in Greenland) was passed by the Danish Parliament in November 1978 and confirmed by a referendum in January 1979 (DAHL 2005: 150). The act transferred jurisdiction over most of Greenland’s internal matters to the new Home Rule Government: education, taxation, transportation, social services, economy including fishing and trade, health, domestic policy matters, church, infrastructure, wildlife management, cultural affairs (DAHL 2005: 150; NUTTALL 1994: 9 – 10). Land is owned collectively by all Greenlanders through the state with no private land-ownership (CAULFIELD 2004: 123). Other matters regarding defence, security, foreign relations, constitutional law, national finances, financial, monetary and currency policy and justice were kept under Danish jurisdiction (FOIGHEL 1980: 7; DAHL 2005: 150).

Also the Royal Greenland Trade Department which had dominated Greenlandic society until 1979 was taken over by the Home Rule Government giving the government control over production and export in the fishing industry (NUTTALL 1994: 12). In 1982, Greenlanders voted to leave the EU (DAHL 2005: 38).

Whereas Greenlandic Home Rule is seen as “a political success unmatched anywhere else in the world” (DAHL 2001: 40), there are quite a few shortcomings noticeable:

- The Home Rule authorities took over control of their sectors in a very short time, which did not leave much time to develop the structures properly and get trained local personnel (DAHL 2001: 41)

- Despite these increased self-government rights, Greenland is still heavily depended on Denmark for its budget. About 60 percent of all public expenditures in Greenland
are paid by Denmark in the form of block grants and other transfers. Also many of the economic sectors still rely on experts recruited from Denmark due to a shortage of educated and qualified personnel in Greenland (DAHL 2001: 38)

b) Self-Government since 2009

These limitations resulted in the existing political system in Greenland being seen as an obstacle to development. In 2004, a Danish-Greenlandic Commission on self-government was appointed by the Danish Prime Minister (DAHL 2005: 153), to explore options on increasing the self-government rights of Greenland and submit a draft legislation. The final report of the Commission was published in April 2008, and the Self-Government Act was passed in the Danish Parliament and came into effect on June 21, 2009.

Fig. 1: Danish and Greenlandic flag (from left to right) in front of the Greenlandic Parliament (Inatsisartut).

Source: TANNERFELDT 2010

Apart from introducing Greenlandic as the official language of Greenland and the Greenlandic Parliament and Government being renamed to the Greenlandic terms Naalakkersuisut (Greenland Government) and Inatsisartut (Greenland Parliament), the law provided Greenland with a series of additional responsibilities that were formerly organized by Denmark. They include criminal justice, police force, coast guard, courts. Greenland also receives an annual subsidy of DKK 3,439.6 Million and receives shares from revenues derived from mineral resource development. It also in Chapter 8 provides
Greenlanders with the opportunity to become independent if they choose to (Government of Greenland 2009: 5; SIKU News 2009).

On June 21, 2009, Josef Tuusi Motzfeldt, the speaker of the Greenlandic parliament said:

“The Home Rule Government has matured the Greenlandic people to take on the responsibility of developing Greenland. In this historic and joyful day, we can all in unison gaze back with joy and pride and watch the results obtained through the Home Rule era. It has also been tough times, since the huge upheaval the Greenlandic society and the people have undergone during the Home Rule years, hasn’t been without pain and difficulty.

But the possibilities for having an influence and staking out the direction of our own destiny simultaneously unleashed a commitment among the people to the affairs of the Greenlandic society, and created advance in economic and cultural matters. The Home Rule Government has strengthened the awareness of our cultural heritage, language and history, which today is vibrant and flourishing” (Siku News 2009).

2.2.3 Land Claims and Self-Government Agreement in Canada

Compared to other aboriginal people in Canada, the Inuit had very late contact with Europeans and therefore did not sign any treaties or agreements until the early 20th century. The Canadian North was owned until 1870 by the Hudson’s Bay Company (HBC) making fur traders the only non-aboriginal people in the area. In 1870, the HBC decided to sell Rupert’s Land and the North-Western Territory to Canada. Aboriginal inhabitants of this new Canadian territory were supposed to be treated like any other indigenous people living in the territory of the British Crown (LEGARE 1993: 33; BARTLETT 1990: 39).

However, due to its remote location, the North was relatively unattractive for European settlers and for the exploitation of resources other than fur until the middle of the 20th century (BONE 2003: 191). The only exception was in 1921, when oil deposits in Norman Wells were discovered, making it necessary to sign a treaty with the local indigenous population: Treaty No. 11 of the Numbered Treaties included the Arctic areas of the western Northwest Territories and the eastern Yukon Territory (BONE 2002: 121).

The Inuit at this time were still mostly living their traditional non-sedentary way of life, hunting and gathering in extended families. The only “white” people were members of the Royal Canadian Mounted Police, missionaries of a variety of churches and traders of the HBC (DUFFY 1988: 198). “…Southern images were dominated by the noble trinity of the
missionaries, the Mounties, and the Bay. Each was viewed as a means of civilizing the North. With the church saving souls, the Bay buying furs, and the kindly Mounties preserving law and order, there seemed to be little reason for alarm” (PAGE 1986: 16 in WEISSLING 1989: 210)

This changed however, during the Second World War when the Arctic and sub-Arctic regions of Canada suddenly gained strategic and also increasingly economic importance. The radar stations of the DEW-Line (Distant Early Warning Line) as an early warning system against Soviet attacks were constructed in cooperation with the US Forces (DUFFY 1988: 32). At the same time, the first large-scale economic projects (megaprojects) were developed in the North in the 1950s. This led to an improvement of the infrastructure especially transport infrastructure and to an increase in Euro-Canadian workers, products and ways of life (BONE 2003: 66). As the Canadian government mainly pursued an assimilation policy at this time, any possible negative effects of these developments on the indigenous population were ignored. To integrate the Inuit in the mainstream Canadian society, they moved voluntarily or involuntarily into permanent settlements that were created near trading posts of the HBC, mission stations, RCMP stations or projects like the DEW line (DAHL, HICKS and JULL 2000: 47). However, living conditions were generally bad in those new communities with many social and economic problems caused by the sudden change in the way of living (e.g. alcoholism, violence, high unemployment rate etc.) (DUFFY 1988: 217).

In the 1960s, with the growing decolonization worldwide, the position of the Canadian government was criticized more and more and a lot of discussions on the bad living conditions of the indigenous people arose (DÖRRENBÄCHER 2002: 76). The response of the Canadian government under Pierre Trudeau was the “White Paper on Indian Affairs (or Statement of the Government of Canada on Indian Policy)” in 1969 (DÖRRENBÄCHER 2002: 76). The provisions of the white paper regarding the abolishing of a collective title and claim of the indigenous people to land etc. led to a wave of protests in Canada and therefore the Canadian government took it back.

The protests led to a growing political organization of Canadian Aboriginal people (ABELE 2002: 12). The creation of the Inuit Tapirisat of Canada (today Inuit Tapiriit Kanatami - ITK) in 1971 as a representation of Inuit of the four Canadian Inuit regions (Nunavik, Nunatsiavut, Nunavut and Inuvialuit Region), as well as on the regional level the Northern Québec Inuit Association (NQIA) (1971) and the Labrador Inuit Association (LIA) (1973) are examples for this development (ABELE 2002: 12).
In 1973, a decision of the Supreme Court of Canada completely changed Canada’s way of dealing with its Aboriginal people. In the Calder Case, regarding land claims of the Nisga’a in British Columbia, the court ruled that the indigenous people in Canada had a not clearly defined aboriginal title to the land they traditionally used and occupied. The legal basis to this is found in the Royal Proclamation of 1763, when the British King accepted land rights of the Aboriginal population and reserved all until then unceded lands for their occupation and use. He also ruled that this land could only be sold to the British Crown. As British legal traditions were adopted when Canada was founded, this rule still applies today (McNeill 1998: 7; Steckley and Cummins 2001: 120).

The definition of Aboriginal title was not resolved by Canadian courts until 1997 in the Delgamuukw vs. British Columbia case resolved by the Canadian Supreme Court. The Court ruled that Aboriginal title is an interest in land that has very unique features: it cannot be sold or transferred, it is held collectively by the Aboriginal community and its source stems from the prior occupation of the land by the Aboriginal people and their pre-existing systems of law (McNeill 1998: 10; Slattery 2000: 16). As a result, aboriginal title was defined as a right to the land itself. The use of this land does not have to be solely traditional and can include modern activities like mining, forestry as well as oil and gas extraction (McNeill 1998: 11). As a limitation, the court ruled that the Aboriginal people still have to maintain the continuity of their traditional patterns of occupation and that modern-day use cannot present traditional use (McNeill 1998: 11).

The 1973 Calder Case decision and the uncertainties and potential conflicts an undefined aboriginal title would have on especially economic development forced the Government of Canada to act. As a solution to settle land claims with the Aboriginal population, the Government of Canada introduced the Comprehensive Claims Policy in 1973. This policy provided for the settlement of Comprehensive Land Claim Agreements (CLCA) in areas where no treaties have been signed before. In Canada, this applied to large parts of British Columbia, the Atlantic Provinces as well as parts of Québec, Ontario, Yukon Territory and the Northwest Territories (Saku, Bone and Duhaime 1998: 111; Saku and Bone, 2000a: 261). Through these agreements, the undefined Aboriginal rights were supposed to be replaced by a clearly defined set of rights and benefits (e.g. financial compensation, land rights, co-management rights, rights regarding hunting, fishing etc.) (Saku and Bone 2000a: 262; Saku, Bone and Duhaime 1998: 111).

The basis of each CLCA is a land use and occupancy study, determining the traditional territory of an aboriginal group through archaeological and anthropological evidence and
the documentation of the current extent of the living area of the indigenous group (USHER 2003: 375)\(^\text{10}\).

The growing recognition of Aboriginal rights and the Comprehensive Claims Policy of 1973 led to the recognition and protection of Aboriginal and treaty rights in Article 35 of the *Constitution Act, 1982* (SAKU and BONE 2000b: 285). Comprehensive Land Claim Agreements were therefore protected by the Canadian Constitution.

This had a major impact on land claim negotiations at that time. Combined with a growing dissatisfaction with the ongoing negotiations, the Canadian government decided to act and revised its Comprehensive Claims Policy in 1986 (DEWAR 2003: 9). The revised policy allowed for a greater flexibility in land tenure, strengthened co-management institutions, resource revenue sharing and also allowed for the first time for the negotiation of claims to offshore areas (Indian and Northern Affairs Canada 2010; DEWAR 2003: 10).

At the same time, influenced by the recognition of Aboriginal rights in the Canadian Constitution a growing debate on self-government rights of Aboriginal people arose. The claim of Canada’s Aboriginal population to self-government is based on the fact that at the time of contact the Aboriginal population was organized as self-governing societies, which were recognized by the Crown as nations capable of entering into treaties. They have never generally given up their right of self-government in the treaties and although the right of self-government had been restricted by legislation or Crown action, it was never extinguished (MORSE 1999: 34).

In 1983 the report of the Standing Committee on Indian Affairs and Northern Development (“Penner Report”) “recommended the development of federal legislation to support self-government, to institute a constitutional right to self-government and to streamline certain policies and administrative practices” (McDONNELL and DEPEW 1999: 354). Partly as a response to the Penner Report, the Government of Canada announced in 1986 its Community-Based Self-Government Policy. The purpose of this new government initiative was to replace the Indian Act by delegating a number of jurisdictions to Aboriginal peoples, which soon “provoked concerns of federal ‘off-loading’” (DEWAR and DAVIS 2000: 7) without examining the financial and human capacity of the concerned Aboriginal groups. The policy was also rejected by most Aboriginal people because it delegated jurisdictions instead of recognizing their inherent right to self-government. (DEWAR and

\(^{10}\) The delimitation of the land claim areas in Nunavik and Nunatsivut will be described further in Chapter 3.1.
2. Basis for Bottom-Up Development: Regional Agreements with the Inuit in the Arctic

DAVIS 2000: 7). Therefore only a very small percentage of Aboriginal groups entered into negotiations under this policy.

After several unsuccessful attempts in the 1980s and 1990s to amend the Constitution Act, 1982 by incorporating Aboriginal peoples’ right to self-government, the Government of Canada finally announced its Inherent Right of Aboriginal Self-government Policy in 1995 (DEWAR and DAVIS 2000: 7; MORSE 1999: 24). This new approach “recognizes the inherent right of self-government as an existing Aboriginal right under section 35 of the Constitution Act, 1982” (Indian and Northern Affairs 1995). This recognition “is based on the view that the Aboriginal peoples of Canada have the right to govern themselves in relation to matters that are internal to their communities, integral to their unique cultures, identities, traditions, languages and institutions, and with respect to their special relationships to their lands and their resources” (Indian and Northern Affairs Canada 1995). Subject areas that are not negotiable within the Inherent Right Policy are matters related to Canadian sovereignty, defence and external relations as well as other national interests (Indian and Northern Affairs 1995).

There is no single “one-size-fits-all” model of self-government. The types of self-government agreements that are being negotiated respect the varied situations and perspectives, as well as the different cultures of Aboriginal peoples that exist across Canada (MORSE 1999: 31; DEWAR and DAVIS 2000: 2). The Government of Canada “proposes to negotiate self-government arrangements that are tailored to meet the unique needs of Aboriginal groups and are responsive to their particular political, economic, legal, historical, cultural and social circumstances” (Indian and Northern Affairs Canada 1995).

Depending on the intentions as well as financial and human capacity of the concerned Aboriginal groups, the scope of jurisdictions that are being agreed on in the self-government negotiations range from a single jurisdiction to a comprehensive variety of jurisdictions (DEWAR and DAVIS 2000: 2). It is also for the Aboriginal groups to decide on whether they intend to take over authorities immediately after signing the self-government agreement or if they prefer to exercise the jurisdictions in a phased manner (Indian and Northern Affairs Canada 1995).

All Inuit in Canada have signed Comprehensive Land Claim Agreements and self-government agreements since the 1970s (Map 3). They can be categorized in four groups showing the evolution of the Canadian policy approach:
Map 3: Inuit Land Claim Settlement Areas in Canada

2. Basis for Bottom-Up Development: Regional Agreements with the Inuit in the Arctic

*a) Category I: James Bay and Northern Québec Agreement (JBNQA) (1975)*

The James Bay and Northern Québec Agreement (JBNQA) is unique in several ways: a) it was the first agreement to be negotiated under the new Comprehensive Claims Policy; b) it was the only agreement that was concluded in the first decade after creating the Comprehensive Claims Policy; c) it was the only agreement in Canada that was negotiated prior to the constitutional recognition and protection of Aboriginal and treaty rights in 1982, and d) due to the pressure of the James Bay Hydroelectric Project in Québec it was negotiated in a record speed of two years whereas the negotiation process for later agreements took sometimes several decades to complete (DEWAR 2003: 7 – 8). While the content of the agreement will be discussed in more detail in chapter 3.1., it needs to be mentioned that this agreement mainly focused on solving the land rights question. It also contains programs on health, education and social services matters. Although creating a local and regional administration for Northern Québec, the agreement does not introduce self-government structures for the Inuit. An Implementation Agreement for the JBNQA was only signed 15 years after the ratification of the JBNQA in 1990 (DEWAR 2003: 8). The JBNQA and some of its shortcomings have influenced later land claim negotiations in other regions of Canada.

*b) Category II: Inuvialuit Final Agreement (IFA) (1984)*

The Inuvialuit Final Agreement (IFA) was the second Comprehensive Land Claim Agreement signed in Canada. The debate on the recognition of Aboriginal rights in the Canadian constitution that emerged during the negotiations for the IFA were kept away from the negotiation table and the sole focus was the solving of the land right question (DEWAR 2003: 8 – 9). Oil exploration in the Western Arctic created some urgency for the negotiations of the Inuvialuit Final Agreement but did not produce as big of a pressure as the hydroelectric project in the James Bay region during the JBNQA negotiations.

The IFA shows great influence from the Alaska Native Claims Settlement Act, creating a corporate structure (Inuvialuit Regional Corporation) to administer the land and the monetary assets of $152 million and creating a co-management structure for areas like wildlife management and environmental assessments (Inuvialuit Joint Secretary, Environmental Impact Review Board, Environmental Impact Screening Committee, Wildlife Management Advisory Council, Fisheries Joint Management Committee, Research Advisory Council). Unlike the JBNQA, the IFA provided the Inuvialuit with subsurface rights to oil, gas and minerals for about 14 percent of the 91,000 km² that the
Inuvialuit received in the agreement (Indian and Northern Affairs Canada 1984: 5). The agreement did not provide any provisions regarding health and social programs or community governments.

c) **Category III: Nunavut Land Claim Agreement (NLCA) (1993) and Nunavut Political Accord (1992)**

The Nunavut Land Claim Agreement (NLCA) is part of a series of agreements that were concluded between 1992 and 1994 in the Canadian territories after Canada had revised its Comprehensive Claims Policy in 1986 and introduced its Community-Based Self-Government Policy. The agreement provided for the establishment of co-management institutions with decision-making powers in regards to wildlife, land use and environmental rights (e.g. Nunavut Wildlife Management Board, Nunavut Water Board, Nunavut Impact Review Board, Nunavut Planning Commission, Nunavut Social Development Council), contained land rights (surface and subsurface), monetary compensation, resource royalty shares, traditional hunting and fishing rights, provisions for land use planning, programs for economic development and training and job creation. Self-government provisions were at that time not negotiated as part of land claims agreements, but were settled in a separate agreement, the Nunavut Political Accord of 1992 (DEWAR 2003: 10 – 11; Indian and Northern Affairs Canada 1993).


This last category of agreements was signed after Supreme Court of Canada decisions (e.g. Delgamuukw in 1997) had strengthened Aboriginal and treaty rights and forced the Government of Canada to find new policy approaches, e.g. regarding the surrender of Aboriginal rights that had caused much debate since the introduction of the Comprehensive Claims Policy in 1973. It was also influenced by the Inherent Right of Aboriginal Self-government Policy of 1995. Self-government and land rights can now be negotiated and settled in one agreement (DEWAR 2003: 11 – 12). The Labrador Inuit Land Claim Agreement and the Nunavik Inuit Land Claim Agreement are the Inuit examples of this latest generation of land claim agreement.
3  Regional Dynamics in Nunavik and Nunatsiavut

The land claims and self-government agreements signed with the Inuit in the Arctic provide a variety of tools for their beneficiaries. Politically and economically, these tools allow the Inuit to partially direct and control their future development, improve their living conditions, strengthen their traditional culture, language and activities as well as reduce the dependency on external influences.

Map 4: Nunavik and Nunatsiavut

The two Canadian Inuit regions Nunavik (Northern Québec) and Nunatsiavut (Northern Labrador) (Map 4) serve as case studies for this project. Over the last 30 years, development conditions were different in both regions. While the Inuit in Nunavik signed the James Bay and Northern Québec Agreement already in 1975 as the first modern land
claim agreement under the new Comprehensive Claims Policy introduced in 1973, the Labrador Inuit only settled their land claim in 2005.

### 3.1 History until the 1970s

#### 3.1.1 Nunavik – “Our Great Land”

Nunavik is today known as the region north of the 55th parallel in Québec, encompassing an area of roughly 501,800 square kilometres (VICK-WESTGATE 2002: 22). The 10,815 inhabitants, of whom 90 percent are Inuit, are spread over 14 communities along the coasts of Hudson Bay and Ungava Bay11 (Map 4) (Statistics Canada 2007a - s). Kuujjuaq, with a population of 2,132 is the regional and administrative centre (Statistics Canada 2007i).

The area that is today known as Nunavik has had several different names in the past: Originally part of Rupert’s Land owned by the Hudson’s Bay Company, it became part of the Northwest Territories after the Hudson’s Bay Company sold its property to Canada in 1867. In 1912, the Canadian federal government transferred the area up to the average water line at low tide to the Province of Quebec through the Québec Boundary Extension Act (Makivik Corporation n.d.: 3 – 4). For this reason, this new part of Québec carried the name “Nouveau-Québec” for a long time. The responsibility over its indigenous inhabitants was debated considerably between the Government of Canada and the Government of Quebec for many decades. Inuit were considered “wards of the government” but not Indians and therefore not the same jurisdiction applied (VICK-WESTGATE 2002: 36). In 1939, the Government of Québec won a Supreme Court case placing responsibility over the Inuit in Northern Québec into the hands of the Government of Canada (VICK-WESTGATE 2002: 36). This only changed when the growing Québec nationalism and separatism ideas in the 1960s (“Quiet Revolution”) caused the Québec Government to pay more attention to its northern parts and inhabitants resulting in Québec gradually replacing federal native programs with provincial programs (VICK-WESTGATE 2002: 59).

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11 A 15th community, Killineq, was closed in 1979 due to increased costs and the population was relocated to mostly to Kangiqsualujjuaq. However, as the community was closed after the signing of the James Bay and Northern Québec Agreement in 1975, the former residents of Killineq still own Category I and II lands in that area.
In 1977, with the coming into effect of the James Bay and Northern Québec Agreement (JBNQA) (see below), an artificial administrative construct called **Kativik**12 (“meeting place” in Inuktitut) as the area where the JBNQA applied for the Inuit was created, that included all Inuit communities in Québec (MÜLLER-WILLE 2001: 37). Unlike all other land claim agreements, no land use and occupancy study had been conducted for the traditional area used by the Inuit of Northern Québec prior to the negotiation of the JBNQA. The Southern boundary of the Kativik region was artificially drawn on the 55th parallel. The Baie-James (Jamésie) region including the Cree villages - also part of the JBNQA - is the southern neighbour. The eastern boundary was marked by the Québec – Labrador administrative boundary and the northern and western boundaries were the legal boundaries between the Northwest Territories (today: Nunavut Territory) and Québec. The islands offshore Nunavik, although traditionally used by the Inuit in Nunavik were not part of Québec’s jurisdiction and therefore not included in the James Bay and Northern Québec Agreement. The claim to this offshore area was later settled in 2006 between the Canadian Federal Government, the Government of Nunavut and the Inuit of Québec. Combined the Kativik and the Baie-James region form the administrative region “Nord-du-Québec”13, one of 17 administrative regions in the Province of Québec (Affairs municipales, Région et Occupation du territoire Quebec 2010).

The artificially created boundaries in the JBNQA resulted in many overlapping interests between the Inuit in Northern Québec as well as their neighbouring Aboriginal groups: Cree, Naskapi, Inuit of Nunavut and Inuit of Labrador. The boundary cut through areas that were traditionally used by all of these groups and has little to do with the cultural area that was traditionally used by the Inuit in Québec (MÜLLER-WILLE 2001: 37).

- **Québec – Labrador Peninsula**: Inuit of Québec today have claims to parts of the Torngat Mountain area, resulting in an overlap agreement between the Inuit of Québec and of Labrador as part of the the Labrador Inuit Land Claim Agreement and the Nunavik Inuit Land Claim Agreement (Indian and Northern Affairs Canada 2005a; Indian and Northern Affairs Canada 2006).

- **Offshore area**: This was claimed by the Inuit of Québec and Nunavut, resulting to it being today part of the Nunavik Land Claim Agreement and the Nunavut Land Claim Agreement with additional overlap agreements with the Cree to the South

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12 The name “Kativik” was also artificially created (MÜLLER-WILLE 2001: 38).

13 Northern Québec mentioned in this text, does not refer to the administrative region “Nord-du-Québec” but rather refers to the geographic location in the northern part of Québec.
3. Regional Dynamics in Nunavik and Nunatsiavut

(Indian and Northern Affairs Canada 1993; Indian and Northern Affairs Canada 2006).

- **Southern Boundary of the Kativik Region at the 55th parallel**: This area was claimed by the Inuit of Québec, the Cree and Naskapi. As a result of the artificial boundary, the community of Chisasibi, home to a small Inuit group is not part of the Kativik Region (Map 6). They are however represented in the Kativik Regional Government. The neighbouring Cree and Naskapi have received some of their traditional territory as Category I and II lands within the Kativik Region (Map 6). In addition, the community of Kuujjuarapik in the Kativik region today has a large Cree community and is also known by its Cree name Whapmagoostui. The Naskapi of Kwawachikamach, although located outside the Kativik Region are represented in the Kativik Regional Government as their traditional territories reached as far north as Kuujjuaq.

Already soon after the coming into effect of the James Bay and Northern Québec Agreement, the Inuit realized that they had difficulties in identifying with the artificial construct of the Kativik region, including the name itself. Combined with the increasing demand of strengthening Inuit culture and language, the Northern Quebec Inuit Elder Conference passed a resolution in 1981 regarding the importance of preserving the traditional Inuit geographical names for their territory (MÜLLER-WILLE 1989-1990: 17). The Avataq Cultural Institute together with researchers from McGill University in Montreal conducted an Inuit place name project in 1983, resulting in the publication of a “Gazetteer of Inuit Place Names in Nunavik” in 1987, containing about 8,000 Inuit geographical names (MÜLLER-WILLE 1989-1990: 18). “Place names constitute a descriptive record of the landscape and enable hunters to construct oral maps by which they can visualize areas, approximate distances, and recognize travel routes. They provide a cultural and historical dimension to land use, a testament of the continuity and the intimate relation of the people to their land” (BRICE-BENNETT 1977: 195). In the 1990s, several maps were published with the Inuit place names (MÜLLER-WILLE 2001: 39). These names produced a contiguous area of Inuit land use in northern Québec (Map 5), showing the predominantly coastal use of the Inuit, which is also reflected in traditional Inuit maps (DITTMANN 1993: 720).
“On land, covering the northern parts of the interior of the Quebec Labrador peninsula, the Inuit topognymy is guided by corridors influenced by the hydrographic drainage and lake systems and the general physiography of mountain ridges and other geomorphological features. The southern fringes of the Inuit naming territory, inland and on the coast overlap with the northern extension of the Algonquian (Cree and Naskapi) place name system” (MÜLLER-WILLE 1989-1990: 19).

As a unifying name of this area of traditional use for the Inuit in northern Québec was missing and the term Kativik was only an artificial term deriving from the James Bay and Northern Québec Agreement that lacked identity and recognition among the Inuit, the search for a new name was started. In 1987, a referendum was held among the Inuit on the proposals submitted. The majority voted for “Nunavik” meaning “our great land” in...
3. Regional Dynamics in Nunavik and Nunatsiavut

Inuktitut (MÜLLER-WILLE 2001: 39). Soon after, the Government of Québec officially recognized the name Nunavik for the socio-cultural region of the Inuit of Northern Québec. As this term was selected by the Inuit themselves, they more easily identified with it, resulting in “Nunavik” largely replacing the term “Kativik”. Nunavik is today the most common name for the Inuit region in northern Québec. Even on regional maps of the administrative region north of the 55\textsuperscript{th} parallel, “Nunavik” often replaced “Kativik”. For the purpose of this project and in line with today’s usage, the term Nunavik will be used as a synonym for Kativik and will describe the area north of the 55\textsuperscript{th} parallel in Québec that is part of the James Bay and Northern Québec Agreement.

3.1.2 Nunatsiavut – “Our Beautiful Land”

The second case study will focus on the most southern Inuit region in Canada: Nunatsiavut, meaning “our beautiful land” in Inuktitut. It encompasses 72,520 square kilometres on the northern tip of the Labrador Peninsula in the Province of Newfoundland and Labrador (Indian and Northern Affairs Canada 2005a). Today, the 2,410 inhabitants live in five communities along the coast: Nain, Hopedale, Postville, Makovik and Rigolet\textsuperscript{14} (Map 4) (Statistics Canada 2007o - s). Nain is with 1,034 inhabitants the largest community and the administrative centre for the Nunatsiavut Government (Statistics Canada 2007q). According to the latest Canadian Census, a majority of 91 percent of the population defines themselves as Aboriginal: Inuit and Kablunângajuit\textsuperscript{15} (Statistics Canada 2007o - s).

Unlike other Inuit groups in Canada, the Labrador Inuit had a very long history of contact with European settlers, dating back to the 18\textsuperscript{th} century:

- **Moravian missionaries** arrived in the region and founded eight missions and trading posts along the northern coast of Labrador: Nain (1771), Okak (1776-1956),

\textsuperscript{14} Several northern settlements like Nutak and Hebron were closed in the 1950s and the residents located to the five remaining Nunatsiavut Communities

\textsuperscript{15} Kablunângajuit (“Settler“): „means an individual who is given that designation according to Inuit customs and traditions and who has: (a) Inuit ancestry (b) no Inuit ancestry but who settled permanently in the Labrador Inuit Land Claims Area before 1940; or (c) no Inuit ancestry, but: (i) is a lineal descendant of an individual referred to in clause (b); and was born on or before November 30\textsuperscript{th}, 1990.” (Indian and Northern Affairs Canada 2005a: 30 - 31). Many of them are descendants of Europeans (England, Scotland, Ireland, Newfoundland) in the early and mid-1800s that stayed in the region after their contracts with trading companies ended and married local Inuit women (TREUDE 1979: 78; BRICE-BENNETT 1977: 103)
3. Regional Dynamics in Nunavik and Nunatsiavut

Fig. 2: Webb Bay near Nain

Source: FUGMANN 2008


- **Settlers (Kablunângajuit)**, mostly descendants of private European traders from England, Scotland or Ireland who arrived in the early or mid-1800s and stayed in the area. They settled in sheltered bays about 25 – 30 miles from the mission stations and lived similar to the local Inuit from trapping, fishing and sealing. Many of the bays today like Webb Bay and Voisey Bay near Nain still carry the names of the settler family who lived there. Unlike Inuit families, settlers were not required to live close to the missions to attend church services (BRICE-BENNETT 1977: 103; BRICE-BENNETT 1986: 5; ROSS 1986: 5)

“It is largely the distinct history of the Labrador Inuit as a people colonized by the Moravian missionaries, living in mission-centered communities and subject to governmental policies made beyond the territory that make the Labrador Inuit a distinct regional group in Canada” (HAYSOM 1992: 181).
Until the early 20th century, fishery was the main source of income for Inuit and Settlers in Nunatsiavut, with cod fishing during summer and early fall and seal netting and hunting in late fall and early spring (BRICE-BENNETT 1986: 4). Moravian Missionaries, who supported a self-sustained economy for the region, sold the products traded at their stores to outside markets. The annual statistics of the Moravian mission recorded 1200 people living in the five mission stations in 1918. Okak was the largest settlement with 260 inhabitants; Hopedale, Nain and Hebron had each about 220 – 240; and Killinek was the smallest settlement with 155 residents (BRICE-BENNETT 1977: 105). After an outbreak of the Spanish influenza that same year, the population of these settlements was reduced dramatically. Only 59 people in Okak and 70 in Hebron survived the outbreak, the rest died within five weeks. Okak was closed and the survivors were resettled to Nain but later some of them moved back to their home community (BRICE-BENNETT 1977: 105).

After dominating the trade with the Inuit in Northern Labrador for 155 years, a financial crisis caused by increasing debt and falling market prices forced the Moravian missionaries to lease their trade operation in 1926 to the Hudson’s Bay Company (HBC) for 21 years (BRICE-BENNETT 1986: 7; ROSS 1986: 179). This had a profound impact on the economy of the region: fisheries as a commercial activity was abandoned and residents concentrated on hunting and trapping activities as their only source of income. The result was a increasing impoverishment of the local population in Nunatsiavut so that the “Moravian Mission Board described the economic state of the Northern Labrador coast as approaching utter desperation and urged the Government of Newfoundland to intervene and ameliorate conditions” (BRICE-BENNETT 1986: 11).

The lack of profitability of the trapping industry in Labrador forced the Hudson’s Bay Company in 1942 to close its stores in Hopedale, Davis Inlet, Nain, Nutak and Hebron and the Northern Labrador Trade Operations, of the Department of Natural Resources of the Government of Newfoundland took over responsibilities for the trade operations in Nunatsiavut16 (BRICE-BENNETT 1986: 12).

Over the next few decades, the Government of Newfoundland and after Confederation17 in 1949, the new provincial government as well as the federal Canadian Government tried several initiatives to improve the economic situation along the northern coast of Labrador:

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16 replaced in 1951 by the Division of Northern Labrador Affairs - DNLA (BRICE-BENNETT 1986: 12)
17 Newfoundland and Labrador only joined Canada in 1949 and became the Province of Newfoundland and Labrador.
• Cod fishery was reinstated and remained an important source of food and income until the end of the 1960s (Chapter 4.2.1.2).

• After Confederation, the Canadian Government extended social benefits to residents in Northern Labrador, increasing family incomes (e.g. family allowances, pensions for elderly, blind, disabled, widowed, since 1957 unemployment insurance benefits also for fishermen) (BRICE-BENNETT 1986: 20)

• Improving the community facilities and structures (creating construction projects and so wage-employments for local residents)

• The first industrial activities (e.g. construction of a military airfield in Goose Bay in 1941; Distant Early Warning Line (DEW-Line) radar sites in Saglek Bay, Hopedale and Cape Makkovik as well as several sawmills needed for construction projects) evolved in the region providing wage employment for Inuit and Settler families along the coast. Incomes generated from those jobs affected the local economy (BRICE-BENNETT 1986: 14 and 24)

In the mid- and late 1950s, two of the northern communities were closed down for economic reasons: Nutak in 1956 and Hebron in 1959 (TREUDE 1979: 83; USHER 1982: 14). The families were resettled to Nain, Hopedale, Makkovik and Northwest River. As a result, Nain became the largest community on the northern Labrador coast. Its population rose from 325 in 1955 to about 500 in 1961 (BRICE-BENNETT 1986: 42).

During the 1970s, several community and regional public interest organizations were created in northern Labrador: community council were established in the late 1960s and early 1970s as well as the Labrador Inuit Association in 1973, representing the interests of all Inuit in Labrador (BRICE-BENNETT 1986: 57 – 58). This increased political interest also led to a growing demand for improved public services and an economic development strategy. In 1972 a Royal Commission on Labrador was set up by the provincial government looking at economic and social conditions in the region. The final report published in 1974 comprised 288 recommendations on 28 topics (BRICE-BENNETT 1986: 59).

When the Government of Canada announced its Comprehensive Claims Policy in 1973, the Labrador Inuit Association started a study on the traditional Inuit land use and occupancy of Northern Labrador. Extensive research was conducted taking archaeological, anthropological (mostly oral) and historical data (mostly reports from the Moravian missionaries) into consideration. Archaeological data included tent rings, stone cairns or
remnants of houses made of whale bone of the Paleo-Eskimo cultures (e.g. Pre-Dorset culture, Dorset culture, Thule culture) as well as of contemporary Inuit (BRICE-BENNITT 1977: 97). In addition current Labrador Inuit land use was documented through the mapping of hunting areas for sea mammals (e.g. seal) and land animals (e.g. Caribou, black bear, polar bear), fishing and trapping areas of residents, seasonal camps in the various Northern Labrador communities as well as traditional Inuktitut place names (BRICE-BENNITT 1977: 97). Similar to Nunavik, the coastal areas were used more frequently than the interior (BRICE-BENNITT 1977: 195). Historical reports of the Moravian missionaries about Inuit culture and land use since the 18th century, also offered a wealth of information for the project. The final report was published in 1977 with the title “Our Footprints are everywhere” and constituted the basis for the Labrador Inuit land claim filed by the Labrador Inuit Association in 1978.

3.2 Land Claim Agreements in Nunavik and Nunatsiavut

In the last few decades three land claim agreements have been signed with the Inuit in Nunavik and Nunatsiavut, that provide among others a basis for bottom-up economic development: the James Bay and Northern Québec Agreement of 1975 and the Nunavik Inuit Land Claim Agreement of 2006 settle the land rights of the Inuit of Nunavik in Québec as well as in the offshore region of Nunavik; the Labrador Inuit Land Claim Agreement of 2005 settles the land and self-government rights of the Labrador Inuit in Nunatsiavut. In addition, negotiations are still ongoing regarding self-governments rights with the Inuit in Nunavik. A Final Agreement for those negotiations is expected to be signed in 2011.

3.2.1 James Bay and Northern Québec Agreement 1975

In the early 1970s, the growing desire of Québec to become economically self-sufficient focused its interest on Northern Québec and its vast hydroelectric potential. In 1971, the Government of Québec initiated the James Bay Hydroelectric Project, consisting of a series of dams and reservoirs to supply energy for Québec and other markets. Resistance by the indigenous inhabitants of this area against the project rose for two reasons: first, Québec did not want to perform an assessment of possible environmental impacts of the project; second, Québec initially did not consider existing land claims of the Inuit, Cree
and Naskapi, for whom the area was their traditional territory (DESBIENS 2004: 353). Despite enormous economic pressure to continue with the project, the case was taken to court. At the same time as the Government of Canada announced its Comprehensive Claims Policy in 1973, the Government of Québec - to avoid more legal disputes and negative publicity - decided to negotiate an agreement with the Inuit and Cree\(^{18}\) (DESBIENS 2004: 354; SAKU and BONE 2000b: 289). The Inuit were represented during the negotiations by the Northern Québec Inuit Association. After just two years of negotiations\(^{19}\), the James Bay and Northern Québec Agreement (JBNQA) was signed in 1975 between the Government of Canada and Québec as well as the Quebec Cree and Inuit as the first modern day land claim agreement in Canada (SAKU and BONE 2000b: 289).

It created a new land and administrative regime for the Inuit of the Northern Québec. An amount of $225 million of compensation was paid to the Cree and Inuit. Several administrative institutions were created for the Nunavik region, establishing a certain degree of control over regional affairs for the inhabitants of the area (PETERS 1999: 414; Secrétariat aux affaires autochtones 1999). Makivik Corporation, created in 1978 as the representative of all Inuit beneficiaries of the James Bay and Northern Québec Agreement and the official successor of the Northern Québec Inuit Association, administers the implementation of the agreement and is involved in the economic and social development of the Inuit of Nunavik. The other institutions, including the Kativik Regional Government, the Kativik School Board, the Kativik Regional Development Council and the Nunavik Regional Board of Health and Social Services are public institutions serving all residents of Nunavik (Secrétariat aux affaires autochtones 1999).

Three categories of land (Map 6) were established, on which the Inuit population received certain rights of usage, with Category III lands making up almost 85 percent of the territory:

- Category I lands: Inuit villages and their peripheries which are reserved for the exclusive use and benefit of the Inuit;
- Category II lands: public land adjoining category I lands with exclusive hunting, fishing and trapping rights for the Inuit;
- Category III lands: public lands where Inuit retain certain harvesting rights.

(PETERS 1999: 414; DESBIENS 2004: 354)

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\(^{18}\) Later also the Naskapi in 1978.

\(^{19}\) Later land claim agreements took 15 – 20 years for negotiation!
Landholding Corporations received the Category I land in each village to manage it jointly with the Kativik Regional Government and the municipalities. Due to their resistance against the James Bay and Northern Québec Agreement, two communities (Puvirnituq and Ivujivik) refused to select their category I and II lands until today. Both communities therefore do not have a Landholding Corporation. Progress was made regarding the land selection of both communities but the discussion is still prevailing (INTERVIEW 33). Another special case is the community of Killiniq which was abandoned in 1979 and the
population relocated mostly to Kangiqsualujjuaq. The category I and II lands of this community still exist, managed by a committee of the former residents (INTERVIEW 33).

As the agreement had been negotiated in only two years, it had many shortcomings and outstanding issues that led to further negotiations in the following decades. A formal Implementation Agreement, common today with all other Comprehensive Land claim Agreements in Canada, settling the responsibilities and costs for implementing the provisions of the land claim agreement, was finally signed in 1990. Additional outstanding issues were:

1) the outstanding offshore claim of the Inuit of Nunavik
2) the question of self-government for the Inuit of Nunavik

3.2.2 Nunavik Inuit Land Claim Agreement (2006)

The Nunavik offshore area was one of the main issues not addressed by the James Bay and Northern Québec Agreement. The latter only covers the inland area of Québec. After the Québec boundary extension of 1912, the offshore region of Northern Québec remained under the jurisdiction of Canada (and later Nunavut) for transportation and security purposes. However, this area continues to play an important role in the traditional mixed economy of Nunavik. As it was traditionally used and occupied by the Inuit of Nunavik and was not part of the JBNQA, the Inuit of Nunavik never legally surrendered their claim and Aboriginal title to those areas (MULRENNAN and SCOTT 2001: 80 – 81).

When in 1986 the Government of Canada revised its federal land claim policy and made it possible for maritime areas to be negotiated in land claim negotiations, Makivik Corporation took advantage of it and submitted a claim to the offshore areas including the northern portion of Labrador, both onshore and offshore (MULRENNAN and SCOTT 2001: 78). In 1993, a Framework Agreement, the first stage in a land claim negotiation process, was signed between the Government of the Northwest Territories, the Government of Canada and Makivik Corporation, setting out the negotiation process and subject matters of the negotiations (Makivik Corporation 1994: 72).

As the Inuit of Nunavik were not the only aboriginal group claiming traditional Aboriginal rights to the area in question, a special agreement had to be arranged with all the affected groups: Inuit of Nunavik, Nunavut and Labrador as well as the Québec Cree.
An Agreement-in-Principle for the Nunavik Inuit claim was signed in 2002 and a Final Agreement was signed on December 1, 2006 (Makivik Corporation 2003: 81; Makivik Corporation 2007: 63). It covers the Nunavik Inuit Settlement Area (NISA) which consists of the Nunavik Marine Region and the Labrador Inuit Settlement Area portion of the Nunavik Inuit-Labrador Inuit overlap area and an additional area offshore Labrador (Map 6). The agreement attempts to provide a basis for future economic development in the region and thus on improvement of the economic situation of the Nunavik Inuit by providing them with land rights, capital transfers and co-management rights:

- Land rights: about 80 percent (5,100 km²) of the islands in the Nunavik Marine Region are granted to the Nunavik Inuit as Nunavik Inuit Lands owned in fee simple including subsurface rights, which will be held on behalf of all Nunavik Inuit and can be sold to the Crown or any third party subject to approval by 75 percent of all eligible Inuit voters. About 400 km² will be jointly owned by the Nunavik Inuit and Québec Cree as the lands overlaps with the area traditionally used by the Québec Cree. As the land rights transferred to the Inuit of Nunavik are intended to promote economic self-sufficiency for the Inuit of Nunavik in a manner consistent with their social and cultural needs and aspirations they include areas of value for harvesting and related activities, archaeological significance, tourism potential, carving stones and potential for resource development. The Inuit of Nunavik also received commercial fishing rights off the coast of Labrador. (Indian and Northern Affairs 2006)

- Capital transfers: an amount of $50 Million will be paid to the Inuit of Nunavik over a period of 9 years. Makivik Corporation will set up the Nunavik Inuit Trust as the special legal entity to receive the capital transfer payments. In addition the Nunavik Inuit Trust will also receive shares in resource royalties received by the Government of Canada and Nunavut ever year from the Nunavik Marine Region: 50 percent of the first $2 million and five percent of any additional resource royalties in any particular year. (Indian and Northern Affairs 2006)

- Co-management rights: to ensure Inuit input in the development of the Nunavik Marine Region, the agreement set up a number of co-management institutions to enable participation of Inuit in the decision-making process concerning new development projects as well as harvesting of wildlife in the Nunavik Marine Region
  
  o Nunavik Marine Region Wildlife Board (NMRWB): for wildlife management in the Nunavik Marine Region; establishing total allowable takes for certain
species and allocating harvesting rights to different users while protecting Nunavik Inuit harvesting rights in the area (Indian and Northern Affairs 2006: 25)

- **Nunavik Marine Region Planning Commission (NMRPC)**: responsible for identifying planning regions and planning objectives within the Nunavik Marine Region, develop draft land use plans and determine if development projects conform to the plans (Indian and Northern Affairs 2006: 58)

- **Nunavik Marine Region Impact Review Board (NMRIRB)**: to review the impacts of development project proposals and determine on the basis of its review, if a project should proceed and under what conditions as well as monitor projects (Indian and Northern Affairs Canada 2006: 65)

### 3.2.3 Self-Government Negotiations in Nunavik

The second major point of criticism with the JBNQA were the public institutions created under the agreement. Over the last few decades they showed several shortcomings and misconceptions, partly due to the lack of an overarching organizational body (JULL 2001: 17; DUHAIME 2001: 53; Secrétariat aux affaires autochtones 1999). As early as 1983 in a Parliamentary Commission on Aboriginal People in Québec, the Inuit expressed their desire to create a new form of self-government with greater autonomy. This request was agreed to by the Québec government, with the conditions that a consensus over the matter be reached among the Inuit and that this new form of self-government be negotiated with the governmental authorities. Elections were held in 1989 to create a Nunavik Constitutional Committee which started negotiations with Québec in 1990 (Secrétariat aux affaires autochtones 1999). These discussions were interrupted several times during the 1990s but reopened again in 1997 at a meeting between the Premier of Québec, Lucien Bouchard and the President of Makivik Corporation, Zebedee Nungak. In 1999, a Political Accord was signed between the Governments of Canada and Québec as well as Makivik Corporation in representation of the Inuit of Québec, creating the Nunavik Commission whose mandate was to propose a new form of self-government for Nunavik (DUHAIME 2001: 53).

The report of the Nunavik Commission was published in April 2001 and contained a number of recommendations on the design, operation, function and implementation of a new public government in Nunavik (DUHAIME 2001: 53; Nunavik Commission 2001).
Some of the key recommendations were the amalgamation of the existing public government institutions in Nunavik (Kativik Regional Government, Kativik School Board, Nunavik Regional Board of Health and Social Services) and the creation of a unifying body of a Nunavik Government (“Nunavimmiut Aquvvinga”), including a legislative assembly with the “power to adopt laws in the areas of Inuit language and culture, education, health, environment, public security, land and resources, economic development, justice, etc” (DUHAIME 2001: 54; Nunavik Commission 2001). As the majority of 90 percent of the population in Nunavik are Inuit, they would be able to dominate the new public government. The current multitude of funding agreements for the existing institutions would be replaced by two block funding agreements with the Governments of Québec and Canada (DUHAIME 2001: 54).

In 2003, a Negotiation Framework Agreement for the Nunavik self-government negotiations was signed between Makivik Corporation and the Governments of Québec and Canada. The Agreement-in-Principle was ratified in December of 2007 and it was expected that the Final Agreement would be signed in 2011. A referendum held among Nunavimmiut to approve the agreement failed, however, in April 2011 with 66 percent voting “no” (ROGERS 2011b). It is still uncertain how and if the negotiations will proceed in the future.

3.2.4 Labrador Inuit Land Claim Agreement (2005)

In Northern Labrador, the Labrador Inuit Association, after having concluded their land use and occupancy study “Our Footprints are everywhere”, filed a statement of claim with the Government of Canada for rights to land and sea ice in Northern Labrador. In 1978, the land claim was accepted for negotiations by the Canadian Government and a negotiations process lasting three decades started (Indian and Northern Affairs Canada 1990: 1). An Agreement-in-Principle was signed in 2001 and the final Labrador Inuit Land Claim Agreement was signed in 2005.

Before the final agreement was signed several side-agreements had to be negotiated:

- In 2002 the Labrador Inuit adopted the Labrador Inuit Constitution, which came into effect along with the Labrador Inuit Land Claim Agreement on December 1, 2005 (Nunatatsiavut Government 2009a).

- In 2002 an Inuit Impact and Benefit Agreement was signed between the Labrador Inuit Association and Voisey’s Bay Nickel Company Limited and Inco Limited
3. Regional Dynamics in Nunavik and Nunatsiavut

regarding the planned creation of a nickel mine in Voisey’s Bay (Nunatsiavut Government 2009a).

- In 2005, the Labrador Inuit Parks Impact and Benefit Agreement was signed between the Labrador Inuit Association and Parks Canada to ensure benefits from the national park to Labrador Inuit as well as preserve and strengthen their traditional use of the area (Nunatsiavut Government 2009a; Parks Canada 2010).

- Overlap agreements were negotiated with the neighbouring aboriginal groups: the Inuit in Nunavik and the Innu Nation in Labrador (Nunatsiavut Government 2009a).

On June 23, 2005, Bill C-56, An Act to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement was finally approved and received Royal Assent from the Governor General of Canada. The agreement and the Labrador Inuit Constitution came into effect on December 1, 2005 (Nunatsiavut Government 2009a).

The agreement established a Labrador Inuit Settlement Area comprising of 72,520 square kilometres terrestrial area of which 15,799 square kilometres are defined as Labrador Inuit Lands which are owned by the Inuit in fee simple and administered, controlled and managed by the Nunatsiavut Government. In addition, the “zone” is defined as the offshore area of the Labrador Inuit Settlement Area with an area of 48,690 square kilometers (Indian and Northern Affairs Canada 2005a: 45). Subsurface rights are not included in the Labrador Inuit Lands but the Nunatsiavut Government receives a share in revenues from subsurface resources on these lands. A monetary compensation of almost $140 million is being paid out over a period of 14 years and an additional $152 million for the implementation of the agreement (Indian and Northern Affairs 2005a: 301 and 328). The Labrador Inuit Land Claim Agreement also provides for the establishment of the Torngat Mountain National Park at the northern tip of Labrador as part of the Labrador Inuit Settlement Area.

Two levels of self-government institutions were created in Nunatsiavut by the Labrador Inuit Land Claim Agreement. Unlike in Nunavik or Nunavut, these structures are not true public governments but rather a form of ethnical institutions, serving primarily the beneficiaries of the agreement:
3. Regional Dynamics in Nunavik and Nunatsiavut

**Map 7: Nunatsiavut**

- **Regional Level:** *Nunatsiavut Government* with various jurisdictions on:

  *Labrador Inuit lands:* e.g. Inuit culture and Inuktitut; administration for the governance of these lands; municipal jurisdiction to the lands outside the communities; protection
of the environment; education and health of Inuit; income support programs and services for Inuit residents; matters respecting social, family, youth and children’s programs services and facilities for the Inuit; custody and guardianship of Inuit children

*Labrador Inuit Lands within Inuit Communities*: e.g. Inuit culture and Inuktitut, protection of the environment, education and health of Inuit

(Indian and Northern Affairs 2005a: 183 - 249)

- **Community Level**: *Inuit Community Governments* in all Nunatsiavut communities (Nain, Hopedale, Postville, Makkovik, Rigolet) as well as two Inuit Community Corporations for beneficiaries living outside the Labrador Inuit Settlement Area (Sivunivut Inuit Community Corporation for beneficiaries in North West River and Sheshatshiu; NunaKatiget Inuit Community Corporation for beneficiaries in the Happy Valley-Goose Bay Area):

  While the jurisdiction and structure of the Inuit Community Governments is similar to the former municipal structure there are a few changes: at least 75 percent of the seats in the Community Government have to be filled with beneficiaries of the Labrador Inuit Land Claim Agreement. Only the remaining 25 percent can be filled with non-beneficiaries and new residents and they can only vote for those seats. The AngajukKak as the leader of the Community Government can only be a beneficiary. Another significant change is that Inuit Community Governments received freehold title to all Provincial Crown Lands within the boundaries of the Inuit Community when they were created (Indian and Northern Affairs 2005a: 283 – 290; Interview 38).

### 3.3 The Regional Economy in Nunavik and Nunatsiavut – Characteristics and Challenges

The economy in northern regions like Nunavik and Nunatsiavut features some unique characteristics that distinguish it from the “South”. Among others, LEVEN (1986) and HUSKEY (2005) explained these special “northern” conditions not only with their remote physical location, but also with their cultural and institutional differences (in HUSKEY 2005: 120). First, these regions are shaped by their geographic isolation combined with extreme weather, topography, small population base, sparse settlements, distance to the
markets, lack of infrastructure as well as a dependency on exporting natural resource, creating higher costs of living and doing business. Second, there are cultural differences in terms of language, customs, place-specific knowledge, a positive place preference by residents (through special environmental attributes or presence of family) that increase the unwillingness of residents to move for economic and education opportunities. Third, the public sector and government institutions play a greater role in the life of the residents in northern regions than in the South due to it owning many resources and contributing heavily to the regional economy as a source of employment (HUSKEY 2005: 120 – 122; HUSKEY and MOREHOUSE 1992: 130).

3.3.1 Challenges for Economic and Business Development

3.3.1.1 Small Northern Market

The population base in Nunavik and Nunatsiavut is very small. According to the latest Canadian Census in 2006, there are currently not even 14,000 people living in both regions: 10,784 in Nunavik and 2414 in Nunatsiavut (Table 1). The 19 communities are spread over an area of about 575,000 square kilometres, almost one and a half times the size of Germany. Population density in Nunavik is 0.02 inhabitants per square kilometer and in Nunatsiavut 0.03 inhabitants per square kilometer (Statistics Canada 2007a - s; DUHAIME 2008: 1 – 3). This has several effects on businesses in these regions: a) the regional market for businesses in Nunavik and Nunatsiavut to sell their products is very small; b) the size of the labour force is limited and thus also limiting the pool of potential applicants from within the region to fill open positions.

3.3.1.2 Demographic Challenges

The population of Nunavik and Nunatsiavut shows several special characteristics that are different to those found in their respective provinces or in Canada as a whole and that have an effect on economic development in both regions. Interestingly both similarities and differences are visible in a regional comparison.

Both regions have a high percentage of indigenous people. In Nunavik 90 percent of the population are Inuit. Aboriginal identity population or beneficiaries of the land claim agreement (Inuit and Kablunângajuit), make up a portion of 91 percent in Nunatsiavut. As
a comparison, the rate of indigenous people in the province of Québec is 1.5 percent and in the province of Newfoundland and Labrador 4.7 percent (Statistics Canada 2007t - u).

Tab. 1: Population of Nunavik and Nunatsiavut communities in 2006

<table>
<thead>
<tr>
<th>Community</th>
<th>Inhabitants in 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nunavik</strong></td>
<td>10784</td>
</tr>
<tr>
<td>Akulivik</td>
<td>507</td>
</tr>
<tr>
<td>Aupaluk</td>
<td>174</td>
</tr>
<tr>
<td>Inukjuak</td>
<td>1597</td>
</tr>
<tr>
<td>Ivujivik</td>
<td>349</td>
</tr>
<tr>
<td>Kangiqsualujjuaq</td>
<td>735</td>
</tr>
<tr>
<td>Kangiqsujuaq</td>
<td>605</td>
</tr>
<tr>
<td>Kangirsuk</td>
<td>466</td>
</tr>
<tr>
<td>Kuujjuacq</td>
<td>2132</td>
</tr>
<tr>
<td>Kuujjuaraapik</td>
<td>568</td>
</tr>
<tr>
<td>Puvirnituq</td>
<td>1457</td>
</tr>
<tr>
<td>Quaataq</td>
<td>315</td>
</tr>
<tr>
<td>Salluit</td>
<td>1241</td>
</tr>
<tr>
<td>Tasiujaq</td>
<td>248</td>
</tr>
<tr>
<td>Umiujaq</td>
<td>390</td>
</tr>
<tr>
<td><strong>Nunatsiavut</strong></td>
<td>2415</td>
</tr>
<tr>
<td>Hopedale</td>
<td>530</td>
</tr>
<tr>
<td>Makkovik</td>
<td>365</td>
</tr>
<tr>
<td>Nain</td>
<td>1035</td>
</tr>
<tr>
<td>Postville</td>
<td>220</td>
</tr>
<tr>
<td>Rigolet</td>
<td>265</td>
</tr>
</tbody>
</table>

(Source: Statistics Canada 2007a - s)

It should be noted that not all Inuit, who are beneficiaries of the James Bay and Northern Québec Agreement or the Labrador Inuit Land Claim Agreement live in their respective land claim settlement regions. Considerable numbers moved for reasons of employment, education or other opportunities to cities across Canada. On a national level, about 22 percent of all Inuit live outside their land claim settlement area, 76 percent of whom live in
urban areas (e.g. Montreal, Ottawa, Happy Valley-Goose Bay, North West River, St. John’s) (Inuit Tapiriit Kanatami 2008: 2). The Nunatsiavut Government, for instance, estimated that in 2009, only about 37 percent of the 7,027 beneficiaries of the Labrador Inuit Land Claim Agreement resided in Nunatsiavut. Happy Valley-Goose Bay, just south of Nunatsiavut is the home of another 29 percent of the beneficiaries (Fig. 3) (Labrador Inuit Settlement Area Regional Planning Authority 2010: 13).

Fig. 3: Percentage of Beneficiaries of the Labrador Inuit Land Claim Agreement by location

![Percentage of Beneficiaries of the Labrador Inuit Land Claim Agreement by location](image.png)

Source: Labrador Inuit Settlement Area Regional Planning Authority 2010: 13

The two regions show significant differences regarding the growth rate of their population. In the 15-year period from 1991 – 2006, Nunavik experienced a steady growth by almost 40.6 percent (Statistics Canada 1991a – n; Statistics Canada 2007a - n). Between 1971 and 2006, its population even almost doubled (DUHAIME 2008: 6). In contrary, the population only increased by 9 percent in Nunatsiavut since 197920. Between 1991 and 2006 the population almost stagnated, with even a slight decrease of 4 percent (Fig. 4) (Statistics Canada 1996 o – s; Statistics Canada 2007o – s; USHER 1982: 19).

The fast population growth in Nunavik has several reasons: a) a high natural growth rate due to high fertility rates of Inuit women - in the period between 1996 and 2001, the total fertility rate of Inuit women in Canada was 3.21 compared to a Canadian average of 1.53 births per women (Inuit Tapiriit Kanatami 2008: 5); b) improved living conditions (e.g. housing, improved health care and infrastructure) compared to previous decades; c)

20 The base value of 2218 for 1979 for this calculation included 2068 permanent resident (Inuit and settler) plus ca. 150 transient residents including teachers, nurses and government employees) (USHER 1982: 19).
migration due to increasing job opportunities in the regional administration and local
governments (DUHAIME 2008: 6).

Fig. 4: Population Development in Nunavik and Nunatsiavut 1991 - 2006

The difficult economic situation in Nunatsiavut with an outmigration due to work reasons
balancing out natural growth rates, can probably serve as an explanation for the only minor
changes in population numbers in Nunatsiavut during the same period. As the latest census
was conducted in 2006, the same year as the Nunatsiavut Government was created, the
new structures and measures from the Labrador Inuit Land Claim Agreement came into
effect, and the Voisey’s Bay Nickel Mine southwest of Nain started operations, possible
changes to the regional population resulting from these increased job opportunities in the
public and private sector are not included yet.

Another interesting demographic characteristic is the median age of the population in
Nunavik and Nunatsiavut. Both regions have a far younger population than the Canadian
average, but, in a regional comparison the median age in Nunavik is again well below the
value for Nunatsiavut. In Nunavik, the median age of the residents was 21.6 years in 2006.
Taking into consideration only the Aboriginal identity population, the median age even
dropped to 19.6 years. Nunatsiavut had a median age of 28.9 years or 26 year for only the
Aboriginal identity population (Statistics Canada 2007a – s; Statistics Canada 2007t - u).
Within Nunatsiavut, a difference is noticeable between the northern and southern
communities: while the median age in the three most northern communities (Nain,
Hopedale and Makkovik) is either below or at the regional average, the two southern communities are above that value. For example, the median age in Hopedale is 25.5 years, while it is 32.8 years in Postville (Statistics Canada 2007o; Statistics Canada 2007r). An explanation can be seen in the level of remoteness of the respective communities and the possibility for closer links in the southern communities with non-Aboriginal influences.

Figures 5, 6 and 7 show the population by age for Nunavik, Nunatsiavut and Canada as a comparison. The pyramids for Nunavik and Nunatsiavut are both expanding at the bottom - Nunavik even more than Nunatsiavut - while the Canadian pyramid has a classic contracting shape common to many industrialized countries, including Germany. Life expectancy is again similar in both regions with 62.5 years in Nunavik and 65.3 years in Nunatsiavut, both well below the Canadian average of 79.5 years (Inuit Tapiriit Kanatami 2008: 4).

What are the challenges arising from these special demographic characteristics for economic and business development in Nunavik and Nunatsiavut? Especially the young population structure requires the creation of many training and employment opportunities to meet the demands of especially the younger generation pressing into the labour force.

*Fig. 5: Population by age in Canada in 2006*

*Source: Statistics Canada 2007v)*
Fig. 6: Population by age in Nunavik in 2006

Source: Statistics Canada 2007a – n

Fig. 1: Population by age in Nunatsiavut in 2006

Source: Statistics Canada 2007o – s
The number of available jobs in Nunavik, for example, has increased steadily over the last few decades. Figure 8 shows a 63 percent increase in total for all full-time, part-time, seasonal and casual positions since 1995 (LEFEBVRE 1996: 139, 167, 169, 171; LEVEBVRE 2006: 11, 36, 40, 45).

Fig. 2: Jobs by type in 1995 and 2005

While the amount of seasonal jobs remained stable, all other categories showed a significant increase. DUHAIME (2008) sees several factors explaining these numbers: a) increase in personnel in the educational sector and other service fields due to a growing number of school-aged children; b) increase in personnel at the Kativik Regional Government as a result of the transfers of additional responsibilities from the governments.

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21 No comparable values available for Nunatsiavut

22 Definition of the different job categories according to the Kativik Regional Government:

“Regular full-time jobs are those that represent a full workload (30 hours or more per week) on a regular basis year-round or for a major part of the year (full-time teachers, for example). Most jobs at the Raglan mining site are considered in this report as regular full-time jobs (given the remoteness of the site and the alternating periods of work and time-off).

Regular part-time jobs are those that represent a workload of less than 30 hours per week on a regular basis year-round or for a major part of the year (part-time secretaries, for example).

Seasonal jobs are those that, due to fluctuations in demand, are for a definite period every year. They are often specific to certain types of activities (summer construction, as well as fishing and tourist guiding).

Casual jobs are those that are for a short definite period, without being seasonal (casual workers who are on-call, job replacements, occasional workers, short-term contractual workers, etc.).” (LEFEBVRE 2006: 7)
of Québec and Canada to the Kativik Regional Government; c) increase in business employees as a result of growing business activities through economic development programs (DUHAIME 2008: 38). The current rate of job growth can however, not meet the demands of the fast growing population. In 1996, the report of the Royal Commission on Aboriginal People in Canada stated that “more than 300,000 jobs will need to be created for Aboriginal people in the period 1991 – 2016 to accommodate the growth in the Aboriginal working-age population and to bring employment levels among Aboriginal people up to the Canadian standard” (Royal Commission on Aboriginal Peoples 1996: 275).

The shortage in available jobs results in relatively high unemployment rates in both regions. In the 10-year period from 1996 to 2006, it increased in Nunavik by 5.1 percent to 18.1 percent (Statistics Canada 1996a – n; Statistics Canada 2007a – n) (Table 2). Kuujjuaq has with 11.3 percent the lowest unemployment rate in the region, while Kangiqsualujjuaq has the highest with 28.8 percent (Statistics Canada 2007e; Statistics Canada 2007i). The same indicators show an even less favourable picture for Nunatsiavut reflecting the difficult economic situation in this region. The unemployment rate is currently at a regional average of 31.8 percent, with the value changing only very little since 1996 (Statistics Canada 1996o – s; Statistics Canada 2007o – s). The lowest unemployment rates in Nunatsiavut can be found in Nain with 27.9 percent, whereas Makkovik, with 37.1 percent has the highest percentage of residents without work (Statistics Canada 2007 p – q). Considering only the Aboriginal identity population for both Nunavik and Nunatsiavut, the regional unemployment rates rise to 20.5 percent among the Inuit in Nunavik and 34.9 percent in Nunatsiavut (Statistics Canada 2007t - u). Employment rates in both Nunavik and Nunatsiavut are below their provincial and the Canadian average, with again the values for Nunatsiavut being lower than for Nunavik as a result of the difficult economic situation (Table 2).

For the interpretation of these statistical data it should be noted, that the values published by Statistics Canada in the Census only provide a snapshot of the labour force activity in the week prior to Census Day (Statistics Canada 2007y). The values might differ at other times of the year. In many communities in Nunavik and Nunatsiavut residents might not be looking for work as there is no work available or jobs are only available seasonally and may not have been available at the time the Census data was collected.
3. Regional Dynamics in Nunavik and Nunatsiavut

Tab. 2: Labour Force Activity in 2006

<table>
<thead>
<tr>
<th></th>
<th>Participation Rate** (%)</th>
<th>Employment Rate*** (%)</th>
<th>Unemployment Rate**** (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nunavik*</td>
<td>68.2</td>
<td>55.9</td>
<td>18.1</td>
</tr>
<tr>
<td>Nunatsiavut*</td>
<td>56.4</td>
<td>38.3</td>
<td>31</td>
</tr>
<tr>
<td>Québec</td>
<td>64.9</td>
<td>60.4</td>
<td>7.0</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>58.9</td>
<td>47.9</td>
<td>18.6</td>
</tr>
<tr>
<td>Canada</td>
<td>66.8</td>
<td>62.4</td>
<td>6.6</td>
</tr>
</tbody>
</table>

*The values for Nunavik and Nunatsiavut are average values derived from the Community Profiles of the 14 Nunavik and 4 Nunatsiavut communities.

**Refers to the labour force in the week prior to Census Day (May 16, 2006) expressed as a percentage of the population 15 years and over excluding institutional residents.

***Number of persons employed in the week prior to Census Day (May 16, 2006) expressed as percentage of the total population 15 years and over excluding institutional residents.

****Refers to the unemployed expressed as a percentage of the labour force in the week (Sunday to Saturday) prior to Census Day (May 16, 2006).

Source: Statistics Canada 2007a – s; Statistics Canada 2007v – x

Tab. 3: Weeks worked (Nunatsiavut)

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2001</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked full-year (&gt;50 weeks)</td>
<td>29</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Worked part-year (&lt;50 weeks)</td>
<td>71</td>
<td>70</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Newfoundland & Labrador Statistics Agency 2009a - e23

In Nunatsiavut, for example, many jobs are seasonal and limited to the summer months. Only 35 percent of the labour force in 2005 worked year round, an increase of 6 percent since 1995, while the majority worked for only part of the year (Table 3). About 58 percent of those that worked part-year worked less than 20 weeks during the year (Newfoundland

23 Average of the individual values for Nain, Hopedale, Makkovik, Postville and Rigolet.
& Labrador Statistics Agency 2009a - c). The majority of 82 percent of those who worked for at least one week during 2005, held a full-time position.

**Tab. 4: Full-time and regular part-time jobs by status 1993 – 2005 in Nunavik.**

<table>
<thead>
<tr>
<th></th>
<th>Full-Time [%]</th>
<th>Regular Part-Time [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>63</td>
<td>61</td>
</tr>
<tr>
<td>Non-Beneficiaries</td>
<td>37</td>
<td>39</td>
</tr>
</tbody>
</table>

*Source: LEVEBVRE 2006: 12 and 35*

In Nunavik, a difference is noticeable between beneficiaries and non-beneficiaries of the James Bay and Northern Québec Agreement. Between 1993 and 2005, the percentage of beneficiaries holding a full-time or a part-time position decreased, while it increased for non-beneficiaries (Table 4). This leads to the interpretation that more and more jobs in Nunavik are filled with non-beneficiaries. DUHAIME (2008) sees a possible explanation in these newly created jobs requiring a certain level of skills or education that are not met by Inuit in Nunavik (DUHAIME 2008: 40). No detailed recent analyses are available for the number of full-time, part-time and seasonal employees in Nunatsiavut. In 1982, USHER estimated about 15 percent of the labour force in Northern Labrador had full-time wage employment with 25 percent of all households benefited from that (BRICE-BENNETT 1986: 72; USHER 1982: 23).

**Tab. 5: Percentage of full-time jobs in Nunavik per type of establishment for 1995 and 2005.**

<table>
<thead>
<tr>
<th></th>
<th>Total [%]</th>
<th>Beneficiaries [%]</th>
<th>Non-Beneficiaries [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private businesses and Cooperatives</td>
<td>25.5</td>
<td>37</td>
<td>24.3</td>
</tr>
<tr>
<td>Public / Para-public</td>
<td>70.7</td>
<td>53</td>
<td>70.7</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>3.8</td>
<td>10</td>
<td>5.0</td>
</tr>
</tbody>
</table>

*Source: LEFEBVRE 1996: 141; LEVEBVRE 2006: 15*
Table 5 shows the percentage of full-time jobs in Nunavik per type of establishment\textsuperscript{24} for 1995 and 2005. An increase in the number of jobs in private businesses and cooperatives as well as the non-profit sector can be seen within that 10-year-period. At the same time, the number of jobs decreased by almost 18 percent in the public and parapublic sector. Again differences can be noticed between beneficiaries and non-beneficiaries of the James Bay and Northern Québec Agreement: more non-beneficiaries seemed to have been hired in the private businesses and cooperative sector, showing a sharp increase by 25.5 percent, while the value for beneficiaries changed only minor. New opportunities in the mining sector (Raglan Mine) that, despite efforts to increase the number of Inuit being hired, provides additional jobs for non-beneficiaries could be one explanation of this increase. On the other hand, more beneficiaries were employed in the non-profit sector. Preferential hiring policies of Inuit organizations in that sector contributed to this positive trend.

3.3.1.3 Education

One of the key challenges for economic development is the education level of the regional residents in Nunavik and Nunatsiavut. It eventually determines, how much residents can benefit from new jobs being created through economic and business initiatives in the region. Many of the new jobs created in the regional self-government administrations as well as businesses in the collective and individual private sector require a certain level of

\textsuperscript{24} Definition of businesses by establishment according to the LEVEBVRE (2006: 7 – 8):

“Private businesses and co-operatives

Private businesses have been classified depending on whether they are owned by regional interests (that is, residents of the region) or by outside interests. In addition, although co-operatives are in certain respects non-profit organizations due to their activities and the fact that they belong to members to whom surpluses (in one form or another) are normally redistributed, they are herein in the same group than the private businesses.

Public and para-public establishments

These establishments include local public administrations (such as municipalities), regional public and para-public establishments (such as the Kativik Regional Government, the health centres, social services and schools, among others), and provincial and federal public businesses and administrations.

Non-profit establishments

The third type of establishment groups together organizations which conduct a wide range of activities and are located quite close to one another in the communities (the administrative offices of the Makivik Corporation and of the landholding corporations are next to day care centres, Taqramiut Nipishtaq Incorporated, the Avataq Cultural Institute, etc.). The only point in common that these organizations share, and which serves as criterion here, lies in their charters: they are non-profit organizations. It should nonetheless be noted that most of the Makivik Corporation’s subsidiaries are considered in this report as private businesses.”
specialized skills and education that differ from those required in the traditional land-based economy. The difficulty to recruit well educated people and specialized manpower from within the regions was a recurring topic in many of the interviews with business owners as well as the local and regional administrations conducted for this project. Education statistics show a large gap between the standards in both Nunavik and Nunatsiavut compared to the rest of their respective provinces or Canada as a whole. Table 6 shows the highest level of schooling reached in Nunavik, Nunatsiavut and Canada in 2006 of the population 15 years and older.

**Tab. 6: Percentage of highest level of schooling in 2006 by region**

<table>
<thead>
<tr>
<th></th>
<th>Nunavik</th>
<th>Nunatsiavut</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>% with no degree</td>
<td>61</td>
<td>48.6</td>
<td>23</td>
</tr>
<tr>
<td>% with high school degree or higher</td>
<td>39</td>
<td>51.4</td>
<td>76</td>
</tr>
<tr>
<td>% of any type of post-secondary degree, trade, college or non-university certificates or diploma</td>
<td>28</td>
<td>34.6</td>
<td>50.7</td>
</tr>
<tr>
<td>% with a university degree</td>
<td>6.6</td>
<td>10.2</td>
<td>18.1</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada 2007a – s; Statistics Canada 2007v*

The percentage of residents with less than a high school degree are much higher in both regions than in Canada as a whole, with the value for Nunavik being almost 2.6 times the Canadian average. It should be taken into consideration however, that especially in the age group of 15 – 19 years, a number of people will not have completed their high school education yet. But even when considering the age group of 20 years or higher, the overall results are not much different. The portion of those with any kind of post-secondary degree, trade college or non-university certificate or diploma is well below the Canadian average with again Nunatsiavut showing a better picture than Nunavik (Statistics Canada 2007a – s; Statistics Canada 2007v).

A significant difference is noticable when comparing the Aboriginal population in both regions with the values for the total regional population (Table 7). The portion of Inuit without a high school degree is in both cases higher than the regional average. An even more significant difference is seen for the percentage of Inuit with a university degree.
which is far below the regional average (Table 7). An explanation is that many well-educated non-Aboriginals come to Nunavik for work reasons taking the higher qualified positions in management of businesses or the regional administration, thus raising the regional education level.

**Tab. 7: Aboriginal Population vs. Total Population level of schooling 2006**

<table>
<thead>
<tr>
<th></th>
<th>Nunavik</th>
<th></th>
<th></th>
<th>Nunatsiavut</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Aboriginal</td>
<td>Total</td>
<td>Aboriginal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Population</td>
<td>Population</td>
<td>Population</td>
<td>Population</td>
<td></td>
</tr>
<tr>
<td>% with no degree</td>
<td>61</td>
<td>67,9</td>
<td>48,6</td>
<td>52,6</td>
<td></td>
</tr>
<tr>
<td>% with high school degree or higher</td>
<td>39</td>
<td>32,1</td>
<td>51,4</td>
<td>47,1</td>
<td></td>
</tr>
<tr>
<td>% of any type of post-secondary degree, trade, college or non-university certificates or diploma</td>
<td>28</td>
<td>21,1</td>
<td>34,6</td>
<td>29,7</td>
<td></td>
</tr>
<tr>
<td>% with a university degree</td>
<td>6,6</td>
<td>1,4</td>
<td>10,2</td>
<td>1,8</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Statistics Canada 2007a – s; Statistics Canada 2007t – u*

Although the statistics still show a regional education standard that is far below the provincial or national averages, the issue has been worked on for many decades. Changes in the education system, the increased availability of schools leading up to grade 12 in the settlements and a growing tendency to adjust the education system to the regional needs and influences (e.g. traditional culture and language) have resulted in many improvements. Some of these changes start to show in statistics. Since 1996, the percentage of those residents 15 years and older having at least a high school degree increased in Nunavik by 1.6 percent and in Nunatsiavut even by 6 percent. Differences are visible between Nunavik and Nunatsiavut in the factors of post-secondary education and university degree. In Nunatsiavut, the number of residents with a university degree increased by 3.2 percent, and in Nunavik, the percentage of those with any type of post-secondary degree, trade, college or non-university certificate or diploma was raised by 4.1 percent (Statistics Canada 1996 a – s; Statistics Canada 2007a – s).
3. Regional Dynamics in Nunavik and Nunatsiavut

3.3.1.4 Infrastructure

Shortcomings in the available infrastructure in Nunavik and Nunatsiavut communities have been a major challenge for economic development for many decades. The absence of roads to the regions and in between the communities resulting in a dependency on expensive air and sea connections as well as shortages in the available housing for potential future employees are only two examples faced by businesses.

Both regions and their provincial governments have realized these challenges and have developed plans to reduce them. In the last few years several programs were created that provided funds for the improvement of the regional infrastructure. In 2000, the Government of Newfoundland and Labrador, the Labrador Transportation Initiative and the Federal-Provincial Inuit Communities Agreement provided for example $23-million in total for upgrading the basic infrastructure in Nunatsiavut in areas such as housing, roads, water and sewer servicing and wharf upgrading (Government of Newfoundland and Labrador 2001: 40). Additional funding is currently being provided through the Northern Strategic Plan of the Government of Newfoundland and Labrador investing in projects all over Labrador including Nunatsiavut (e.g. for the grooming of snowmobile trails used in the winter months between the Nunatsiavut communities) (Government of Newfoundland and Labrador 2009). The Nunatsiavut Government also plans to invest capital received through the Labrador Inuit Land Claim Agreement and the Impact and Benefit Agreement with the Voisey’s Bay Nickel Mine to improve the infrastructure in its communities (INTERVIEW 34).

The most extensive economic and infrastructure program in Nunavik was the Partnership Agreement on Economic and Community Development in Nunavik (Sanarrutik Agreement) signed between the Government of Québec, Makivik Corporation and the Kativik Regional Government in 2002. It initiated several economic projects in the communities. Among others it committed the Government of Québec to contribute half of the costs towards a $88-million project to improve the marine facilities in the Nunavik communities over a period of 7 years25 (Makivik Corporation 2003: 47).

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25 The other half of the funding was provided by the Government of Canada in 2005 which had already contributed $30-million to a first phase of the Marine Infrastructure Program starting in 1999 (Makivik Corporation 1999: 55 - 56; Makivik Corporation 2005: 55).
With the heavy reliance of the communities and the regional businesses on the annual sea
lift\textsuperscript{26}, this project was considered a priority. Constructed facilities included sheltered
anchoring basins, access ramps for small boats and for sealift unloading operations as well
as storage areas (Fig. 9) (Kativik Regional Government 2006: 116). The project was finally
finished in 2010 and new funding is being sought right now to continue the maintenance of
the constructed facilities (Kativik Regional Government 2009: 21). The marine
infrastructure program was not only an investment in the regional infrastructure from the
side of the federal and provincial government. The Makivik Corporation (Chapter 4.2.2.1)
was contracted to execute the program and was able to maintain on average a 70 percent
Inuit workforce in the projects, translating in over 100 seasonal jobs for the residents of
Nunavik (Makivik Corporation 2001: 38). In 2001, for example, 117 Inuit were hired
(Makivik Corporation 2001: 11).

\textsuperscript{26} Transportation of especially larger items and non-perishable goods through cargo ships in the summer
months.
3. Regional Dynamics in Nunavik and Nunatsiavut

Fig. 10: Kuujjuaq

Source: FUGMANN 2008

Fig. 3: Nain

Source: FUGMANN 2008
The Sanarrutik Agreement also provided $35.5-million for a Road Paving Program to pave 90 kilometres of roads within the 14 Nunavik communities (Kativik Regional Government 2009: 75). This is one of the major visible differences today between the two regions, as in Nunatsiavut, community roads are still unpaved (Fig. 10 and Fig. 11). The first phase of the Road Paving Project was completed in 2009 and will be continued with additional roads being upgraded in new subdivisions of the Nunavik communities starting 2011 (ROGERS 2010a).

In addition, funding was provided for upgrading the airport infrastructure in Nunavik. The new $14.9-million terminal building of the Kuujjuaq airport opened in 2008 (Fig. 12 and Fig. 13) (Kativik Regional Government 2008: 126 – 127).

Three of the main infrastructure challenges faced by economic projects in Nunavik and Nunatsiavut are the limited and expensive transportation infrastructure, the limited communication infrastructure as well as the shortage in housing for potential new employees from outside the communities.

*Fig. 12: Old Kuujjuaq Airport in 2006*
a) Transportation Infrastructure

The dependency on air and sea transportation for goods and passengers due to the lack of ground transportation links within the regions and with southern Canada increases not only the costs of products, but also makes the supply of businesses challenging. Nunavik has currently two airlines servicing the region: Air Inuit and First Air. Both are owned by Makivik Corporation (Chapter 4.2.2.1) allowing for bit of control by the Inuit over the transportation sector in Nunavik as well as job opportunities for regional residents.

After financial commitments in 2007 by the Government of Québec, transportation subsidies for personal travel as well as shipping charges were able to reduce the high transportation costs for Nunavik residents at least to a minor extent (Kativik Regional Government 2008: 3 – 4). Kuujjuaq, the largest settlement in Nunavik serves as a regional transportation hub. Nunatsiavut is serviced by two regional airlines: Air Labrador and Innu Mikun / Provincial Airlines. Air Labrador operates since 1948, is regionally owned since June 2010 by Philip Earle and is based in Happy Valley - Goose Bay; Innu Mikun Airlines was created by the Innu of Mushuau and Sheshatshiu, that partnered with the Innu Economic Development Corporation and Provincial Airlines in 2000 (Air Labrador 2010 a – c; Innu Mikun Airlines n.d.). As both airlines, contrary to First Air and Air Inuit are no
subsidaries or business ventures by an Inuit Development Corporation, benefits for Labrador Inuit are not as high as in Nunavik.

Fig. 14: MV Northern Ranger in Postville (Nunatsiavut) in 2008

Air transportation is used for most passenger travel in both regions as well as the transportation of smaller, lighter and perishable products. For larger, bulkier items this type of transportation would be too expensive. Instead, they have to be brought to the communities via cargo ships. In this regard, Nunatsiavut, due to its more southern location and easier access has an advantage over Nunavik. It receives supplies during the summer months every week by the MV Northern Ranger, the MV Sir Robert Bond and the MV Astron operated by Labrador Marine Inc. since 1998 as part of the Woodward Group of Companies headquartered in Happy Valley – Goose Bay (Labrador Marine Inc. 2009). Nunavik communities are supplied only once by the sea-lift during the annual summer shipping season. Service is provided by Nunavut Eastern Arctic Shipping (NEAS) and Desgagnés Transarctik Inc. (DTI). Both companies bring besides goods, also direct and indirect income as well as employment opportunities for the Inuit in Nunavik: Makivik Corporation is a 16 2/3 shareholder of NEAS and DTI is the managing partner in Taqramut.

27 The Northern Ranger provides passenger service as well.
Transport Inc., a business relationship with the Fédération des Cooperatives du Nouveau Québec (Chapter 4.2.1.1.) (Makivik Corporation 2009: 142; Desgagnés Transarctic n.d.)

The limited availability of ship cargo services during the year is resulting in a logistical challenge for residents and businesses in both regions. Orders of larger and bulkier supplies have to be carefully planned and storage facilities are necessary to store the shipped goods until they are needed. Especially in the mining sector an additional challenge arises for transporting the mined resources to the markets in Southern Canada and storing them on site when no transportation is possible in the winter months.

b) Communication Infrastructure

Transport infrastructure is however not the only area that is in need of upgrading in both Nunavik and Nunatsiavut. The communication infrastructure for example is well below Canadian standards with only limited, slow and expensive modern telecommunication services (e.g. internet), a factor affecting both residents and businesses alike (INTERVIEW 24, Inuit Tapiriit Kanatami 2004: 15). Only a very small percentage of the regional businesses are using the internet for example for marketing or informing about the business operation. Improvements have been made over the last few years, but a further extension of services is needed. In Nunavik, the Kativik Regional Government in partnership with the Northern Indigenous Community Satellite Network and two First Nations groups in northern Ontario (Keewaytinook Okimakanak) and northern Manitoba (Keewatin Tribal Council) launched a regional wireless internet service for Nunavik called Tamaani in 2004, which has been constantly upgrading, increasing its services and speed (Kativik Regional Government 2007: 25).

b) Housing

The third major infrastructure challenge for businesses is housing. Especially in Nunavik, the fast growing population requires the constant construction of new housing units every year. But the construction of new houses is challenging due to an increased logistical effort (e.g. all parts have to be shipped in from the South), high costs (e.g. due to high transportation costs, special requirements to houses due to the extreme weather conditions), the permafrost conditions and a very short construction season during the summer months (Government of Québec 2001: 10). As a result, both Nunavik and Nunatsiavut are struggling with a housing shortage. Statistics shows that 49 percent of the Inuit in Nunavik in 2006 lived in crowded homes, an increase of 2 percent since 1996
Despite continuous efforts by the Government of Québec, the Government of Canada and the Kativik Regional Government to build new houses each year in all 14 Nunavik communities, the fast growing population makes it impossible for construction to keep up with the demand. Since 2000, two 5-year agreements between the Government of Canada, the Government of Québec, the Kativik Regional Government, the Kativik Municipal Housing Bureau and Makivik Corporation provided funding for more than 550 residential units being built between 2000 and 2009 in Nunavik communities (Makivik Corporation 2000 – 2009). In 2008, the Kativik Municipal Housing Bureau estimated a need for an additional 1000 residential units to meet only the current demand for housing in the region (Kativik Regional Government 2009: 8). The housing projects had nevertheless a positive impact on the regional labour market, providing seasonal employment for Nunavik residents.

*Fig. 15:* Housing as built since the 1980s in Nunavik (here: Kuujjuaq)

In Nunatsiavut, the Government of Newfoundland and Labrador agreed to provide $7.7-million in 2000 for the construction of new housing (Government of Newfoundland and Labrador 2000: 9). Compared to Nunavik the construction costs for houses here are considerably reduced due to the more southern location and the more frequent marine shipping in the summer months. Through these efforts combined with a far lower
population growth, the number of residents living in crowded conditions was reduced from 37 percent in 1996 to 13 percent in 2006 (Statistics Canada 2008: 25).

In addition to the shortage on new housing, a large number of existing houses in both regions are in need for major repairs. The extreme Arctic weather is the main factor contributing to a faster deterioration of houses in these regions requiring frequent repairs. In Nunavik the percentage of houses needing major repairs rose since 1996 by 8 percent to 46 percent in 2006, whereas the housing investments in Nunatsiavut had a positive effect on that region, reducing the percentage by 7 percent to 34 percent in 2006 (Statistics Canada 2008: 25).

*Fig. 16: Modern houses in Nunavik (here: Kuujjuaq)*

Source: FUGMANN 2006

The poor housing situation and especially the crowded living conditions have social, health and economic impacts on the daily life in the North. For economic projects, one of the major problems is that no or hardly any housing can be provided to potential new employees from outside the community or region. This is the reason why some jobs have to stay vacant as no qualified local applicants can be found. While several larger regional organizations and government institutions (e.g. Kativik Regional Government, Kativik School Board, Nunatsiavut Government) solve this problem by building their own housing
to provide to their employees, this is financially not possible for smaller businesses in the region.

3.3.1.5 Financial and other technical and professional services

Another challenge for especially smaller regional businesses in Nunavik and Nunatsiavut is the limited availability of technical and professional services. Accounting, auditing, legal and financial services are either absent or only available in a limited form in the regional centres like Kuujjuaq and Nain (Inuit Tapiriit Kanatami 2004: 7). In particular, the access to financial services is a major issue for small businesses as they depend on that for their daily financial transactions as well as for acquiring business loans (INTERVIEW 24 and 26). In Nunavik, the majority of regional banking is done by the Canadian Imperial Bank of Commerce (CIBC), which operates a branch in Kuujjuaq. In Nunatsiavut, only the Bank of Montreal (BMO) runs a small community banking outlet in Nain offering basic financial services. Businesses and residents in the other Nunavik and Nunatsiavut communities have difficulties accessing these services. Initiatives like the creation of the Nunavik Financial Services Cooperative (Chapter 4.2.1.1.) are designed to improve the access of businesses to financial services. In recent years, programs have also been created by the various levels of government and regional Inuit organizations to help entrepreneurs access capital and other essential services necessary to successfully start up and operate a business in Nunavik and Nunatsiavut (Chapter 4.1.) (Inuit Tapiriit Kanatami 2004: 9).

3.3.1.6 High Business and Personal Living Costs

High costs of starting and operating a business as well as high costs of living for the regional residents are a challenge for economic projects in many ways. The limited transportation infrastructure and the remote location far away from the centres in Southern Canada increase the costs for shipping products to and from Nunavik and Nunatsiavut. These high costs have to be transferred to the consumers increasing the price levels in these regions. DUHAIME estimated in 2008 that food prices in Nunavik were about 60 percent higher than in the Québec City area (DUHAIME 2008: xx). But not only food is more expensive. Also building material for construction and other supplies needed by businesses are more expensive. In addition, higher wage structures due to the high costs of
living and taxes\textsuperscript{28} are a financial burden for any business in Nunavik and Nunatsiavut (Inuit Tapiriit Kanatami 2004: 7; INTERVIEW 24).

Despite the higher wage structures income levels in general are low in Nunavik and Nunatsiavut. In 2003, the disposable income per capita in Nunatsiavut was $12,040 (Table 8) (Newfoundland and Labrador Statistics Agency / Government of Newfoundland and Labrador 2003a - e.). For comparison, DUHAIME (2008) calculated for the same year a value of $22,655 for Nunavik. This amount is reduced to $18,973 if only considering permanent residents in Nunavik (DUHAIME 2008: 74). The study sees two reasons for this finding: many higher paying jobs are held by non-residents either because they require an advanced level of education or because they are in a certain industry like the mining sector, where most workers are not from Nunavik (DUHAIME 2008: 74).

\textit{Tab. 8: Disposable income per capita in Canadian Dollars by region}

\begin{tabular}{|l|c|c|}
\hline
\textbf{Disposible income per capita in Canadian Dollars} & \textbf{1991/2} & \textbf{2003} \\
\hline
Nunatsiavut & 7340 & 12040 \\
Nunavik & 8772 & 22655 \\
Québec & 9687 & 21325 \\
Newfoundland and Labrador & 13075 & 18848 \\
\hline
\end{tabular}


Where do regional residents receive their income from? In 1980, USHER analyzed that the income in Northern Labrador was composed of: 33 percent income from full-time, casual or seasonal (fish plant) employment; 27 percent income from payments such as unemployment insurance, social assistance, family allowance and old age disability pensions; 40 percent income from people’s activity as self-employed harvesters and independent producers of renewable resources found in the region (production of fish and fur for commercial sale and harvest of meat, fish and firewood for domestic use) (BRICE-BENNETT 1986: 69). Today, Statistics Canada community profiles list three separate

\textsuperscript{28} Unlike other Aboriginal groups in Canada, the Inuit as well as their businesses pay taxes.
income sources: earnings (employment income)\textsuperscript{29}, government transfers and other income\textsuperscript{30}. Income from activities as self-employed harvesters and other traditional economic activities which remain very important for the residents of both Nunavik and Nunatsiavut are included in earnings.

\textit{Tab. 9: Comparison of Income Composition for 2000 and 2005}\textsuperscript{31}

\begin{table}[h]
\begin{center}
\begin{tabular}{|l|c|c|c|c|c|c|}
\hline
 & \textbf{Earnings} & & \textbf{Government transfers} & & \textbf{Other money} \\
 & (employment income) & & (% of total income) & & (% of total income) \\
 & (% of total income) & & (% of total income) & & (% of total income) \\
\hline
\hline
Nunavik* & 77,6 & 79,5 & 20,7 & 18,1 & 1,6 & 1,9 \\
Nunatsiavut** & 71,2 & 75,1 & 26,5 & 21,5 & 2,2 & 3,6 \\
Québec & 75,1 & 73,2 & 13,9 & 13,9 & 11,0 & 12,9 \\
Newfoundland and Labrador & 69,3 & 69,1 & 21,2 & 20,4 & 9,5 & 10,5 \\
Canada & 77,1 & 76,2 & 11,6 & 11,1 & 11,3 & 12,7 \\
\hline
\end{tabular}
\end{center}
\end{table}

*Average of the values for the communities: Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsualujjuaq, Kangiqsujuaq, Kangirsuk, Kuujjuarapik, Kuujjuaq, Puvirnituq, Quaqtaq, Salluit, Tasiujaq, Umiujaq.

** Average of the values for the communities: Nain, Hopedale, Makkovik, Postville and Rigolet.

Source: Statistics Canada 2007a – s; Statistics Canada 2002a – v; Statistics Canada 2007v - x

Table 9 shows a comparison of the income composition in 2000 and 2005 for Nunatsiavut, Nunavik, Quebec, Newfoundland and Labrador as well as Canada as a whole. While a higher percentage of the total income in Nunavik compared to Nunatsiavut is derived from earnings, the values for government transfers and other money show a contrary picture

\textsuperscript{29} \textit{Earnings:} “Refers to total income received by persons 15 years and over during calendar year 2005 as wages and salaries, net income from a non-farm unincorporated business and/or professional practice, and/or net farm self-employment income.” (Statistics Canada 2006a) The \textit{net income from non-farm unincorporated business and/or professional practices} also includes: “net income from persons babysitting in their own homes, persons providing room and board to non-relatives, self-employed fishers, hunters and trappers, operators of direct distributorships such as those selling and delivering cosmetics, as well as freelance activities of artists, writers, music teachers, hairdressers, dressmakers, etc.” (Statistics Canada 2006a)

\textsuperscript{30} e.g investment income

\textsuperscript{31} This data are average valued according to the Community Profiles from Statistics Canada from 2001 and 2006. As Statistics Canada uses a rounding technique for privacy purposes there is a small statistical error to these values. The overall results and conclusion from them are not affected by that. Comparable data can be found by DUHAIME 2008 who estimated for Nunavik in 2003 the employment income to be 82.2 percent, public transfer income at 11.4 percent and investment income at 6.4 percent (DUHAIME 2008: 81).
with Nunavik portions being lower than in Nunatsiavut. Compared to the provincial levels, both regions show higher percentages in earnings and government transfers. As a general trend, an increase in the importance of the employment income and other income sources like investments is seen in both regions, whereas the portion of government transfers decreased. DUHAIME (2008) observed this development in Nunavik already since 1983 (DUHAIME 2008: 80). Income data from Nunatsiavut also shows this trend with the portion of employment income increasing between 1990 and 2005 by 10.3 percent and government transfers decreasing by 11.2 percent (Newfoundland & Labrador Statistics Agency / Government of Newfoundland and Labrador 1990 - 2006a – e; Newfoundland & Labrador Statistics Agency / Government of Newfoundland and Labrador 1990 – 2006f - j). The percentage of other income like investment income is in both Inuit regions well below their provincial level and forms only a small part of the total income.

The lower income levels in Nunavik and Nunatsiavut have a significant effect on businesses in the regions due to the lower purchasing power and the lack of personal savings of the local residents (Inuit Tapiriit Kanatami 2004: 7). This limits the amount of products that can be sold on the regional market and forces business owners to look for alternative markets outside the region to sell their products. It is also visible on the local housing market. For example, many residents are not able to afford to buy a house. In Nunavik, about 95 percent of all residents live in rented houses, more than 90 percent of which are social housing. In Nunatsiavut, the situation is slightly better, with 61 percent of the residents privately owning their houses (Statistics Canada 2007a - s; Government of Québec 2001: 18).

To reduce the high costs of living and encourage more economic and business initiatives, all levels of government provide various subsidy programs for regional residents and businesses. Nunavik for example has since 2007 six subsidy programs in place: the price or gasoline is reduced by 48¢ per litre; elders receive an annual $500 allowance to improve their socio-economic conditions; residents receive rebates for travels within or outside the region; shipping charges is subsidized for certain vehicles, household furniture and appliances; the costs of essential harvesting equipment is subsidized and a food program is in place to reduce prices for basic food and household items (Kativik Regional Government 2008: 3-4).

A Food Mail Program by the Government of Canada was in place already since the late 1960s. Both Nunavik and Nunatsiavut communities were able to benefit from this. It provided an air transportation subsidy via Canada Post for nutritious and other essential
goods that are needed in the North. In April 2011, the program will be replaced by the new Nutrition North Canada Program that will not give the subsidies to Canada Post anymore but directly to the retailers in the eligible communities with greater subsidies being provided for higher cost communities. The new program focuses more on subsidizing healthy nutritious food and eliminates the subsidies for certain products that do not meet these criteria. Non-perishable and non-food items are encouraged to be shipped via the annual sea lift instead of air. This new program poses a challenge and additional financial burden to local retailers in Nunavik and Nunatsiavut as greater storage facilities will need to be built in order to store the full-year supplies for latter items. In addition it is a logistical challenge for retailers especially in Nunavik where the sea lift arrives only once a year to place their orders so that they have enough supplies in their stores for a full year. (Indian and Northern Affairs Canada 2010b; GEORGE 2010a).

On the provincial level, the Government of Newfoundland and Labrador has a similar programme, the Air Foodlift Subsidy Program, administered by the provincial Department for Labrador and Aboriginal Affairs that provides subsidies on food since 1997 for Nunatsiavut communities (Labrador and Aboriginal Affairs / Government of Newfoundland and Labrador 2009a).

3.3.2 Economic Characteristics in Nunavik and Nunatsiavut

3.3.2.1 Inuit Culture and Subsistence Economy

The strong presence of Inuit culture, language and traditional economic activities like harvesting wildlife and fish, is one of the key factors that influence the economy in both Nunavik and Nunatsiavut. The last century brought drastic changes to the lifestyle and living conditions of the Inuit in both regions. While in Nunatsiavut, the Moravian missionaries have convinced the Inuit already in the 19th century to settle more permanently near their missions in order to ensure their conversion to Christianity, the Inuit in Nunavik have only been moved to permanent settlements in the 1950s and 60s.

In Nunavik this means that the Inuit had only a very short time of about 60 years to change from their traditional economy based on hunting, fishing and gathering to a “modern” economy by western standards. After a period of assimilation attempts in the 1950s and 60s, that endangered the old traditions, language and activities through the introduction of southern education, health and social security systems, a strengthening and revival of traditional Inuit culture and activities can be witnessed in both Nunavik and Nunatsiavut.
since the 1970s through the recognition of aboriginal rights and settlement of claims to
land and self-government. As a result, similar to other Arctic region, the economy in
Nunavik and Nunatsiavut is based today on the mixture of two parts: a formal wage-based
economy and an informal land-based economy with traditional subsistence harvesting
activities (POPPEL 2006: ECONOR I; ASLAKSEN, DALLMANN, HOLEN,HOYDAHL, KRUSE, POPPEL, STAPLETON and TURI 2008: 75). Although early
development theories considered traditional activities as barriers to development and
participation in the modern economy, land-based harvesting activities remain today an
important part of the economy in Nunavik and Nunatsiavut. Country food (e.g. caribou,
seal, narwhal, muskox, whale, fish, berries), not only has an important nutritional value in
the diet of the Inuit, but it also has a cultural value. “The harvesting of renewable resources
provides Inuit with food, nutrition, clothing, fuel, harvesting, equipment and income.
Subsistence means more than mere survival of minimum living standards. … It enriches
and sustains Inuit communities in a manner that promotes cohesiveness, pride and sharing.
It also provides an essential link to, and communication with, the natural world of which
Inuit are an integral part” (Inuit Circumpolar Conference 1992 in POPPEL 2006: 66). It is
through these activities that they were able to maintain their traditional social relationships.
Sharing a traditional practice in Inuit culture as part of the subsistence harvest, is still
maintained to a certain degree today (KISHIGAMI 2000: 171). Harvesting activities, like
the hunting of seals have also been an integral part of the commercial trade with non-Inuit
until the second half of the 20th century. In Nunavik, it was especially the decision of the
European Union to ban imports of various animals including seal products, that had a
devastating effect on this economic sector resulting in the “decline in the hunting and
fishing activities [that have] since cause great changes in social relationships upon which
Inuit subsistence is based.” (KISHIGAMI 2000: 172). The currentEU ban on seal
products, in place since 2009, has again reduced the demand for seal products and despite
an exemption for traditional arts and crafts created by Inuit artists has considerably reduced
this source of income for residents in Nunavik and Nunatsiavut.

In spite of this, the vast majority of Inuit in Nunavik and Nunatsiavut are still actively
participating in harvesting activities. Results from the Aboriginal Peoples Survey by
Statistics Canada show that in 2006 about 68 percent of all Inuit adults over 15 years of
age in all Canadian Inuit regions harvested country food. In Nunavik and Nunatsiavut, the
percentages were even higher at 72 and 74 percent respectively (TAIT 2008b: 23). This is,
however, a slight decrease by 9 percent in Nunavik and 2 percent in Nunatsiavut compared
to the results of the Aboriginal Peoples Survey in 2001 (Statistics Canada 2006b: 10).
The high cost of living in those regions, also make harvesting activities a way to reduce food costs for northern households. In 2006, about 59 percent of the Inuit in Nunavik lived in houses where at least half of the meat and fish consumed was country food. The percentage was even higher in Nunatsiavut at 79 percent (TAIT 2008: 23). But, harvesting activities today require expensive modern equipment like guns, ammunition, fuel, snowmobiles, all terrain vehicles and boats. To be able to participate in these activities and pay for the necessary equipment, the Inuit in Nunavik and Nunatsiavut are required to also have an income from the wage-based economy. This again poses challenges for the residents of Nunavik and Nunatsiavut. “So you tend to get people who are the winners in both economies … people who got employment income tend to be the people well positioned to go out and hunt on the weekends” (INTERVIEW 25). While there is a growing number that finds jobs in the newly created regional administrations, local businesses or projects in the resource extraction sector, job opportunities are often scarce or seasonal. More often, residents are required to leave the community for periods of time to find work elsewhere posing a challenge to the small communities as they temporarily lose residents that are needed for hunting and trapping and other essential needs in the communities (ASLAKSEN, DALLMANN, HOLEN, HOYDAHL, KRUSE, POPPEL, STAPLETON and TURI 2008: 86). Although the vast majority of residents have in the last decades adopted the “southern” ethic of work, working under the rules of the wage market with regular working hours, following a career path is not always considered a priority (INTERVIEW 22). Jobs are sometimes seen only as a way of making money to buy equipment for subsistence activities, as a necessity to be able to follow a traditional lifestyle. A number of residents therefore do not stay permanently in the work force or try to pursue a career in a job (ASLAKSEN, DALLMANN, HOLEN, HOYDAHL, KRUSE, POPPEL, STAPLETON and TURI 2008: 86; INTERVIEW 22; own observations). “At present, the overall aboriginal employment ‘snapshot’ likely reflects a pattern of carrying on much of private life in a traditional way, with work being a secondary consideration” (ASLAKSEN, DALLMANN, HOLEN, HOYDAHL, KRUSE, POPPEL, STAPLETON and TURI 2008: 86). Especially with the seasonality of many employment opportunities, some residents know that they can find a seasonal job with only a little bit of skill. The system of sharing in the family and within the community also supports this and provides enough flexibility and the social structures that allow a person even without a job to be provided for (INTERVIEW 22). The result is a large mobility among jobs. “You can be one day a carpenter, and the next a hunter, and the next a truck driver, and another day you can be an electrician, chairman or mayor” (INTERVIEW 22).
The strong traditional economy also directly and indirectly affects regional businesses. Traditional leaves in certain hunting seasons are common and accepted as a different reality in the North compared to the South (INTERVIEW 8; INTERVIEW 9). As long as the work in the business is done and replacements are found, this is even encouraged by some business owners (INTERVIEW 1; INTERVIEW 3, INTERVIEW 8; INTERVIEW 1). One entrepreneur interviewed for this study stated that he knows when his workers get restless and makes them the offer to take two days off to go hunting instead of them just leaving (INTERVIEW 1). In the North this is not seen as a problem, but it it socially accepted by the business owner, especially if they are Aboriginal themselves, or larger organizations have prepared for these situations and have a stock of people that can replace that employee (INTERVIEW 22). Business owners, Inuit and non-Inuit, interviewed for this study, pointed however to the business being their priority and traditional activities like hunting and fishing only taking place in their spare time, on weekends or in the winter when the business slows down (INTERVIEW 7; INTERVIEW 10; INTERVIEW 18; INTERVIEW 8; INTERVIEW 2).

The land claim agreements signed with the Inuit in Nunavik and Nunatsiavut have confirmed and strengthened traditional harvesting activities by including provisions regarding exclusive hunting, trapping and fishing rights for certain areas of the settlement regions. The James Bay and Northern Québec Agreement also established a Hunting, Fishing and Trapping Support Program, which is funded by the Government of Québec and administered by the Kativik Regional Government. The objective of this program created in 1983 is to “favour, encourage and perpetuate the hunting, fishing and trapping activities of the Inuit as a way of life, and to guarantee the Inuit communities a supply of produce from such activities” (Kativik Regional Government n.d.). Community freezer or community meals, provide a possibility for Elders and other Inuit that are not actively participating in hunting or fishing to have access to country food (INTERVIEW 25; KISHIGAMI 2000: 172).

Not only the traditional harvesting activities play an important role in the economy of Nunavik and Nunatsiavut. In Nunavik, both at home and at the workplace, Inuktitut has a very strong presence. The Canadian Census of 2006 shows that 85 percent of the population spoke Inuktitut at home, compared to just 8 percent speaking English and 5.3 percent French (Table 10) (Statistics Canada 2007a – n). This is in sharp contrast to Nunatsiavut, where Inuktitut is only spoken by 5.4 percent of the population at home (Table 10) (Statistics Canada 2007o – s). Reasons for this difference can be seen in the
3. Regional Dynamics in Nunavik and Nunatsiavut

The historic isolation of Nunavik and the majority Inuit population. In Nunatsiavut, Inuit were influenced for a long time by European settlers and Moravian Missionaries, so their knowledge of speaking Inuktitut almost died out. In both regions, many programs are conducted that promote Inuktitut and aim to preserve the language. In the neighbouring Inuit region of Nunavut, Inuktitut became an official language besides English and French for the Government of Nunavut.

Tab. 10: Percentage of language spoken at home in 2006

<table>
<thead>
<tr>
<th>Language</th>
<th>Nunavik</th>
<th>Nunatsiavut</th>
<th>Québec</th>
<th>Newfoundland and Labrador</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>8.0</td>
<td>93.7</td>
<td>10</td>
<td>98.7</td>
</tr>
<tr>
<td>French</td>
<td>5.3</td>
<td>0</td>
<td>81.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Non-official language(^32)</td>
<td>85.0</td>
<td>5.4</td>
<td>7.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 2007a–s; Statistics Canada 2007w–x

The same is also reflected in the use of Inuktitut at work (Table 11). A majority of 58 percent reported speaking Inuktitut at their workplace in Nunavik, while it was only 2.2 percent in Nunatsiavut (Statistics Canada 2007a–s).

Tab. 11: Percentage of languages spoke at work in 2006

<table>
<thead>
<tr>
<th>Language</th>
<th>Nunavik</th>
<th>Nunatsiavut</th>
<th>Québec</th>
<th>Newfoundland and Labrador</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>30,7</td>
<td>95,5</td>
<td>12,5</td>
<td>99,3</td>
</tr>
<tr>
<td>French</td>
<td>6,3</td>
<td>0</td>
<td>82,0</td>
<td>0,3</td>
</tr>
<tr>
<td>Non-official language</td>
<td>58</td>
<td>2,2</td>
<td>0,8</td>
<td>0,2</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 2007a–s; Statistics Canada 2007w–x

\(^32\) As 98 percent of the Aboriginal identity population in Nunatsiavut and 99 percent in Nunavik reported to be Inuit in the 2006 Aboriginal Population Profile, a language other than the official languages can be presumed to be Inuktitut (Statistics Canada 2007t–u).
The most important language at work in Nunatsiavut is English. In Nunavik, a difference is noticeable between the use of English at home and at work. While only 8 percent spoke English at home, it was 30.7 percent that spoke English at work. French only had a small proportion at work with 6.3 percent (Statistics Canada 2007a – s). This result is interesting when taking into consideration that Nunavik is part of the Province of Québec, where French is the first language.

3.3.2.2 Dominance of the Public Sector

In Nunavik, the James Bay and Northern Québec Agreement resulted in 1978 into the creation of several regional public institutions, primarily the Kativik Regional Government (KRG), Kativik School Board (KSB) and the Nunavik Board for Health and Social Services (NBHSS). Despite their public nature and their purpose of serving all residents of Nunavik, the majority Inuit population still manages to dominate these institutions and through that to influence their own regional affairs. Federal as well as provincial government departments have mandated these institutions to provide a variety of services and programs on the regional level. The Kativik Regional Government for examples delivers services in “areas such as municipal affairs, transportation, communications, information technology, police, employment, manpower training, income security, environment, childcare services, renewable resources, land-use management, civil security and economic development” (Kativik Regional Government 2007b). It also provides technical assistance for the villages in Nunavik among others “regarding management and municipal accounting, land use planning and development, legal affairs, engineering and public transit” (Kativik Regional Government 2009: 3). Most of the funding for these institutions comes from the provincial and federal government. In 2009, for example, about 82 percent of the funding for the Kativik Regional Government came from these two sources: 65.11 percent from the Government of Québec and 17.28 percent from the Government of Canada (Kativik Regional Government 2009: 32). A considerable part of the funding is commitments that the provincial and federal governments agreed on through the James Bay and Northern Québec Agreement and its Implementation Agreement signed in 1990. This shows how dependent the Kativik Regional Government and other public institutions are on these external sources of funding for their operations. Over the last 30 years, an increasing issue was that this funding was provided by a multitude of individual agreements. This resulted in an immense administrative effort for the public institutions in Nunavik and a lack of flexibility in the funding. In 2004, this was eased partly through the
signing of the *Agreement Concerning Block Funding For the Kativik Regional Government (Sivunirmut Agreement)* between the Kativik Regional Government and the Government of Québec (Kativik Regional Government 2005: 3). “This agreement has consolidated into a single resource envelop Québec-government funding that used to be provided through 18 separate agreements” (Kativik Regional Government 2005: 7).

Negotiations are currently in the final stages of creating a new regional self-government administration for Nunavik and amalgamate the Kativik Regional Government, Kativik School Board and the Nunavik Board for Health and Social Services under one umbrella Nunavik Regional Government. There are several hoped for results from this step: a) centralizing decision-making in the region; b) reducing administrative challenges caused by the currently completely separately operating institutions; c) more efficiency; d) improved structure of administering funds and programs for the Nunavik region (own observation at Nunavik Government Forum - Sivunivut in Kuujjuaq 2006).

In Nunatsiavut, the Nunatsiavut Government was created only in 2006. After a transitional period, the regional assembly started its work a year later. In the first almost five years of its existence there were a lot of issues it needed to confront: while still being in the process of setting up all administrative structures and gaining experience in governing the regional affairs, it faced the challenge of a struggling fisheries sector and simultaneously a growing pressure from the mining industry for more development of the region’s natural resources (e.g. uranium mining in Chapter 3.3.2.3.). The Nunatsiavut Government is therefore going through a learning process at the moment that will continue in the future. The legislative centre of the government was set up in Hopedale, the administrative centre in Nain, with a new administration building only opening in 2010 (OKalaKatiget Society 2010a). Several departments have offices in the other Nunatsiavut communities to spread the benefits of new job creation in the region. A larger number of positions is however still located in Happy Valley-Goose Bay, outside Nunatsiavut. To increase the benefits of the new regional government for all residents in Nunatsiavut, these jobs will have to be moved into the region in the future. The spectrum of services and programs provided by the Nunatsiavut Government are not as many in numbers and the institutions are not as

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33 The “Nunavik Government Forum – Sivunivut” was held as part of the fourth IPSSAS (International PhD School for Studies on Arctic Societies) Seminar “Self-governance in Arctic societies: Dynamics and Trends” in Kuujjuaq, Nunavik from May 30 – 31, 2006, with representatives of Makivik Corporation, Kativik Regional Government, Kativik School Board, Nunavik Regional Health and Social Services, Saputit Youth Association, Avataq Cultural Institute, Taqramiut Nipingat Incorporated representatives from various Nunavik villages and the participants of the seminar. The author participated in the IPSSAS Seminar and the “NunavikGovernment Forum – Sivunivut”
developed as in Nunavik. The explanation for this is very simple: the Kativik Regional Government has 30 years more experience than its counterpart in Nunatsiavut (INTERVIEW 22). Similar to the administrative institutions in Nunavik, the Nunatsiavut Government is heavily dependent on funding from the Government of Newfoundland and Labrador as well as the Government of Canada for the delivery of programs and services. An Own Source Agreement with the provincial and federal government regulates the funding for programs and services delivered by the Nunatsiavut Government. The latter is required to contribute a fair share of own revenues and any excess amounts needed will then be covered by the provincial and federal government (Labrador and Aboriginal Affairs / Government of Newfoundland and Labrador 2005; Nunatsiavut Government 2008d: 10 – 11). The costs for operating the Nunatsiavut Government itself (e.g. salaries of ministers) is neither covered by the provincial nor the federal government. The Nunatsiavut Government has to pay these costs from the funds received for the implementation of the Labrador Inuit Land Claim Agreement. The Implementation Trust, created in May 2007, where all money received in chapter 23 of the Labrador Inuit Land Claim Agreement (“Implementation”) is placed, is used for funding these operational costs (Nunatsiavut Government 2008d: 18). Other funds received from the land claim agreement and other sources like the Voisey’s Bay Impact and Benefit Agreement (Chapter: 3.3.2.3) are put into three other trust. This ensure not only to creditor proof the capital of the Nunatsiavut Government and to lower the capital base considered for the own source agreement, but also helps to preserve the money for future generations: a) the Settlement Trust (not set up yet) as a “vehicle for the tax free investment of capital derived under the Land Claims Agreement” with the amount that Canada pays under Chapter 19 of the Labrador Inuit Land Claim Agreement (“Capital Transfers”) as the limit (Nunatsiavut Government 2008d: 23 – 24); the trust will eventually “carry out a number of broad ranging social, cultural, housing, health, education, and economy type benefits” with the goal to have this money as the intergenerational heritage money (Nunatsiavut Government 2008d: 24); b) the Inuit Capital Strategy Trust desigend to “provide assistance for pursuing economic and socio-economic strategies that would foster employment, business and other relationships that enable beneficiaries of the Land Claim Agreement to gain experience, skills, knowledge and assets having economic value” (Nunatsiavut Government 2008d: 27); c) the Tasiujatsoak Trust that receives the income form the resource royalty shares received from the Voisey’s Bay Impact and Benefit Agreement (see Chapter 3.3.2.3) (Nunatsiavut Government 2008d: 32 – 33).
The administrations created in Nunavik and Nunatsiavut differ in one major characteristic: while all institutions are responsible for the delivery of certain provincial or federal government programs for all residents of the region, the institutions in Nunavik are completely public with all residents having access to their services and being able to hold elected positions, whereas the Nunatsiavut Government does have ethnic components. The Labrador Inuit were able to benefit from a new approach of the federal government to Aboriginal self-government and the Inherent Rights Policy of 1996 during their land claim negotiations. Several especially elected positions in the Nunatsiavut Government as well as on the local level in the Inuit Community Governments are only accessible for beneficiaries of the Labrador Inuit Land Claim Agreement.

Similar to other Arctic regions, the public sector plays a larger role in Nunavik and Nunatsiavut than in non-Arctic regions. Estimates suggest that the tertiary sector accounts for more than 50 percent of all economic activities in most Arctic regions. Public services alone range between 20 – 30 percent of the regional output making it the second largest industry in the Arctic and especially the largest employer (DUHAIME and CARON 2006: 19; HUSKEY 2005: 122). This “over-development” of the public sector especially in Alaska, Canada and Greenland grew out of the historic development of these regions since the mid-20th century. The government became not only the most important owner of resources but provided for many of the services, indigenous support programs and transfer payments that were necessary to maintain a similar standard of living in the North than in the South (DUHAIME 2004: 75).

In Nunavik, the administrative structures resulting from the James and Northern Québec Agreement, various subsequent agreements between the Kativik Regional Government and the Governments of Canada and Québec, as well as the rising demand for services by a growing population have contributed to making public services the number one source of employment in Nunavik (DUHAIME 2008: 54). DUHAIME estimated health, educational services, government administrative positions and other public sector activities to provide about 70 percent of all jobs in many Inuit communities (DUHAIME 2004: 74). In some of the smaller villages like Tasiujaq or Umiujaq almost 90 percent of the workforce older than 15 years of age worked in these jobs (Statistics Canada 2008n – o). Nunatsiavut shows a similar result with the portion of those employed in the public administration, health care, social services and education services making up 70 percent of all jobs (Statistics Canada 2008b - t). Public administration jobs alone were taken by 37 percent of the workforce in Nunavik and 26.5 percent in Nunatsiavut (Statistica Canada 2008b - t).
3. Regional Dynamics in Nunavik and Nunatsiavut

In December 2008, the Kativik Regional Government employed 427 people in part-time and full-time positions of which about 70 percent were beneficiaries of the James Bay and Northern Québec Agreement (Kativik Regional Government 2008: 15). What the effect of the new Nunavik Government would be on employment numbers in the public sector is not clear yet. The amalgamation of the three institutions is also a way to rationalize its operations with the risk of losing some jobs, a concern already raised in the Nunavik Commission that analyzed the possibility of creating a new regional government in 2001 (INTERVIEW 22). Employment numbers for the Nunatsiavut Government were not available for this report.

3.3.2.3 Mining

Since the early European explorers, the Arctic regions have been of interest as a storehouse of vast natural resources that could be exploited for profit. While the use of the Arctic’s renewable resources like fish, whales and fur has been practiced already since the 17th or 18th century, advances in transport infrastructure, especially since the middle of the 20th century, have increased the possibility of utilizing the many non-renewable resources as well. To cost-effectively mine resources in the Arctic, they have to be available in large volumes and high concentration to cover the costs of the company. This however depends on factors like world market prices, energy, labour and transportation costs (McALLISTER 2004: 345). In the last decades, large-scale mining projects have been established all across the Canadian North to mine among others resources like gold, iron, nickel, uranium and diamonds. In addition, the interest in the vast oil and gas reserves in the Arctic ocean and their increased accessibility and profitability are of interest for all Arctic states. Questions about who owns these resources and who will benefit from them are the topic of intense political debates about sovereignty and security issues in the Arctic regions today.

Both Nunavik and Nunatsiavut have active mining projects at the moment. They are an important factor in the regional economy, but are in most parts controlled by private developers from outside the region, predominantly in the form of national or transnational businesses operating worldwide. Despite increasing the economic output of the region as a whole, in the past the regional population had only limited opportunities to participate in these projects or to benefit from them. Many mines were operated as fly-in operations with workers from outside the region and so the opportunities for regional spin-offs and employment were limited.
Spin-off effects for local businesses and the labour force through an increased service sector (transportation, retailing, housing, local contractors for infrastructure construction etc.) are important ways for both Nunavik and Nunatsiavut to increase the benefits of the mining development for their residents. The actual extend of the spin-off effects on the local Arctic regions varies greatly and the risk of a boom-and-bust effect after the resources are exhausted and the mine is closed exists in most projects (DUHAIME 2004: 71; MYERS 2003: 5).

The land claim agreements have provided the Inuit in Nunavik and Nunatsiavut with increased opportunities to participate in the mining sector. Neither the James Bay and Northern Québec Agreement nor the Labrador Inuit Land Claim Agreement extend ownership rights to the non-renewable resources in the land claim settlement area to the Inuit (Indian and Northern Affairs 1998; Indian and Northern Affairs 2005a). Only the Nunavik Inuit Land Claim Agreement for the offshore part of Nunavik, hands the ownership of about 80 percent of the subsurface resources in the area to the Inuit of Nunavik (Indian and Northern Affairs 2006: 90 – 91). But ownerships of the land on the surface, co-management rights and profit-shares are tools for the Inuit to be involved in the decision-making process regarding mining development and to financially benefit from it.

The Inuit have to be consulted for projects that are planned on Inuit-owned land and they also have the ability to intervene against projects that they consider unfavourable for their environment and culture. In the last few years, a strong opposition has for example been voiced in Nunatsiavut against uranium exploration. The Nunatsiavut Government, shortly after its creation, put in place a three-year moratorium against uranium exploration and mining on Labrador Inuit Lands as it felt that it was not able to control the development or evaluate its effects on the region properly while it was in the process of establishing its new administrative structure. The decision will be revisited in spring of 2011. It was controversially discussed even among the Inuit in Nunatsiavut. While this was of course a sensible decision from an environmental and health perspective, it also meant a setback in terms of economic development and the creation of jobs in the area (INTERVIEW 26; Nunatsiavut Government 2008c: 13).

The question on how much the development of resources should be pushed by the Inuit to gain profits and employment while at the same time increasing the risk of damaging their traditional land is a constant issue. All decisions have to find a balance between both. A recent statement of the Inuit Circumpolar Council in February 2011 encouraged resource
development in the Arctic as long as benefits and influence regarding environmental protection is ensured for the Inuit (ROGERS 2011).

The strengthening of Aboriginal rights through courts, land claim agreements and the Canadian constitution, as well as developments in Northern Canada like the Mackenzie Valley Pipeline Inquiry in the 1970s and the following 10-year moratorium on the project have contributed to a decision by the mining sector to directly negotiate agreements with the Aboriginal people affected by the project (Canadian Centre for Community Renewal 2009: 8; O’REILLY and EACOTT 1999-2000: 3; KNOTSCH and WARDA 2009: 13). First on a voluntary basis through government policy or good corporated practice, the mining industry agreed to negotiating so called Impact and Benefit Agreements (IBAs). Today IBAs have become a legal requirement for any large-scale resource development project on Inuit-owned land or within the settlement areas of the various land claims and have evolved into an important development tool for negotiating benefits directly between the Inuit and the private developer (LACASSE 2005: 321; HAYSOM 2005: 295). They “are intended to ensure that Aboriginal peoples benefit from mining projects and are compensated for the negative impacts of mines on their communities, their land and their traditional way of life” and to ensure local and regional participation in those projects (O’REILLY and EACOTT 1999-2000: 3).

Most of the regional agreements signed with the Inuit in Canada contain provisions regarding the negotiation of an IBA in the case of a mining project:

- The Inuvialuit Final Agreement (1984) in the Northwest Territories Section 10 required the negotiation of a “participation agreement” for mineral or petroleum exploration, development and production activities on Inuvialuit lands (Indian and Northern Affairs 1984: 35).

- The Nunavut Land Claim Agreement (1993) requires the negotiation of an Inuit Impact and Benefit Agreement for “Major Development Projects”, that is “any Crown corporation or private sector project that (a) is a water power generation or water exploitation project in the Nunavut Settlement Area, or (b) is a project involving development or exploitation, but not exploration, of resources wholly or partly under Inuit Owned Lands, and entails, within the Nunavut Settlement Area during any five-year period, more than 200 persons years of employment, or entails capital costs in excess of thirty-five million dollars” (Indian and Northern Affairs Canada 1993: 205).

“commercial or industrial undertaking, including a power generation or water exploitation undertaking” on Labrador Inuit Lands as well as “Major Development”\footnote{Major Development: “Development within the Labrador Inuit Settlement Area that involves during any five-year period either more than 150 person-years of employment or capital expenditures of more than $40.0 million” (Indian and Northern Affairs Canada 2005a: 104)} in the Labrador Inuit Settlement Area outside Labrador Inuit Lands (Indian and Northern Affairs Canada 2005a: 4 and 10 and 104; HAYSOM 2005: 297) Nunavik, is the only exception. Neither the James Bay and Northern Québec Agreement of 1975, nor the Nunavik Inuit Land Claim Agreement of 2007 include provisions for impact and benefit agreements for mining projects\footnote{The Nunavik Inuit Land Claim Agreement only provides for Impact and Benefit Agreements being signed for Protected Areas. Development projects inside the Nunavik Marine Area, including mining projects have to be screened however before approval by the Nunavik Marine Region Impact Review Board in order to determine the impact of the project on the environment and the communities and what is being done by the developer to alleviate the negative impact of projects.}. The offshore area governed through the Nunavik Inuit Land Claim Agreement is however also part of the Nunavut Land Claim Agreement which provides for IBAs to be negotiated. For the Québec part of Nunavik, the Sanarrutik Agreement, a partnership agreement on economic and community development in Nunavik between Makivik Corporation, the Kativik Regional Government and the Government of Québec, requires Québec in part 2.3. to “encourage and facilitate the signing of agreements between Makivik and the mining companies concerning remedial measures and monitoring, financial arrangements, employment and contracts” (Secrétariat aus Affaires Autochtones 2006: 5).

There is no “one-size-fits-all” definition for the content of these Impact and Benefit Agreements. No two agreements are alike. But despite this, there are a number of commonalities like tools to create bottom-up development by including provisions on profit shares, the preferential use of Inuit businesses for supplier contracts, Inuit employment and training opportunities as well as cultural and environmental protection and dispute resolution (LACASSE 2005: 323 – 324; Inuit Tapiriit Kanatami 2004: 3). The exact content of each of the IBAs concluded so far is however confidential and only known to the parties involved in the agreement.

While these tools provide a development opportunity for the Inuit, they are only useful, if the Inuit groups can use them to their full extent. Education, training and technical skills as well as the limited abilities of Inuit-owned businesses in the region often pose a problem when trying to implement the content of the IBAs.
In Nunavik and Nunatsiavut, there are currently two active mining projects extracting nickel: Raglan Mine by Xstrata in Nunavik and the Voisey’s Bay Nickel Mine by Vale Inco in Nunatsiavut (Map 8). Both of them have concluded Impact and Benefit Agreements with the local Inuit organizations. The Inuit in both regions hope that these agreements will generate income, employment and business opportunities in their regions. In 2012 another nickel mine will start operations in Nunavik, just south of the Raglan Mine. The Nunavik Nickel Mine is a project owned by Jien Canada Mining Ltd., in which voting shares are owned 75 percent by Jilin Jien Nickel Industry Co. Ltd. from China and 25 percent by Goldbrook Ventures Inc. from Vancouver, Canada (Goldbrook Ventures Inc. 2010).

**Example: Raglan Mine in Nunavik**

The Raglan Nickel Mine is located near the communities of Salluit and Kangiqsujuaq in Nunavik (Map 8). It was owned originally by Falconbridge Limited and was taken over by Xstrata Nickel in 2006. Today there are three underground and one open pit mine extracting primarily nickel and copper. Operations started in 1997 with a proposed mine-life of 15 – 20 years (O’REILLY and EACOTT 1999-2000: 4). However, in 2007, additional resources were discovered leading to an extension of operations as well as more opportunities for employment and supply contracts. In 2012 a fourth underground mine will open. The ore produced at the mine is treated at an on-site mill. The nickel-copper concentrate is then shipped to the company’s smelter in Sudbury, Ontario and afterwards to the Nikkelverk Refinery in Kristiansund, Norway. In 2010, the company employed 730 full-time employees; 200 contractors were involved in its operations (Xstrata Nickel 2010a).

To ensure local benefits for Nunavik from this large-scale project, Makivik Corporation, the communities of Salluit and Kangiqsujuaq as well as the Landholding Corporations of these communities, negotiated an Impact and Benefits Agreement with the original owner of the project, Falonbridge Limited (Canadian Centre for Community Renewal 2009: 23). Although the James Bay and Northern Québec Agreement in Nunavik does not contain provisions for the negotiation of IBAs the developer agreed to voluntarily negotiate an agreement, partly because Falconbridge was at that time concerned that the outstanding offshore claim of the Inuit in Nunavik could have an effect on shipping its supplies and resources to and from the mine (O’REILLY and EACOTT 1999 – 2000: 4). The “Raglan Agreement” was signed in February 1995 and provided the Inuit among others with: a) regular yearly allocations totallying about $14-million in the first 15 years; b) 4.5 percent
of profit shares of the mine each year; c) preferential hiring policies for qualified regional Inuit; d) training programs conducted in cooperation with the Kativik Regional Government to provide Inuit with the qualifications needed for work in the project; e) a joint committee overseeing the training programs; f) preferential awarding of supply contracts to qualified Inuit businesses (O’REILLY and EACOTT 1999-2000: 4; Canadian Centre for Community Renewal 2009: 23).

Map 8: Active Mines in Nunavik and Nunatsiavut

What impacts did the agreement have on the communities and the Inuit in Nunavik? In a recent press release regarding the latest profit payment from Xstrata, the president of Makivik Corporation stated: “Inuit of Nunavik are proud to share the success of Xstrata with the Raglan Mine site. Mining is a key component of our future development and Makivik wants to position itself in a way where we can play a more active role in this industry” (Xstrata Nickel 2010b). Financially, the agreement is a success. Since 2005, over
$81-million in profit shares were paid out to the Inuit in Nunavik (Xstrata Nickel 2010a). Due to good business in 2007, the shares paid out to Makivik Corporation and the communities were $32.6 million alone in 2008 (Makivik Corporation 2008: 99).

The profits gained from the agreement are placed in a Trust and are then distributed in part to the residents of Nunavik directly, with the majority of money going to the closest communities Salluit and Kangiqsujuaq. The rest of 25 percent is paid to Makivik Corporation to support the region as a whole (Canadian Centre for Community Renewal 2009: 26).

Regarding the creation of employment opportunities, the Raglan Mine still faces challenges and has room for improvements. Unlike other Impact and Benefit Agreements, the Raglan Agreement does not contain a quota for Inuit employment, but only requires Xstrata to preferentially hire Inuit if they qualify for a position. In reality this amounts to only between 15 - 18 percent of the workforce being Inuit, predominantly engaged in entry-level positions (Canadian Centre for Community Renewal 2009: 26). In September 2010, from the total workforce of 711, there were 114 Inuit employed which equals a percentage of about 16 percent (ROGERS 2010a). The level had stayed about the same in the last 10 years, and is well below the expected level of about 20 percent. Since 2008, the newly created Tamatumani training program is trying to increase the percentage of Inuit in the workforce of the Raglan mine. One of the biggest problems for the mine are the high turnover rates of 70 percent among the Inuit employees. The reason for that is a combination of several factors: cultural and language difficulties especially for new and inexperienced workers, separation from families and communities and a perceived lack of promotion possibilities (Canadian Centre for Community Renewal 2009: 27).

Inuit businesses have also been involved in the Raglan Mine as contractors. According to the Canadian Centre for Community Renewal, 17 percent of the procurement budget for the mine was spent on Inuit businesses and services (Canadian Centre for Community Renewal 2009: 26).

**Example: Voisey’s Bay Nickel Mine (Nunatsiavut)**

The nickel deposit at Voisey’s Bay, about 35 kilometres southwest of the community of Nain was discovered first in 1993, when prospectors looked for diamonds in northern Labrador (HAYSOM 2005: 300) (Map 8). Three years later, Inco Ltd. acquired the rights to the property and created the Voisey’s Bay Nickel Company (VBNC) as a subsidiary to develop the project. The deposit contains 150 million tonnes of nickel, copper and cobalt
with an expected mine life of 25 years (O’REILLY and EACOTT 1999-2000: 7). As the land rights to the area were not settled yet and the Labrador Inuit Association was in negotiations with the Government of Newfoundland and Labrador and the Government of Canada about a land claim agreement, the mine was however delayed for several years. The Labrador Inuit Association wanted the land claim agreement to be finalized first as well as an Impact and Benefit Agreement to be signed before the Voisey’s Bay Project could go ahead. The provincial government argued that the land rights of the Inuit (and neighbouring Innu) had not been recognized in a treaty or in court and therefore no Aboriginal interest would have to be considered for the project (HAYSOM 2005: 301). Nevertheless, it encouraged the developer to co-operate with the Inuit and Innu. To ensure good relations with the Aboriginal peoples, the Voisey’s Bay Nickel Company agreed to negotiate an Impact and Benefit Agreement (HAYSOM 2005: 302). Two agreements were signed in 2002: one with the Labrador Inuit Association and one with the neighbouring Innu Nation. In late 2005, the mine started operations via open pit and underground mining (O’REILLY and EACOTT 1999-2000: 7; HAYSOM 2005: 299 and 303).

How do the Inuit in Nunatsiavut benefit from the Impact and Benefit Agreement? The exact content of the agreement is not made public. According to HAYSOM (2005: 305) it contains provisions for “a) Inuit education and training in relation to the project; b) Inuit employment including employment targets, the support of Inuit employees and Inuit career development and advancement; c) workplace conditions aimed at establishing a workplace that is supportive of Inuit values and culture; d) Extensive provisions designed to provide Inuit and Innu with access to business and contracting opportunities related to the development; e) establishment of monitoring partnerships between the Inuit and the company to monitor the environmental effects of the project and to recommend remedial action where the environmental effects exceed those that were predicted during the assessment of the project; f) compensation for predicted impacts on wildlife resources harvested by Inuit and procedures to address impacts on harvesting that are either not predicted or exceed the predicted impacts; g) financial provisions that provide Inuit with a fixed stream of income for the life of the project and a share of project income if the project performs better than projected; h) establishment of an implementation committee that is mandated to oversee and monitor the implementation of the agreement” (HAYSOM 2005: 305 – 306).

There are some positive effects noticeable in Nunatsiavut since the start of operations in 2006. The mine creates primarily employment opportunities for residents all along the
Labrador coast. In 2008, 150 – 170 Inuit were employed in the project (INTERVIEW 36). Between August 2009 and January 2011 a strike of the steelworkers union disrupted production at the mine resulting in difficult financial situations for some of the Voisey’s Bay workers (Montreal Gazette 2011).

Inuit businesses and joint ventures were especially able to benefit from the project through contracts during the construction phase (HAYSOM 2005: 306). In 2008, about 75 percent of supplier contracts went to aboriginal businesses (INTERVIEW 36). A Nunatsiavut Business Centre (Chapter 4.1.) was created to increase the participation of regional businesses in the project.

Similar to the Raglan Mine in Nunavik, the Nunatsiavut Government has also direct financial benefits from the Voisey’s Bay mine – although still to a lesser extent. In 2008, the Nunatsiavut Government received $12 Million in revenue shares from the Impact and Benefit Agreement. The Tasiujatsoak Trust was established to receive all payments from the Voisey’s Bay Nickel project (Nunatsiavut Government 2007: 14; Nunatsiavut Government 2008b: 22). The money was used for various regional projects targeted at improving the regional infrastructure and regional businesses, like the Torngat Fish Producers Cooperative Society (Chapter 4.2.1.2.) or the Labrador Inuit Development Corporation (Chapter 4.2.2.2.). Unlike Makivik Corporation in Nunavik and also unlike the neighbouring Innu Nation, the Nunatsiavut Government decided to not pay the royalty shares directly to its beneficiaries but rather wanted its use to be for the improvement of community infrastructure (INTERVIEW 34; Nunatsiavut Government 2008b: 22 - 28).
4 Bottom-Up Business Development in Nunavik and Nunatsiavut

Regaining rights over their traditional lands as well as receiving monetary compensation and other benefits through the settlement of land claim agreements will not automatically improve socio-economic conditions in Nunavik and Nunatsiavut. But these are tools that the Inuit can use to participate in the regional economy and to initiate bottom-up initiatives to shape their own future development.

The new regional administrations in the public sector provide for increased opportunities to not only influence regional political and administrative development, but also create employment and income for the residents of the region. Small regional businesses owned by the Inuit of Nunavik and Nunatsiavut provide increasing possibilities to participate in the major economic sectors of the region like the service industries, mining sector and tourism. As traditional culture, values and languages still have a strong impact on the daily lives of Inuit in Nunavik and Nunatsiavut, a collective approach to development, focusing on benefiting the entire community instead of an individual has been guiding the majority of initiatives in recent decades. Apart from the small-scale business initiatives of individual entrepreneurs in the Nunavik and Nunatsiavut communities, a variety of larger-scale collective enterprises, like the co-operatives, development corporations and landholding corporations have been created in the private sector. They established their own small subsidiary companies or invested in joint ventures and alliances with other Inuit groups or non-Aboriginal business partners and through that developed into major forces in the private sector of Nunavik and Nunatsiavut.

Trade has been practiced by the Inuit both among themselves and with the European traders long before they were moved into permanent settlements in the middle of the 20th century. Families, for example, acted as small entrepreneurs in their interactions with the Hudson’s Bay Company or the Moravian missionaries. Fishing and trapping equipment, guns and bullets had to be acquired at the trading posts and in return harvested products were sold to the traders. With the settlement of the Inuit into permanent villages, increased social, educational and health services being offered by the government and the closure of many trading posts in the 1940s, these independent trade interactions and small-scale entrepreneurship of the Inuit families, was replaced by a growing dependency on exterior help. (INTERVIEW 22)
In the 1960s, the bad living conditions as well as an emergent call for political representation and an end of this dependency status, led not only to a growing political influence but also to an increased participation of Inuit in the regional economy. The creation of the co-operative movement in Nunavik (Chapter 4.2.1.1.) is one of the earliest examples for this development. Since the 1970s, the settlement of land claim and self-government rights has accelerated the participation of Inuit in the formal economy. In Northern Labrador, USHER noted already in 1980 “the values and goals expressed by people in northern Labrador call for locally based and controlled social and economic development. That means that it should be possible to control, manage and staff whatever kinds of industries or businesses people want to start in northern Labrador using local labour, knowledge and skills” (USHER 1982: 5 – 6). Especially the younger generation among the Inuit went through a cultural shift and realized “stop blaming Ottawa, stop blaming Québec. If we want to do something about our problems, if we want to grow up, if we want to be successful with our business, we have to roll up our sleeves and count on ourselves” (INTERVIEW 22).

Both regional land claim agreements include provisions that support regional business initiatives in the individual and in the collective private sector. Exiting businesses were strengthened and new ones created. The different duration of their application – more than 30 years in the case of Nunavik and only about 5 years in the case of Nunatsiavut – have led to a different development of the regional private sector. The following chapter will introduce private sector bottom-up operations that the Inuit in Nunavik and Nunatsiavut – enhanced through the settlement of the land claim agreements – had been able to create to actively participate in the regional economy.

4.1 Strengthening Small Businesses Development

Small businesses privately owned by local residents are important contributors to the private sector in Nunavik and Nunatsiavut. They operate in a variety of economic sectors from the regional service industry to tourism, construction or logistical support and supplies for the mining industry. Despite the limited size of each individual business, as a collective they provide a considerable number of part-time and seasonal jobs for the residents of both regions. Business owners are also considered important role models: “It’s just the weight of that in the global northern economy that is important and the fact that
you have people that decided to stop waiting for cash to come, or waiting for the state to give them a chance to have a job or social assistance payments.” (INTERVIEW 22).

However, creating a business is challenging in the North. It requires knowledge of the unique northern market conditions (Chapter 3.3.1.) as well as practical knowledge and skills related to starting and operating a business: moving from an idea to a business plan, starting the business and successfully running the operation. Start-up capital is needed, a challenge in an area where living costs are extremely high limiting the ability to accumulate personal savings. Access to business loans is considered challenging due to a lack of financial institutions in Nunavik and Nunatsiavut (INTERVIEW 22; INTERVIEW 24). Small businesses are also faced by a competition with larger-scale business operations (e.g. mining sector) and the public sector for qualified local employees. Owners of small businesses that have to limit their personnel expenses for the operation to survive in the challenging northern market find it hard to offer high enough wages to attract qualified applicants. These factors in combination with the limited infrastructure and high operating costs result in not all entrepreneurs succeeding and a heavy fluctuation of small businesses in both Nunavik and Nunatsiavut. “Big businesses don’t usually go away. Public services don’t usually go away. But small businesses come and go.” (INTERVIEW 33).

To overcome these challenges and support the growth of the regional private sector, all levels of government as well as larger private sector actors have in recent decades created a variety of support programs. Land claim agreements as well as impact and benefit agreements with private developers have accelerated this development, primarily by providing capital for trust funds but also by including policies on the preferred contracting of regional businesses as suppliers for both larger private sector businesses and the public sector. The programs offer start-up funds for small businesses and provide advice and training for future entrepreneurs to gain the knowledge and skills needed to successfully start-up and run a business (Inuit Tapiriit Kanatami 2004: 9). Keeping an overview of existing programs and combining the support from various programs can be a challenge for many new entrepreneurs when starting up a business. If no advice is provided, this can lead to several administrative hurdles and even barriers (INTERVIEW 24). One of the most important hurdles is the private equity for loan disbursements. The Nunatsiavut Business Centre Inc. for example required potential business owners to “be able to contribute a minimum of 10% new and unencumbered cash equity to the proposed business project where the funds are to be utilized for the purchase of capital assets, and minimum of 20% where the funds are to be utilized to support working capital” (INTERVIEW 40). In remote
northern locations this can lead to the following problem: “So you had that person come in and they say we can put down my two skidoos and my boat. But as a loan agency my difficulty was, if they didn’t pay that loan back, there’s no way I’m going to take their skidoo or their boat cause then they can’t go hunting, they can’t go fishing, they can’t go to their family lodge – they’re stuck.” (INTERVIEW 24).

Examples for business support programs and institutions available for Nunavik and Nunatsiavut small businesses on the regional and local levels are:

a) Nunatsiavut

The Province of Newfoundland and Labrador has created so called Regional Economic Development Boards (Newfoundland and Labrador Regional Economic Development Association 2011). To promote business development in the private sector, the province was divided into 20 economic zones, in which each a board was established to promote economic development. Nunatsiavut became zone one and created the Inukshuk Development Corporation for this purpose. After the creation of the Nunatsiavut Government in 2006, the Inukshuk Development Corporation was dissolved and the Nunatsiavut Government took over its position. The Atlantic Canada Opportunities Agency as well as the Innovation, Trade and Rural Development Department provided financial support for this program (Nunatsiavut Government 2010a: 29 - 30; INTERVIEW 39).

To assist with the delivery of services on the local level in Nunatsiavut, Community Development Officers were established in every community in 2003. Their task was to assist new and existing local businesses (Inuit or non-Inuit owned) with finding funding and developing a business plan (INTERVIEW 39). With business owners being used to work with more established agencies and the limited experience of the Community Development Officers, it took some time for businesses to ask for the services of this new program (INTERVIEW 39). But improvements were made fast and communities soon were aware of the importance of the Community Development Officers for their local economic development (INTERVIEW 39; Nunatsiavut Government 2009c: 10). In 2009 and 2010, problems with funding for this program arose and the Community Development Officers had to be laid off (Nunatsiavut Government 2009c: 10; Nunatsiavut Government 2010: 36 – 37). New funding is being sought³⁶.

³⁶ If funding is approved, the communities voiced concerns that with the positions being underfunded with a salary of only $30,000 a year, finding qualified people will be difficult (Nunatsiavut Government 2010a: 30).
Aside from the Regional Economic Development Boards, a special support for Inuit-owned businesses was created in Nunatsiavut in 2003. The Nunatsiavut Business Centre Inc. (NBCI) was established originally by the Labrador Inuit Association (today the Nunatsiavut Government) as a non-profit corporation to promote and facilitate the creation and growth of Inuit businesses throughout a wide range of business support services in conjunction with the Voisey’s Bay Impact and Benefit Agreement (Chapter 3.3.2.3.) (INTERVIEW 39). A revolving loan of $5-million in total was provided originally by the Voisey’s Bay Nickel Company (later by Vale Inco) for this purpose for a period of 8 years until July 2010 (Nunatsiavut Government 2010a: 43, 51, 52). To be eligible for the funding the applicant has to be “(a) registered as an Inuit Business by NBCI and be either a: ‘corporation’ ‘unregistered or registered partnership’ ‘association’ ‘sole proprietorship’ or other legal entity. (b) be able to contribute a minimum of 10% new and unencumbered cash equity to the proposed business project where the funds are to be utilized for the purchase of capital assets, and minimum of 20% where the funds are to be utilized to support working capital. (c) demonstrate technical and entrepreneurial background and knowledge. (d) be currently in good credit standing and not engaged in bankruptcy. (e) not exceed the number of loans or funding amount under the program permitted by the NBCI Executive committee” (INTERVIEW 40). NBCI provided funding to assist clients to engage a consultant to do an in depth business plan. The maximum amount available was 75 percent of the costs or up to $5,000 whichever is less. The business has to on its own provide 25% or more towards the costs, depending on the cost of the consultant services (INTERVIEW 40).

The Voisey’s Bay Impact and Benefit Agreement and therefore also the Nunatsiavut Business Centre Inc. defines an Inuit business as “an entity operating for profit or gain that is not 51% owned and controlled by Inuit but which has a significant percentage of Inuit employees, and has significant Inuit participation in the ownership and control of the entity” (INTERVIEW 40). This definition is different to the understanding of Inuit businesses by the Nunatsiavut Government and the Labrador Inuit Land Claim Agreement. An Inuit business would, according to the latter definition, be 51-percent-owned by Inuit. The Nunatsiavut Business Centre Inc. was tasked to establish and maintain a list of Inuit businesses that could be then contracted for projects in relation to the Voisey’s Bay Nickel Mine.

Over the years the definition of Inuit businesses caused confusion and led to loans being provided to all Inuit businesses through the Nunatsiavut Business Centre Inc, no matter if
defined by the land claim agreement, Nunatsiavut Government or the Voisey’s Bay Agreement (Nunatsiavut Government 2010a: 44 - 61). Especially a loan of $800,000, which had been issued to the Torngat Fish Producer’s Cooperative Society (Chapter 4.2.1.2.) and which was only partially repaid by the cooperative by the time the funding for the Nunatsiavut Business Centre Inc. ran out in 2010 sparked concerns regarding liability and how the money would be paid back to Vale Inco (Nunatsiavut Government 2010a: 51-52). In addition, an investigation of the administration of the centre is currently ongoing.

After the revolving loan agreement with Vale Inco ended, the centre focused on updating and maintaining the lists of Inuit businesses and will not be able to provide business funding anymore (Nunatsiavut Government 2010a: 51).

**b) Nunavik**

The Sanarrutik Agreement from 2002 as well as several other agreements like the Economic and Community Development Agreement signed between the Kativik Regional Government and the Government of Québec in 2007 at the Katimajiit conference provided a wealth of opportunities for economic and business development in the region. Most support programs are administered by the Research and Economic Development Department of the Kativik Regional Government. The Department provides financial assistance in the form of loans as well as technical assistance and advice on how to start-up a business (Kativik Regional Government 2005: 101). Annually, the Kativik Regional Government has been able to provide on average $4.0-million for these projects. Table 12 shows the number of businesses benefitting from these measures between 2005 and 2009 as well as the number of employment opportunities created or maintained by them.

**Tab. 12**: Businesses funded through KRG and the number of jobs created and maintained through that

<table>
<thead>
<tr>
<th>Year</th>
<th>Funded business and socio-economic projects</th>
<th>New jobs created</th>
<th>Existing jobs maintained</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>28</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>2006</td>
<td>19</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>2007</td>
<td>24</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>2008</td>
<td>21</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>2009</td>
<td>20</td>
<td>21</td>
<td>9</td>
</tr>
</tbody>
</table>

Between 2007 and 2010, a large percentage of the business support provided by the Kativik Regional Government comes from the Makigiaruitt Fund, specifically targeted to support business creation and development (Kativik Regional Government 2009: 125; Kativik Regional Government 2007: 113). A first phase of the Makigiaruitt Fund was already between 1999 and 2003 (Kativik Regional Government 2007: 113). Due to cutbacks in the Government of Québec, a renewal of the Makigiaruitt Fund is however doubtful (Kativik Regional Government 2009: 18).

c) Numbers of Small Businesses in Nunavik and Nunatsiavut

Due to their frequent fluctuation, determining the exact number of currently operating small businesses in the private sector of Nunavik and Nunatsiavut is challenging. The Nunavik Regional and Private Business Directory of 2007 published by the Kativik Regional Government lists “109 businesses in 95 sectors of activities” (Kativik Regional Government 2007: v) ranging from the transportation sector, retail, professional and technical services to tourism and media. The directory lists regional businesses mostly in the form of subsidiaries of Makivik Corporation (Chapter 4.2.2.1.) and the Fédération des Coopératives du Nouveau-Québec (FCNQ) (Chapter 4.2.1.1.) as well as privately-owned businesses. All Nunavik communities have a co-operative association, involved among others in retail, fuel distribution and hotels. Smaller businesses tend to be involved in a variety of activities increasing their chance to survive on the challenging market in the North. In addition, there are several business owners that are involved in more than one business.

Finding a regional register for Nunatsiavut businesses is challenging. A listing of all Nunatsiavut businesses in the private sector is not available. The Nunatsiavut Business Centre Inc. has the most extensive listing of regional Inuit-owned businesses. It currently lists 79 businesses, involved in activities like construction, industrial and commercial suppliers, retail, logistics and expediting, manufacturing, services, real estate and accommodation, tourism and transportation (Nunatsiavut Government 2009d). The NBCI however only lists Inuit-owned businesses in relation to the Voisey’s Bay Nickel Mine that can potentially be awarded supplier contracts.

Both listings are however a few years old and therefore outdated due to the heavy fluctuations in the business sector. But they do provide a good estimate on the size of the individual private sector in Nunavik and Nunatsiavut. The private sector of the two
4. Bottom-Up Business Development in Nunavik and Nunatsiavut

regional centres, Kuujjuaq (Nunavik) and Nain (Nunatsiavut) will be further described in chapter 5.

4.2 Collective Private Sector Initiatives: Impact of Cooperatives and Ethnic Corporations

The greatest impact of the land claim agreements on the private sector is noticeable in the collective private sector. Three main players have developed in both regions: cooperatives, development corporations and landholding corporations with their respective subsidiary companies.

4.2.1 Co-operatives

Cooperatives are among the earliest forms of business initiatives created from within Inuit regions in Canada. In Nunavik and, to a reduced degree in Nunatsiavut, they are today the most important private employers in the remote communities and therefore have a major impact on the economy of the entire region.

Aboriginal co-operatives have emerged all across Canada since the 1940s. In 2001, the Co-operative Secretariat of the Government of Canada counted 133 co-operatives with predominantly Aboriginal members (KETILSON and MacPHerson 2001: 3; BELHADJI 2001: 4). The International Cooperative Alliance defines co-operatives as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” (International Co-operative Alliance 2005 – 2010a). An Aboriginal co-operative either has a membership structure, with a majority (50 percent +1) of Aboriginal members; an ownership structure where Aboriginal people own and control the co-operative; or is located within an Aboriginal community (KETILSON and MacPHerson 2001: 14; BELHADJI 2001: 3 - 4).

Co-operatives are a special form of business. They distinguish themselves from other business initiatives by the following principles: a) they have a voluntary and open membership, open to anyone who wants to use their services and who accepts the responsibility of the membership; b) they are controlled democratically by their members following the principle: one member – one vote; c) their members contribute equally to the
capital of the cooperative\textsuperscript{37}; d) they are autonomous, self-help organizations that are only controlled by their members; e) they provide education and training for their members and inform the public about the benefits of the cooperative; f) they co-operate with other cooperatives through local, national, regional and international structures (e.g. Fédération du Co-opérative du Nouveau-Québec in Nunavik, Arctic Cooperative Limited in Nunavut and Northwest Territories); g) and, they work towards a sustainable development of their communities and contribute to building and strengthening of their physical (roads, telecommunication services etc.), personal (education, training, leadership development) and social infrastructure (capacity building and contribution to the economic and social development of the community). (International Co-operative Alliance 2005 – 2010b; KETILSON and MacPHerson 2001: 24 – 28, 41-42)

Contrary to co-operatives in Southern Canada, northern and especially aboriginal co-operatives are important economic drivers for their communities and are involved in a wide range of businesses. Many small communities rely on their services and employment opportunities for the daily lives of the residents. The cooperative operates either the only store in the community or is a major competitor to stores from the other major northern chain-stores (e.g. Northern of the North-West-Company). Consumer co-operatives constitute with 76 percent the vast majority of northern co-operatives. They are not just involved in providing retail goods and food, but they are involved in a variety of activities like arts and craft sales, operation of hotels, tourism, fuel storage or the operation of the television cable system (BELHADJI 2001: 7; KETILSON and MacPHerson 2001: 32).

The management of the cooperatives had been a challenge for years, with each cooperative having to decide between training managers from within the communities or hiring someone from outside. Building capacity to operate and manage the cooperatives from within the communities, instead of hiring personnel and managers from outside has been a priority for many years, resulting in a variety of training program offered by the individual cooperatives and even more from the cooperative federations (e.g. Fédération du Co-opératives du Nouveau-Québec in Nunavik). Today cooperatives in Nunavik are entirely run by Inuit, but further improvement is needed in other regions in Canada (KETILSON and MacPHerson 2001: 50)

Nunavik and Nunatsiavut, both have cooperatives created by their residents. Through initial help by the provincial and federal government, the cooperatives are being entirely

\textsuperscript{37} In Puvirnituq for example the co-operative in 1960 required people to buy a share costing $5, a price not all residents could afford right away (TULUGAK and MURDOCH 2007: 35)
controlled and managed by the Inuit themselves today. Each of the 14 villages in Nunavik has a consumer cooperative. To strengthen their position in the region, the individual cooperatives united under the umbrella organization *Fédération des Co-opératives du Nouveau-Québec* in 1967. The cooperative movement had been a major force in the political development leading up to the James Bay and Northern Québec Agreement in Nunavik in 1975. In Nunatsiavut, the cooperative tradition is not as developed as in Nunavik, with only one special producers-cooperative, *Torngat Fish Producer’s Cooperative Society* being created in 1980.

### 4.2.1.1 Fédération des Coopératives du Nouveau Québec

**a) History**

The first co-operatives were created in Northern Québec in the late 1950s. Kangiqsualujjuaq was the first in 1959, followed by Puvirnituq (1960), Kuujjuaq (1961), Kuujjuaraapik (1961) and Kangirsuk (1961) (GIRARD 2001: 218; GIRARD and NINACS 2006; Makivik Corporation 2007b: 16). Especially during the early phase, the federal government provided start-up help for the co-operatives. Puvirnituq was an exception to this. The community was struck by a bad famine in the mid-1950s and two locals, Father André Steinman a Catholic Oblate missionary and Peter Murdoch, manager of the Hudson’s Company Store (and later general manager of the *Fédération des Coopératives du Nouveau Québec* from 1967 - 1997) created the co-operative to escape the dependency from the Hudson’s Bay Company monopoly (GIRARD 2001: 218; GIRARD and NINACS 2006). Today about 99 percent of the population in the Nunavik villages are members of their community cooperative (MICHAUD 2003: 192).

Projects taken on by the early co-operatives were diverse: commercial fisheries (Kuujjuaq, Kangiqsualujjuaq38, Kangirsuk), ookpik39 and other craft production (Kuujjuaq), resource harvesting (Killiniq), arts and crafts development (Puvirnituq, Kuujjuaraapik), lumber harvesting and milling (Kuujjuaq, Kangiqsualujjuaq) and tourism (Puvirnituq) (TULUGAK and MURDOCH 2007: 138). Acquiring the operating capital to purchase for example sculptures and other artwork from the artists was especially during the early years difficult. In 1967 the co-operatives created the *Fédération des Coopératives du Nouveau*

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38 The co-op received a $12,500 loan from the federal government and used that as a start to buy fishing equipment (BELHADJI 2001: 20)
39 Ookpik means snowy owl (TULUGAK and MURDOCH 2007: 287)
Québec (FCNQ) as a means to work together, increase resources and have a stronger voice. The FCNQ is not managing the individual cooperative but only serves them by providing for example training opportunities.

After the creation of the Federation, the economic efforts focused, among others, on arts and craft production and sales, use of skins and furs, expanding the fishing activities and beginning tourism activities through the establishment of tourist camps and ecotourism projects. During the 1980s, fuel storage and distribution was also added (TULUGAK and MURDOCH 2007: 140).

During the 1960s and 1970s, the FCNQ also became politically involved in the region, in particular with the self-government movement in Nunavik. Starting in 1971, they pushed for self-government or a regional government as they called it (MICHAUD 2003: 193).

However, the co-operative movement soon got caught between the interest of the provincial and federal government about jurisdiction in Northern Québec. As a response, the Government of Canada founded and funded the *Northern Québec Inuit Association* (NQIA) in 1972. In the following years, the co-operatives movement and the NQIA had increasing differences about their respective approach to reaching self-government. In the negotiations of the James Bay and Northern Québec Agreement (JBNQA), the co-operatives movement was not directly invited to the negotiation table causing opposition on the side of the co-operatives movement towards the JBNQA (MICHAUD 2003: 193). Partly as a result, two communities voted against the ratification of the JBNQA. The communities of Puvirnituq and Ivujivik have until today not selected their Category I and II lands from the JBNQA (Nunavik Land Holding Corporation Association n.d.).

**b) Current Situation and Business Activities**

Today, the *Fédération des Coopératives du Nouveau Québec* is the largest private employer in Nunavik (GIRARD and NINACS 2006). Employment opportunities are created at the retail stores and hotels operated by the individual member co-operatives in each of the 14 Nunavik communities as well as a series of business projects that the Federation became involved with over the last decades. In 2006, the FCNQ employed 270 full-time and 54 seasonal workers in Nunavik and an additional 120 full-time workers in Montreal (GEORGE 2007a). While at the level of the member co-operatives, most employees are Inuit, the FCNQ still has a larger percentage of non-Inuit employees in its operations (MICHAUD 2003: 190). The current General Manager Rita Novalinga from Puvirnituq is the first Inuk in this position.
Since 1967, the volume of business conducted by the Federation has increased from $1.1 Million to $143 Million in 2004 (Fédération des cooperatives du Nouveau-Québec 2006). During the first few years of operation, the provincial and federal government provided financial support for the operating of the Federation, but the level of support decreased over the years due to increasing self-sufficiency of the Federation. While in 1967, the Government of Québec contributed 61 percent of the operating grants, this changed dramatically to 99.73 percent being provided by the member co-operatives in 1999 (BELHADJI 2001: 21). Especially taking over the petroleum distribution from the Government of Québec, accelerated the growth rate of the FCNQ (INTERVIEW 22). Today, FCNQ Petro manages the petroleum facilities in 11 of the 14 communities and supplies them with fuel for aircrafts, gasoline and furnace oil. Investments done since the 1980s by the FCNQ (e.g. the hotels) would not have been possible without this increased financial base (GIRARD and NINACS 2006; Makivik Corporation 2007b: 18, INTERVIEW 22).

Since its inception, the Federation and its 12 departments have been involved in a variety of business activities and are providing numerous services to its members. These include apart from the marketing and sales of artwork in Canada and worldwide: banking and audit services; retail development and co-operative management services in the form of training, guidance and advice for member co-operatives and staff; product purchasing, shipping and distribution services for the member co-ops; telecommunication services through providing internet and cable television; tourism services development and petroleum product services (GIRARD and NINACS 2006; BELHADJI 2001: 20).

Co-operatives in Nunavik own retail stores and hotels in each community. The stores do not only provide food and goods for the communities but also act as the local post office, bank and meeting place (see case study: Payne Bay Cooperative Association). The Federation provides auditing and banking services as well as training and management development services. It organizes the purchasing and supply with goods (e.g. sealift) as well as the buying and distribution of Inuit art and country food to local, national and international markets (Makivik Corporation 2007b: 16 – 20; MICHAUD 2003: 188). In addition, hotels are owned and run by the local co-operatives. New hotels are built in the communities in partnership with the local landholding corporations. While the landholding corporation invests the money, the FCNQ is responsible for building and managing the hotels (Makivik Corporation 2007b: 19).
Besides the hotels, the Federation is also involved in other tourism projects. Already in 1969 it created Arctic Adventures which runs today two sports fishing and several hunting camps for tourists in all of Nunavik creating about 50 seasonal jobs (INTERVIEW 4). They get about 300 tourists a year (INTERVIEW 4). The FCNQ also owns a travel agency, Voyages FCNQ.

Other projects and services provided by the FCNQ are internet services through Igali which was created in 2001. Recently the Federation also got involved in providing better banking services for Nunavimmiut by creating the Nunavik Financial Services Cooperative in 2007 (see case study below). In addition, the Federation is involved in the construction sector by building co-operative stores, warehouses, hotels and other infrastructure for its member co-operatives (Makivik Corporation 2007b: 18).

In 2003, MICHAUD estimated that the majority of 70 percent of sales are made in the national market. This is followed by the United States with 29 percent. Only 1 percent of the sales are made with Europe, in particular with Germany, France and Italy (MICHAUD 2003: 198).

**Case Study: Payne Bay Cooperative Association (Kangirsuk, Nunavik)**

Kangirsuk (“the bay”) is a community located at 60°01’05’’ N on the north shore of the Payne River, just downstream of Ungava Bay. Of the 466 inhabitants, 91.4 percent are Inuit (Statistics Canada 2007g). The first trading posts were established near the present-day community in 1921 by the French fur trading company Révillion Frères and in 1925 by the Hudson’s Bay Company. During the 1960s, the Inuit were settled permanently in Kangirsuk and the government established social, health and educational services (Nunavik Tourism Association 2010a).

Already in 1961, as one of the first cooperatives in Nunavik, the Payne Bay Cooperative Association was established and became also one of the founding members of the Fédération des coopératives du Nouveau-Québec. Initial start-up help was provided by the federal government. The original purpose of the cooperative was that of a commercial fishing activity. “A white man called Silapaalik (Don Snowden) came with his interpreter Aqiggiq (George Koneak), and told us how we could set up a cooperative. We decided that we would begin by fishing for char using large nets, which we could get through our cooperative. We would also set up a freezer to freeze these char so they could be sent out on the ship” (Tumasi Kudluk in TULUGAK and MURDOCH 2007: 105). In the following years, craft production was added to the activities of the cooperative. In 1968, the first co-
operative store was opened in Kangirsuk in an old building in town that was provided to the cooperative from one of the Inuit families in town. “Adapting this old building to serve as a store was the first construction project undertaken by the Federation and it cost the cooperative less than a hundred dollars” (TULUGAK and MURDOCH 2007: 194). The store burnt down a few years later and was replaced in 1979 financed through the capital shares of the members (Fig. 17).

Fig. 17: Co-operative in Kangirsuk

Although the Payne Bay Cooperative Association was going through difficult times, lost money and even had to transfer its management temporarily to the FCNQ at one point, it is now in a good financial position (TULUGAK and MURDOCH 2007: 47; INTERVIEW 17). Financial assistance is being provided from the FCNQ.

Besides its retail services with food and “everything from canoe to a pair of socks”, the Payne Bay Cooperative Association also offers banking and post services and operates a fishing camp near Kangirsuk. The FCNQ also owns a gas station and a hotel in community. Employees for these facilities are hired by the Payne Bay Cooperative Association (INTERVIEW 17). The co-operative store is supplied two to three times a week with mostly perishable goods or items that have a short expiry date week by airplane
(Air Inuit). Other items like paper towel, outboard motors and other things that have a long expiry date are sent by sea lift in the summer. Prices for the products are managed by the FCNQ in Montreal and an increase in the last few years due to higher transportation costs is noticeable. Apart from the co-operative store, the community also has a Northern store owned by the North-West Company. Competition between the two stores seems to be less an issue, but seems to create more a positive situation for the customers, as both stores offer different products and so can offer a greater variety of goods to the customers (INTERVIEW 17).

According to BELHADJI (2001: 51), 78.4 percent of community residents were members of the cooperative and in 2001, 8.1 percent of the work force of Kangirsuk - 11 jobs in total - found employment in its activities. In 2008, the assistant manager of the cooperative counted 20 jobs in all co-operative activities in the community (INTERVIEW 17). In the summer, holiday times of regular staff members and well as more frequent hunting trips are the reason for more jobs being available in the various co-operative activities, of which especially high school students can benefit. “You know, they go out on the land more either to hunt or to fish or to pick berries or anything. So we always have to replace them. That’s why we hire more people in the summer” (INTERVIEW 17). Wage for student employees is $10 an hour, while regular employees start at $11 an hour and can earn over $20 an hour in management positions (INTERVIEW 17).

As Kangirsuk is a very small community, the co-operative store not only has a function as a retail store where residents can buy food and goods for their daily lives. It also has a social function as a meeting place in the community. “This is the main place in the village cause everybody has to come here. [...] They come here, they stay an hour and a half (and the store is not big) [...] [and] they chat with people who come. [...] It’s the meeting place that everybody is allowed in without going into somebody’s private home” (INTERVIEW 17)

**Case Study: Nunavik Financial Services Cooperative**

An example of a very recent initiative of the Fédération des Coopérative du Nouveau-Québec that will contribute to overcoming some of the challenges existing for Nunavik businesses due to the lack of financial services is the Nunavik Financial Services Cooperative. In December 2007, the Fédération des Coopérative du Nouveau-Québec partnered with the Desjardin credit union in Québec which had been a sponsor for FCNQ Canada’s 6th largest bank.
since 1993, to form the Nunavik Financial Services Cooperative. The goal of this initiative is to bring trilingual (Inuktitut, English and French) web-based financial service to all Nunavik communities.

The only competitor for the Nunavik Financial Services Cooperative is the Canadian Imperial Bank of Commerce (CIBC) which, prior to 2007 was in charge of 98 percent of the regional banking business. All of Nunavik’s private businesses and organizations were exclusively served by CIBC which operates a branch in the regional centre Kuujjuaq (GEORGE 2009a). The other Nunavik communities did not have any financial institution, other than very basic financial services offered by the community cooperative where residents were able to receive cash from their banking accounts. Cash is used in those communities for most payments, as the use of bank and credit cards is not technically reliable. This led to a shortage on cash in many community co-operatives. Applying for bank loans or doing other daily financial tasks was not possible for local residents or business owners in the smaller communities. The new Nunavik Financial Services Cooperative is hoping to improve these conditions. Its service centres are operated out of the stores of the local co-operatives with online services or bilingual agents that have access to computer, fax and scanners to open and manage accounts. Some of the new services offered are opening accounts, getting a Desjardin bank card, checking the account balance, paying bills and transferring funds as well as applying for loans and making investments (Nunavik Financial Services Co-operative 2011a; GEORGE 2008a).

In December 2009, the Nunavik Financial Services Cooperative had already 2260 members including 24 businesses (Nunavik Financial Services Co-operative 2011b). The first service centres of the NFSC were opened in Salluit, Akulivik and Kangiqsualujjuaq. By October 2010 the service had expanded to all Nunavik communities (Nunavik Financial Services Co-operative 2011c).

4.2.1.2 Torngat Fish Producers Cooperative Society

In Nunatsiavut, co-operatives are not as extensively developed as in Nunavik. The only existing co-operative is the Torngat Fish Producer’s Cooperative Society (TFPCS) operating in the fisheries sector. As the TFPCS today is the owner of the two fish plants in Nain and Makkovik providing a major source of employment and income for many families in the two communities, it is nevertheless an important player in the private sector. In the last 10 years, it was besides the Nunatsiavut Government (and its predecessor the
Labrador Inuit Association) and the Labrador Inuit Development Corporation one of the three major agents in the Northern Labrador fishing industry, holding crab, shrimp and char licences.

The need for creating the Torngat Fish Producer’s Cooperative Society arose at the end of the 1970s when the provincial government decided to stop running its fish plants in Nain and Makkovik. Due to the importance of the fishery sector in Nunatsiavut, this decision of the Government of Newfoundland and Labrador would have had serious effects on the economy and residents of the region.

*Fig. 18: Fish Processing Plant in Makkovik*

Originally introduced as a commercial activity by the Moravian Missionaries in the 19th century, commercial fishery was the main pillar of economic activity and main source of income for the inhabitants of Northern Labrador until the 1970s. Only between 1926 and 1942, when the Hudson’s Bay Company (HBC) had taken over commercial trade from the Moravian missionaries in the region, the focus of the economy shifted from fishing to trapping of fur-bearing animals. This led to a bad economic situation along the Labrador coast and an impoverishment of the population. The first step of the Government of Newfoundland after taking over the HBC stores in 1942 was to reinstate commercial fishery in Northern Labrador with a focus on cod fishery (TREUDE 1974: 178).
According to TREUDE (1974), commercial fishery activities in Northern Labrador could be divided into three parts until 1969: a) cod fishery between Nain and Rigolet; b) arctic char fishery north of Nain; c) salmon fishery in the southern parts of Northern Labrador with a focus on the area around Rigolet (TREUDE 1974: 176).

In 1957 a decision to extend federal unemployment insurance benefits to fishermen combined with higher market prices for salted codfish and char led to an improvement of economic and living conditions in Northern Labrador in the 1960s (BRICE-BENNETT 1986: 42). About 230 fishermen or almost two thirds of all fishermen were involved in the cod fishery in 1965 (TREUDE 1974: 176). However, the end of the 1960s brought significant changes in the fishing industry in Northern Labrador. Starting in 1968, falling market prices and a dramatic decline in cod numbers put an end to the cod fishery. In 1969, cod stayed away completely so that the 121 cod fishermen between Nain and Makkovik had to find alternate sources of income (TREUDE 1974: 180). The percentage of fishermen along the coast decreased just between 1966 and 1971 by 30 percent from 76 percent (1966) to 46 percent (summer 1971) (TREUDE 1974: 218-219). Fortunately, char and salmon fishery picked up on the north coast and replaced the cod fishery during the 1970s. This encouraging new market, led the Northern Labrador Services Division to the decision to build fish processing plants equipped with freezing and storage facilities in Nain in 1971 and in Makkovik in 1973 (Fig. 18) (BRICE-BENNETT 1986: 53). This had a profound impact on the economy of both communities as it provided additional employment during the summer months for the residents and allowed more fishermen to qualify for unemployment insurance benefits in the winter. Not only fishermen benefitted from fresh fish sales, but also women were able to get jobs in the plants resulting in higher family incomes. In Makkovik for example, the plant brought employment for almost the entire community either in fish harvesting or processing (BRICE-BENNETT 1986: 54).

In 1976, the Department of Rural, Agricultural and Northern Development (RAND) replaced the Northern Labrador Services Division as the provincial department for Labrador affairs. In 1978, the Department of Rural Agricultural and Northern Development announced its desire to leave the fisheries business and the two fish plants in Nain and Makkovik were put up for bids to private enterprises. As a response,

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41 After the resettlement of residents from Nutak and Hebron to Nain and other communities in the 1950s, the char fishery was organized from Nain. BRICE-BENNETT (1986) stated that “practically all the pickled char exported from the north coast after 1960 and about 40 – 45% of the salted codfish was produced by fishermen who resided at Nain in the winter months but harvested fish mainly in the northern bays and also around the islands east of the community” (BRICE-BENNETT 1986: 43)
representatives of the Labrador Inuit Association, the Labrador Resources Advisory Council and the Fishermen’s committees formed a Fisheries Emergency Policy Committee to explore ways how to locally operate the plants (BRICE-BENNETT 1986: 63; Inuit Tapiriit Kanatami 1979: 23). The Committee successfully prepared a proposal for a fishing cooperative. The Government of Newfoundland and Labrador also agreed to operate the plants until the people in Labrador were ready to take over completely the business through a Labrador Fishermen’s Cooperative (Inuit Tapiriit Kanatami 1980: 29).

The Torngat Fish Producers Cooperative Society was formed as a result in 1980. At the same time, the responsibility over the fish plants were, however, transferred from the provincial Department of Rural, Agricultural and Northern Development to the provincial Department of Fisheries. As the Department of Fisheries disapproved handing over the management of the plants to the Torngat Fish Producers Cooperative Society for more than a decade, the plans of running the plants locally had to be postponed (BRICE-BENNETT 1986: 62 - 63).

**Fig. 19: Fish boats in the Makkovik harbour**

Today, the fish plants in Nain and Makkovik are finally privatized and operated by the Torngat Fish Producers Cooperative Society. The cooperative is owned by 500 Inuit
members and has its head office in Happy Valley-Goose Bay (Canadian Co-operative Association 2007). Until 2007, they operated the fish plants in Nain and Makkovik processing char, scallop, turbot and crab as well as a small rock-cod operation in Postville. Products were mostly marketed regionally, but parts were sold to national and international markets as well (OKalaKatiget Society 2006c).

Similar to other resource extracting industries, the fishery is heavily dependent on the availability of the resource and market prices. In recent years, the industry had been struggling due to low prices on the world market. This had a great impact on the Torngat Fish Producers Cooperative Society and its fish plant operations. In 2008, the society decided to only keep the plant in Makkovik running processing crab and turbot. The rock-cod fishery operation in Postville was shut down (OKalaKatiget Society 2008c). After financial support of the provincial government and the Nunatsiavut Government the fish plant in Nain was opened but the operation period was reduced from 3 to 1 month and the number of jobs was cut to only about 20 (Chapter 5.2.2.1) (Nunatsiavut Government 2008b: 26; OKalaKatiget Society 2008d). In the two following years, the fish plants in Makkovik and Nain were operated under the same conditions. Figure 20 shows the decline of jobs at the fish plants in Nain, Makkovik and Postville between 2006 and 2010. USHER reported for the late 1970s and early 1980s average employment numbers of 100 in Nain and 70 in Makkovik (USHER 1982: 28).

Fig. 20: Employees in the fish plants in Nunatsiavut 2006 - 2010

Source: OKalaKatiget Society 2006a; OKalaKatiget Society 2006b; OKalaKatiget Society 2007a; OKalaKatiget Society 2008a; OKalaKatiget Society 2008b; OKalaKatiget Society 2009a; OKalaKatiget Society 2010b
4. Bottom-Up Business Development in Nunavik and Nunatsiavut

Major changes are expected in the fishing sector in the near future. There are currently negotiations going on between the three major agents in the Northern Labrador fishing industry, the Torngat Fish Producer’s Cooperative Society, the Nunatsiavut Government and the Labrador Inuit Development Corporation to take the fishing licences from all three stakeholders, pool the resources and establish a new single fishing entity (INTERVIEW 37). This would allow for better profits to be gained in the regional fishery sector and for it being able to sustain self-sufficiently without external help.

4.2.2 Inuit Development Corporations

Another collective type of business created in the Inuit regions are development corporations, established by all political Inuit organizations since the 1970s. Today, there are seven Inuit development corporation in Canada (Table 14): one in every Inuit land claim settlement area (Makivik Corporation in Nunavik, Labrador Inuit Development Corporation in Nunatsiavut, Inuvialuit Development Corporation in the Inuvialuit Region and Nunasi Corporation in Nunavut), as well as one in every sub-region in Nunavut (Sakku Investments Corporation in the Kivalliq Region, Kitikmeot Corporation in the Kitikmeot Region and Qikiqtaaluk Corporation in the Baffin Region).

Development Corporations are however, not only a phenomenon created in Canadian Inuit regions. A similar corporate model was established in Alaska through the Alaska Native Claims Settlement Act as described in chapter 2.2.1. Regional Native associations and villages were required to create for-profit regional and village corporations to receive the settlement and title to the land. Although the performance and opportunities of the regional corporations vary, with a better success being witnessed for corporations that have a solid resource base, these corporations have become important parts of the Alaskan economy (PULLAR 2005: 106).

By definition, development corporations are a “particular form of corporation and thus all the characteristics of the corporate form of business organization apply” (ANDERSON 1999: 150). The function of a development corporation is to separate daily business decision-making processes from politics. “Subject to broad objectives and policy guidelines determined by the political leaders, a development corporation and its businesses are expected to concentrate on profitability, growth, long-term survival and employment creation” (ANDERSON 1999: 150). Shareholders are the members of the
Inuit organizations. They control the corporation by electing a board of directors (ANDERSON 1999: 147; FUGMANN 2009: 71).

The mandate of Inuit development corporations is to invest capital, which they derived in part from the “regional agreements”, into companies to create economic and business opportunities and through that employment and income for the Inuit. The initial investment capital for Makivik Corporation and the Inuvialuit Development Corporations came directly from their respective land claim agreement. The Inuvialuit Development Corporation (Table 14), as part of the Inuvialuit Regional Corporation, for example was created by the Inuvialuit Final Agreement in 1984, but received a portion of the land claim funds already in 1977 with the directive to maximize returns for the Inuvialuit by promoting business development (Inuvialuit Development Corporation 2007a). The other development corporations in Nunavut and Nunatsiavut were established as the economic arms of their regional Inuit organizations well before their land claim agreements were signed and therefore received their initial investment capital through that organization as well as external sources (FUGMANN 2009: 71).

Since their incorporation, the development corporations, with different degrees of success, have established wholly Inuit-owned subsidiary companies or invested in various joint ventures and other types of business partnerships to provide revenue streams for the corporation and create jobs for the Inuit of their region. Investments have been made in essential service industries of the North (e.g. airlines, marine shipping companies), but also in companies that provide services to the mining industry, tourism companies, as well as traditional resource-based industries like the commercialization of country foods and the fishing industry (Inuit Tapiriit Kanatami 2004: 4; FUGMANN 2009: 71).

In an initiative to cooperate in the analysis of potential business opportunities, the establishment of pan-Arctic Inuit-owned businesses and the undertaking of joint-ventures with non-Inuit private sector companies, all four Inuit regions in Canada created the Canadian Inuit Business Development Council in 1994. It played an important role in the foundation of Pan Arctic Inuit Logistics (PAIL), the very first and only Inuit business enterprise involving all Canadian Inuit regions, in 1994 (Makivik Corporation 1995: 73; FUGMANN 2009: 71).
### Tab. 13: Development Corporations in Northern Canada

<table>
<thead>
<tr>
<th>Name</th>
<th>Information on the Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nunasi Corporation</td>
<td>➢ birthright development corporation wholly-owned by Inuit beneficiaries of the Nunavut Land Claim Agreement</td>
</tr>
<tr>
<td>(Nunavut)</td>
<td>➢ formed in 1976 by ITC</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Nuna Logistics, Pan Arctic Inuit Logistics, Nunasi Environmental Corporation, NorTerra Inc.</td>
</tr>
<tr>
<td>Sakku Investments Corporation</td>
<td>➢ ‘economic arm’ of the Kivalliq Inuit Association</td>
</tr>
<tr>
<td>(Nunavut)</td>
<td>➢ formed in 1989</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Sakku Arctic Technologies, Nunavut Eastern Arctic Shipping, Pan Arctic Inuit Logistics, Larga Kivalliq Ltd.</td>
</tr>
<tr>
<td>Qikiqtaaluk Corporation</td>
<td>➢ ‘economic arm’ of Qikiqtani Inuit Association</td>
</tr>
<tr>
<td>(Nunavut)</td>
<td>➢ formed in 1983</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Qikiqtaaluk Properties Inc., Qikiqtaaluk Environmental, Pan Arctic Inuit Logistics, Nunavut Eastern Arctic Shipping, Unaaq Fisheries,</td>
</tr>
<tr>
<td>Kitikmeot Corporation</td>
<td>➢ ‘economic arm’ of the Kitikmeot Inuit Association</td>
</tr>
<tr>
<td>(Nunavut)</td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Kitikmeot Caterers, Inuksugait Inc., Kitnuna Corporation, Pan Arctic Inuit Logistics,</td>
</tr>
<tr>
<td>Makivik Corporation</td>
<td>➢ development corporation mandated to manage the heritage funds of the Inuit of Nunavik provided by the James Bay and Northern Quebec Agreement</td>
</tr>
<tr>
<td>(Nunavik)</td>
<td>➢ formed in 1978</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Air Inuit, Nunavut Eastern Arctic Shipping, Nunavik Creations, Unaaq Fisheries, Cruise North Expeditions</td>
</tr>
<tr>
<td>Labrador Inuit Development Corporation</td>
<td>➢ formed as the ‘economic development’ arm of the Labrador Inuit Association</td>
</tr>
<tr>
<td>(Nunatsiavut)</td>
<td>➢ formed in 1982</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Tornqait Ujaganniavingit Corporation, Pikalujak Fisheries, Pan Arctic Inuit Logistics,</td>
</tr>
<tr>
<td>Inuvialuit Development Corporation</td>
<td>➢ business investment arm of the Inuvialuit Regiona Corporation</td>
</tr>
<tr>
<td>(Inuvialuit Region)</td>
<td>➢ formed in 1977</td>
</tr>
<tr>
<td></td>
<td>➢ Subsidiaries / Joint Ventures: e.g. Inukshuk Geomatics, Inuvialuit Oilfield Services, Canadian North Airlines, NTCL, Aklak Air</td>
</tr>
</tbody>
</table>

Pan Arctic Inuit Logistics in cooperation with the southern-based company ATCO Frontec, bid successfully for an initially five-year operations and maintenance contract for the North Warning System radar sites in Canada: this included 47 radar sites, five logistics support centers as well as support facilities in Ottawa and North Bay, Ontario (INTERVIEW 30). In 2001, the contract was renewed for another 10 years after PAIL and ATCO Frontec established the jointly-owned Nasittuq Corporation for its implementation (Makivik Corporation 2002: 44; INTERVIEW 30; INTERVIEW 37). The current contract runs out in September 2011 and Nasittuq Corporation is hoping to get its contract renewed (Makivik Corporation 2009: 20).

Inuit have benefited in a variety of ways from this business project: directly in the form of jobs and profit sharing and indirectly through spin-off activities. In the last few years, Inuit beneficiaries made up about 20 percent of the permanent and 60 percent of the non-permanent (including seasonal) workforce of the company (Makivik Corporation 2009: 59). Of the 265 permanent employees in 2009, 53 were Inuit beneficiaries from the four land claim regions. Short-term contracts, seasonal jobs and other non-permanent positions employed an additional 273 people in the company of which 156 were Inuit (Makivik Corporation 2009: 59). Nasittuq Corporation also invests into training programs for Inuit. In 2008, there were 17 Inuit enrolled in Nasittuq’s Development Program which is designed to help beneficiaries get the required qualifications to advance into more senior level positions. The trainees receive on-the-job training with a qualified professional (Makivik Corporation 2008: 52). From 2001 to 2008, a total of $78-million had been paid to Inuit beneficiaries, including $13.3-million on contracts for goods and services to Inuit owned businesses in all four land claim regions (Makivik Corporation 2008: 52; Makivik Corporation 2009: 59).

4.2.2.1 Makivik Corporation

Makivik Corporation was established in 1978 as a representative of all Inuit beneficiaries of the James Bay and Northern Québec Agreement to administer the implementation of the agreement and to engage in the economic and social development of the Inuit of Nunavik (Secretariat aux Affaires Autochtones 1999). Today it is also mandated to manage the rights, interests and financial compensation of the Nunavik Inuit Land Claim Agreement signed in 2007. On an economic level, Makivik Corporation was set up as a development corporation to fulfil three purposes: “a) to receive the Compensation and to administer and
invest the Compensation and the revenues therefrom; b) the relief of poverty, the welfare and the advancement of education of the Inuit; c) the development and the improvement of the Inuit communities” (Indian and Northern Affairs Canada 1998: 410).

Tab. 14: Active Subsidiaries and Joint Ventures of Makivik Corporation

<table>
<thead>
<tr>
<th>Company</th>
<th>Founding Year</th>
<th>Subsidiary / Joint Venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Inuit</td>
<td>1978</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Seaku Fisheries / Fisheries Division</td>
<td>1986</td>
<td>Today fisheries division of Makivik</td>
</tr>
<tr>
<td>Halutik Enterprises Inc.</td>
<td>1988</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>First Air</td>
<td>1990</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Unaaq Fisheries</td>
<td>1994</td>
<td>Joint Venture with Qikiqtaluk Corporation</td>
</tr>
<tr>
<td>Pan Arctic Inuit Logistics / Nasittuq Corporation</td>
<td>1994</td>
<td>Joint Venture with</td>
</tr>
<tr>
<td>Construction Division</td>
<td>1998</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Nunavut Eastern Arctic Shipping</td>
<td>1999</td>
<td>Joint Venture with Qikiqtaluk Corporation, Sakku Investments Corporation, Transport Nanuk Inc.</td>
</tr>
<tr>
<td>Nunavik Creations / Nunavik Furs</td>
<td>2002</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Cruise North Expeditions</td>
<td>2005</td>
<td>Joint Venture with</td>
</tr>
<tr>
<td>Nunavik Biosciences Inc.</td>
<td>2005</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Nunavik Geomatics</td>
<td>2009</td>
<td>Wholly-Owned subsidiary</td>
</tr>
<tr>
<td>Nunacell Inc.</td>
<td>2009</td>
<td>Subsidiary in cooperation with Lynx Mobility</td>
</tr>
</tbody>
</table>

Source: Makivik Corporation 1982 – 2009

In order not to jeopardize the entire compensation money in risky business decision only 25 percent of the compensation can be used as risk capital to be invested by Makivik Corporation in the creation of wholly-owned subsidiary companies or in joint-venture partnerships with other Inuit-owned or non-Inuit-owned businesses (DE LA BARRE 1988: 410).
96; INTERVIEW 22). Over 30 years, the achievements of Makivik Corporation are considerable. The value of the compensation received from the James Bay and Northern Québec Agreement rose from originally $90-million to $304 million in 2009 (Makivik Corporation 2009: 28). Over the years, Makivik Corporation invested in a variety of businesses. Table 15 lists the active subsidiaries and joint ventures that Makivik is currently involved in. Compared to other Inuit Development Corporations in Northern Canada, Makivik Corporation with the success of its businesses and investments is taking a leading role.

**Tab.15: Past Projects of Makivik Corporation**

<table>
<thead>
<tr>
<th>Company</th>
<th>Years of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kigiak Builders Inc.</td>
<td>1979 - 1987</td>
</tr>
<tr>
<td>Kigiak Builders (Electrical) Inc.</td>
<td>n.a. - 1983</td>
</tr>
<tr>
<td>Imaqpiq Fisheries</td>
<td>1979 - 1982</td>
</tr>
<tr>
<td>Sanak Maintenance Inc</td>
<td>1982 - 1986</td>
</tr>
<tr>
<td>Seaku Fisheries</td>
<td>1986 – 1999 (now Fisheries Division)</td>
</tr>
<tr>
<td>Utuutik Leasing Inc.</td>
<td>1987 – 1997 (merged with Halutik Enterprises)</td>
</tr>
<tr>
<td>Inuit Leasing Limited</td>
<td>n.a. - 1985</td>
</tr>
<tr>
<td>Chaperal Charter Inc.</td>
<td>1982 – 1985 (subsidiary of Inuit Leasing)</td>
</tr>
<tr>
<td>Nunavik Arctic Foods Inc.</td>
<td>1994 – 2003</td>
</tr>
<tr>
<td>Natsiq Investments Corporation</td>
<td>1999 – 2001</td>
</tr>
<tr>
<td>Nunavik Trawl Inc.</td>
<td>2002 – 2005</td>
</tr>
<tr>
<td>Kigak Travel Agency</td>
<td>1981 – 1994</td>
</tr>
</tbody>
</table>

*Sources: Makivik Corporation 1982 – 2009*
Like any business, Makivik Corporation did not always have success with its investment choices. Especially in the first few years, it still had to gain the knowledge how to profitably run its operations, which sometimes led to huge bankruptcies and loss of money. This, combined with other factors related to the common challenges for any business project in the North (Chapter 3.3.1.), including high operational costs, reduced profitability, small markets, and changing conditions on the world market, led to termination of several subsidiaries in the last 30 years (Table 15). Especially projects in the fisheries sectors have in the past been hurt by low world market prices, overproduction or reductions in the availability of the resource.

Inuit beneficiaries in Nunavik are able to benefit from Makivik subsidiaries and joint venture in several ways. A direct effect is the creation of more than 1500 jobs and training opportunities through these business initiatives (DANA 2010: 66). However, a major point of critique is that the majority of these jobs are not created in Nunavik itself but rather outside the region in cities like Ottawa or Montreal, and are not filled with beneficiaries of the James Bay and Northern Québec Agreements. But in order to make a lasting impact on Nunavik and its residents and to improve the socio-economic conditions, more jobs have to be created in the region itself. Improvements have been made in recent years through increased investment in training programs that help Inuit beneficiaries to gain the qualifications to fill open positions or that allow them to advance in higher qualified positions. Also, through the success of some of its very profitable projects like First Air and Air Inuit, Makivik had been able to invest in community-based projects, like Nunavik Creations that do not generate high profits but provide employment opportunities in the region and especially in the smaller communities. It has to be kept in mind that Makivik Corporation only has a limited capital from the compensation funds of the James Bay and Northern Québec Agreement and the Nunavik Inuit Land Claim Agreement to invest in these business opportunities. In order to create many jobs, large-scale projects are necessary, like the direct investment into the mining sector, but this is beyond the financial possibilities of the corporation (INTERVIEW 22).

Makivik Corporation not only influences the regional economy through the creation of jobs. Parts of the profits generated through its subsidiaries and joint-ventures are reinvested in infrastructure and community projects in Nunavik. Since its inception Makivik Corporation has donated over $94-million to Nunavik communities and a variety of charitable, cultural, youth and recreation organizations (Makivik Corporation 2009: 28). In addition, Makivik Corporation was successful in negotiating new economic development
agreements with the Government of Québec as well as the Government of Canada. In 1998, a Marine Infrastructure Program was signed with the federal government, providing $30-million over 10 years to improve marine infrastructure in Nunavik communities. A Housing Agreement was signed in 2000 with the Governments of Canada and Québec to build more social housing units in the region over the next 10 years. Both programs were strengthened in 2002, with the signing of the Sanarrutik Partnership Agreement between Makivik Corporation, the Kativik Regional Government and the Government of Québec (Chapter 3.3.1.4.). The marine infrastructure project and the social housing project are both operated by the construction division of Makivik Corporation. These activities were able to generate new jobs in the community, with 70 percent of the workforce in the marine infrastructure project being Inuit. However, similar to other economic initiatives, finding qualified workers in Nunavik can be challenging. Training programs are available that try to overcome this challenge (Makivik Corporation 2008: 56). Profit shares received through Impact and Benefit Agreements (IBAs) with major mining projects in the region (e.g. Raglan Nickel Mine) are another source of income for Makivik Corporation (chapter 3.3.2.3.).

Current Makivik subsidiaries and joint venture can be grouped into several categories. In the following, a selection of these businesses will be described and analyzed regarding their impact on the region and its labour force:

**a) Provision of essential services to Inuit communities**

These businesses include the major transportation, cargo and fuel distribution services that Makivik Corporation is involved in: First Air, Air Inuit, Nunavut Eastern Arctic Shipping (NEAS), Halutik Enterprises. Examples are:

**Air Inuit:** The oldest Makivik subsidiary which was created in 1978. Today it serves all 14 communities in the Nunavik region with passenger and charter service. As there are field agents and workers needed in every community, Air Inuit is the Makivik subsidiary creating most jobs in the region (INTERVIEW 28). In 2003, it employed in its Nunavik division more than 360 employees, 39 percent of whom were beneficiaries of the James Bay and Northern Québec Agreement (Makivik Corporation 2003: 26). On a constant basis, its passenger and cargo services are expanded, improving its available fleet and increasing the frequency of flights. Through the recently created online reservation service, Air Inuit is also able to study customer travel patterns and adjust its offers accordingly. Contracts with larger clients like Canada Post and Hydro-Québec have successfully been
renewed until today contributing to the success of the company. During times of high mining exploration activities (e.g. in 2008), the company also profits through additional contracts (Makivik Corporation 2008: 35). Air Inuit also has a policy of social involvement in Nunavik. For years, they have been contributing to a large degree to sports and cultural activities in the region.

**Nunavut Eastern Arctic Shipping:** A joint venture between Transport Nanuk Inc. and Nunavut Umiak Corporation. It initially started out with one container ship that was owned by Transport Nanuk but since the establishment of the joint venture with Nunavut Umiak Corporation, the company was able to purchase three more ships on a 50-50 cost-sharing basis, serving the eastern Arctic communities in Nunavik and Nunavut in the summer months with cargo (INTERVIEW 30). While in 2008, the company made eleven sailings to supply communities with 86 stops, an increase by 34 percent over the previous season, the effects of the global recession combined with technical problems, bad weather and ice conditions caused less sailings and community stops in 2009 (Makivik Corporation 2008: 38; Makivik Corporation 2009: 44). The warming Arctic had a significant effect on the 2009 shipping season for NEAS. It completed “the first commercial navigation of the Northwest Passage by an Inuit-owned Canadian flagged Ice Class 1 vessel” (Makivik Corporation 2009: 44). Customers in Nunavut’s Kitikmeot Region in the Western Arctic were able to benefit from this with reduced shipping rates and better service. The jobs offered on the ships are seasonal (ca. five months during the summer), but employees are able to “make themselves $50,000 – 60,000” during that time “…a year’s salary for a lot of people.” (INTERVIEW 30). When the joint venture was created it committed to having a 50 percent Inuit workforce within the first five years of operation (Makivik Corporation 2000: 67). This goal was not achieved. As for most positions at least basic experience is needed, a short training program for Inuit is offered to ensure that in the foreseeable future at least all entry-level positions in the company can be filled with Inuit beneficiaries (INTERVIEW 30). The training includes basic orientation in seamanship and content like “how do you immobilize cargo so that it doesn’t smash into each other? How to load properly? How to open the doors properly?” (INTERVIEW 30). More training is offered when an employee shows that “this is a career and not just a job for a cheque” (INTERVIEW 30). In 2008, two Inuit were for the first time in this industry promoted to able seamen. In the last few years, two Inuit deckhands were hired per ship. The company

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42 Umiak Corporation is a joint venture of three Inuit development corporations established in 1999: Makivik Corporation, Sakku Investments Corporation and Qikiqtaluk Corporation
plans to expand its training programs, especially for those Inuit crew-members that need higher or renewed certificates (Makivik Corporation 2008: 39; Makivik Corporation 2009: 45). Despite the training efforts, the turnover rate for the positions on the cargo ships is high and also a competition for employees is noticed with other economic sectors like construction and the mining industry in Nunavik (INTERVIEW 30).

b) Use of renewable resources in Nunavik

This category includes for example the fisheries projects of Makivik Corporation. Its Fishery Division owns two shrimp licences: one of them is operated in a partnership with Newfoundland Resources Ltd.; and the other one with Unaaq Fisheries in cooperation with Clearwater Fine Foods from Newfoundland and Labrador (Makivik Corporation 2009: 48). In addition, a turbot licence is operated with Ocean Seafood International of Newfoundland and Labrador. On average each of the licences brings revenues of up to $1-million or more and can created up to 10 – 12 jobs for Inuit on the boats (INTERVIEW 30). The main market for the shrimp products are Russia and China (Makivik Corporation 2008: 48). In the last decade, especially the shrimp market had been struggling due to low prices and overproduction on the world market (Makivik Corporation 2007: 40; Makivik Corporation 2006: 46). It has started to stabilize since 2007, however, higher fuel prices, the recent recession and changes in the availability of shrimp resources will have an impact on this sector in the future (Makivik Corporation 2009: 52 – 55). Already an influence is felt regarding the number of Inuit working on the fishing vessels. Less Inuit see the necessity to stay away from their families and communities for an extended time working on the boats, making it more challenging for fishing vessels to hire crew members (INTERVIEW 30). Combined with decreasing crew shares and increasing competition from other economic sectors like the cargo boats or the mining industry in Nunavik, this led to a decrease in the number of Inuit employed on Makivik Corporation’s fishing vessels (Makivik Corporation 2008: 47 - 48; Makivik Corporation 2009: 55).

Another project created in 2005 by Makivik Corporation is Nunavik Biosciences Inc (Makivik Corporation 2007: 44). The major focus of the company is to develop previously unutilized or underutilized renewable resource (e.g. seaweed, shrimp and medical plants) (GEORGE 2010b). After several years of product development, the company released a skin care cosmetic line named “Ungava” in 2010. The product is made from seaweed

43 Unaaq Fisheries is a joint venture with Qiqitaaaluk Corporation, the development corporation of the Qikiqtani Inuit Association on Baffin Island in Nunavut created in 1994.
which was harvested in Nunavik communities, like Kangirsuk, and then processed further in southern Canada (Makivik Corporation 2009: 56; Economic Development Agency of Canada for the Region of Québec 2010). The finished product is sold online. In Nunavik, the company currently creates small-scale economic development and seasonal jobs for a few residents in the communities where the seaweed is harvested (Economic Development Agency of Canada for the Region of Québec 2010). As the company just recently started to promote its first product, the future will show how much impact the company’s activities will have on the regional economy and the labour market in Nunavik.

c) Use and commercialization of traditional culture

This category includes Nunavik Creations and Nunavik Furs. These projects have a social value for Nunavik by creating a few part-time jobs for seamstresses and local artists in smaller communities but are not necessarily economically profitable. Makivik Corporation is able to invest in them because other subsidiary companies, like the airlines, are making enough profits for the corporations to cover the costs (INTERVIEW 29; INTERVIEW 31).

Fig. 21: Nunavik Creations in Kuujjuaq

Source: FUGMANN 2008
**Nunavik Creations**: A business producing Inuit-designed clothing and fashion (e.g. parkas, jewelry, kamiks, mitts). It was created in 2002 and is composed of a clothing division and a fur tanning division (Makivik Corporation 2007: 40). Products are sold in a little store (Fig. 21) in Kuujjuaq as well as on a website. The company continuously expanded its activities over the last few years, training more seamstresses, and establishing sewing centres in Inukjuak, Salluit and Kangirsuk. In 2008, another centre was opened in Montreal providing job opportunities for Inuit living in the city (Makivik Corporation 2008: 44). Nunavik Creations was restructured in 2009, with a workshop manager being hired, ensuring a higher degree of product standardization as well as better grading and quality control in the sewing centres. For the boutique in Kuujjuaq a store manager and part-time clerk were hired (Makivik Corporation 2009: 48). Additionally, in 2009, Nunavik Creations mandated the Université de Montréal’s Ecole des Hautes Études Commerciales to work out a business plan for the company, especially regarding marketing strategies (Makivik Corporation 2009: 49 - 50).

d) **Tourism**

Increasing tourism opportunities in Nunavik has long been a goal for not only Makivik Corporation. Kigak Travel Agency was a first attempt to get established in the travel industry; however the company had to close down in 1994 when it lost its biggest customer, the Kativik School Board (Makivik Corporation 1996: 43). In recent years, Makivik Corporation has again made investments into tourism. Cruise North Expeditions has developed into a successful operation attracting customers from all over the world. **Cruise North Expeditions**: An investment in the tourism sector offering cruise ship tours in the eastern Canadian Arctic, currently in its fifth season. As a relatively new company, Cruise North Expedition is not financially successful yet, but the company is improving every year (INTERVIEW 29). Especially in the light of current debates on climate change, travels into the Arctic regions seem to become an increasing attraction to tourists. In 2008, more than 800 bookings were made for the different tours offered by Cruise North Expeditions with the most popular destinations being areas “where there’s books written on, like the Franklin expedition” (INTERVIEW 29). The numbers decreased slightly in 2009 due to the effects of the global recession but by offering discounts, and fewer cruises, the number of passengers only decreased to 700 (Makivik Corporation 2009: 63). From its inception, Cruise North Expeditions has hired Inuit as trainees working as for example guides and cultural presenters. The number of Inuit employees has been between 13 – 14 each season. Due to the shorter season, the number dropped to 9 in 2009. As some of the
employees are returning every season, they have been able to take over more responsible positions, including a tourism development officer and management trainee besides the Cruise North president. This is a sign that the training effort of the company is showing its first positive results (Makivik Corporation 2007: 52; Makivik Corporation 2008: 57; Makivik Corporation 2009: 64).

To further extent their range of products Makivik Corporation is currently discussing the possibility of partnerships with neighbouring Inuit regions, primarily Nunatsiavut and the Baffin Region in Nunavut (INTERVIEW 29; INTERVIEW 34). During its relatively short existence, Cruise North Expeditions has also gained the recognition of the cruise ship industry. More than 100 international tour operator partners are featureing the company in their brochures. In 2008, the Canadian Tourism Committion named Cruise North Expeditions “one of the ‘Significant 25’ aboriginal tourism products” that would be featured in their international promotion campaign before the 2010 Winter Olympics in Vancouver, Canada (Makivik Corporation 2008: 57). Another interesting feature of Cruise North Expeditions is a cleanup project that is organized at the end of each season. In 2010, this led volunteers to the Torngat Mountain National Park in Nunatsiavut (Cruise North Expeditions Inc. 2010).

e) Operation and Maintenance of Military Facilities in the North

Pan Arctic Inuit Logistics has to be listed in a separate category. It is a major initiative that not only Makivik Corporation is involved in but all Inuit development corporations in northern Canada (Chapter 4.2.2.). Makivik Corporation profits mostly financially from this joint venture. As there are no radar sites or logistic centres of the North Warning System located in Nunavik, hardly any Nunavimmiut are attracted to move away from their communities and work in this operation (INTERVIEW 30).

4.2.2.2 Labrador Inuit Development Corporation

There is also a development corporation in Nunatsiavut. To improve employment and business opportunities as well as to improve education and training for its beneficiaries, the Labrador Inuit Association created the Labrador Inuit Development Corporation (LIDC) in 1982 with three Inuit as shareholders (ANDERSON 1999: 151). The Labrador Inuit Development Corporation initially had a resource-based investment strategy. By using resources from the region, employment opportunities were supposed to be created for the
local population (INTERVIEW 37). Unlike Makivik Corporation in Nunavik, that received its capital through the James Bay and Northern Québec Agreement, the initial capital for the Labrador Inuit Development Corporation came from the Labrador Inuit Association and third parties including bank financing. The amount of capital available to the Labrador Inuit Development Corporation to invest into businesses was therefore much lower than that of Makivik Corporation. According to a report by the Working Group on Aboriginal Participation in the Economy⁴⁴, the Labrador Inuit Development Corporation owned assets worth $12-million and made $10-million in revenues a year in 2001 (Working Group on Aboriginal Participation in the Economy 2001: 100). Those numbers are considerably lower than the ones for Makivik Corporation.

As a result of the political changes in Nunatsiavut in 2006, the dissolution of the Labrador Inuit Association and its replacement by the Nunatsiavut Government, the Labrador Inuit Development Corporation had to redefine its relationship with the new institutions. For financial reasons, the three original shares were transferred to the Labrador Inuit Capital Strategy Trust, established by the Nunatsiavut Government in 2006 (Fig. 22). The trust is one of four established by the Nunatsiavut Government for capital received through the Labrador Inuit Land Claim Agreement, its Implementation Agreement and income from the Voisey’s Bay Nickel Mine in order to protect and creditor proof itself and this heritage capital as well as to minimize its own source revenues (Chapter 3.3.2.2.) (Nunatsiavut Government 2008d: 3 - 34). The Inuit Capital Strategy Trust was created as a “vehicle for […] economic development” and to focus on “cold and hard business opportunities” (Nunatsiavut Government 2008d: 27). The Inuit Capital Strategy Trust now owns the shares of the Labrador Inuit Development Corporation and is able to transfer capital to the corporation to invest into new or existing projects. So the Trust contributed to a recapitalization of the Labrador Inuit Development Corporation but unlike Makivik Corporation in Nunavik, the corporation did not receive direct payments from the Labrador Inuit Land Claim Agreement (Nunatsiavut Government 2008d: 31). It can however apply for funding support from the Labrador Inuit Capital Strategy Trust and the Nunatsiavut Government for business or investment projects. This has been done frequently over the last few years. The LIDC is also able to look at alternative funding options through bank loans, for which the Trust works as a guarantee (INTERVIEW 37).

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At the same time this restructuring process regarding the ownership of the Labrador Inuit Development Corporation took place, the corporation was in a financial crisis caused by bad investment choices and management mistakes (INTERVIEW 37; Nunatsiavut Government 2006a: 13). The crisis peaked in 2005 and 2006. In order to continue at least parts of its operations, the Labrador Inuit Development Corporation received a loan guarantee over $3.9-million to be repaid over 10 years from the transitional assembly of the new Nunatsiavut Government. In addition, a new general manager was hired. Several projects, like a road project in Rigolet and a quarry operation of the subsidiary company Torngait Ujaganniavingit Corporation in Iggiak Bay had to be closed down (Nunatsiavut Government 2006a: 15). This allowed the LIDC to keep its other operations running and offer employment - at a reduced level. Contrary to its original mandate focusing only on the regional resources, the mandate of the new Labrador Inuit Development Corporation was broadened to create a new environment for economic development by identifying profitable projects that the Nunatsiavut Government could invest in, regardless of whether they were within or outside their territory (INTERVIEW 37).

Despite improvements in the following years, the economic crisis of the Labrador Inuit Development Corporation is not over yet. The last 5 years saw various changes in the
management of the corporation with at least the position of the general manager changing twice. In addition, the Nunatsiavut Government had to support the Labrador Inuit Development Corporation several times with funding as well as loan guarantees for its business projects. In 2008, the corporation was able to profit from a $12.2-million resource royalty share payment that the Nunatsiavut Government received from the Voisey’s Bay Nickel Mine (Chapter 3.3.2.3.). Parts of these funds were used to support and expand various subsidiary companies of the Labrador Inuit Development Corporation (INTERVIEW 37).

These additional funds are however not available often and so the corporation cannot rely on them for its operations. The worldwide economic crisis in 2009 and a strike since August 2009 at the Voisey’s Bay Nickel Mine have had a dramatic effect on LIDC’s chances on getting additional funding for its operations. In 2010, the operations of the Torngait Ujaganniavingit Corporation (TUC) at the Ten Mile Bay Quarry and the Hopedale Stone Plant had to stay closed for the season due to a lack of profitability (Nunatsiavut Government 2010b). While prior to 2006, the LIDC employed 350 beneficiaries from Labrador through its subsidiary companies, the number dropped already to 175 in 2008 (INTERVIEW 37). The majority of the positions are seasonal between May and October. In 2008, there were only 20 permanent full-time positions in the corporation (INTERVIEW 37). With the struggle in 2010, even more jobs were lost, having a significant impact on many families, especially in the Nain area the closed community to the Ten Milve Bay Quarry (Nunatsiavut Government 2010b). It will have to be seen, how and if the LIDC will be able to improve its economic situation under a new management.

The subsidiary companies that the Labrador Inuit Development Corporation is currently involved in are:

\textit{a) Pan Arctic Inuit Logistics}

The Labrador Inuit Development Corporation is involved in this joint venture together with Makivik Corporation and the other Inuit development corporations in Canada. LIDC owns 19 percent of the shares in Pan Arctic Inuit Logistics (INTERVIEW 37).

\textit{b) Nunak Inc.}

Nunak Inc. is a subsidiary company of the Labrador Inuit Development Corporation through which the corporation owns and leases offices in Nain, Makkovik and Happy
Valley-Goose Bay. In 2001, it reported annual revenues of $500,000 (Working Group on Aboriginal Participation in the Economy 2001: 100).

c) Torngait Ujaganniavingit Corporation

Torngait Ujaganniavingit Corporation (TUC) was founded in 1990. It owns two quarries for anorthosite near Nain (Ten Mile Bay and Iggiak Bay). In 2002, the revenues of the TUC were in excess of $2.3-million (Torngait Services Inc. n.d.). As mentioned previously, the quarry at Iggiak Bay had to be closed down in 2006 due to high operating costs and lack of working capital to operate it. The quarry at Ten Mile Bay was operated from 1994 until 2009 with various success (Torngait Services Inc. n.d.; Nunatsiavut Government 2010b).

In the last few years, the Nunatsiavut Government has regularly supported the quarry operation through loan guarantees as well as funding for equipment and other needed enhancements. As an important employment source for residents in Nain, parts of the mining royalties received from the Voisey’s Bay Nickel Mine in 2007 and 2008 were used to support the quarry operation. During the 2008 season the quarry employed 24 – 30 people (Table 16) (INTERVIEW 37).

**Tab. 16: Seasonal Employees at the Ten Mile Bay Quarry and the Hopedale Stone Plant 2006 - 2010.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ten Mile Bay Quarry (Employees)</th>
<th>Hopedale Stone Plant (Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>20 - 31</td>
<td>9</td>
</tr>
<tr>
<td>2007</td>
<td>15 - 23</td>
<td>6</td>
</tr>
<tr>
<td>2008</td>
<td>24 - 30</td>
<td>6</td>
</tr>
<tr>
<td>2009</td>
<td>n.a.</td>
<td>7</td>
</tr>
<tr>
<td>2010</td>
<td>closed</td>
<td>closed</td>
</tr>
</tbody>
</table>

Source: OKalaKatiget Society 2006d; OKalaKatiget Society 2006e; OKalaKatiget Society 2007c; OKalaKatiget Society 2007d; OKalaKatiget Society 2008e; INTERVIEW 37

Torngait Ujaganniavingit Corporation also owns two stone processing plants in Nain and Hopedale: The Ten Mile Bay North Stone Processing Plant produced unpolished stone strips for the tile market; whereas the Hopedale Stone Processing Plant produces slabs for the furniture, counter top and monument market in for example Italy and the United States (Labrador Inuit Association 2005: 12). The production amounts to 500 – 1000 cubic meters of stone every season.
The processing plant at Ten Mile Bay had to be closed already a few years ago due to the economic struggles of LIDC. In 2010, due to financial troubles and bad stone quality from the quarry at Ten Mile Bay forced the Labrador Inuit Development Corporation not only to shut down its quarry operation at Ten Mile Bay but also its remaining Stone Processing Plant in Hopedale. As a result, several families in Nain and Hopedale lost their reliable summer income. (Nunatsiavut Government 2010b)

\textit{d) Post Mill Lumber}

The Labrador Inuit Development Corporation owns a sawmill operation in Postville. Post Mill Lumber was originally established in the 1990s to produce lumber for the Torngat Regional Housing Corporation as well as for sending it as pulpwood to a processing plant in Corner Brook. This became however unprofitable during the softwood lumber dispute between Canada and the United States (Labrador Inuit Association 2005: 12). A new market and good source of revenues for the company was found in recent years by producing wooden core boxes for mining companies like Vale Inco or Aurora, who are currently active in Nunatsiavut. Post Mill Lumber was especially able to profit from extensive uranium exploration near Postville prior to 2007. The uranium mining moratorium announced by the Nunatsiavut Government in 2008 was feared to have an effect on the company’s operations, but it was able to continue and through financial support by the Nunatsiavut Government even expand over the next few years. In 2008, the production of core boxes even led to a profit for Post Mill Lumber. During the 2006 season, up to 13 people were employed from May until mid-December. The 2007 and 2008 seasons were almost similar in terms of employment opportunities and production. (OKalaKatiget Society 2006f; OKalaKatiget Society 2006g; INTERVIEW 37).

In December 2009, the Atlantic Canada Opportunities Agency (ACOA) announced funding for Post Mill Lumber of $180,000 to construct a multi-purpose building in Postville, hoping that the company will be able to “expand and enhance the products and services it currently provides to the mineral exploration industry in Labrador” (OKalaKatiget Society 2010c; Atlantic Canada Opportunities Agency 2009). The funding is provided through the Business Development Program, a programme that was made possible through Canada’s Economic Action Plan and focuses on small- and medium-sized enterprises enabling them to “set up, expand or modernize businesses and can also provide financing to develop innovative ideas and improve competitiveness” (Atlantic Canada Opportunities Agency 2009).
The moratorium on uranium mining in Nunatsiavut will end in spring 2011 and the Nunatsiavut Government will have to decide whether to continue the moratorium or to allow uranium mining. This decision will have an effect on the future of Post Mill Lumber and its ability to benefit from producing core boxes for the mining industry.

e) PiKalujak Fisheries

As described previously, the Labrador Inuit Development Corporation is one of three major stakeholders in the fishing industry in Nunatsiavut. It owns a licence for shrimp and crab. PiKalujak Fisheries is a shrimp fishing operation, 50 percent owned by the Labrador Inuit Development Corporation (Labrador Inuit Assocaiton 2004: 11). Due to the current crisis in the shrimp fishing sector, it is currently the only active fishing operation of LIDC (INTERVIEW 37).

f) Torngait Services Inc.

Torngait Services Inc. (TSI) was created in 1995 as a Limited Partnership between the Labrador Inuit Development Corporation (51%) and ATCO Frontec Services Limited (since 2009 ATCO: Structures & Logistics) from Calgary, Alberta. It provides logistics, support and project management services to the mining and exploration companies operating in the Central Mineral Belt of Labrador with a particular focus on the Voisey’s Bay Nickel Mine (Torngait Services Inc. 2010a). As a majority Inuit-owned company it “aims to promote and support the economic development of the Labrador Inuit through participation in competitive contracts, work allocation and training programs, and to enhance sharehoder value through long-term sustained growth and profitability” (Torngait Services Inc. 2010a). Its largest projects right now is a contract with Vale Inco at the Voisey’s Bay Nickel Mine. The first 5-year contract, with a value of about $47.5 Million started in June 2005. The company currently has about 70 employees of which according to its own statistics, 70 percent are aboriginal (Torngait Services Inc. 2010b). In April 2007, there were 18 people employed from Nain and 16 from other parts of the Nunatsiavut coast (OKalaKatiget Society 2007b). From August 2004 to May 2006, during the construction phase of the Voisey’s Bay Mine, the company also operated an office in Nain handling about 200 employees (OKalaKaiget Society 2006h). Today, the main office is located in Happy Valley – Goose Bay.
4. Bottom-Up Business Development in Nunavik and Nunatsiavut

**g) Kangidluak - Base camp for Torngat Mountain National Park**

In 2010, the Labrador Inuit Development Corporation took over the operation of the base camp for the Torngat Mountain National Park in Sagleak Bay from Parks Canada. The base camp was open from end of July to beginning of September (OKalaKatiget Society 2010d–e). As no infrastructure is available in the park (Chapter 4.3.) the camp provides a base for researchers, government officials and visitors alike (OKalaKatiget Society 2010f). The camp is further improved every season. In the fall of 2010 a permanent facility including a laboratory, accommodations and kitchen area was constructed at the site. Sikimiut Environmental Inc., an Inuit-owned company in Nunatsiavut was contracted for this work (OKalaKatiget Society 2010f). After operating the camp for only one season, it remains to be seen, if this will become a profitable operation for the Labrador Inuit Development Corporation in the coming years.

### 4.2.3 Landholding Corporations in Nunavik

The James Bay and Northern Québec Agreement created another ethnic corporation on the community-level in the private sector of Nunavik. In December 1978, the “Act respecting the Land Regime in James Bay and New Québec Territories” (Q.R.S. Chapter R-13.1) established Landholding Corporations in Nunavik to receive the title to the Category I land of the Inuit communities (Makivik Corporation 1993: 75). The land is managed jointly with the Kativik Regional Government and the villages (INTERVIEW 33).

Landholding Corporations were created in 12 of the 14 present-day villages in Nunavik. Puvirnituq and Ivujivik are the only two exceptions. Both communities had opposed the James Bay and Northern Québec Agreement and have until today refused to select their Category I and II lands (Chapter 3.2.1.). Therefore no Landholding Corporations exist in these two communities. However, there is an additional Landholding Corporation from the Inuit in Chisasibi, who although located south of the 55th parallel received Category I Inuit lands in the James Bay and Northern Québec Agreement. Another Landholding Corporation exists for Killiniq. The community was closed due to economic reasons in 1979, but former residents were still able to make their land selections under the James Bay and Northern Québec Agreement of 1975 (Landholding Corporation Association n.d.a).

To assist the Landholding Corporations in establishing its structures and exploring its potential development opportunities, Makivik Corporation agreed to financially support
the Landholding Corporations in the beginning. Between 1979 and 1985, it provided $1-
million of funding per year for the Landholding Corporations. The allocations for
Puvirnituq and Ivujivik were spread among the other Landholding Corporations (Makivik
Corporation 1982: 57). During those years, the Landholding Corporations started to hire
additional employees to study their development possibilities and started to create its first
businesses. The Nunavik Landholding Corporation in Aupaluk for example opened the
Pitagvik General Store, which was later sold to the local cooperative in 1988 (Makivik
corporation 1982: 57; Makivik Corporation 1988: 57 – 59). In Kuujjuaq, the Nayumivik
Landholding Corporation opened a hotel with a restaurant in 1981, which is still in
operation today as one of the only two hotels in the village (Auberge Kuujjuaq Inn)
(Makivik Corporation 1982: 58). However, due to the inexperience and lack of a clear
development goal of many of the Landholding Corporations, they ran into financial
problems after the funding from Makivik Corporation ended in 1984 (Makivik Corporation
1987: 72). Support in administrative and legal issues, as well as training programs
continued to be provided by Makivik Corporation to the Landholding Corporations.

The main task of the Landholding Corporations was to lease land to businesses and other
land users (e.g. Hydro-Québec, CIBC, FCNQ, Air Inuit, Makivik Corporation). This was
until the early 2000s the only source of revenue for the corporations and many never were

To encourage beneficiaries to contribute to the economic development in the region, the
Landholding Corporation gives them advantages regarding the land leases. “They’re the
owners. You can’t charge them more than they need to be charged. It’s a collective land
and they’re part of it” (INTERVIEW 33). It is noticeable that the bigger communities like
Kuujjuaq have had a financial advantage from the beginning since they were able to make
more revenues from the land leases. Several Landholding Corporations attempted to find
additional sources of revenue by creating business initiatives. Due to the lack of available
capital, this only took place on a very small-scale level. The Landholding Corporations of
Inukjuak, Salluit and Quaqtaq for example established a joint dealership for mariner
outboard motors as well as a snowmobile dealership in 1988 (Makivik Corporation 1989:
53). Other corporations were involved among others in fuel supply, mineral exploration,
outfitting, restaurants or hotels (Makivik Corporation 1991: 53). In 1991, a $10-million
fund was created for the Landholding Corporations to improve their future development
(Makivik Corporation 1992: 72). Funding and shortage in capital remained however a
constant issue for the corporations. Especially operation expenses and municipal taxes
constituted a burden for especially the smaller corporations who spent sometimes more than 50 percent of its income on taxes (Makivik Corporation 1994: 97).

**Tab. 17: Landholding Corporations in Nunavik and their subsidiaries (according to information provided on the Nunavik Land Holding Corporation Association website)**

<table>
<thead>
<tr>
<th>Community</th>
<th>Subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epigtituk Landholding Corporation</td>
<td>Killiniq None</td>
</tr>
<tr>
<td>Qiniqtiq Landholding Corporation</td>
<td>Kangiqsualujjuaq None</td>
</tr>
<tr>
<td>Nayumivik Landholding Corporation</td>
<td>Kuujjuaq Kuujjuaq Inn (100% shareholder) Kuujjuaq Caribou Camp (100% shareholder) Umiak Builders (100% shareholder)</td>
</tr>
<tr>
<td>Arqivik Landholding Corporation</td>
<td>Tasiujaq None</td>
</tr>
<tr>
<td>Nunavik Landholding Corporation</td>
<td>Aupaluk None</td>
</tr>
<tr>
<td>Saputik Landholding Corporation</td>
<td>Kangirsuk Qairtuq store Inc. (100% subsidiary – inactive at the moment)</td>
</tr>
<tr>
<td>Tuvaaluk Landholding Corporation</td>
<td>Quaqtaq Kuvviti Fuel (100% subsidiary)</td>
</tr>
<tr>
<td>Nunaturlik Landholding Corporation</td>
<td>Kangiqsujuaq None</td>
</tr>
<tr>
<td>Qarqalik Landholding Corporation</td>
<td>Salluit Nunavik Lodge Inc. (100% shareholder) Restaurant (100% shareholder)</td>
</tr>
<tr>
<td>Qekeirriak Landholding Corporation</td>
<td>Akulivik None</td>
</tr>
<tr>
<td>Pituvik Landholding Corporation</td>
<td>Inukjuak None</td>
</tr>
<tr>
<td>Anniturvik Landholding Corporation</td>
<td>Umiujaq Tutulik Outfitters Inc. (100% shareholder)</td>
</tr>
<tr>
<td>Sakkuq Landholding Corporation</td>
<td>Kuujjuaraapik Qilalugaq Hotel (100% shareholder) Nunami Outfitters (100% shareholder) Tutulik Outfitters (60% shareholder – not active at the moment)</td>
</tr>
<tr>
<td>Kigaluk Landholding Corporation</td>
<td>Chisasibi None</td>
</tr>
</tbody>
</table>

*Source: Lanholding Corporation Association n.d.b-o*
As the communities felt that they were not adequately represented to governments or agencies in the political and business arena, increasing demand for creating an association representing all Landholding Corporation arose since the 1970s. In March 1996, a working group was established to explore the potentials of such an organizations and on May 17, 2002, the Nunavik Landholding Corporation Association was finally created (INTERVIEW 33; Makivik Corporation 2003: 57). The association is a non-profit corporation representing all Landholding Corporations in Nunavik.

*Fig. 23: Umiak Builders Inc. in Kuujjuaq.*

(Source: FUGMANN 2008)

It provides, among others, technical and logistical services for its members, collaborates with other Inuit organizations and helps to develop training programs for its members so that they can improve the management of their assets (Landholding Corporation Association n.d.a). The signing of the Sanarrutik Partnership Agreement on Economic and Community Development in 2002 between the Government of Québec, Makivik Corporation and the Kativik Regional Government provided finally a long needed financial support for the Nunavik Landholding Corporations and their Association. Over the lifetime of the agreement of 25 years, the Landholding Corporations as well as the Landholding Corporation Association will receive $1-million annually (Makivik Corporation 2004: 15, INTERVIEW 33). Until 2009, the Landholding Corporations received about $12.5-million
through the Sanarrutik Agreement (Makivik Corporation 2009: 29). The additional capital allowed especially the smaller corporations to actively invest in business opportunities in their communities.

In Kuujjuaq, the Nayumivik Landholding Corporation owns today, apart from the Auberge Kuujjuaq Inn with a restaurant and a bar, Umiak Builders (Fig. 23), a boat-building business as well as rental houses. Other landholding corporations run heavy equipment operations, gravel pits, snowmobile shops and contribute so directly to creating jobs in the communities (INTERVIEW 33).

4.3 Tourism: Example for Bottom-up Private Sector Development

An example of an economic sector, where this bottom-up development both in the individual and collective private sector has had a major impact is tourism. In the last few years, tourism has emerged as an alternative to resource extracting industries in many Arctic regions including Nunavik and Nunatsiavut. The natural beauty of the Arctic landscape, the history and most importantly the rich Inuit culture hold great potential for future development and for attracting tourists into these remote regions. In the last few years, increased financial resources gained through the land claim settlements as well as benefits from impact and benefit agreements have allowed the newly established regional administrations as well as ethnic corporations and small businesses to increasingly invest in this sector in both Nunavik and Nunatsiavut.

Nunavik

The first attempts to invest in tourism in Nunavik were started in the 1980s. Local tourism outfitters created the Nunavik Tourism Association (NTA) in 1983. It was however, not recognized by the Government of Québec as a regional tourism association and consequently did not receive any funding from the province (Makivik Corporation, Kativik Regional Government and Kativik Regional Development Council 1994: 7). The only funding available for the NTA were member contributions and so its possibilities to promote tourism in the region were very limited (MESHER 1997: 12). Finally, in the late 1980s several actors in the tourism sector started individually initiatives on developing a tourism strategy for Nunavik. A series of studies and surveys were conducted, the first one being a Northern Quebec Tourism Development Plan financed by the Kativik Regional...

This situation changed in November 1996, when Makivik Corporation decided to pass its tourism mandate to the Nunavik Tourism Association and provided them with an initial funding of $100,000. This allowed the association to open an office in Kuujjuaq and to hire personnel (MESHER 1997: 15). Additional funding for the NTA came from the Kativik Regional Government and Aboriginal Business Canada. Soon after, it was also recognized as a regional tourism association according to provincial norms in Quebec and started to receive funding from Quebec (GEORGE 1998).

With the slogan “Friendly, Beautiful and Wild”, the Nunavik Tourism Association today tries benefit from the unspoiled and wild nature to attract tourists for various adventure (e.g. sea kayaking, canoeing, wildlife observations, hiking, dog sledding) as well as sports hunting and fishing activities (Nunavik Tourism Association n.d.).

*Nunatsiavut*

In Nunatsiavut, tourism is a relatively new economic initiative. Due to the poor economic conditions of the region in the past, tourism was for a long time seen as a luxury item and improving the basic living conditions had a higher priority (INTERVIEW 35). Tourism has previously only happened in the form of low levels of sports fishing and hunting activities (MAHER and LEMELIN 2011: 41). This changed with the signing of the Labrador Inuit Land Claim Agreement in 2005. The Torngat Mountain National Park was created as part of the agreement within the Labrador Inuit Settlement Area on the northern tip of Labrador, and a Parks Impact and Benefit Agreement was signed (Indian and Northern Affairs 2005a: 109 - 137). This in combination with increased financial capacity through the land claim compensation funds as well as revenues from mining projects in the region allowed the Nunatsiavut Government to invest in the region and improve the infrastructure and living
conditions in the area. It also provided a possibility to think about alternatives to the resource extracting industries. As a result, starting in 2006 the Nunatsiavut Government began to promote tourism and market the rich Inuit culture, history and natural beauty of the region (INTERVIEW 35). Tourist numbers are not available currently for the region. According to HULL (2001), about 21,000 adventures tourists came to Labrador as a whole (in MAHER and LEMELIN 2011: 41). Parks Canada counted 629 visitors to the Torngat Mountains National Park in 2009 (Parks Canada 2009: 61).

A Round Table to Establish a Vision and Framework for Tourism first discussed tourism development in 2004 (Nunatsiavut Government 2006b: 3). Two years later, in January 2006, the Nunatsiavut Government, Parks Canada and other tourism stakeholders in Nunatsiavut created Tourism Nunatsiavut to “formulate a tourism strategy that would benefit the people and the economy in a holistic and sustainable manner” (Nunatsiavut Government 2008e). The initial funding of $1,000,000 for the project came from the impact and benefit agreement that was signed as part of the Labrador Inuit Land Claim Agreement for the new Torngat Mountain National Park. In 2007, a Director for Tourism was hired by the Nunatsiavut Government and first steps on developing a tourism strategy were taken (INTERVIEW 35). As the intention of Tourism Nunatsiavut is to develop tourism “by the people of Nunatsiavut in ways that are culturally sensitive, economically viable and sustainable” (Nunatsiavut Government n.d.), a series of community-based workshops was held in 2007 called the “Stepping Stones” project. The preference of the Tourism Department is to develop an experiential-style tourism based on experiences that the Nunatsiavut communities have to offer (INTERVIEW 35). The Draft Land Use Plan for the Labrador Inuit Settlement Area published in 2010 identifies geotourism as the most important form of tourism and an increasing contributor to the economy in the Labrador Inuit Settlement Area. Geotourism, according to the Draft Land Use Plan is “tourism that sustains or enhances the geographical character of a place – its environment, culture, aesthetics, heritage and the well-being of its residents (Labrador Inuit Settlement Area Regional Planning Authority 2010: 23). The type of tourism that the Nunatsiavut Tourism Departments wants to focus on most are marine tourists visiting the area (Fig. 24) (INTERVIEW 35).

In February 2008, the “Tourism Nunatsiavut Final Strategic Plan” by the Nunatsiavut Government envisioned Nunatsiavut to “emerge as one of the world’s most in-demand circum-polar travel destinations” (Nunatsiavut Government 2008e). To develop new ideas and learn about best practices in the eco-tourism, cultural tourism and sustainable tourism
sector and to get professional training to “facilitate the development of business skills, leadership capacity and ideas for tourism entrepreneurship that can be implemented in Nunatsiavut” (Nunatsiavut Government 2008f), a group of tourism business and community leaders went on a Tourism Leadership Voyage to Ecuador and the Galapagos Islands in late spring 2008.

Fig. 24: American tourist boat "Wanderbird" in the Nain harbour in 2008

Tourism in Nunatsiavut is at the moment only in its initial phase and is currently taking the first steps to reaching their goals laid out in their tourism strategy. As a new activity in Nunatsiavut, there are no regulations for its development in place, seen by some as a challenge and by some as an opportunity to design the regulations according to the current needs of the region (INTERVIEW 35, INTERVIEW 36). Similar to other economic activities in Nunatsiavut, tourism faces many challenges including the remoteness of the location, the high costs of transportation, the lack of infrastructure (accommodation, food services, facilities in the park, marine facilities), the small human resource base and competition for the few qualified workers with other higher paying jobs in the mining industry or the local administration. The priorities of the current Nunatsiavut Government initiatives in tourism are to develop the necessary infrastructure and accommodation,
develop the signage in the communities, train residents in the communities how to deal with tourists and how to be a good host, help artists and develop a website to promote tourism (INTERVIEW 36; INTERVIEW 35). Only a few jobs are therefore created at the moment in the tourism sector in the Nunatsiavut communities. These include artists creating local arts and craft products, small businesses that provide accommodation or charter services for tourists and researchers coming into the region, local residents being hired as guides on cruise ships, and Parks Canada that manages the Torngat Mountain National Park and also provides jobs for guides and bear monitors (INTERVIEW 35).

Compared to Nunavik, Nunatsiavut has started much later in investing in the tourism sector, and although they have made significant progress within a relatively short period of time, it will still take some time for them to fully develop its potential (INTERVIEW 36). There is a lot of energy put into developing tourism in Nunatsiavut by all the people involved in it right now.

**Potentials for local residents and businesses in the tourism sector in Nunavik and Nunatsiavut**

Several key stakeholders have emerged in the tourism sectors in Nunavik and Nunatsiavut in the last 40 years: Kativik Regional Government, Nunatsiavut Government, Makivik Corporation and some of its subsidiaries, the Labrador Inuit Development Corporation, Co-operatives in the various Northern Villages in Nunavik, the Féderation des Coopératives du Nouveau-Québec, as well as small businesses and self-employed artists.

Makivik Corporation (Chapter 4.2.2.1.) and the Féderation des Coopérative du Nouveau-Québec (FCNQ) (4.2.1.1.) had through their business initiatives like Air Inuit, First Air, Kigaq Travel Agency or Voyages FCNQ contributed early on to tourism initiatives in Nunavik and both extended their efforts in recent years with new investments like Cruise North Expeditions Inc. and Adventures Arctiques. Additionally numerous small businesses in the private sector have been created as outfitters and tour operators for the various adventure and sport hunting / fishing activities. With its relatively late start in the tourism sector, hardly any business initiatives on the regional level have been made in Nunatsiavut. On the community-level there are a number of small businesses that contribute to the tourism sector as e.g. boat charters, hotels and outfitters.

A report submitted in 1994 by Makivik Corporation, the Kativik Regional Government and the Kativik Regional Development Council to the Secrétariat aux Affaires Autochtones of the Government of Québec names sports hunting and fishing the main tourist attractions in

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Nunavik concentrating on the villages of Kuujjuaq, Tasiujaq and Kangiqsualujjuaq. In 1992, there were 1,674 hunters that were guests of 27 outfitters in 27 permanent and 73 mobile camps (Makivik Corporation, Kativik Regional Government and Kativik Regional Development Council 1994: 18). This sector is still today the most important tourism sector in Nunavik. Tour packages for interested hunters and fishers from the South (mainly from the United States) are being offered by regional and Southern-based tourism operators offering employment opportunities for residents in Nunavik in the various fishing and hunting camps. The Féderation des Coopératives du Nouveau-Québec for example invested in these activities already more than 30 years ago by creating Arctic Adventures which currently operates two fishing camps in Nunavik (see chapter 4.2.1.1.).

Inuit arts and craft products, like soap stone sculptures or traditional clothing have been a source of income for artists for decades. The first co-operatives in Nunavik had been created in the 1960s with the intention to better market and sell their products (Chapter 4.2.1.1.). All co-operatives are still involved in this area today. In addition, Makivik Creations has invested since 2002 in the sale of traditional Inuit clothing, arts and crafts through its subsidiary Nunavik Creations. The company has gained popularity over the years. A number of self-employed artists and small arts and crafts stores (e.g. Tivi Gallery in Kuujjuaq) are also present in both regions. Northern Labrador had already first tried to invest in the sale of craft products in the 1970s, and established arts and craft councils in the communities as well as Handicraft Centres to display the products (BRICE-BENNETT 1986: 56). Today there are several independent carvers and arts and craft producers in the region. In Nain, the Torngat Arts and Crafts Inc. was created in 2009. The intention is to better market the products and to centrally buy and sell them. A store was opened in the community for this purpose. It also includes a workshop area, giving artists the opportunity to produce their products there instead of at home (OKalaKatiget Society 2009a).

Another type of tourism that offers great potential for Nunavik and Nunatsiavut communities is cruise tourism. All communities are located at or near the coast, making them accessible for cruise ships. Logistically it requires hardly any infrastructure in the communities, as most tourists eat and sleep on board the ships. On the other hand, this does not leave much revenue in the communities. Arts and craft sales are the best option for the communities to profit from the cruise tourists. In addition, a few residents can find employment on the cruise ships as guides or staff. In Nunatsiavut local committees were created in the communities that create programmes for curise tourists to best show them what the community has to offer, both in terms of attractions and culture. This includes
typically cultural performances and tours of the community (INTERVIEW 35). Local artists also have the opportunity to sell their work to the tourists. Makivik Corporation in Nunavik has recently decided to go beyond indirect benefits from cruise ships and created Cruise North Expeditions in 2005 offering cruises in the eastern Canadian Arctic (Chapter 4.2.2.1.). Possibilities of the Nunatsiavut Government participating in this operation have been discussed.

Cruise tourism has one major disadvantage: a larger group of visitors is arriving at the same time in a community. As most Nunavik and Nunatsiavut communities are very small, this can disrupt community life and result in negative impacts. Nunatsiavut is therefore focusing on smaller expedition-style cruise ships with a maximum capacity of 100 – 140 passengers (INTERVIEW 35).

Another possibility for local businesses to be involved in tourism is the accommodation sector. Not all visitors to Nunavik and Nunatsiavut arrive in cruise ships and so basic infrastructure in terms of accommodation facilities is needed in order for the region to attract advance in tourism. In Nunavik, all communities have hotels, which are normally run by the local cooperative. Other hotels are owned by the Landholding Corporations. In Nunatsiavut, there are small hotels in each community, run by local entrepreneurs. Boarding houses, like in Nain, or small bed& breakfasts, like in Rigolet, provide additional selection for tourists that arrive in the communities. However, most of the visitors in the smaller communities in both regions are business travellers either from the private sector or officials from the provincial and federal governments, representatives from aboriginal and regional organizations and employees from service companies that are working on a contract in Nunavik or Nunatsiavut (Makivik Corporation, Kativik Regional Government and Kativik Regional Development Council 1994: 19-20; INTERVIEW 3).

**Case Study: Parks in the Québec – Labrador Peninsula**

The beautiful and wild Arctic landscape offers the most important potential for tourism in Nunavik and Nunatsiavut. Both regions include national parks, national park reserves and protected areas. Local residents and businesses are seeking to benefit economically from those through employment and business opportunities. Within the last 8 years, several parks have been created both in Nunavik and Nunatsiavut: *Torngat Mountain National Park* in Nunatsiavut and the *Parc National Kuururjuaq* in Nunavik are just two examples.
Both of these parks are located on the Québec-Labrador Peninsular, separated by the administrative-political border between the provinces of Québec and Labrador. The Inuit of Nunatsiavut as well as of Nunavik both have aboriginal rights to this area. As a result of the land claim negotiation process, it is today governed by three separate legal agreements with the Inuit population. The Québec-side of the peninsula is part of Nunavik and governed by the James Bay and Northern Québec Agreement as well as the Nunavik Inuit Land Claim Agreement for the offshore area. The Newfoundland-Labrador-side is part of Nunatsiavut and so part of the Labrador Inuit Land Claim Agreement.

Today, there are two national parks established in the area: the Torngat Mountain National Park, on the Nunatsiavut side, and the Parc National Kuururjuaq on the Nunavik side. The
Inuit in both regions use different approaches for developing their parks resulting in opportunities for local businesses but also for cooperation between both groups:

The *Torngat Mountain National Park* (TMNP) (“Torngait KakKasuangita SilakKijapvinga”) in Nunatsiavut has a sized of about 9,700 square kilometres (MAHER and LEMELIN 2011: 40; Parks Canada 2010b: xi). This area has a special spiritual meaning to both Inuit in Nunatsiavut and Nunavik. Torngait (or tuurngait) are the spirits that inhabit the mountains (GERMAIN 2008: 92). The idea to create a national park in northern Labrador arose for the first time in 1969, but was then postponed due to the intention of the Labrador Inuit Association of filing a land claim with the federal and provincial government (Parks Canada 2010). In 1992, a feasibility study for a national park was conducted by Parks Canada, the Labrador Inuit Association and the Government of Newfoundland and Labrador (Parks Canada 2010). As the Torngat Mountains had not only been used as a traditional territory by the Inuit of Nunatsiavut, but also by the Inuit of Nunavik, the latter also had also aboriginal rights to this area. The Government of Newfoundland and Labrador however refused to negotiate a land claim settlement with Aboriginal groups that are outside their province (GERMAIN 2008: 97). In 1993, the Canadian government finally accepted the Nunavik Inuit claim to northern Labrador. Four years later, Makivik Corporation reached a court decision that required the Government of Newfoundland and Labrador, the Government of Canada and the Labrador Inuit Association to consult with Makivik Corporation during the negotiation process of the park and stated that the park would remain a park reserve until the land claim with Makivik Corporation would be settled (Parks Canada 2010). The difference between a National Park Reserve and a National Park in Canada is that in the reserve, an outstanding land claim by an Aboriginal group in Canada exists (GERMAIN 2008: 93; Parks Canada 2010). The Torngat Mountain National Park Reserve was finally created in 2005 through the signing of the *Labrador Inuit Land Claim Agreement*, the *Labrador Inuit Parks Impacts and Benefits Agreement for the Torngat Mountains National Park Reserve of Canada* and a *Memorandum of Agreement for a National Park Reserve of Canada and a National Park of Canada in the Torngat Mountains* (Parks Canada 2010). In addition, an overlap agreement between the Inuit of Nunavik and Nunatsiavut was reached. This paved the way for a Nunavik Inuit Parks Impact and Benefits Agreement for the Torngat Mountains National Park of Canada in 2006 (Parks Canada 2010). With the coming into effect of the Nunavik Inuit Land Claim Agreement on July 10, 2008, the Torngat Mountain National Park Reserve was turned into the Torngat Mountains National Park, Canada’s 42nd national park (MAHER and LEMELIN 2011: 40; Parks Canada 2010, Parks Canada 2010b: 1)
The Parks Impact and Benefits Agreement provided for the establishment of a cooperative management board, including representatives in equal numbers from the Nunatsiavut Government, Makivik Corporation and Parks Canada that manages the park today (MAHER and LEMELIN 2011: 40; Parks Canada 2010). It contains provisions for the traditional use for harvest, campsites, the removal of carving stone as well as other content on enhanced opportunities for job and business creation (Government of Newfoundland and Labrador 2005).

On the Quebec-side of the Torngat Mountains, a park has also been recently established. The Parc National Kuururjuaq du Québec (KPNQ) was created as a Québec national park in May 2009 (Map 9). Its size is 4,273 square kilometres (MAHER and LEMELIN 2011: 43). The park is managed by Nunavik Parks a department of the Kativik Regional Government (MAHER and LEMELIN 2011: 43). Through the Partnership Agreement on Economic and Community Development in Nunavik (Sanarrutik Agreement) signed between the Government of Québec, the Kativik Regional Government and Makivik Corporation in 2002, the development of provincial parks was encouraged to support tourism development in Nunavik. The Kativik Regional Government received $8-million for planning several proposed parks in the region, in addition to funding for creating and operating a Québec national park near the community of Kangiqsujuaq (Secrétariat aux Affaires Autochtones 2006: 4). The new mandates received by the Kativik Regional Government through the Sanarrutik Agreement place the management of the parks in Nunavik into the hands of the Kativik Regional Government. Inuit beneficiaries of the James Bay and Northern Quebec Agreement have the right to continue practicing their traditional harvesting activities in all parks in Nunavik. Any development regarding parks in Nunavik is done in close cooperation and consultation with the local communities. In 2004, the Pingualuit National Park was the first national park to be established on Nunavik territory, around a meteorite crater, about 90 kilometers from the community of Kangiqsujuaq. The Kuururjuaq Park near Kangiqsualujjuaq is the second park be established in Nunavik and is currently preparing for opening the area to visitors (Kativik Regional Government 2009: 106 - 107).

These two parks as well as the benefits from the Park Impact and Benefit Agreements provide the Inuit in Nunavik and Nunatsiavut with tools that can, if planned and used carefully lead to economic improvements. At the moment, both parks are only at the beginning of their development: the Torngat Mountain National Park opened in 2006 for visitors and the Parc National Kuururjuaq is expected to officially open in 2011. Direct
benefits are especially possible for residents and businesses in the two closest communities
to the parks: Nain in Nunatsiavut and Kangiqsualujjuaq in Nunavik. Both communities are
in very remote locations and have a limited population base with 1034 and 735 residents
respectively (Statistics Canada 2007e; Statistics Canada 2007q). The few summer months
(especially July and August) will be the main tourist season for using the parks.

**Transportation sector:** Transportation to Kangiqsualujjuaq is offered today by Air Inuit,
owned by Makivik Corporation. Increased tourist numbers and travels to and from
Kangiqsualujjuaq with this Inuit-owned airline would increase revenue for the region.
Tourist numbers will be relatively low. The other national park in Québec (Parc national des
Pingualuit) counted 93 visitors to the park and 749 \(^{45}\) at the information centre in
Kangiqsujuaq in 2009 (Kativik Regional Government 2009: 106). Capacity questions for
the transportation to the park will therefore, at least in the foreseeable future only play a
minor role. Air Inuit has shown previously its flexibility by offering a charter services and
also additional flights during various holiday times in the year (e.g. christmas). In
Nunatsiavut, transportation to Nain is provided by the two regional airlines. Onward travel
to the national park is either possible through chartered flights or boats. Residents and
small businesses in Nain already benefit from tourist traffic North in a limited form
through offering boat charters to the park (e.g. Webb Services Limited and CJ Webb
Incorporated in Nain). A further increase in travellers to the park will offer the possibility
of an expansion of these services and additional businesses being created. For the tourists
itself, the high cost of airline tickets will remain a limiting factor for travelling into both
the Torngat Mountain National Park and the Parc national Kuururjuaq.

**Accommodation:** The accommodation sector is one of the areas where businesses and
residents can already benefit today and that offers potential for future development. In the
two access communities there are currently two hotels: the Atsanik Lodge in Nain has 25
rooms and the hotel run by the George River Cooperative Association in Kangiqsualujjuaq
has room for 24 guests (INTERVIEW 3; Kativik Regional Government 2005b: 13). In
addition, there are a few private guest houses in both communities and residents offering
private accommodation. Both hotels are only used at the moment to a very small degree by
actual tourists, but they mostly house government and business travellers coming into the
communities for regular community services (INTERVIEW 3). Depending on the demand
that increased tourist numbers would bring with further development of the parks, this will

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\(^{45}\) Including several cruise ships passengers.
offer possibilities for further development of accommodation facilities (private accommodation, guest houses and hotels) created and run by local residents. This would increase the income for the residents themselves and for the communities through increased taxes.

*Park Infrastructure:* The Inuit in Nunavik and Nunatsiavut have two significantly different approaches in developing infrastructure for the two parks:

The Parc nationale Kuururjuaq in Nunavik received $6-million in infrastructure funds for the park from the Québec Department for Sustainable Development, Environment and Parks (ROGERS 2010b). It plans to built facilities in and outside the park to further develop the potential of the park for attracting visitors in the summer. An interpretation centre for the park will be built in Kangiqsualujjuaq in 2011 with not only exhibition space for information on the park but also office space for the park management, currently located in the Kativik Regional Government office building in Kuujjuaq. There will be five people on staff at the centre (ROGERS 2010b). In addition, cabins and shelters for tourists are planned to be built in the park and in the access corridor to the park.

In the Torngat Mountain National Park, there are currently no accommodation facilities and other infrastructure built for tourists to use. The co-management board for the park prefers a less-commercial, non-invasive development of the park and to preserve the pristine beauty of the environment (INTERVIEW 36). As an alternative and to provide an access point to the park for visitors and researchers, a base camp is set up for a few weeks just outside the southern boundary of the park in Sagleq Bay in July and August, since 2006 (Chapter 4.2.2.2.). The kANGIDLUASUK base camp is seen “as a pilot project to explore new and better ways of increasing Inuit presence in the park, and to support summer operational programs” (Parks Canada 2010b: 14). It provides accommodation in tents, meals, Inuit guides and bear monitors, information on the park, cultural program and can be used as a base for trips to the park (Parks Canada 2010b: 13). Services for the base camp have been increased every summer season. Visitor number to the base camp have increased according to Parks Canada information from 272 in 2006 to 629 in 2009 (Parks Canada 2009: 61; Parks Canada 2010: 14)). Almost half of these were cruise ship passengers. While the organization of the camp was the responsibility for Parks Canada in previous years, the Labrador Inuit Development Corporation took over its operation in 2010. There is a consensus that the camp would continue as a Inuit business and partnership in the future and contribute to building capacity within Inuit communities and providing a range of employment and economic opportunities (Parks Canada 2010b: 13).
Depending on the future demand by tourists and development of the park, building at least minimum infrastructure in the form of shelters will be considered (INTERVIEW 36)

On the way to the Torngat Mountain National Park, the old Moravian mission sites of Nutak and Hebron, offer a possibility for attracting cruise passengers. The mission in Hebron is currently being renovated and since two years, an Inuit family has moved there during the summer months to play hosts for tourists and to watch the site (INTERVIEW 35). The draft Land Use Plan for the Labrador Inuit Settlement Area recognizes Hebron as a heritage area designation and suggests to recognize Okak and Nutak as well in the future. The Hebron mission buildings and homes are currently being restored and it is hoped to open them to the general public and tour groups that “could explore the area including an exhibition of artefacts related to Inuit culture, traditions and way of life.” (Labrador Inuit Settlement Area Regional Planning Authority 2010: 41). To oversee the project and to ensure that the site is being monitored, a family is currently living in the summer in Hebron (OKalaKatiget Society 2009c).

In addition, Nain as the closest community to the Torngat Mountain National Park is considered as a gateway for the park and hopes to create economic spin-off opportunities for residents and businesses. Parks Canada hopes to create an interpretation centre or visitor information centre for the park in Nain (INTERVIEW 36). The Park Impact and Benefit Agreement included funding of $1-million from the Government of Canada to the Nunatsiavut Government “to identify and develop a plan for Labrador Inuit businesses to take advantage of economic opportunities associated with the national park reserve, and to create a fund to help Labrador Inuit and Labrador Inuit businesses to take advantage of those opportunities” (Government of Newfoundland and Labrador 2005b).

The jobs directly created by the park in Nunatsiavut are currently still very limited. Apart from a visitor experience coordinator at the Parks Canada office in Nain, there are a few people hired to run the base camp and work as bear monitors. The hope is that more residents will be hired in the future as the park operations expand (e.g. as guides, outfitters, visitor centre staff). Similar to many other employment opportunities in Nunatsiavut, these jobs are however seasonal and limited to the very short summer season.

The real advantage of the neighbouring parks in the Québec-Labrador Peninsula is the possibility for both Nunavik and Nunatsiavut Inuit to collaborate on developing a tourism experience in the region (MAHER and LEMELIN 2011: 43). As both parks are relatively new and are currently focusing on developing the necessary infrastructure for it, the next
years will show to what extent this collaboration can contribute to improving the economy of the regions as a whole.
5 Impacts of Bottom-Up Development on the Community-Level

The increased bottom-up development in the private sector through the creation of businesses owned by the co-operatives or ethnic corporations (e.g. Makivik Corporation, Labrador Inuit Development Corporation), improved support mechanisms for small private sector businesses, financial and employment benefits gained from the mining sector as well as public sector participation in the new regional and community-level administrative institutions have opened up new opportunities for the economic development of Nunavik and Nunatsiavut.

Map 10: Location of Nain (Nunatsiavut) and Kuujjuaq (Nunavik)

Draft: Gerlis Fugmann 2010; Cartography: Lisett Diehl, Department of Geography; JLU Giessen
But what effect is visible on the community-level? What impact do these tools have on the labour market? Are new jobs being created in the communities that help to reduce the high unemployment rates faced in both regions?

This chapter will analyze the impacts on the two regional administrative centres of Nunatsiavut and Nunavik. What are the main employers? How do these newly created opportunities enhance existing and create new employment opportunities on the community-level? As both are the largest communities in their region, with the unique situation of a strong public administration sector and the presence of many services and infrastructure not available in other communities in Nunatsiavut and Nunavik, the development of Nain and Kuujjuaq is not comparable with that of other communities in the region.

5.1 Two regional centres: Nain (Nunatsiavut) and Kuujjuaq (Nunavik)

Kuujjuaq is the largest community Nunavik and is situated on the shore of the Koksoak River, just 50 kilometres from Ungava Bay at 58°06’24” North. The Hudson’s Bay founded a trading post with the name “Fort Chimo” just across the river from the present-day location of Kuujjuaq in 1827 (DANA 2010: 49). The name Fort Chimo is according to the Nunavik Tourism Association a mispronunciation of the phrase “saimuk” by the early fur traders, meaning “Let’s shake hands!” (Nunavik Tourism Association 2010b). Nevertheless it was adopted as the name of the new trading post and remained in place until 1980, when it was changed into Kuujjuaq (“great river”) (DANA 2010: 60). The Hudson’s Bay traders were however, not the first Europeans to reach the region: Moravian missionaries had reached the Koksoak River as early as 1811 from their mission stations in Northern Labrador to Christianize the Inuit population. In 1899, Anglican missionaries established a mission in Fort Chimo; an Anglican church was built in 1902. Nevertheless, it was not until the Second World War, that the traditional non-sedentary lifestyle of the local Inuit population was changed.

The United States Air Force built a base (“Crystal 1”) at the present-day location of Kuujjuaq including a wide runway for airplanes. After the war, the United States conferred the base to the Canadian government.

46 The runway is still in use today by the airport in Kuujjuaq.
Map 11: Kuujjuaq

Draft Gerlis Fugmann: Cartography, Bernd Goecke, Department of Geography, JLU Giessen; Source: Google Earth 2009; Nunavik Tourism Association n.d.b
A nursing station, school and weather station were built at the location of the former US-base. The location of Kuujjuaq ultimately changed, when also the Hudson’s Bay Company moved its trading post to the other side of the Koksoak River (DANA 2010: 58). In the following years, the community grew and gained more services. In 1961, the Fort Chimo Co-operative was founded providing more supply opportunities for the residents of Kuujjuaq. After the signing of the James Bay and Northern Québec Agreement in 1975, Kuujjuaq became the administrative centre of the new Kativik Regional Government and other regional public sector institutions (e.g. Kativik School Board, Nunavik Board for Health and Social Services) (DANA 2010: 58).

Nain (56°32’32” N), as the largest community in Nunatsiavut, and today the administrative centre of the Nunatsiavut Government has a different and longer history of European contact than Kuujjuaq. It was founded already in 1771 by Moravian missionaries (TREUDE 1979: 77). In 1769, the Moravians had acquired the land from the British government to “occupy and possess, during his Majesty’s pleasure, one hundred thousand acres of land in such part of Esquimaux Bay, on the coast of Labrador, as they shall find most suitable for their purpose” (BRICE-BENNETT 1977: 85; DEMARÉE and OGILVIE 2008: 426). The location chosen by the Moravians for their Nain mission soon proved to be not ideal as a permanent settlement area. It had traditionally only been used by the Inuit as a summer hunting and gathering place and during the winter months not enough hunting possibilities were available to support a permanent population (DEMARÉE and OGILVIE 2008: 426; TREUDE 1979: 77). Nonetheless, Nain soon developed into a religious, social and trading centre for Inuit families living in the area. In 1846, the first settler families moved to the Nain area (TREUDE 1979: 78). By 1918, the Moravians recorded about 220 – 240 people living in Nain (BRICE-BENNETT 1977: 105).

Due to economic difficulties, the Moravians leased their trading operations to the Hudson’s Bay Company in 1926. The new owner changed the economic activities of the residents away from fishing to trapping for fur-bearing animals. As a result, the living conditions in Nain and other communities in Northern Labrador worsened dramatically. During the 1950s an out-migration to look for work in the wage economy occurred among some of the residents, first to Hopedale, where construction for a US military radar installation started in 1951 and then south to Happy Valley-Goose Bay (BRICE-BENNETT 1977: 105 – 109).
5. Impacts of Bottom-Up Development on the Community-Level

Map 12: Nain

Draft: Gerlis Fugmann; Cartography Bernd Goecke, Department of Geography, JLU Giessen.
At the end of the 1950s, Nain regained a considerable number of residents when the mission stations at Nutak, Okak and Hebron were closed in 1956 and 1959 and some of the residents were resettled to Nain. This turned Nain into the largest community in Northern Labrador, which it remains until today (BRICE-BENNETT 1977: 111). As the administrative centre of Nunatsiavut, this trend will likely increase in the future, as more positions will be developed in the community requiring additional employees to move to Nain.

5.1.1 Population and Labour Market

Nain is considerably smaller than in Kuujjuaq. Whereas Nain had in 2006 a population of 1,034 inhabitants, Kuujjuaq had about twice as many with 2,132 (Statistics Canada 2007q). Although both communities are the administrative centres of their regions, demographic and labour market indicators show some differences. While the regional administration created through the James Bay and Northern Québec Agreement in Nunavik was set up in 1978, and therefore has been working already for more than 30 years, the new regional administrative institutions of the Nunatsiavut Government only started to be set up in 2006, the year of the last Canadian Census. Any changes that would result from the new institutions and employment opportunities are therefore not yet visible in the current statistical data. Since the Nunatsiavut Government has a desire to move more of its administration from Happy Valley – Goose Bay to Nain over the coming years, new census data from 2011 and 2016 will show, if changes are noticeable in Nain.

Population changes have been considerably different between Kuujjuaq and Nain. While the population of Kuujjuaq grew from 1991 to 2006 by 51 percent, only minor changes in the population of Nain are visible during the same period (Fig. 25) (Statistics Canada 1996 h; Statistics Canada 1996q; Statistics Canada 2002h; Statistics Canada 2002q; Statistics Canada 2007i; Statistics Canada 2007q). Northern Labrador had been struggling economically for decades, even more than other Inuit regions in Canada and so the stagnation and at certain times decline of the population is a consequence of these conditions. It has to be noted that at the same time a population decline is noticeable in the whole province of Newfoundland and Labrador (Statistics Canada 2002t; Statistics Canada 2007x). It will be interesting to observe, if changes initiated through the Labrador Inuit Land Claim Agreement will change this trend in the coming years. In Kuujjuaq, however,
and similar to all of Nunavik, the very fast growing population poses considerable challenges to the job and housing market of the community.

**Fig. 25: Population Change in Kuujjuaq and Nain 1991 – 2006**

Kuujjuaq, due to its larger number of public sector jobs that require a higher level of education and cannot always be filled with community residents or other applicants from within the region, has a higher percentage of workers from outside the region – mostly from southern Canada – than Nain. This is reflected in the demographic and labour market indicators in several ways:

- Kuujjuaq has a relatively low percentage of Aboriginal identity (Inuit) population of 78 percent, a value much lower than in other Nunavik communities or in Nain with 92 percent (Statistics Canada 2007i; Statistics Canada 2007q).

- Kuujjuaq and Nain have a considerably younger population than their Province or Canada as a whole. Similar to results from a regional comparison, the median age of the population in Nain is older than in Kuujjuaq, but only by 1.5 years, whereas the difference in a comparison between Nunatsiavut and Nunavik as a whole was 7.3 years (Fig 26; Fig 27; Fig. 28; Fig. 29). In addition, the population of Kuujjuaq is older than the regional median. An explanation is again the presence of a larger number of jobs in Kuujjuaq, especially in the public sector, and therefore an
increased working age population. This raises the age average of the community residents (Statistics Canada 2007i; Statistics Canada 2007q)

**Fig. 26: Population by Age in Nain 2006**

![Population by Age in Nain 2006](image)

*Source: Statistics Canada 2007q*

**Fig. 27: Population by Age in Nunatsiavut 2006**

![Population by Age in Nunatsiavut 2006](image)

*(Source: Statistics Canada 2007o – s*
5. Impacts of Bottom-Up Development on the Community-Level

**Fig. 28: Population by Age in Kuujjuaq 2006**

![Graph showing population by age in Kuujjuaq 2006]

*Source: Statistics Canada 2007i*

**Fig. 29: Population by Age in Nunavik 2006**

![Graph showing population by age in Nunavik 2006]

*Source: Statistics Canada 2007a – n*

- Kuujjuaq has the highest percentage of residents with higher education levels than other regions in Nunavik. About 55 percent of the population over 15 years of age has at least a high school degree compared to 39 percent for Nunavik as a whole. The
rate of those with a university degree is 14.1 percent compared to 6.6 percent in Nunavik (Statistics Canada 2007a - n). In Nain, the education level of the population is similar to other Nunatsiavut communities with a rate 47.3 percent who have at least a high school degree and 6.7 percent for with a university degree in the same age group as mentioned above (Statistics Canada 2007o - s). Education levels show improvements in both communities. In Nain for example the percentage of those with at least a high school degree increased by 5.6 percent and the percentage with a university degree by 4 percent compared to the Census data from 1996 (Statistics Canada 1996q; Statistics Canada 2007q). The need for better education and skills to get jobs in both regions was noticed by the regional school boards and progress has been made. Nonetheless, further work has to be done to reach the provincial and national values.

**Fig. 30: Unemployment rates in Nunatsiavut**

![Unemployment rates in Nunatsiavut](source)

*Source: Statistics Canada 2007o – s*

One of the most interesting labour force indicators in both communities is the unemployment rate, compared to the regional and provincial values. In 2006, Nain had an unemployment rate of 27.9 percent (Statistics Canada 2007q). Although being a very high value compared to provincial or national standards, it is still the lowest in a regional comparison. Makkovik reported with 37.1 percent the highest unemployment rate in the region (Statistics Canada 2007o - s).
When interpreting the impact of these high unemployment numbers a few factors have to be taken into consideration to avoid false conclusions (Chapter 3.3.1.2.). The Census data reflects only the job situation at a certain point of time in the year. In the case of the 2006 Census, it is the week before Census Day on May 16, 2006 (Statistics Canada 2007z). Like mentioned before, the 2006 Census was also conducted at a time, when the Nunatsiavut Government was just created and started to establish its structures. It therefore does not reflect any possible changes in job availability and unemployment rates due the establishment of those structures – particularly in Nain as the administrative centre of the Nunatsiavut Government. With the opening of the new administration building in Nain in 2010, more jobs will be transferred over time from Happy Valley-Goose Bay to Nain, likely having a positive effect on the unemployment number of the community. If those jobs will be filled with community residents or with people from outside the region will have to be observed. A third influencing factor is that many jobs in the community are seasonal (e.g. in the fishing and mining industry), limited to the few summer months between May and September. Residents try during this time to accumulate enough hours to qualify for Employment Insurance Benefits, which they rely on during the winter months (INTERVIEW 38). BRICE-BENNETT estimated in the 1980s, that 60 percent of the households in Northern Labrador depended on social assistance as their cash income at least once a year (BRICE-BENNETT 1986: 75). The situation is not much different today in Nain.

Kuujjuaq, on the other hand, had in 2006 an unemployment rate of only 11.3 percent which is relatively low compared to the regional average in Nunavik of 18.1 percent (Statistics Canada 2007a – n). The concentration of jobs, especially in the public sector institutions and several businesses contribute to the larger availability of employment opportunities in the community and therefore the relatively low unemployment rate. The larger percentage of those coming into the region just to work also contributes to the lower unemployment values (Statistics Canada 2007i). Nonetheless, a decline of employment numbers is visible in the community from 45.7 percent in 1996 to 41.3 percent in 2006 (Statistics Canada 1996h; Statistics Canada 2007i). The participation rate, meaning the percentage of people involved in the workforce over 15 years of age stayed at the same time around 60 percent, with a peak in 2001 and a decline by 5.3 percent in 2006 (Statistics Canada 1996 h; Statistics Canada 2002h; Statistics Canada 2007i).
5. Impacts of Bottom-Up Development on the Community-Level

5.1.2 Community Infrastructure

The community infrastructure available both in Nain and Kuujjuaq is better than elsewhere in Nunatsiavut and Nunavik. Kuujjuaq is the regional, administrative and transportation centre of Nunavik. Especially the airport with its longer and wider runway makes it possible for larger planes to land. This gives Kuujjuaq an advantage compared to other villages in Nunavik, as the supply with goods and services is made easier. Two airlines owned by Makivik Corporation, First Air and Air Inuit not only supply the community with goods but also provide passenger transportation. Larger items are transported into Kuujjuaq during the summer through cargo ships organized mostly by Nunavut Eastern Arctic Shipping (NEAS) and Taqramut Transport Inc. (TTI) (Chapter 3.3.1.4.). There is no road connecting Kuujjuaq to the road network in southern Canada or any other community in Nunavik. This remote location and the need to fly or ship supplies in for residents, services and businesses are the reason for high costs of living in Kuujjuaq. However, in a regional comparison with the other 13 communities in Nunavik, a slightly lower price level can be observed in the village, due to the better transportation infrastructure (DUHAIME, FRÉCHETTE, LANGLAIS and STRONG 2000: 46 – 56; own observation from Kuujjuaq and Kangirsuk).

Similar to the rest of Nunavik, Kuujjuaq is dominated by social housing units. Many of these buildings are old and require extensive repair work. Despite efforts of the regional administration to build new houses every year, the demand cannot be met due to the extremely fast growing population. The main roads of the settlement are mostly paved through the Road Paving Project supported by the Government of Québec and conducted by Makivik Corporation (Chapter 3.3.1.4). The water supply for the households is brought in with water trucks to water tanks that are attached to each building as no underground water canalization is available in the community due to the permafrost ground condition and the high costs (DANA 2010: 44).

Health care is provided at the Ungava Tulattavik Health Centre, built in 1982, one of two health centres in Nunavik and the one servicing the Ungava Bay area in Nunavik (DANA 2010: 44; Nunavik Regional Board of Health and Social Services 2011). In addition, Kuujjuaq has services like a post office, a bank (CIBC), a swimming pool and other recreational facilities as well as several schools. As the administrative centre of Nunavik, Kuujjuaq is the seat of various federal, provincial and regional organizations and departments (e.g. Kativik Regional Government, Makivik Corporation).
Nain is the northernmost community in Nunatsiavut. It is serviced by regional two airlines, Air Labrador and Innu Mikun Airlines. The closest larger regional transportation hub is Happy Valley – Goose Bay outside the Labrador Inuit Settlement Area that provides many services not available in Nunatsiavut. As a coastal community, Nain is also supplied in the summer every week by the MV Northern Ranger, the MV Sir Robert Bond and the MV Astron operated by Labrador Marine Inc. since 1998 as part of the Woodward Group of Companies headquartered in Happy Valley – Goose Bay (Labrador Marine Inc. 2009).

The Labrador-Grenfell Regional Health Authority operates a community health clinic in Nain and works closely with the Health and Social Development Department of the Nunatsiavut Government for the delivery of health services (Nunatsiavut Government 2009e). In addition, Nain has a school, police station, post office and as the only community in Nunatsiavut a banking outlet of the Bank of Montreal and a variety of small businesses.

47 The Northern Ranger provides passenger service as well.
5.2 Major Employment Sources

Public sector, mining and a diverse private sector are the main employment sources in Nain and Kuujjuaq. In Nain, the Nain Inuit Community Government, Labrador Inuit Development Corporation and the fisheries sector were identified specifically as the main employers of the community in 2008 (INTERVIEW 38).

5.2.1 Public Sector

a) Kuujjuaq

As the administrative centre of Nunavik, Kuujjuaq is the seat of various federal, provincial and regional organizations and institutions that offer a variety of jobs in the community. All the regional administrative institutions that were created through the James Bay and Northern Québec Agreement in 1978 have their head office here: Kativik Regional Government, Kativik School Board, Nunavik Regional Board for Health and Social Services. In addition, several provincial and federal departments have offices in the village. Makivik Corporation also has its head office in Kuujjuaq.

Fig. 32: Occupation of those 15 years and older employed in the workforce in Kuujjuaq in 2006

Source: Statistics Canada 2008j

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In 2006, the public administration provided for 23.5 percent of jobs in the community, translating into 240 jobs. Other major employment sources were with 28.9 percent health care and social assistance as well as educational services with 14.8 percent of the job, held by residents 15 years and older employed in the labour force (Statistics Canada 2008j). Just the Kativik Regional Government had employed 156 employees in Kuujjuaq in 2005 (Kativik Regional Government 2005: 9). Combines, public administration, health care and social assistance as well as education services provide for 67.2 percent of jobs held by the employed residents 15 years and older (Statistics Canada 2008j) (Fig. 32).

Municipal Administration - Northern Village of Kuujjuaq

Before the James Bay and Northern Québec Agreement was signed, Kuujjuaq, similar to the other newly created communities in Nunavik were incorporated under federal charters, creating Inuit communities with Inuit community councils (DUPUIS 2003: 234). Today, the community is organized as a municipality administered by the Northern Village of Kuujjuaq. In 2008, the municipal administration employed 145 employees, of which 85 percent were Inuit (INTERVIEW 32). In addition, especially during the summer months, it provides training opportunities for high school students. In 2008, just the municipality alone hired 23 summer students (INTERVIEW 32). Although the municipality preferably hires Inuit, not all positions can be filled with residents, as sometimes not enough qualified and dependable applicants are available, especially for short term, labour intensive positions that have to be completed by a certain deadline (INTERVIEW 32). After 2005, the municipal administration was reorganized including the hiring of a municipal manager. The community feels the increased presence of mining companies in the region. Although the residents do not benefit job-wise from these activities yet as most of them are still in the exploration stages, the Northern Village and the Landholding Corporation are both involved in a committee to plan the introduction of mining activities near Kuujjuaq (INTERVIEW 32).

b) Nain

In Nain, public administration, health care and social assistance jobs as well as educational services only made up 55 percent of the jobs in the community in 2005 (Statistics Canada 2008r) (Fig. 33). This percentage is lower than in Kuujjuaq, but can be explained with the fact that in 2005, the new regional (self-) government institutions (e.g. Nunatsiavut Government) were not established yet. Several departments of the Government of Canada
as well as the Government of Newfoundland and Labrador are represented in Nain offering a few, mostly high-qualified jobs in the community. This includes the provincial Departments of Human Resources and Employment, Health and Community Services and the Department of Justice (Victims Services and Corrections Divisions), the Department of Transportation and Works as well as the federal Department of Fisheries and Oceans. Other community services are among others a post office by Canada Post, a detachment of the Royal Canadian Mounted Police, the Nain Health Centre as well as a school and daycare facility (Nain Inuit Community Government 2008).

**Fig. 33:** Occupations of those 15 years and older employed in the workforce in Nain in 2006

![Number of jobs by occupation](image)

*Source: Statistics Canada 2008r*

The Nunatsiavut Government established its administrative centre in Nain in 2006 and through that created several new jobs in the community. Not all of these jobs are at present filled with residents. Especially in the starting phase of the new government it proved difficult to find qualified applicants to fill some of the higher up positions in the administration. So hiring people from outside is a necessity at times (INTERVIEW 34). But the Nunatsiavut Government is committed to a preferential hiring policy for residents of the community and the region and hopes that with increased experience and training all government positions can be filled from within the region (INTERVIEW 34). By improving the education system in the region and actively encouraging the younger generation to go to school and get a college or university degree afterwards the Nunatsiavut Government is currently trying to improve this situation (INTERVIEW 34).
Investments are also constantly made to enhance the administrative services offered by the Nunatsiavut Government as well as improve its government infrastructure in the communities. After several years of planning and construction a new Nunatsiavut Government Building was opened in August 2010. The old office building (Fig. 34), owned by the Labrador Inuit Development Corporation is being renovated and will be partly used as a research lab for the Nunatsiavut Government in the future (OKalaKatiget Society 2010a).

**Community Administration - Nain Inuit Community Government**

The Inuit Community Government Nain is the successor of the Town Council of Nain that existed before the signing of the Labrador Inuit Land Claim Agreement and was governed by the Municipalities Act. In 2008, the Community Government employed 23 full-time employees and had an additional 2 – 12 part-time or temporary positions depending on the time of the year (INTERVIEW 38; INTERVIEW 39). All positions had been filled with beneficiaries of the land claim agreement. Similar to other employers, the Nain Inuit Community Government experiences the problem that open positions are sometimes hard to fill as there are not enough applicants available that have the right qualification like...
administrative, business diplomas or mechanical training (INTERVIEW 38). There are no training opportunities offered by the community government itself. Employees have to travel out of the community to receive formal training at colleges or other facilities (e.g. in Goose Bay). This is however seen as a challenge as formal training can take a long time and so potential employees are not available immediately (INTERVIEW 39).

In addition to its regular workforce, the Inuit Community Government of Nain also contributes to helping residents in the community in creating temporary employment projects that are intended to support workers who were not able to acquire enough hours in their seasonal summer jobs to qualify for Employment Insurance benefits. These projects are necessary for a remote community like Nain, where employment opportunities are limited. Especially in a time when traditional employment sources like the fishing industry struggles, they secure income for a large number of families and contribute to the well-being of the whole community. The financing of these projects is secured through funding applications at outside sources. One of the most important programs for the community is the Community Enhancement Employment Program (CEEP) offered by the Government of Newfoundland and Labrador. The intention of the program is that “workers in rural areas are employed by local governments or community organizations for up to 420 hours to assist them with eligibility for Employment Insurance benefits. The Department provides funding towards projects that contribute to tourism development, economic development, community/municipal infrastructure and community services....[or] projects that provide skills development opportunities for workers and ongoing benefits to the region” (Department of Municipal Affairs 2010).

In the last few years, the Nain Inuit Community Government received funding for multiple projects through this program. For example, in 2008, the community government was approved for two projects and was able to hire 10 people (OKalaKatiget Society 2008f). In October 2010, the Nain Inuit Community Government again received $11,752 through the CEEP as well as an additional $7,000 for craft development in Nain. At that time 28 people in the community were in need for an additional 420 hours or less of work to qualify for Employment Insurance benefits for the winter. As part of the project, workers will “build more garbage boxes and construct a chained link fence on the community’s bridge” to build-up their hours. In the end 13 people were able to get a job through the funding (OKalaKatiget Society 2010g; OKalaKatiget Society 2010h)).
5.2.2 Private Sector in Nain and Kuujjuaq

Collective as well as individual private sector opportunities have been developed in Nain and Kuujjuaq that fall within the categories described in chapter 4.

5.2.2.1 Cooperatives

Cooperatives do exist in both communities. In Kuujjuaq the Fort Chimo Cooperative Association runs a small retail store and operates a hotel. In recent years, the hotel had been upgraded and moved to a new location, providing improved services for visitors to the community (Fig. 35 and 36).

*Fig. 35: Old Co-operative Hotel in Kuujjuaq*

*Source: FUGMANN 2006*
5. Impacts of Bottom-Up Development on the Community-Level

Fig. 36: New Co-operative Hotel in Kuujjuaq

Source: FUGMANN 2008

In Nain, the Torngat Fish Producer’s Cooperative Society operates a fish plant, the main employer for the community for many years.

Case Study: The Fisheries Sector in Nain

Fisheries traditionally played a major part in the economy of Nain and the presence of the fish plant ensured a reliable source of employment for residents for many years. Especially the cod fishery played an important role until the end of the 1960s. In 1965 about 230 fishermen were involved in cod-fishery along the coast (TREUDE 1974: 176). Furthermore, during the 1950s and 60s, the char and salmon fishery started to gain importance in the community. When in 1956 and 1959 the residents of Hebron and Okak were resettled to Nain, they continued to fish for char and salmon in their traditional fishing areas in the North and used Nain as a base of operations (TREUDE 1979: 83, BRICE-BENNETT 1986: 43). However, the cod fishery remained the major competitor for the char and salmon fishery until the end of the 1960s, causing many fishermen to switch from char to cod fishery. The number of fishermen involved in the char fishery decreased from 42 in 1965 to 21 in 1966 (TREUDE 1974: 187).
This situation changed dramatically in 1969 when the cod was gone. For the 80 cod fishermen in Nain, char and salmon fishery became the only alternative (TREUDE 1979: 84). In 1971, already 126 fishermen from Nain and Makkovik were fishing for char and salmon (TREUDE 1974: 194). The same year a fish plant was constructed in Nain equipped to freeze and store large quantities of fish (Fig. 37). The location of the fish processing plant at Nain had a major impact on the economy of the community. It provided in the beginning 39 seasonal jobs and so a significant relief for the troubled job market in Nain. Women were also hired as plant workers and so were able to contribute to the family income. This raised Unemployment Insurance benefits for the families during the winter months (TREUDE 1979: 84; BRICE-BENNETT 1986: 54). At the end of the 1970s and beginning of 1980s, over 100 workers were employed at the fish plant in Nain (USHER 1982: 28). The fishplant was transferred to the Department of Fisheries at the end of the 1970s and degraded afterwards as equipment and buildings were not upgraded (BRICE-BENNETT 1986: 62). The number of active fishermen in Nain further reduced to 71 in 1985 compared to 134 in 1979 (BRICE-BENNETT 1986: 79).

Today, the fish plant is operated by the Torngat Fish Producers Cooperative Society and focuses on the processing of scallops and Arctic char. Despite the unstable nature of the
fishing industry, employment in the fish plant had been one of the main seasonal employment opportunities in Nain and a reliable source of income for many families in the community.

However, an analysis of the period from 2006 to 2010 shows significant changes in the duration of operation as well as the number of employment opportunities in the Nain fish plant.

a) Duration of operation

In 2006, the plant operated for almost three months or 13 weeks from the end of June until the second half of September, processing scallops and char (OKalaKatiget Society 2006i; OKalaKatiget Society 2006j). Despite very high scallop catches, the plant ran into problems at the end of the season with falling scallop prices and thus putting a sudden end to the scallop fishing season (OKalaKatiget Society 2006k). This in combination with financial losses over the previous three fishing seasons caused many economic problems for the plant so that the Torngat Fish Producers Cooperative Society decided to reduce its operating season and the number of staff in 2007 (OKalaKatiget Society 2007e). Despite these measures, the plant ran into more problems due to the low scallop prices and so the Nunatsiavut Government decided to step in to help the struggling plant. It agreed to a loan guarantee to the Torngat Fish Producers Cooperative Society enabling the cooperative to make their payroll commitments and continue their operation for the rest of the 2007 season. In the end 25 percent of the workers did not work enough hours to qualify for Employment Insurance Benefits (OKalaKatiget Society 2007f).

In May of 2008, the Torngat Fish Producers Society announced the closure of the Nain fish plant. The general instability and market conditions of the fishing industry, a high Canadian Dollar and high operational costs led to this decision (OKalaKatiget Society 2008c). As this would have meant the loss of jobs and income for several families in Nain, the Nunatsiavut Government decided to step in again and support the plant financially. It invested part of the extra funds that it had acquired from Vale Inco and the Voisey’s Bay Nickel Mine that year to assist the Nain fish plant and the Torngat Fish Producers Cooperative Society with $300,000 and a loan guarantee of $750,000 (Nunatsiavut Government 2008b: 26). This ensured that in the 2008 season, the plant was able to operate for one month in the summer with again a reduced number of staff. Another grant was given in 2009.
The duration of operation of the fish plant have not changed since then. In the 2009 and 2010 season, it was each open for about one month in the summer processing and smoking Arctic char. In these last two years, an attempt was made to increase the production by bringing part of the turbot that is normally processed at the Makkovik fish plant to Nain (OKalaKatiget Society 2010i). This attempt was however not successful in both seasons as the turbot catches were not enough to justify the extra costs for the fishermen to travel to Nain instead of Makkovik to unload their catch.

b) Employment opportunities

Employment opportunities at the fish plant vary during the fishing season. While at the beginning and end of the season only a few people find employment during the cleaning process of the plant, most people are hired during the actual processing period. The number of employees during the processing period can change however considerably depending on the amount of fish landed by fishermen at the plant. In addition to the described shortening of the operation period each summer, a sharp decrease of the number of employees hired at the Nain fish plant during the peak of the processing period can be seen in the period between 2006 and 2010 (Fig. 38). While in 2006 up to 110 people were employed, the economic problems of the plant reduced that number to a maximum of 35 workers and office staff. Since 2008, the plant was only able to hire up to 20 – 21 employees in the summer.

As a result not many of the plant workers are able to accumulate enough hours to qualify for Employment Insurance (EI) benefits and have to find additional work to gain the missing hours. In 2010 for example only five workers qualified for EI (OKalaKatiget Society 2010j). Those that were not able to find additional jobs due to the bad job market in Nain in 2010 have to rely on make-work projects offered by the Nain Inuit Community Government through funding by the Government of Newfoundland and Labrador through e.g. the Community Enhancement Employment Program (Chapter 5.2.1.) to gain additional hours and qualify for EI.
5. Impacts of Bottom-Up Development on the Community-Level

5.2.2.2 Development Corporations

The two development corporations, Labrador Inuit Development Corporation and Makivik Corporation have an impact on the local labour market. Makivik Corporation has its headquarters in Kuujjuaq, along with several of its subsidiary companies: Halutik Fuel, Nunavik Creations as well as operations of First Air and Air Inuit with Kuujjuaq being the transportation hub especially for the Ungava Coast of Nunavik. This creates a number of jobs in the community. Exact number were not available for this study.

In Nain, the Labrador Inuit Development Corporation operated an anorthosite quarry in Ten Mile Bay, just outside of the community. This provided about 20 – 30 seasonal jobs for the local residents during the summer months and had been a source of employment the past few years (Table 19). Economic struggles and constant losses for the company over several years due to bad stone quality, forced the quarry operations to shut down in 2010, drying up this source of income for the population of Nain (Nunatsiavut Government 2010b). It is not clear whether the quarry can and will be reopened in 2011.

**Fig. 38: Fish Plant Employees in Nain 2006 - 2010**

Source: OKalaKatiget Society 2006a; OKalaKatiget Society 2006b; OKalaKatiget Society 2007a; OKalaKatiget Society 2008a; OKalaKatiget Society 2008b; OKalaKatiget Society 2009a; OKalaKatiget Society 2010b
5. Impacts of Bottom-Up Development on the Community-Level

Tab. 18: Employees at the Ten Mile Bay Quarry near Nain 2006 - 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Ten Mile Bay Quarry (Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>20 - 31</td>
</tr>
<tr>
<td>2007</td>
<td>15 - 23</td>
</tr>
<tr>
<td>2008</td>
<td>24 - 30</td>
</tr>
<tr>
<td>2009</td>
<td>n.a.</td>
</tr>
<tr>
<td>2010</td>
<td>closed</td>
</tr>
</tbody>
</table>

Source: OKalaKatiget Society 2006d; OKalaKatiget Society 2006e; OKalaKatiget Society 2007c; OKalaKatiget Society 2007d; OKalaKatiget Society 2008e; INTERVIEW 37

5.2.2.3 Small Businesses

Nain and Kuujjuaq also have a number of small businesses in the private sector that contribute to the economy of the community and provide a source of employment for the local residents. Especially in Nain, the retail sector provided for the fourth highest employment numbers in the community in 2005 (Statistics Canada 2008r). There are several sources listing businesses in both communities, but determining the exact number is difficult due to a heavy fluctuation among the small businesses:

The Town of Nain publishes an information directory listing all businesses and services in the community (Nain Inuit Community Government 2008). In addition the Nunatsiavut Business Centre Inc. of the Nunatsiavut Government has a list of registered Inuit-owned businesses related to the Voisey’s Bay mine (Nunatsiavut Government 2009d). Combining both directories, 37 different businesses could be identified, which is a considerable number for a community of 1,034 (Statistics Canada 2007q). Further analysis proved that not all businesses on the list were still operating: at least six of the businesses were identified as shut down, reducing the number of existing businesses to 32 of which 22 are small businesses owned by local business owners in the community.

Local businesses in Nain range from self-employed artists, retail and convenience stores, hotel and other accommodation as well as transportation to numerous small

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48 For this study the most recent edition of the information directory was used that was available at the time of the study in July 2008. According to the directory, it was updated that same month in July 2008.

49 e.g. John Terriak; Gilbert Hay Sculpture
contracting companies offering home office services, construction, heavy equipment, plumbing, electrical, longliner charters etc.; bulk fuel storage etc. Environmental services are provided by Sikumiut Environmental Management Ltd. A gas station and fuel storage facility is run by Woodward’s Oil Ltd. It is noticeable that several business owners engage in more than one business (Nunatsiavut Government 2009d).

The Nunavik Regional Business Directory lists 40 businesses for Kuujjuaq (Kativik Regional Government 2011). They are involved in various activities from manufacturing, retailing, transportation, tourism and food services to equipment rentals, telecommunication, real estate and construction. Fuel distribution and products are available through Halutik Enterprise Inc. and Les Propanes Kuujjuaq Inc. There are also businesses that try to specialized in non-essential sectors like music and audio visual productions or that contribute to the commercialization of the traditional sector through country food processing or tanning the hides of the hunted animals for further production e.g. in the manufacturing of arts and craft products.

As only a small percentage of the existing small businesses in Kuujjuaq participated in this study and so an interpretation of the data and the drawing of conclusions that apply to all
small businesses in Kuujjuaq is not possible, the following analysis will mainly focus on the community of Nain. In Nain, the owners or managers of 14 businesses were interviewed for this study allowing for more concrete interpretation of the data:

What impact does the individual private sector have on the labour market in Nain and Kuujjuaq? Have the improved opportunities in recent years and support programs contributed to an improvement in the conditions for business owners to successfully operate their business?

**Employees**

Employment number of local businesses in Nain vary. Some businesses are only self-employed artists, others are family run with only family members being employed. Hotels, groceries stores or construction companies have at least seasonally more residents employed. Tables 20 and 21 show the numbers of employees in 2008 in the interviewed businesses as well as the origin of employees. Many of the businesses in Nain only have a small base of permanent employees, mostly being limited to the owner as well as a few family members. Seasonal employees are then hired full-time or part-time as needed and mostly during the summer months. Businesses in the retail sector were almost all engaged in hiring high school students during the summer months, providing minimal training and work experience for the younger residents of Nain. Training is otherwise only offered as part of on-the-job training for new employees. Specialized, formal training is not provided in the local businesses in Nain (INTERVIEW 1; INTERVIEW 7; INTERVIEW 15; INTERVIEW 18; INTERVIEW 21).

Finding qualified applicants for open positions was seen as a challenge for businesses in Nain as well as in Kuujjuaq, making the hiring of external specialized workers necessary at times. Several reasons were mentioned for this by the entrepreneurs: the lack of certain skills (especially if the business is involved in a rather specialized field in the remote areas like Nunavik and Nunatsiavut with the limited population base (INTERVIEW 1; INTERVIEW 3; INTERVIEW 21). Other reasons related to work ethics (see chapter ??) and the limited availability for housing for new employees were also mentioned especially by the entrepreneurs in Kuujjuaq (INTERVIEW 13; INTERVIEW 12; INTERVIEW 5).

65 It should be noted that the owner of Hayne’s Store was also involved in three more businesses: Amaguk Construction Limited, Natsik Services Inc., CHL / HSL, being an example for the flexibility and diversity of activities that entrepreneurs have to show to be successful on the challenging northern market.

66 e.g. audio visual production
<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Founding date</th>
<th>Services</th>
<th>Employees in 2008</th>
<th>Duration of Operation</th>
<th>Origin of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aivek Holdings Inc.</td>
<td>2001</td>
<td>Camps for Exploration Companies, Logistics, Expediting</td>
<td>mostly ca. 10 people (fluctuates; right now: 16)</td>
<td>6 - 7 months/year</td>
<td>mostly local (only max. 2% from outside)</td>
</tr>
<tr>
<td>Attuk Lodge</td>
<td>1975</td>
<td>Accommodation, Restaurant Bar</td>
<td>25</td>
<td>year-round</td>
<td>mostly local but sometimes from outside</td>
</tr>
<tr>
<td>Woodward's Oil Ltd.</td>
<td>ca. 1975/78</td>
<td>gas station / ferry / freight service</td>
<td>4</td>
<td>no info</td>
<td>no info</td>
</tr>
<tr>
<td>D &amp; J Construction</td>
<td>1995</td>
<td>contractor for construction work, heavy duty equipment</td>
<td>2 - 6 max.</td>
<td>no info</td>
<td>no info</td>
</tr>
<tr>
<td>Jaque's Convenience Store</td>
<td>1997</td>
<td>convenience store</td>
<td>13</td>
<td>year-round</td>
<td>mostly local (only owners moved to Nain in 1989)</td>
</tr>
<tr>
<td>Puffin's Snacks</td>
<td>1971</td>
<td>convenience store and alcohol / beer</td>
<td>2 (including owner)</td>
<td>year-round</td>
<td>local</td>
</tr>
<tr>
<td>Northern Store (Northwest Company)</td>
<td>ca. 1980s</td>
<td>groceries</td>
<td>10</td>
<td>year-round</td>
<td>local</td>
</tr>
<tr>
<td>Hayne's Store</td>
<td>1950s</td>
<td>groceries, medicines, confectionary, hardware</td>
<td>3 - 4 (mostly family) (2 - 3 in the summer for freight handling)</td>
<td>year-round</td>
<td>local</td>
</tr>
<tr>
<td>Nain Fish Plant (Terrangat Fish Producers Cooperative Society)</td>
<td>1996</td>
<td>fish processing and sale within and outside the community (Arctic Char, Scallops)</td>
<td>20 - 60 (depending on the season)</td>
<td>July, August</td>
<td>local</td>
</tr>
<tr>
<td>Big Land Groceries (Labrador Investments)</td>
<td>1983</td>
<td>groceries, hardware, appliances, furniture, lumber</td>
<td>12 (7 full-time and 5 part-time)</td>
<td>year-round</td>
<td>no info</td>
</tr>
<tr>
<td>Name of Company</td>
<td>Founding date</td>
<td>Services</td>
<td>Employees in 2008</td>
<td>Origin of Employees</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>Arctic Adventures</td>
<td>1969</td>
<td>Tourism; caribou and fishing camps in Nunavik</td>
<td>50</td>
<td>60% regionally</td>
<td></td>
</tr>
<tr>
<td>qamaniq Productions</td>
<td>2002</td>
<td>Audio Visual Productions, Consulting Services, Audio Visual Equipment, Marketing Services, Printing Services, Promotional Products</td>
<td>1 (owner); contracts people on daily basis</td>
<td>Local</td>
<td></td>
</tr>
<tr>
<td>Iljaga Kuujjuaq Inn</td>
<td>1981</td>
<td>Hotel (22 rooms) and Restaurant, Catering, Conference Facilities</td>
<td>75</td>
<td>60% locally</td>
<td></td>
</tr>
<tr>
<td>Iqaluit Enterprises / Iqaluit Communication / Iqaluit Real Estate Inc.</td>
<td>1997/1994</td>
<td>Cable TV Distribution, Internet Service Provider, Commercial Facilities Rentals</td>
<td>3 (full-time)</td>
<td>Local</td>
<td></td>
</tr>
<tr>
<td>Newviq’vi</td>
<td>1989</td>
<td>Retail, Groceries</td>
<td>40</td>
<td>87% locally</td>
<td></td>
</tr>
<tr>
<td>Hahvik Fuel</td>
<td>1986</td>
<td>Fuel and Petroleum Products, Crushed Rock and Gravel, Heavy equipment rental, Warehouse rentals</td>
<td>13</td>
<td>92% locally</td>
<td></td>
</tr>
</tbody>
</table>
In Nain, improvements have been noticed due to the increased willingness of the residents to temporarily leave the region to get formal training encouraged by new high qualified employment possibilities created through the establishment of the Nunatsiavut Government as well as the Voisey’s Bay Nickel Mine.

In Nain as well as in Kuujjuaq a competition for the better qualified workers is noticeable. Small businesses cannot compete with the wages offered by larger employers in the mining industry or government administration, or some of the operations of the development corporations and therefore find it harder to attract the right applicants (INTERVIEW 3).

The wage per hour in Kuujjuaq seemed slightly higher than in Nain, reflecting the higher costs of living in Nunavik. While large grocery store stated that starting wages for part-time would be a $13 per hour and for full-time at $16 per hour, in Nain the wages in one of the smaller convenience stores were between $8.5 – 14 an hour or at the hotel at a minimum of $11 an hour (INTERVIEW 13; INTERVIEW 11).

Funding and Business Support

As described in chapter 4.1., a variety of business support programs have been created in the last few decades to strengthen the private sector both in Nunavik and Nunatsiavut. The availability of that funding was known and advertised to most interviewed businesses (INTERVIEW 5; INTERVIEW 12). However, both in Kuujjuaq and in Nain, not many of the interviewed businesses seemed to have taken advantage of the available funding as “not a lot of people go and ask” (INTERVIEW 12). In Nain, most of the interviewed businesses stated that they had rather used private funds or regular bank loans to get their business of the ground (INTERVIEW 1; INTERVIEW 3; INTERVIEW 7; INTERVIEW 10; INTERVIEW 11; INTERVIEW 18).

In Nain, according to some of the business owners, the situation for small businesses has improved in the last few years. But they felt that this was not necessarily tied to the establishment of the Nunatsiavut Government. They noted the increased general efforts from all levels of government to provide support services for small businesses, facilitating the development of a business plan or supporting and enhancing existing operations. But not only from the side of the government this is made easier. It was especially mentioned that banks had changed their eligibility criteria and made it easier for small businesses in remote areas like Nunatsiavut to receive a bank loan (INTERVIEW 1; INTERVIEW 7). This was noted as a big improvement in the last few decades. Several interviewees
described the difficulties that existed in the past for businesses proposals in Nunatsiavut to receive a bank loan due to the remote location of the region. Banks were unwilling to provide loans and “you had to beg for money” (INTERVIEW 1).

Especially for businesses of beneficiaries of the land claim agreement there are many new support mechanisms. The Nunatsiavut Government is contributing largely that as many contracts as possible are awarded to businesses in the region. In addition to requirements for preferential treatment of Inuit firms through the land claim agreement or the Inuit impact and benefit agreement, this has also tax reasons. Engaging local businesses ensures that business and income tax is staying in the community which is then again helping the Nunatsiavut Government (INTERVIEW 7).

Fig. 39: Puffn’ Snack in Nain

Source: FUGMANN 2008

Examples for Small Businesses

Businesses in Kuujjuaq and Kangirsuk are involved in a variety of fields. Halutik Fuel in Kuujjuaq is for example involved in the fuel distribution (in partnership with Shell Canada), housing rentals, mechanical work for vehicles, vehicle maintenance and heavy equipment services. As a subsidiary from Makivik Corporation created in 1986, it
employed 13 residents in Kuujjuaq in 2008. As an Inuit-owned company it prefers hiring locally and especially Inuit (INTERVIEW 8; INTERVIEW 9).

Other essential services provided by local businesses are in the retail sector. Nain for example has apart from a larger store operated by the Northern Store (part of the North-West-Company) several small convenience and retail stores. *Jacquie’s Convenience Store* (Fig. 40) was for example created in 1997. The owner created it to offer a small convenience store to residents with longer opening hours than the other stores in the community. The store sells everything from groceries, movies, clocks, bookmarks, school supplies to Christmas gift wrappings (INTERVIEW 11).

![Jacquie's Convenience Store in Nain](source: FUGMANN 2008)

Despite its limited size, it employs 13 people mostly on a part-time basis as well as two full-time employees and the two owners. Most employees are highschool students. As the store cannot offer to pay high wages (between $8.50 – 10.00 an hour), not many adults apply to work for it (INTERVIEW 11). *Puffn’ Snacks* (Fig. 39) has been in operation for even longer. It was created as a small convenience store in 1971 but the current owner. Since the store received a licence in 2002 to sell beer as the only store in Nain, this activity is contributing largely to the sales made at the store. The store is run only by the owner and
an additional person operating the beer machine for three hours a day (INTERVIEW 18). The longest existing retail store in Nain is however Hayne’s store. According to the current owner, the original owner of store worked for the Hudson’s Bay Company and then decided to start his own business in Nain around 1950. The current owner took over the business in 1980. It was originally only a very small store but the current owner expanded the business. Similar to the other stores it sells a little bit of everything from groceries, medicines, confectionary and a lot of hardware, which the owner orders for customers. The business is family-run and most of the employees are family members (INTERVIEW 10).

There are also a few businesses engaged in the construction sector and as contractors for larger business operations from outside the region. D&J Construction in Nain for example was incorporated in 1995. The business specializes in heavy duty equipment, ground work, land work, water and sewer services and moves freight. Mostly, it serves smaller contracts, some of them lasting only a week or two but it also has some larger contracts lasting for months. Companies from outside the region hire D&J Construction as a local contractor that provides them with equipment. The number of employees hired fluctuates. In Nain, the owner hires usually 2 – 6 employees maximum and most of them from within the family as well as additional workers depending on the contracts. For a contract at Voisey’s Bay, the business had for example up to 27 people on staff. (INTERVIEW 7). Nunavik Enterprises in Kuujjuaq also is engaged in the construction sector in building houses, renting apartment and real estate, construction, providing food / snack machines for the community. The owner also runs a digital cable TV business called Nunavik Communications™. This reflects some of the observations made, that first of all several business owners were engaged in multiple businesses and as well in various business activities in order to survive on the challenging Northern market. The company has 3 full-time employees, including the owner (INTERVIEW 12). Another business involved in contract work for exploration companies in the mining industry is Aivek Holdings, which has been operating since 2001. It provides private full service, logistical and expediting work supplying camps for exploration companies as “turn-key operations”, where the customer only has to walk in to a fully supplied camp. In addition, the company is engaged with government departments, like the Department of Fisheries and Oceans and some environmental support work. The number of employees usually fluctuates as it is a seasonal business. Usually the business is operating for 6 – 7 months from March / April to November. During this time an average

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67 Internet Services just started at the time of the interview.
of 30 people are employed seasonally. At the time of the interview in July 2008, 16 people were on staff, of which 90 percent were from the region (INTERVIEW 1).

**Fig. 41: Atsanik Lodge in Nain**

In Nain an additional larger business is the *Atsanik Lodge* (Fig. 41), the only hotel in the community, operating also the only restaurant and bar. It was originally built in 1975 and the current owner bought it in 1981. About 25 employees work there, the only non-beneficiaries employed were the owner and the cook. Minimum starting wage is $11 / hour, otherwise the owner said he would not be able to hire people. Most of the guests for the hotel are from the Federal, Provincial or the Nunatsiavut Government. Actual tourists constitute about two percent on a year-round basis. In the summer months, the rest of the guests are business travelers, especially from exploration companies in the mining sector. The owner of the hotel also offered a boat tour business (Nunatsuak Boat Tours) which was originally created as part of a fairly extensive tourism development project in the late 80s\(^6\). The boat service is still available mainly for kayakers, backpackers, hikers etc. going to the Torngat Mountains National Park (INTERVIEW 3).

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\(^6\) This tourism development project failed due to high costs (INTERVIEW 3).
Whereas businesses in Nain mostly focused on providing essential services for the residents or on being engaged as a contractor for larger outside businesses, small, mostly self-employed initiatives were noticed in Kuujjuaq that specialize in fields not common to Northern communities. **Arqsaniit Productions Inc.** for example is a small enterprise specializing in communications and video productions. It was created in 2002 and is a one-man business that contracts people (e.g. sound men, camera men) on a daily basis for its various productions. Due to its highly specialized work, the owner finds it hard to find staff with the right qualifications in Kuujjuaq, as a specialized training is required for the work that is not available in the community, or to the professional standard that is necessary for the business. So the business mostly works with southern-based companies. A start-up loan from the Kativik Regional Government and the Nunavik Investments Corporation helped him with his endeavor. The Kativik Regional Government helped to put together the business plan and it got approved. The business is successful and going good. (INTERVIEW 2)
6 Conclusion - Inuit and Change

The settling of the James Bay and Northern Québec Agreement, Nunavik Inuit Land Claim Agreement and Labrador Inuit Land Claim Agreement has impacted and changed Nunavik and Nunatsiavut, their residents and communities. One of the central purposes of the regional agreements was to create an economic base in order to improve development and initiatives from within the various regions and thus promote economic self-reliance for the Inuit beneficiaries. This is a clear shift from the top-down development approach used until the 1960s to a bottom-up approach that encourages residents and businesses in the regions to take their own affairs into their own hands. For the Inuit this means a constant adaptation to a changing region, both on the political and on the economic level. They have come a long way since the middle of the 20th century. Moving from living their traditional lifestyle based on hunting, fishing and gathering activities to running multimillion-dollar business operations in only a few decades, is a great achievement in such a short period.

On a political level, Inuit groups in Nunavik and Nunatsiavut were able to gain a form of regional (self-) administration that allows them to control some of their regional affairs by themselves. Both provincial and federal governments negotiate today with the Inuit as equal partners, a complete shift in attitude from the notion of the “wards of the state” held until the 1960s. Other Inuit groups in Canada have even managed to change the political map of Canada through this development (INTERVIEW 26).

This project aimed at evaluating the bottom-up development happening in Nunavik and Nunatsiavut and their impacts on the regional and local level. Over the last few decades, the Inuit have changed the regional economy. The creation of cooperatives started these changes since the 1960s, already before the land claims were settled. Their importance especially on the community-level today, both in Nunavik and Nunatsiavut needs to be emphasized. In Nunavik, smaller communities rely on the cooperative store for the daily lives of the residents and in Nunatsiavut, the Torngat Fish Producer’s Cooperative Society is one of the major stakeholders in one of the most important economic sectors, the fishery. Direct investments of the ethnic corporation especially with funds derived from the land claim agreements or impact and benefit agreements with private sector developers, both on the regional and community-level (Makivik Corporation, Labrador Inuit Development Corporation, Nunavik Landholding Corporation Association) have resulted in many jobs and income being created for the regional residents. All ethnic corporations have established various subsidiary companies or invested in joint ventures with Inuit and non-
Inuit owned businesses from in and outside the region. The Inuit had to gain experience in the operation of businesses first and so not all of these projects were successful. Makivik Corporation made a few bad business decisions in the past and the Labrador Inuit Development Corporation is still trying to find its way out of its financial crisis. As any economic stakeholder in the North, the Inuit have to face a market that has unique characteristics and that creates challenges and even barriers for all businesses involved in it. The small size of the market, the challenging conditions of the northern labour force, infrastructure challenges and high costs require business owners to adapt to these conditions and find unique ways on how to still operate a successful business.

In Nunavik and Nunatsiavut, the public sector is today dominated through the regional administrative institutions (e.g. Nunatsiavut Government, Kivik Regional Government) created through the land claims agreements. In Nunavik it is constantly expanding with new mandates passed on to the regional administrations by the Québec and Canadian Government. In Nunatsiavut, this is a relatively new sector that holds potential for especially high qualified residents in the region. In the mining sector, the impact and benefit agreements have led to increased participation both in terms of jobs and contracts for regional businesses as well as financial benefits. The vulnerability of the mining sector and its dependency on world market prices should be kept in mind, making income and employment from this sector not reliable. In Nain, for example, 2010 was an extremely difficult season, with the strike at the Voisey’s Bay Nickel Mine, the closure of the Ten Mile Bay quarry and the still limited job opportunities in the fishing sector. This shows again how heavily dependent the community and also Nunatsiavut as a whole is on the availability of natural resources and the stability of the market. A direct investment in the mining sector through the creation of a mining company owned by the Inuit is however financially not possible, neither in Nunavik nor in Nunatsiavut (INTERVIEW 22).

In addition to these larger-scale businesses, a variety of small businesses owned by local entrepreneurs have been created in all Nunavik and Nunatsiavut Communities over the last few decades. This again reflects a change in attitude in the regional population. More and more residents are willing to go the step and take their fate into their own hands by creating their own small business. To facilitate this development, especially in recent decades, more and more support mechanisms have been created that help new entrepreneurs with creating their business. Both financial support and advice is available. In Kuujjuq and Nain, the two regional centre of Nunavik and Nunatsiavut, this had led to a diverse small business sector that as a collective contributes significantly to the regional economy (e.g. retail sector, construction, tourism, supplies for mining companies).
The tourism industry is a good example for a sector that changed and benefited in recent year from the increased bottom-up initiatives in the private sector in Nunavik and Nunatsiavut and that, if developed carefully holds huge potentials for the region and for its residents. The Torngat Mountains National Park and the Parc national Kuururjuaq, two examples of the regional attractions being marketed for tourists, are currently at the very beginning of their development. The next few years will show how and if they become a major economic factor in Nunavik and Nunatsiavut. The Inuit have to find a balance between the preservation of the natural beauty of these sites and the demands of the tourism industry for infrastructure in the park. Currently Nunavik has decided to follow the more commercial approach, setting up basic infrastructure like huts in its Parc national Kuururjuaq, whereas Nunatsiavut favours the preservation of the natural beauty of the torngats and does not allow the building of any structure in the park. The base camp outside the park is a good compromise but depending on the development in the tourism industry in the region, this might become not enough in the future leading to the Nunatsiavut Government and Parks Canada having to rethink its strategy.

More changes are expected in both regions. Climate change and an increased accessibility will have a profound effect on all communities, their culture and their way of life. From an economic standpoint this could have positive effects by reducing the costs of shipping supplies to the region and thus lowering the costs of living in the region. In Nunavik, the new Nunavik Government that will be introduced in the next few years will at first bring only minor changes as it will be just an amalgamation of the existing structures. A minor change on the public sector in Nunavik is expected that derives from the restructuring process necessary for the new system. The plan is however to negotiate new rights for this new administration in the coming years (INTERVIEW 23). It remains to be seen what changes this will have on the region and the economic sector. One of the hopes expressed in the interviews was a more flexible and targeted funding provided by the Québec Government, as the Nunavik Government will operate under a different funding structure.

Nunatsiavut is currently in a fast-changing period. The land claim was signed only five years ago. The Nunatsiavut Government is still in the process of establishing all its structure and learning how to govern themselves. This is a process that will continue and probably intensify in the forseeable future. In addition, the benefits gained from the mining industry through impact and benefit agreements just start to flow to the Nunatsiavut Government. Advantages for some regional businesses are noticed already due to the preferential contracting policy for Inuit businesses (INTERVIEW 1). The Voisey’s Bay Nickel Mine is currently the only active mining project in the region but more are expected...
to follow in the next few years. Especially the possible end of the moratorium on uranium mining in Nunatsiavut will hold great potentials and sources of income for the government in the future. The Nunatsiavut Government as well as the residents of Nunavik will need to ask themselves the question to what extent they favour this type of development in the future and find a balance between this, profitable business and the preservation of their environment and the number one source for their traditional activities: the land. There is a lot of hope among the residents of the region that positive changes will take place especially regarding the economic situation but at this point it is still too early to give a detailed outlook.
7 Bibliography

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7. Bibliography


7. Bibliography


7. Bibliography


7. Bibliography

l&PlaceName=Umiujaq&CMA=0&CSDNAME=Umiujaq&A=A&TypeNameE=Village%20nordique (24.07.2010).


7. Bibliography


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Photos and Maps:

Tannerfeldt, M. (2010): Greenlandic and Danish Flag (page 28)
Google Earth (2010): Nunavik. (page 96)

Google Earth (2009: Kuujjuaq. (page 159)
8 Appendix

Appendix 1 Interview List

Appendix 2: Questionaire
## Appendix 1 – Interview List

<table>
<thead>
<tr>
<th>Interview No.</th>
<th>Interviewee</th>
<th>Organisation / Business</th>
<th>Position of Interviewee</th>
<th>Place of Interview</th>
<th>Date of Interview</th>
<th>Duration of Interview</th>
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<td>Herman Webb</td>
<td>Hayne’s Store; Amaguk Construction Limited; Natsik Services Incorporated; CHL/HSL</td>
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<td>President</td>
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**University Experts / Inuit Organizations / Regional Administrations**

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Appendix 2

Semi-structured Interview with Business Owners

I. Personal Questions

(1) What position do you hold in this business?
(2) What are the most important stages in your professional career?
(3) Why did you decide to create this business?

II. Company Information

(1) When was your company created?
(2) What fields does your company work in?
(3) How many employees does your company have?
(4) How many of these employees are Inuit / locals?
(5) Do you preferably hire Inuit / locals in your company or does this not matter as long as the applicant is qualified?
(6) Is your company participating in creating training opportunities in your community?
(7) Is it easy / difficult to find qualified employees in the community / region? Or do you have to hire from the outside?

III. Economic Situation in the Region

(1) Are there any incentives / programs by the regional or provincial / federal government to set up an Inuit business that you took advantage off when founding your business?
(2) Are you being made aware of existing support programs for Inuit businesses?
(3) Are they advertised or do you have to find out yourself if there are any? If advertised, by whom?
(4) Are the majority of those programs created within the region by the regional administration or are they created by the provincial / federal government?
(5) Is the creation of Inuit businesses favoured in any specific economic sector?

IV. Traditional land-based economy

(1) Do you practice traditional hunting / fishing activities?
(2) How does this affect your work or the work of your employees in your business (e.g. are employees not showing up for work or are late because they went on a hunting trip etc.)?
(3) Are you as an Inuit employer more willing to put traditional activities over profit-making in your company? Or does that not play a role at all?
(4) Do you think there is a difference in the attitude compared to a non-Inuit employer?
(5) What comes first for you personally? Hunting (traditional harvesting) or the work in your business?

V. Regional specific questions:

In Nunatsiavut:

(1) How do you think the land claim agreement influenced the situation for Inuit businesses in your region?
(2) What is your outlook into the future? Will the land claim agreement improve the situation for businesses in the region?

In Nunavik

(1) Do you think that with the creation of the Nunavik Government there will be any changes to the better or worse for the situation of Inuit businesses in Nunavik?