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Nunavik’s GDP rising, but Inuit not getting wealthier: study

"Your economy is growing really fast”

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KUUJJUAQ — Nunavik’s gross domestic product, or GDP, has risen rapidly over the last decade, thanks to the region’s small but growing mining industry.

The region’s GDP — which refers to the market value of all goods and services produced within a given period — has more than tripled over 10 years, from $291 million in 2003 to $887 million in 2012, according to a new report prepared by Laval university economists.

“This is huge,” said Laval economist Véronique Robichaud in a presentation to Kativik Regional Government council in Kuujjuaq Feb. 24.

“Canada and Quebec did not encounter such a big growth in the past 10 years. Your economy is growing really fast.”

While public administration used to be the biggest economic driver in the region — accounting for over half of the region’s GDP — it dropped to 32 per cent.

In 2012, mining made up 41 per cent of Nunavik’s GDP, compared to just 1.5 per cent in all of Quebec.

Those figures, based on 2012 data, are based almost entirely on activity at the only mine operating in the region at the time — the Glencore Raglan nickel mine. Canadian Royalties Nunavik Nickel mine went into production in late 2013.

Thanks to Raglan’s operations, GDP per capita rose to $70,000 for each Nunavik resident in 2012, compared to just $42,000 per person in all of Quebec.

But before anyone thinks that translates into instant wealth for Nunavimmiut, Robichaud points to Nunavik’s disposable income, which registers at about $22,000 per person.

Because the Glencore Raglan mine is not locally owned, and employs more staff from outside of the region than local Nunavimmiut, most of the $345 million it made in 2012 did not stay in northern Quebec.

“So people in Nunavik have less in their pockets than the rest of Quebec,” Robichaud told KRG councillors.

“When I hear Plan Nord promising to create jobs in Nunavik, it doesn’t necessarily mean for residents of Nunavik. You have to consider that when signing agreements.”

Although Nunavik's disposable income is lower than Quebec's — about $26,000 per person in 2012 — the gap in shrinking, Robichaud noted. (See table below.)

Robichaud emphasized that the mining industry is in fact contributing to the region's economy, but its impact is small.

For many KRG councillors, seeing the numbers on paper only served to emphasize high poverty rates and scarce economic opportunities available for Nunavik's Inuit during the Feb. 24 presentation.

"When you talk about economic development, even if [Inuit] want to, they don't have the money to move forward," said Charlie Arngak, a regional councillor for Kangiqsujuaq.

"Construction companies have partnered with Inuit and they're making lots of money. But Inuit should be their own bosses. They don't benefit nearly as much as they should."

Other regional leaders say Nunavik's latest economic portrait is an important tool to use when negotiating new agreements with governments or private businesses.
"I know some people say 'When are we going to stop being researched?' but we need these tools to understand our situation, and we need to have up to date data," said KRG chair Maggie Emudluk.

Robichaud's presentation also tracked government spending in Nunavik between 2003 and 2012.

In 2013, the federal government paid out $98 million to the region, while Quebec paid $264 million.

By 2012, that had risen to $131 in federal contributions and $534 million in provincial funding.

Nunavik's most recent economic portrait should soon be available to the public at the region's statistics program website Nunivaat.org.