

Backgrounder on Inuit and Housing

**For Discussion at Housing Sectoral Meeting, November
24 and 25th in Ottawa**



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Table of Contents

Section	Page
Introduction: The Highest Rate of Overcrowding in Canada	2
“On Reserve” vs. Inuit Housing... Why the Distinction?	4
Addressing the Inuit Housing Shortage	5
Nunavut’s Housing Crisis	6
A Crisis Stemming from Federal Government Decisions	7
The Nunavut 10 Year Inuit Action Housing Plan	8
The Labrador Inuit Housing Situation	8
Nunavik	9
“Makivik’s Concentrated Construction”	10
House Construction	11

I. Introduction: The Highest Rate of Overcrowding in Canada

With the settling of three major land claims agreements in the Inuit regions (and one pending in Labrador), Inuit leaders are optimistic that they are now going to gain control over the tools required to guide the development of their society and achieve greater wellness and strength as an Aboriginal people. Housing is the basic building block of a healthy and productive society, and business activity associated with house building is one of the main indicators of a healthy economy. Unfortunately, with the exception of the Inuvialuit region, which may benefit from plans to develop a pipeline, the remaining three Inuit regions do not have high levels of economic growth—except those associated with the public sector.

A harsh climate, remote geography, extremely small population base, lack of road or rail access, underdeveloped infrastructure systems and the high costs of labour and materials combine to prevent the development of the kind of housing market which encourages private investment in southern Canada. Consequently, the creation of new housing supply in the Inuit regions is heavily dependent on public sector involvement.

The federal, and, later, territorial governments, have both been major participants in housing programs for Inuit for nearly half a century. While efforts by both governments have included a range of programs and services over the years, the end result remains the same: Inuit currently experience the highest levels of overcrowded, inadequate housing in the country. Health Canada has warned that inadequate housing is linked to a host of health problems, including increased likelihood of transmission of infectious diseases such as tuberculosis and hepatitis A, and also increased risk for injuries, mental health problems, family tensions and violence.

In 1993, the federal government cut public social housing to zero (while continuing it for “on-reserve Aboriginals”), perhaps not fully aware that the majority of Inuit (especially in Nunavut and Nunavik) live in social housing. Since that time, overcrowding among Inuit has become the worst of all Aboriginal groups. Overcrowding in Canada generally is 7%, according to Statistics Canada. For Inuit the average number of households which are overcrowded sits at 53%—much higher than the rate for other Aboriginal peoples (13% for urban Aboriginals, and 19% for rural Aboriginals).

Of the four Inuit regions the overcrowding situation is worst (and worsening) in Nunavik and Nunavut. In the five years between censuses, 68% of Inuit in Nunavik lived in crowded conditions as of 2001, up slightly from 67% five years earlier. In 2001, 54% of Inuit in Nunavut experienced crowding, 28% in Labrador and finally, 35% of Inuvialuit live in overcrowded conditions in the Northwest Territories.

In 1999, forced to address overcrowding in Nunavik, Makivik Corporation turned to the dispute resolution provisions of the JBNQ to force Federal and Provincial governments to address their housing crisis. In Labrador, the provincial government put in place a short-term (three year)

\$7million program to increase house construction in Inuit communities. Meanwhile Nunavut Inuit are in the eleventh year of a severe, escalating housing shortage with no meaningful solution in sight.

II. 'On-Reserve' versus Inuit Housing... Why the Distinction?

ITK, Makivik and NTI have raised the issue that the Federal Government often makes a distinction regarding its responsibilities for housing programs for 'on-reserve' First Nations and Inuit. There is no basis for this distinction. The Government responsibilities under Section 91(24) of the Canadian Constitution apply to both Inuit and First Nations. If anything, it can be argued that Canada has a greater duty to Inuit on this matter since Inuit were originally encouraged to settle in permanent communities with the clear understanding that the Federal Government would provide the necessary housing.

Canada, through DIAND and CMHC, has a long-standing policy that First Nations build and control their own social housing—these are called the on- and off-reserve housing programs. Meanwhile, Inuit are expected to access non-Aboriginal social housing. Up until the 2000 Makivik-Canada Agreement, there was no Aboriginal housing construction policy or program for Inuit. ITK is well aware of the inequity in the Department of Indian Affairs and CMHC providing housing money to build 2600 houses per year (and renovate 3300 more) for “on-reserve” Aboriginals since 1993, while completely halting social housing programs in the north. According to the April 2003 *Report of the Auditor General of Canada* (Chapter 6: “Housing on Reserves”), since 1993 over \$3.8 billion has been invested in First Nations-specific housing. ITK is not advocating the taking away from one group at the expense of another: the need is severe in all aboriginal communities. As ITK President, Jose Kusugak has frequently stated “You don’t take away the bannock from one individual to feed another. You need to make a bigger bannock!”

Makivik was perhaps first to bring the Federal government’s attention to these inequities by citing Sections 2.12 and 29.0.2 of the constitutionally protected JBNQ during its dispute with Canada:

Section 2.12 of the JBNQA

"Federal and provincial programs and funding, and the obligations of the Federal and Provincial Governments, shall continue to apply to the James Bay Crees and the Inuit of Quebec on the same basis as to the other Indians and Inuit of Canada in the case of federal programs, and of Quebec in the case of provincial programs, subject to the criteria established from time to time for the application of such programs."

Section 29.0.2 of the JBNQA

"Programs, funding and technical assistance presently provided by Canada and Quebec, and the obligations of the said governments with respect to such programs and funding shall continue to apply to the Inuit of Quebec on the same basis as to other Indians and Inuit of Canada in the case of federal programs, and to other Indians in Quebec in the case of provincial programs, subject to the criteria established from time to time for the application of such programs, and to general parliamentary approval of such programs and funding."

Article 2 of the Nunavut Land Claims Agreement also clearly states that Inuit as Aboriginal Canadians are entitled to access any federal programs or services intended for Aboriginal peoples. This protection is guaranteed in Section 2.7.3:

"Nothing in the Agreement shall: (a) be construed so as to deny that Inuit are an Aboriginal people of Canada...; (b) affect the ability of Inuit to participate in and benefit from government programs for Inuit or Aboriginal people generally as the case may be..."

Through use of the JBNQ, Makivik re-oriented the Federal approach to Inuit, winning agreement that they are an Aboriginal people and equally entitled to supports offered generally to other Aboriginal peoples. NTI is now making the same case through their Housing Action Plan. ITK is advancing the issue generally through their successful call for the Federal government to establish an Inuit Secretariat within the Department of Indian and Northern Affairs.

III. Addressing the Inuit Housing Shortage: A long Term Investment in Improved Health, Education, and Economic Development

Crowding among Inuit in the Far North is a serious concern. There, 53% of Inuit lived in crowded conditions, compared with 13% of all Aboriginal people living in urban areas across the country and 19% in rural areas outside the Canadian Arctic. (Statistics Canada Survey of Aboriginal Peoples, 2001)

Investment in housing is an important step in addressing one of the root causes of poor health among Inuit and Aboriginal peoples in Canada. Inadequate, unsuitable, overcrowded housing has long been linked to community and social well being. There is increasing evidence, for example, that overcrowded conditions can have direct health effects upon household members - especially infants. Health Canada has warned that overcrowded housing conditions contribute to the transmission of infectious diseases such as tuberculosis. ITK echoed this warning in 2002, advising that "the overcrowding of housing is a clear non-medical health indicator for Inuit."

Overcrowding also affects families by increasing the risk of injuries, mental health problems, family tension and violence. These stressors are powerful triggers for negative coping behaviours such as dependence on alcohol and drugs. Such behaviours, in turn, are two of the most common and recurring themes encountered within northern justice systems - behaviours with profound effects on the lives of the aggressors, their victims and the north as a whole. ITK's *Report on the Needs of Inuit offenders in Federal Correctional Facilities* (June 2004) noted that "many Inuit offenders had difficult home environments during childhood, including exposure to violence and substance abuse." Significant anecdotal evidence also suggests that children in overcrowded, stressful homes skip school more often and are less successful in their studies.

The health indicators linked to overcrowding have devastating social consequences:

- Tuberculosis rates are 25 times than the Canadian average.
- Nunavut and NWT have the highest infant mortality rates in Canada.

- Negative impacts on education; as children are without space or quiet time to do homework.
- Overcrowding is a factor in spousal abuse and other forms of crime.
- Overcrowding is a contributing factor in Inuit youth having one of the highest suicide rates in the world.

Building houses and reducing overcrowding provides the foundation for better health, education, social stability and economic development. Investment in housing is an important step in addressing one of the root causes of poor health among Inuit and Aboriginal peoples in Canada.

IV. Nunavut's Housing Crisis

The housing situation in Nunavut stands out as a genuine crisis of worsening proportions with no solution in sight. 54% of Nunavut Inuit live in overcrowded conditions – a rate of 3.84 individuals per dwelling (compared with the Canadian average of 2.65 per dwelling). The percentage of dwellings with more than one person per room is 25.76% in Nunavut, compared to 1.7 % in Canada generally. In Nunavut, it is not uncommon for 3 generations of a family to live under one roof. With over half of Nunavummiut living in overcrowded conditions, health problems are bound to follow. Along with higher rates of TB and other infectious diseases, Nunavut suffers from high rates of respiratory tract infections in infants. According to Baffin Hospital's Dr. Banerji, of 51 infants admitted in 1997-98, 42 had lower respiratory tract infections—the second highest rate in the world. Banerji has stated that one of the contributing factors is overcrowding.

Of the approximately 8,200 dwelling units in Nunavut, over 45% are public housing units. About half of these social housing units are over 25 years old. In contrast with southern Canada, the Arctic climate means that a 20 year old house in Nunavut needs significant retrofitting and a 40 year old house is effectively at the end of its useful lifespan.

There are some 3,900 public housing households in Nunavut, housing nearly 14,000 residents, 98% of whom are Inuit. 15% of Nunavut's population are on waiting lists for public housing. The Nunavut Housing Corporation (NHC) estimates that 3300 houses are needed to address the immediate housing shortage (and 250 per year after that). But when a plain 740 sq ft social housing unit in Iqaluit costs \$250,000 to build and \$18,000 to operate annually, it becomes obvious that Nunavut is facing a genuine housing crisis.

Nunavut is essentially a non-market environment. In contrast with the rest of Canada, where 63% of people own their own homes, only 28% of people in Nunavut are homeowners. Of these, only 7% did not receive direct government assistance to purchase their homes. Take a look at the costs: the same ten foot 2x4 that costs less than \$3 in Ontario costs \$9.50 in Iqaluit.

Independent homeownership is inhibited by the cost of materials and by the significant expense of operating a home. Construction costs in Nunavut average \$330 per square foot, compared to \$104 per square foot in southern Canada. When young adults in Nunavut begin to look for housing options outside of their parents' homes, virtually the only choice is to add their names to the public housing waiting list. Inuit rely heavily on public housing – in most of the communities in Nunavut this form of housing is the only option.

The recently released CMHC Research Highlight: *Geography of Household Growth and Core Housing Need* describes the desperate situation in Nunavut. CMHC research examines housing core needs in the areas of adequacy, suitability and affordability. Adequate housing is housing not in need of major repair. Suitable shelter is housing that is not crowded; affordable housing should cost 30% or less of before-tax household income. Using these three measures of core need CMHC found that 38.7% of Nunavut households are in core need; the Canadian average core need is 15.8%. But since each and every private dwelling unit in the territory receives some type of housing subsidy, if these subsidies were removed or factored out, all but the most affluent of Nunavummiut would have affordability problems. In this scenario, Nunavut percentage of households in core need would rise from the current - unacceptable - 38.7% to well over 90%.

In southern Canada capital repayment costs are usually the largest single item in a social housing provider's budget. By contrast, in Nunavut utilities and fuel comprise fully 56% of the on-going costs for social housing. Utility costs alone average \$11,370 per year. Further, while the prospects for economic and human resource development in Nunavut are promising, they remain some years away. There is no realistic option for replacing government support through tenant charges in most communities.

The creation of Nunavut saw an additional 250 subsidized staff housing units constructed, however over 200 additional Government of Nunavut staff housing units are still needed, but none of this will do much to reduce overcrowding in social housing. 300 staff housing units were built or acquired by the Federal government to provide housing for its increased presence in Nunavut. Of these, 99% are in Iqaluit, and virtually all are occupied by southern Canadians.

V. A Crisis Stemming from Federal Government Decisions

In 1986, Nunavut Land Claims negotiators specifically proposed to take on responsibility for housing as part of the settlement. The Federal Minister of the day rejected their proposal, insisting that social housing must be a Federal responsibility and denying Inuit control. In 1993 the Government of Canada signed the Nunavut Land Claims Agreement (NLCA) with the Inuit of Nunavut on behalf of Canada. Within a few months, the Federal Government cut new social housing funding for Inuit to zero, leaving Inuit (literally) out in the cold.

Thus, social housing programs for Nunavut ceased even while on-reserve housing programs for other Aboriginal Canadians were maintained and, in some cases, improved. Since 1993, over \$3.8 billion has been invested in housing for First Nations, while Inuit - clearly recognized as Aboriginal People - were specifically excluded. The \$3.8 billion in INAC/CMHC housing money has built 2600 houses per year (and renovated 3300 more) for “on-reserve” Aboriginals since 1993. None were built or renovated in Nunavut.

Based on conservative projections, without a major house-building program in Nunavut by 2016:

- The overcrowding rate among Inuit will increase by 30% to reach almost 70%;
- The percentage of units over 20 years old will rise from a current 66% to 91.9%; and

- The percentage of units over 40 years old will rise from a current 6.5% to 31%.

VI. The Nunavut Ten Year Inuit Housing Action Plan

In August of 2004, NTI and the Government of Nunavut (GN) submitted a ‘Nunavut Ten Year Inuit Housing Action Plan’ to DIAND Minister Andy Scott and Housing Minister Joe Fontana, arguing that the federal government needs to make a special 10 year federal intervention on housing for Nunavut Inuit to make up the backlog of 3,000 units and to keep up with the demand for new housing. The Action Plan calls for the renovation of 1000 existing units and new construction of 2730 more, with an average annual cost of \$190 million over its ten year span.

Within Nunavut, a sustained ten-year plan to build 500 - 700 units a year would also create:

- More experience, training and hours towards local trades certifications;
- Estimated total full time employment for approximately 1500 people;
- Reduced dependence on Income Support system;
- Increased local community expenditures (local economic development).

Socio-cultural benefits of the Action Plan would include:

- Contribution to the reduction of health and social problems linked to overcrowding such as family violence, high attrition rates and high rates of respiratory disease/tuberculosis;
- Increased community well-being through capacity building and empowerment;
- Training and technology transfer in Inuktitut where appropriate.

Inuit in Nunavut are urgently in need of suitable, adequate housing. NTI and the GN, through Nunavut Housing Corporation (NHC), contend that the Federal Government has responsibilities, pursuant to the Nunavut Land Claims Agreement (NLCA) and in keeping with recent statements made by the Governor General of Canada and the Prime Minister of Canada, to intervene into this escalating crisis in Nunavut. Through a partnership between the Government of Canada, the GN and NTI, a long-term intervention can become a reality and Nunavummiut can enjoy the same basic right to adequate shelter as all Canadians.

VII. The Labrador Inuit Housing Situation

The Torngat Regional Housing Association represents approximately 4000 Inuit and non-Inuit in the North Coastal Communities of Labrador. With the resettlement programs of the Smallwood government, the Inuit way of life was drastically changed. A large number of Inuit were resettled away from Killinek, Ramah, Hebron, and Okak, and moved into Nain, Hopedale and Makkovik. Resettled people were housed in substandard “matchbox” dwellings. The five modern-day Inuit communities of Nain, Hopedale, Postville, Makkovik and Rigolet are all remote and have no road connections; they rely on air service and summer sealift.

The provincially-coordinated Housing Needs Survey of 2003 garnered responses from 657 of the 816 households in the five Inuit communities. 290 households (44%) were determined to be in 'core need'. The average number of persons per dwelling was 3.8; and 17% of households were occupied by 6 or more persons.

In marked contrast to the other Inuit regions, 82.1% of people surveyed in the five predominately Inuit communities in Labrador own their own homes. However, of this percentage, 32% need minor repairs, 42% require major repairs, and a further 10% are considered beyond repair. 57% do not have complete bathroom facilities, and 69% do not have adequate heating systems. 64% of those surveyed had incomes below the poverty line, including 34% who earned less than \$10,000 annually.

According to Statistics Canada, the overcrowding rate among Labrador Inuit households is 28%. In 2001, responding to media reports of deplorable housing conditions, the provincial government initiated a three-year \$7.7 million housing program which funded the construction of 43 houses and major improvements to 84 more units.

VIII. Nunavik: First Canada-Inuit Housing Program a Success But Still 500 Houses Short

Of all the Inuit regions, overcrowding is worst in Nunavik, and has actually deteriorated according to Statistics Canada. 68% of Inuit in Nunavik lived in crowded conditions as of 2001, up slightly from 67% five years earlier. Almost the entire Inuit population in Nunavik's 14 communities is housed in social housing units. Some form of subsidized housing is provided for almost all staff of government, non-profit, and private businesses. In 1998, there were only about a dozen homes under private ownership in the region. As of November 1998, the Nunavik Regional Board of Health and Social Services' report on the region's housing situation concluded that the problems of housing and overcrowding in Nunavik constituted a major risk factor for the population's physical and psychosocial health.

Faced with a housing crisis and the related health crisis, Makivik Corporation and the Kativik Regional Government (KRG) lobbied Quebec and Canada to re-establish social housing in Nunavik. Upon meeting with denials from Canada's Department of Indian and Northern Affairs (DIAND), Makivik turned to the Dispute Resolution Mechanism (DRM) of the James Bay and Northern Quebec Agreement (JBNQ), citing two principal provisions (2.12 and 29.0.2) in their contention that since Canada provided a robust social housing program for First Nations, a similar program should be made available to Inuit beneficiaries of the JBNQA.

At the Dispute Resolution Mechanism meeting in July 1999, Canada finally recognized that they had an ongoing obligation under the JBNQ to Nunavik Inuit regarding social housing. Canada, Quebec, KRG, the KMHB (Kativik Municipal Housing Bureau) and Makivik therefore began to develop a new social housing program. Their work culminated in the Housing Agreement of September, 2000. Under this Housing Agreement, Canada agreed to contribute \$10 million annually, and Quebec also agreed to contribute \$10 million annually, for the costs of constructing

Inuit Housing in Nunavik from 2000 to 2005. As the first 5-year phase draws to a close, a second 5-year phase is now being negotiated. With half of the total funding of \$100 million coming from Ottawa, Nunavik is thus the only Inuit region participating in a federal Aboriginal housing program.

Money from the Housing Agreement flows to Makivik's non-profit construction division which builds approximately 60 social housing units per year (usually about 25-27 two-bedroom duplexes) in up to 7 communities across Nunavik. Upon completion, ownership of each housing unit is transferred from Makivik to the KMHB (for one dollar) which then administers the housing units.

In the next phase of house construction, Makivik plans to address the need for three bedroom units. In total, Makivik and the KMHB have determined that 500 more houses are needed to meet Nunavik's social housing shortfall, with 45-55 houses per year required after that to address the growth of new families in the region.

IX. "Makivik's Concentrated Construction": Economies of Scale and Expertise from Repetition

Arctic communities tend to experience a lack of economies of scale in virtually every aspect of housing construction and renovation, compounded by the lack of local industry competition that would spur greater efficiency and innovation.

Long-term, comprehensive housing programs, such as Makivik and KMHB's in Nunavik are the best solution in the Arctic. Such programs allow long-term construction planning in allocated communities each season. In turn, this approach increases efficiencies, levels of local activity, and yields significant cost savings. With the leverage afforded through long-term, stable funding comes opportunities to achieve economies of scale through negotiation of bulk purchasing and volume discounts from suppliers. An estimated 15 – 20% cost savings may be achieved under this scenario.

"There is so much overhead cost in mobilizing to set up a construction site, if you do it for just one or two houses it's too expensive; so we concentrate construction in four or five communities... Plus, we've built the same model for four years, so the learning curve is over: the workers know what to cut and how to cut it—they build faster... Makivik has the lowest cost per square foot—we've compared them to all the other Northern contractors... They are cheaper because of economies of scale and their expertise in building that model."

--Watson Fournier, Kativik Municipal Housing Bureau

"In 2004, the Kativik Regional Government (KRG) built four staff houses using the Makivik design for duplexes, exactly the same size materials, same pad size, built in the same village that Makivik was building in (Kuujuak)... The KRG went out to tender. It cost them \$500,000; Makivik construction paid \$325,000 to build exactly the same duplex (and we had to pay the extra cost of the gravel pad--\$10,000)... Why were we cheaper? Economies of scale. But also, Makivik is a non-profit; the southern contractor who won the bid wanted a 15% profit margin."

--Oneil Leger, Makivik Construction

Makivik Corporation is licensed as a contractor and has created a Construction Division to build social housing. As a non-profit promoter-builder, Makivik has more flexibility in negotiating with contractors and in assuring the maximization of Inuit labour. Oneil Leger estimates that Inuit account for 70-80% of labour on the Makivik-contracted housing sites. Instead of using its own trucks and graders, Makivik enters into contracts with Hamlets to use their municipal heavy equipment to prepare pads and move material; this contributes to keeping economic benefits in the communities.

X. House Construction: An Engine of Economic Growth and Job Training

Makivik's example points to the enormous capacity-building benefits associated with a long-term comprehensive house building program. Addressing the housing in crisis in the Inuit regions of Canada should be seen as a major economic and educational benefits program.

During the October 2004 meeting between Kowesa Etitiq, Inuit board member of National Aboriginal Housing Association (NAHA) and Joe Fontana, Minister of Labour and Housing, Minister Fontana agreed that "housing construction is economic development". Fontana also emphasized the education and training inherent in a housing construction program. NWT MP Ethel Blondin-Andrew also referred to housing as economic development during a recent meeting with Inuit.

Any project designed to address the backlog of social housing in the north presents tremendous opportunities in the areas of employment, apprenticeship training, and management training, along with benefits associated with the business side of the project – the development of an array of Inuit firms to handle the needs of the project from conception through to ongoing management and maintenance.

A comprehensive Inuit housing intervention should form the basis for a major skills-upgrading program across the north, based on culturally appropriate training curricula, linked to Federal Aboriginal training programs, and organized and delivered in partnership with Inuit organizations and companies. Culturally appropriate trades training programs would reference Land Claims obligations and involve territorial and provincial Apprenticeship Boards and Construction Associations. Training for Inuit carpenters, electricians, plumbers, and other trades people, as well as for small business managers and entrepreneurs develops Inuit capacity and is transferable to non-residential projects. At the urging of Makivik and KMHB, for example, the Construction Association of Quebec has put in place a special card for Inuit workers, recognizing their skills developed through building in northern environments (but without the 'transferability' of other trades certifications).