

1.1 Aboriginal Peoples

Canada's constitution uniquely recognizes the inherent Aboriginal and treaty rights of the Inuit, First Nations, and Metis peoples. In addition, there are some unique challenges that arise from the historic relationship between Aboriginal peoples, governments, and their non-Aboriginal citizens. For both of these reasons, there is a need for particular consideration and specific programs to directly address the issues faced by Aboriginal peoples.

This chapter is divided into two parts to separately deal with the issues that can be addressed by First Nations governments and those which are constitutionally the responsibility of federal, provincial, or territorial governments.

First Nations

The growing gap between rich and poor is at an extreme for First Nations whose immense poverty causes communities to recede further from the mainstream economy while non-Aboriginal Canadians, exploiting the resources on First Nations territories, become increasingly rich.

This economic distance between First Nations citizens and communities on the one hand and

other Canadian citizens and communities on the other is the result of unequal treatment in law and in practice; a refusal to recognize and implement inherent Aboriginal and Treaty rights. This structural unfairness must be corrected for Canada to succeed in addressing the issues raised in the Alternative Federal Budget.

In a disappointingly short-sighted decision, the federal government chose to repudiate the commitment toward all Aboriginal peoples that was made by the Prime Minister and all Provincial Premiers to national Aboriginal leadership in the 2005 agreement known as the Kelowna Accord. That agreement promised investment of \$5 billion over five years to begin the process of addressing poverty, redress the fundamental inequities between First Nations and other Canadian citizens, and alleviate the fiscal insecurity that First Nations communities face across the country.

The funding identified in the Kelowna Accord was to be invested over the five-year period running from 2006 through 2011. However, as a result of the failure of the Government of Canada to meet any of its commitments under the first two years of this agreement, the full five-year funding

agreed to at that time must be invested over the remaining three years. **The AFB allocates \$4.2 billion to First Nations communities, to meet the needs identified by the Kelowna Accord.** A further \$800 million is allocated to supporting Aboriginal people living in urban centers. The \$4.2 billion will be invested in housing, health care and education initiatives over three years. As this investment is truly a harm-reduction strategy to allow First Nations to then begin to build real economic growth, the previous five-year commitment must now be reached within three years. Failure to do so will result in a deepening of existing poverty and an entrenchment of its effects. Each year these investments do not reach communities is another year a child goes without a school, a parent goes without a job, a community goes without adequate housing and water. The cumulative impact — or the cost of doing nothing — is too expensive for Canada not to act now.

First Nations governments are forced to operate with significantly fewer resources than provinces and territories. Government figures confirm that First Nations received approximately \$6 billion from the federal government in 2006–07. This funding is for all services — services that other Canadians receive from all three levels of government, such as primary and secondary education (provided by provincial governments), roads and infrastructure (provided mainly by municipal governments), and all services provided by the federal government to Canadians.

When compared to what the average Canadian citizen receives in programs and funding, First Nations government funding lags significantly behind.¹ Since 1996, the federal government has maintained an arbitrary 2% cap on spending increases for core services.² The 2% annual increase for First Nations budgets is less than one-third of the average 6.6% increase that most Canadians will enjoy through the Canada Health and Social Transfers in each of the next five years. This 2% cap is almost equal to the average rate

of inflation, but First Nations have the fastest growing population in Canada, with a population increase of over 29% since 1996.

When adjusted for inflation and population growth, the total budget for Indian and Northern Affairs Canada (INAC) decreased by 3.5% between 1999 and 2004, and funding for core services such as education, economic and social development, capital facilities and maintenance decreased by almost 13% in the same period.³ The sustainability and equitability of funding levels has a significant impact on the ability of First Nations governments to provide adequate services to their citizens. It is also at the very heart of the gap in quality of life between First Nations and non-First Nations.

As a result of the 2% cap, it is estimated that the accumulated shortfall through 2007–08 is \$774 million.⁴ If nothing is done, the shortfall will continue to grow. **The AFB will therefore invest \$829 million in fiscal years 2008–09 and 2009–10 to eliminate the shortfall created by the 2% cap over the past 10 years.** The AFB will develop an appropriate escalator clause to ensure that future investments keep up with the rate of inflation and First Nations population growth.

The funding of child welfare systems for First Nations is a particular example of inequality in practice. On a per capita basis, First Nations children are over-represented within the child welfare system, roughly 15 times more than non-Aboriginal children.⁵ Currently, 27,000 First Nations children are in the care of child welfare agencies across Canada. The main reason for taking children into care is physical neglect due to poverty. About 38% of such children have been exposed to family violence as the substantiated form of maltreatment leading to placement.

Despite the gravity of the situation, First Nations child welfare services are funded at a lower rate than comparable non-Aboriginal services on a per-child basis. This unequal treatment is now the subject of a human rights complaint

bought by a First Nation against the Government of Canada.

Current funding formulae drastically underfund services that support families and allow them to safely care for their children in their homes and communities. As a result, for First Nations the removal of children from their homes and communities is often the only option considered, not the last option. **The AFB will therefore allocate \$388 million over three years to support First Nations families and allow them to safely care for their children in their homes and communities.**

The opportunity to augment the role of First Nations in Canada's economy cannot be lost. Canada is facing a labour force replacement challenge that can be significantly reduced by assisting First Nations workers to participate in the economy at a rate equal to other citizens. In addition, the uncertain investment climate that the resource development sector faces, due to conflict and a failure to address First Nations rights over land, can be relieved through appropriate resource revenue-sharing agreements. Health and social costs can be minimized by lifting First Nations out of poverty. Canada's overall economic prospects will be improved simply by achieving equitable investment in First Nations communities with that enjoyed by the rest of the country.

Investments in job skills training and employment programs among Canada's fastest growing and youngest demographic group can reduce unemployment, alleviate poverty, and address part of Canada's skilled labour shortage at the same time. As Canada's population ages, an integrated labour replacement strategy focused on First Nations youth can be both an effective and efficient solution that is of mutual benefit to First Nations citizens and the Canadian economy.

The Government of Canada must commit to work with First Nations to eliminate the cycle of dependency so that First Nations have increased access to training, skills development,

GENDER ANALYSIS Aboriginal Peoples

The poverty reduction plan as outlined in this chapter has beneficial gendered impact. In 2000, the median income of Aboriginal women was \$12,300, about \$5,000 less than the figure for non-Aboriginal women who had a median income of \$17,300 that year. The median income for Aboriginal men was \$15,500.⁷

The income of Aboriginal women varies according to their areas of residence. In 2000, those living on reserve had the lowest income among Aboriginal women at just under \$11,000, and those living in urban areas had the highest median income at almost \$14,000.⁸

As women typically rely more on community services, investing monies to fulfill the shortfalls of the 2% cap and ensuring that it is adjusted according to inflation are welcomed and will have a positive effect on the lives of women.

The Child Welfare policy and family, community support as outlined in this chapter is welcomed and has beneficial impacts on women. In 2001, 19% of Aboriginal women aged 15 and over were single mothers, compared to 8% of other women in Canada.⁹

Resolving land claims, treaties' infringements and resource revenue sharing will have a great impact on women. Ensuring that women are justly represented in negotiations and decision-making will better reinforce gender equity.

The majority of Aboriginal women live in off-reserve areas. The AFB's three-year investment in Friendship Centres is a welcome initiative. In 2001, 30% of all Aboriginal females lived in a city with over 100,000 residents, while 23% lived in other urban areas.¹⁰

and economic development. New resources are required, along with mechanisms to ensure success. Important links between social assistance, employment and training, and labour market initiatives must be promoted and maintained. A stronger link is needed between INAC's Income Security program and the Human Resources and Social Development Canada's (HRSDC) Aborigi-

nal Human Resources Development Agreement (AHRDA) program and a commitment to fair and just resource revenue-sharing agreements is necessary.

The AFB will make an initial investment of \$120 million over three years to begin work on these key issues.

The AFB allocates \$342 million over the next three years to support First Nations participation in environmental decision-making, and to support First Nations communities address and adapt to climate change related issues. Enhancing First Nations capacity for environmental stewardship and improving access to natural resources will have key benefits: better environmental standards and enforcement and new sustainable development revenue sources to help re-emerging self-governing nations. These innovations would, in turn, support a cleaner environment, better health, and increased productivity over the long term.

While the cost of investments in Aboriginal Peoples is significant, approximately \$6 billion over three years, two comparable figures should be borne in mind. First, the federal surplus this year alone (prior to the changes announced by the Minister of Finance in October) was projected at \$14 billion, more than twice the amount recommended for investments here over three years. The investments called for by the AFB must also be put in the context of the Crown's contingent liability of more than \$15 billion dollars. That contingent liability is the estimated amount the Crown would legally owe if all claims against it by First Nations were settled in court.

We also need to consider the cost of not engaging in this effort. Based on figures from RCAP, the lost economic opportunity, lost labour force potential, reduced economic health, and escalating health and social costs of the current environment amount to more than \$12 billion per year.⁶

Aboriginals living in urban centres

Canada's off-reserve Aboriginal population now encompasses a wide range of characteristics and circumstances. Some segments of the urban Aboriginal population are well-situated, with strong progress in key indicators of social and economic well-being. However, this population overall continues to experience socio-economic conditions that fall well below the overall population average in key areas, including education, employment, income, and health status. Close to half of all urban Aboriginal children live in one-parent families, and the median age of the Aboriginal population is significantly younger than the median age of the non-Aboriginal population.

The AFB recognizes the unique challenges facing Aboriginal people, in particular those living off reserve in large cities. A key measure that begins to address Aboriginal challenges is fully honouring the agreement signed at the First Ministers' Meeting on Aboriginal Issues in November 2005 in Kelowna with a pledge to start with a minimum of \$800 million over three years.

In addition, many chapters in this document (Child Care and Early Learning, Housing and Neighbourhoods, Health Care, Industrial Restructuring and Sectoral Development, and others) include measures that deal with the issues mentioned above.

The long-term sustainability of Friendship Centres — which represent part of the social infrastructure that is uniquely focused on the needs and aspirations of urban Aboriginal peoples — requires enhancements to the funding levels that were established a decade ago. While the urban Aboriginal population over the past decade has more than doubled in some cities, funding from Canadian Heritage to support the core activities of Friendship Centres has not changed. In order to protect the federal government's investment, and to ensure the long-term sustainability of these institutions, these fund-

ing levels need to be examined in the context of today's realities.

Urban Aboriginal peoples face different challenges, depending on (among other things) the particular communities in which they live. No single solution will be applicable to all urban Aboriginal peoples. Therefore the AFB will allocate over \$90 million over three years to Aboriginal peoples in urban centres. The funding will be allocated by community organizations in a manner that responds to the local concerns of urban Aboriginal peoples and builds on and develops the linkages between community development, cultural centres, and employment strategies.

To specifically assist Friendship Centres and ensure that they continue their vital and cost-effective work, the AFB will invest an additional \$32 million over three years for programs and infrastructure.

Notes

¹ Assembly of First Nations, *Federal Funding to First Nations: The Facts, the Myths and the Way Forward*, November 2004.

² While INAC's budget has grown at an overall rate in excess of 2%, this is due to legal obligations such as specific and comprehensive claims, treaties and litigation. INAC estimates for contingent liabilities from

litigation and claims were \$15.3 billion as of March 31, 2005. This is up from \$9.1 billion in 2001. More information is available at http://www.tbs-sct.gc.ca/rma/dpr1/04-05/INAC-AINC/INAC-AINCd45_e.pdf.

³ Financial data are from INAC Departmental Performance Reports and TBS Main Estimates. Population data are from INAC published research. Inflation data are from Statistics Canada's Consumer Price Index (CPI).

⁴ The shortfall is the difference between actual funding and funding that keeps up with inflation and population increase.

⁵ Blackstock, C., T. Prakash, J. Loxley, and F. Wien. (2005). *Wen: de: We are Coming to the Light of Day. Ottawa: First Nations Child and Family Caring Society of Canada*, P.43.

⁶ Report of the Royal Commission on Aboriginal Peoples

⁷ <http://www.statcan.ca/bsolc/english/bsolc?catno=89-503-X>

⁸ <http://www.statcan.ca/bsolc/english/bsolc?catno=89-503-X>

⁹ <http://www.statcan.ca/bsolc/english/bsolc?catno=89-503-X>

¹⁰ <http://www.statcan.ca/bsolc/english/bsolc?catno=89-503-X>