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True North

IN CANADIAN PUBLIC POLICY

Libres d'apprendre

Good Intentions,
Bad Policy

Reforming the
Post-secondary
Student Support
Program

Calvin Helin, Aboriginal author
and entrepreneur

**Education: Freeing
Aboriginal Youth
to Learn**





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FREE TO LEARN

GIVING ABORIGINAL YOUTH CONTROL OVER THEIR POST-SECONDARY EDUCATION

By Calvin Helin and Dave Snow

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EMPOWERING ABORIGINAL STUDENTS TO EDUCATE THEMSELVES

Aboriginals continue to fare worse than all other Canadians on almost every social and economic indicator. Since education, particularly higher education, is the great contributor to social and economic success, Canada must embark on a sustained effort to get Aboriginal youth into higher education. Yet the federal government's flagship program in this field – the Post-Secondary Student Support Program, or PSSSP – is signally failing in its objective of helping Indian students to enroll and succeed in colleges and universities. It does not empower them to help themselves.

Each year, Canadian taxpayers pay \$314 million toward the PSSSP. This money does not go directly to Registered Indian students, but is transferred from Indian and Northern Affairs Canada (INAC) to individual Indian bands, which in turn distribute the money to students themselves. This funding system is failing the tests of accountability and transparency; most importantly it is failing the test of getting the money to those it is intended to help. Problems that have been documented include surplus funds being used by band councils for non-eligible expenses; students being forced to wait for funding; substantial regional variation in student funding; nepotism and favouritism; and a complete lack of performance measurement or accountability. The program is patently not achieving its goal. Indeed, there is every indication that many Indian students are being denied the money to which they are entitled.

While certain bands have proven capable of effectively distributing the funds, many have not. This is why we propose phasing out the PSSSP and replacing it with a system in which funding for post-secondary education is given directly to Indian students. This can be done through the creation of an Aboriginal Post-Secondary Savings Account (APSSA) opened at birth for every Registered Indian, regardless of whether they live on or off-reserve. A basic amount would be paid into each account on its creation, and this money would earn interest until the

account holder becomes eligible to draw money out. To this basic amount (plus interest) would be added a further payment on the successful completion of Grades 6-12. Upon graduation from secondary school, students could use the funds solely for any *bona fide* post-secondary education program, at a trade school, college or university. There would be strict controls to ensure that money intended to cover tuition would be paid directly from the account to the post-secondary institution and that other eligible expenses (such as room and board) were properly documented. This would ensure transparency by offering the money directly to the student, and avoid the current shortcomings related to transparency, waste and corruption. Moreover, it would ensure fairness and consistency for Indian students, regardless of band or region.

Beyond benefiting young Aboriginals, Canadian society as a whole would benefit from the APSSA. As the population ages and baby boomers retire, Canada faces a demographic crisis: young, educated workers in particular will be scarce, and simply increasing immigration levels will do little to ease this shortage. Yet unlike the rest of Canada, the Aboriginal population is on average quite young. Empowering some of Canada's most vulnerable citizens to get the education they need and deserve will not only improve their quality of life. It will also contribute to the growth of the country's skilled labour force and the future economic success of all Canadians. ●

DONNER AUX ÉTUDIANTS

AUTOCHTONES LE POUVOIR DE CONTRÔLER LEUR ÉDUCATION

La situation sociale et économique des autochtones continue de se détériorer par rapport à celle des Canadiens en général. Comme l'éducation, et particulièrement l'éducation postsecondaire, est l'un des meilleurs moyens d'améliorer les chances de succès social et économique des jeunes autochtones, le Canada se doit de les encourager à obtenir une éducation supérieure et ce, de façon efficace et systématique. À l'heure actuelle, le principal programme du gouvernement fédéral à ce sujet – le Programme d'aide aux étudiants de niveau postsecondaire, ou PAENP – n'arrive pas à aider les étudiants autochtones à s'inscrire et à réussir au collège et à l'université; il ne les encourage pas à s'aider eux-mêmes.

Chaque année, les contribuables canadiens versent 314 millions de dollars au PAENP. Cet argent est transféré des Affaires indiennes et du Nord Canada (AINC) aux bandes autochtones individuelles, et celles-ci s'occupent de distribuer l'argent aux étudiants. Ce système de financement n'est ni imputable, ni transparent; et plus important encore, il n'alloue pas toujours l'argent aux individus ciblés. Les problèmes recensés incluent des surplus utilisés par les conseils de bande pour des dépenses non admissibles; des étudiants placés sur des listes d'attente de financement; des variations régionales substantielles; du népotisme et du favoritisme; et un manque flagrant d'évaluation et d'imputabilité. Le programme est loin d'être une réussite. En fait, tout porte à croire que plusieurs étudiants autochtones se voient refuser les fonds auxquels ils ont pourtant droit.

Alors que plusieurs bandes se sont montrées capables de distribuer les fonds de façon efficace et équitable, plusieurs n'y arrivent pas. C'est pourquoi nous recommandons l'abandon graduel du PAENP et son remplacement par un système qui verrait les fonds pour études postsecondaires versés directement aux étudiants autochtones. Ceci pourrait s'accomplir par le biais d'un régime d'épargne-études autochtone (REEA); un compte serait ouvert à la naissance pour chaque Indien inscrit, un montant de base y serait déposé à la naissance et cet argent gagnerait des intérêts jusqu'à ce que le titulaire devienne admissible à effectuer un retrait. À ce montant de

base (plus intérêts) serait ajoutée une somme supplémentaire à l'achèvement de chaque année d'études secondaires. À l'obtention du diplôme d'études secondaires, l'étudiant aurait accès à ces fonds pour aider à défrayer les coûts admissibles d'un programme d'études postsecondaires reconnu, offert dans une école de métier, au collège ou à l'université. Des contrôles stricts seraient mis en place pour s'assurer que l'argent alloué aux frais de scolarité passe directement du compte d'épargne à l'institution postsecondaire et que les dépenses afférentes légitimes (par exemple, les coûts de logement) soient proprement documentées. Ceci permettrait d'éviter les écueils du système actuel et d'assurer la transparence en versant les fonds directement aux étudiants, en plus d'aplanir les différences régionales existantes.

En plus de bénéficier aux jeunes autochtones, les REEA seraient avantageux pour la société canadienne dans son ensemble. Le Canada fait face à une crise démographique: la population vieillit, les baby-boomers prennent leur retraite, avec pour résultat que les jeunes travailleurs qualifiés se feront de plus en plus rares, un problème que l'immigration seule ne pourra régler. La population autochtone est, en moyenne, beaucoup plus jeune que la population canadienne en général. Encourager les autochtones à obtenir une éducation de qualité les aidera à améliorer leur qualité de vie, oui, mais cela contribuera aussi grandement au succès économique futur de tous les Canadiens. ●

STATEMENT OF SUPPORT

re: “Free to Learn: Giving Aboriginal Youth Control Over Their Post-Secondary Education”

Whereas it is well established that Aboriginal people are among Canada’s most impoverished and vulnerable populations;

Whereas education is a powerful contributor to improved economic and social well-being and individual empowerment;

Whereas Aboriginal youth continue to lag significantly behind the rest of Canada in terms of the completion of secondary and post-secondary education;

Whereas Canada’s current programs aimed at getting more Aboriginal youth into post-secondary education are not meeting their goals;

And whereas this policy paper is non-political and its sole purpose is to provide common sense solutions to address this issue;

We, the co-signatories of this statement, urge that policy toward Aboriginal post-secondary education should be guided by the following principles and goals:

- Treaty rights must be respected, but the ultimate goal of those rights is to promote the interests of individual Aboriginals;
- The federal government must remain committed to the principle of “Indian control of Indian education,” and the best way to do this is to empower individual Aboriginals;
- Money intended to support Aboriginal post-secondary education should only be spent for that purpose;
- Current levels of federal funding for Aboriginal post-secondary education should be maintained if not increased;

- Federal funding must be disbursed in a manner that is equitable, open, transparent and accountable;
- Federal funding must be available on the same basis to all Registered Indian students;
- The best way to achieve these goals is to ensure that the funds are controlled by individual students and that the funds may only be spent on bona fide post-secondary education;
- Funding for Aboriginal post-secondary education should include economic incentives for young Aboriginals to complete secondary and post-secondary education;
- Getting young Aboriginals into work through higher education is in the interests of every segment of Canadian society in the context of population aging and projected labour shortages;
- Aboriginal education should be a priority for the Canadian nation since improvements there may be the most optimal expenditure to ensure its continued prosperity and competitiveness.

The Aboriginal Post-Secondary Savings Account (APSSA), a policy proposal put forward by Calvin Helin and Dave Snow in their paper “Free to Learn” for the Macdonald-Laurier Institute for Public Policy, meets all these criteria. We support the authors’ proposal to phase out the Government of Canada’s Post-Secondary Student Support Program (PSSSP) and replace it with Aboriginal Post-Secondary Savings Accounts at the earliest possible moment.

SIGNATORIES

Donald Barraclough, page I6

Gayle Bedard, page I8

Patrick Brazeau, page I9

John Helin, page I2

Glenn Hudson, page 23

Aiita Keith

Caroline Krause, page I4

Ray Levesque, page I2

Joseph Quesnel

Gloria Raphael, page 22

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FREE TO LEARN: INTRODUCTION

*It is imperative that we ensure that as many young
Aboriginals as possible enter the workforce with the highest
possible levels of education*

The gap in living standards between Aboriginals and non-Aboriginals in Canada is shocking. On nearly every social and economic indicator of well-being, Aboriginal people trail other Canadians. Life expectancy, for example, is often similar to that in developing nations.¹ Although Aboriginals are making some progress, they continue to fall behind other Canadians, who are progressing even faster. The gap that separates Canada's most vulnerable group from the rest of its population is growing.² Moreover, the plight of Aboriginals is not confined to certain regions; the gaps are consistent across Canada.

There are countless variables that determine Aboriginal well-being. Arguably the most important is education. From secondary to post-secondary education, many studies demonstrate that increased education is highly correlated with material well-being.³ As with other social and economic indicators, Aboriginals in general fall far behind Canadians in terms of their level of formal education. Aboriginals are not getting the education they need to thrive in Canada, and they are not getting an opportunity to determine their own future.

What is true of Aboriginals in general is especially true of "Indians." Constitutionally, "Aboriginal peoples" includes Indians, Inuit and Métis. The category "Indians" includes both "Status" Indians, who are registered under the Indian Act, and "non-status" Indians, who are not.⁴ Registered, status Indians are in turn divided between those who live on reserves and those who do not. Virtually all of the gaps between Aboriginals and non-Aboriginals are even more pronounced for Indians, especially those who live on

1 Tom Flanagan, *First Nations? Second Thoughts*, second edition. (Montreal/Kingston: McGill-Queen's University Press, 2008), 226-227.

2 John Richards, *Creating Choices: Rethinking Aboriginal Policy* (Toronto: CD Howe Institute, 2006), 34-41.

3 Michael Mendelson, *Aboriginal Peoples and Postsecondary Education in Canada* (Ottawa: Caledon Institute of Social Policy, 2006); Andrew Sharpe et al., *The Effect of Increasing Aboriginal Educational Attainment on the Labour Force, Output and the Fiscal Balance* (Ottawa: Centre for the Study of Living Standards, 2009).

4 Statistics Canada, *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations, 2006 Census* (Ottawa: Government of Canada, 2008), 8, 38.

reserves. Although this study discusses the situation of Aboriginals generally, it focuses particularly on the egregious plight of registered, status Indians. The term “First Nations” is often used to designate registered Indians, but for clarity and ease of exposition, we will use the constitutional terminology.

Despite much goodwill, in the past Canadians have too often tolerated ineffective programs intended to close the gap between Aboriginals and non-Aboriginals even as the gap persists and worsens. Now, however, looming demographic change associated with a greying population and low levels of fertility will soon create a labour shortage unlike anything Canada has ever experienced. Starting next year, the Canadian population will grow faster than the labour force. Not long after, the number of net new workers entering the labour force will drop to zero.⁵ In the face of this demographic crisis, Canadians’ future prosperity depends on their being able to get the greatest value possible from every potential member of the workforce, in addition to the moral imperative of improving the lot of Aboriginal Canadians. Unlike the rest of the population, however, Aboriginals are young, on average, and the Aboriginal birthrate is high. As Canada’s labour force ages and shrinks, Aboriginals represent a young population capable of entering the workforce and helping to fill the gap created by retiring Boomers. But will we succeed in equipping them with the education that they need to do so successfully?

Integrating Aboriginals into the workforce will by no means be an easy task. Although a labour shortage may be a worker’s best friend, the modern knowledge economy requires highly skilled and educated workers. It is thus imperative that we ensure as many young Aboriginals as possible enter the workforce with the highest possible levels of education. Post-secondary funding is an excellent way to encourage Indian youth, particularly those with low incomes, to harness their potential and take control of their educational future.

Canada’s record in Aboriginal education, particularly through the residential schools and Indian day schools, offers Aboriginals every reason to be wary and skeptical about federal education policy. This paper offers an approach that at once will improve access to funding for young Aboriginals while keeping control over education in the hands of Aboriginals themselves.

The federal government has constitutional responsibility for

⁵ Brian Lee Crowley, *Fearful Symmetry: The Fall and Rise of Canada’s Founding Values* (Toronto: Key Porter, 2009), 32.

the education of Indians, particularly those living on reserve. In recognition of this responsibility, Indian and Northern Affairs Canada (INAC) spends \$314 million annually through the PSSSP in support of post-secondary education for Registered Indian and Inuit⁶ students. Yet the program’s funding structure for Indians is counter-productive and stifling. Indian bands – the bodies entitled to exercise legal power for individual First Nation communities – receive “block” funding, which they are then supposed to distribute to students. In practice, accountability mechanisms are non-existent. According to the evidence we have been able to gather, this has led to misuse of surplus funds, rationing, long waits for funding, regional variations in access to funding, and allegations of nepotism and favouritism. Because they have no relationship with on-reserve chiefs and councils, Indians living off-reserve rarely receive PSSSP funding. Indian youth are too often not receiving the money that they so desperately need. The program needs to change, and it needs to change soon.

For the funding to have its desired effect, there must be transparency and accountability. Most importantly, the authority for determining how the funding is used must move downward, from individual bands to individual students. This study proposes phasing out the PSSSP and replacing it with an Aboriginal Post-Secondary Savings Accounts (APSSA) for all Registered Indians. The creation of

these accounts would allow for more efficient and transparent use of taxpayer dollars, and it would empower Indian youth to make decisions about their own educational future.

This study unfolds in four sections. The next section examines the social and economic gaps between Aboriginals (particularly Indians) and the rest of Canadians. It then discusses the urgent need for integrating Aboriginal youth into the Canadian workforce, and demonstrates that education is the most important factor in lifting Aboriginals out of poverty. The subsequent section examines the federal Post-Secondary Student Support Program, and outlines the numerous problems that have hindered its potential. Following that, this study examines proposals for reform to the PSSSP, and shows that none of them effectively get to the root of the problem. The final section recommends a movement to Aboriginal Post-Secondary Savings Accounts.

⁶ This report focuses solely on the Indian component of the program.

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EDUCATION: CLOSING THE GAP BETWEEN ABORIGINALS AND THE REST OF CANADA

After decades of policy aimed at improving the social and economic conditions of Aboriginal Canadians (a group that includes Indians, Inuit and Métis), Canada's most vulnerable group remains far behind the rest of the country on nearly every quality of life measure available, especially education, the particular concern of this study. Not all Aboriginals are eligible for federal assistance toward their post-secondary education, however. While there may be a case for assistance to other classes of Aboriginals, the Macdonald-Laurier Institute, as a public policy institute concerned with federal government policy, has asked that this report focus on reforming current federal programs for the current beneficiaries, who are Registered Indians falling under Ottawa's jurisdiction. According to Statistics Canada, of the more than 1.17 million Aboriginal people in Canada in 2006, 698,025 (nearly 60 percent) identified as North American "Indian." Over 80 percent of Indians are Registered "Status" Indians.

Indians lag behind other Canadians on virtually every social indicator. As regards housing, Indians were five times more likely than non-Aboriginals to live in crowded homes: more than one-quarter of on-reserve Indians live in crowded housing.⁷ As for life expectancy, Indians live on average 5.1 fewer years than other Canadians – a life expectancy comparable to China and the Dominican Republic. Registered Indians, particularly those living on-reserve, have higher incidence rates than other Canadians for suicide, alcoholism, diabetes, smoking, tuberculosis, and obesity. More than 36 percent of on-reserve Indians receive welfare, compared with 5.5 percent of the general Canadian population.⁸ Indians are more likely to be unemployed than the rest of Canadians, and have much lower incomes.⁹

The substantially lower quality of life of Indians – indeed, of Aboriginals more generally – is especially evident with respect to education. In 2006, fully 38 percent of Indians aged 25-64 had less than a high school education, compared to 15 percent for non-Aboriginals in the same age bracket. Likewise, only eight percent of all Aboriginals in the same age group had a university degree, compared to 23 percent for non-Aboriginals. This gap actually widened between 2001 and 2006.¹⁰ Sadly, only three percent of all Registered Indians have a university degree, compared to 18 percent

7 Flanagan, *Second Thoughts*, 225; Statistics Canada, *Aboriginal Peoples in Canada*, 8.

8 Flanagan, *Second Thoughts*, 226-227; Richards, *Creating Choices*, 34-35, 41.

9 Michael Mendelson, *Postsecondary Education in Canada*, 35.

10 Statistics Canada, *Educational Portrait of Canada, 2006 Census* (Ottawa: Government of Canada, 2008), 19-24.

of the entire Canadian population.¹¹

It should be noted that Aboriginal educational attainment is increasing, albeit slightly. Between 2001 and 2006, for example, the rate of Aboriginals with a university degree moved from six to eight percent.¹² This rate of increase, which is by no means negligible, held for Indians in general (by 1.1 percent) and on-reserve Indians in particular (by 0.7 percent). As one recent study noted, "even though the absolute educational gap between Aboriginal and non-Aboriginal populations is increasing, the strong rate of growth in the proportion of Aboriginals holding a university degree remains encouraging for the future."¹³

Yet Canadians should hardly take comfort from these figures. Across the board, the educational data all tell the same story: Aboriginal attainment is increasing very slowly, at a much slower rate than non-Aboriginal Canadians. The gap between Aboriginals and non-Aboriginals is growing. Indians fare even worse than Aboriginals more generally. And finally, the on-reserve Indian population has poorer social indicators than Indians living off-reserve. In 2006, for example, more than 50 percent of Indians living on-reserve had not completed high school, compared to 30 percent of off-reserve Indians. Likewise, nine percent of Indians living off reserve had a university degree, compared with only four percent living on reserve.¹⁴ To no one's surprise, this poor educational attainment leads to substantial dependency. As Aboriginal author and entrepreneur (and co-author of this study) Calvin Helin notes, "[w]hile only 29 percent of the Aboriginal population live on reserves, they receive 88 percent of the federal government program spending. The 50 percent that live in cities receive only 3.5 percent of this amount."¹⁵

The substantially lower quality of life of Indians – indeed, of Aboriginals more generally – is especially evident with respect to education

Why Canada Needs Indian Youth

Canadians clearly find the social and economic conditions experienced by Indians, particularly on reserves, deplorable. Yet Canadians have been complacent about our most vulnerable citizens, being "content to put Aboriginal challenges out-of-mind and into the backwater bureaucracy."¹⁶ Our national prosperity has unfortunately afforded us the luxury of overlooking the plight of all Aboriginals, and with it their shockingly high unemployment, welfare rates, and poor living conditions.

11 Alex Usher, *The Post-Secondary Student Support Program: An Examination of Alternative Delivery Mechanisms* (Toronto: Educational Policy Institute, 2009), 5.

12 Statistics Canada, *Educational Portrait of Canada*, 19.

13 Sharpe et al., *Increasing Aboriginal Educational Attainment*, 17.

14 Statistics Canada, *Educational Portrait of Canada*, 22.

15 Calvin Helin, *Dances with Dependency: Out of Poverty Through Self-Reliance* (Woodland Hills, CA: Ravencrest Publishing, 2008), 55. Emphasis added.

16 Helin, *Dances with Dependency*, 44.

In the coming years, such complacency will no longer be an option. Canada is about to experience an unprecedented labour shortage. The demographic shift associated with the looming retirement of baby boomers, combined with a shrinking labour force due to decades of declining fertility, presents a substantial change in the very structure of our population base. As Brian Lee Crowley explains:

Starting in 2011, population will grow faster in Canada than the labour force, and that trend will continue for forty years... By 2016, a few short years away, the number of net new workers entering the workforce will be zero and will be slightly negative for a decade after that. We are teetering on the edge of a demographic cliff, and we have one foot out in the air.¹⁷

All projections of Canada's future population, no matter how rosy, recognize this essential fact: the workforce is shrinking, and the labour market is going to look very different in a few short years. Between 1956 and 2056, Canada's labour force grew by a whopping 200 percent; by contrast, in the next 50 years, it will grow by a mere 11 percent.¹⁸ At the same time, an aging workforce and the burgeoning number of retirees will create even greater dependency and will make labour force growth even more important. In 2030, the ratio of Canadian workers to retirees is expected to be a mere two to one, down from the current 3.25 to one.¹⁹ One recent Statistics Canada report predicts that Canada's senior population (65 and older) could be more than double the number of children under the age of 15 by the same year.²⁰ Canada needs workers, and it needs them urgently.

Thankfully, with crisis comes opportunity. Along with encouraging older workers to keep working, Canada can mitigate the labour shortage by employing workers from populations with traditionally lower labour force participation rates: young men, rural populations, recent immigrants, Canadians trapped in welfare dependency, and, of course, Aboriginals.²¹ The coming era "will be an age of inclusiveness such as the social engineers of the employment equity movement could never have imagined"²² not because governments will force people to employ non-traditional workers, but because it will be an economic necessity to do so.

Some may feel that we can overcome the labour shortage simply by increasing immigration. However, immigration alone cannot stop Canada's population aging. The average age of immigrants, who often bring their aging parents to Canada, is not substantially different from the average age of Canadians as a whole, and the

economic success of recent immigrants has fallen significantly behind that of Canadian-born workers. Even if Canada were to increase its immigrant intake fourfold – an average of one million immigrants per year for the next fifty years – by 2056, Canada's median age would still rise from 38.8 to 44.1 years, and the proportion of seniors from 13.2 percent to 22.3 percent.²³ A dramatic increase in immigration levels would "mitigate only very partially the economic consequences of a broad social phenomenon like aging."²⁴ Moreover, as competition for immigrants intensifies in the rest of the world, Canada's relative attractiveness as an immigrant destination will continue to decline. We can no longer blithely assume that we can "attract as many immigrants as we wish at whatever levels of education and skills we need."²⁵

By contrast, Aboriginal demographics present a clear opportunity in this regard, as Aboriginals (particularly Indians) and non-Aboriginals are essentially moving in opposite demographic directions: Canada's population is growing slowly and greying, while the Aboriginal population is growing rapidly and is much younger. One-third of the Aboriginal population is 14 and under, compared with a mere 19 percent for non-Aboriginals. In 2006, the median age of the Aboriginal population was 27.

For the non-Aboriginal population, it was 40. Aboriginals account for 3.3 percent of the total Canadian population, but 5.6 percent of Canadian children. The population increase for status and non-status Indians in the decade between 1996 and 2006 was 26 percent, three and a half times the eight percent increase for non-Aboriginals.²⁶

Whatever way one looks at it, the data say the same thing: as the Canadian labour force remains stable or stagnant while the economy is growing, the potential labour pool of Aboriginals is growing rapidly. The labour force implications are already here. The working age (15-64) Aboriginal population increased by 25 percent between 2001 and 2006 compared to six percent for other Canadians, and this trend is expected to continue; between 2001 and 2026, more than 600,000 Aboriginal youth will enter the labour market, an expected growth of 37 percent.²⁷ This "Aboriginal demographic tidal wave" could not come at a more opportune time. This extraordinarily high rate of Aboriginal unemployment "is occurring precisely at the time when Canada needs the workers most."²⁸

Canada's population is growing slowly and greying; the Aboriginal population is growing rapidly and is much younger

17 Crowley, *Fearful Symmetry*, 32.

18 Crowley, *Fearful Symmetry*, 24.

19 Crowley, *Fearful Symmetry*, 255-256.

20 Krystle Chow, Seniors Could Outnumber Children by 2-1 in 25 years, *Vancouver Sun*, 16 December 2005, A3.

21 Crowley, *Fearful Symmetry*, 260.

22 Crowley, *Fearful Symmetry*, 261.

23 Statistics Canada, The Daily, October 26, 2006: Canada's Population by Age and Sex, Ottawa: Government of Canada, 2006, <http://www.statcan.gc.ca/daily-quotidien/061026/dq061026b-eng.htm> (accessed 5 January 2010).

24 Crowley, *Fearful Symmetry*, 218-219.

25 Crowley, *Fearful Symmetry*, 222-223.

26 Helin, *Dances with Dependency*, 44, 48; Statistics Canada, *Aboriginal Peoples in Canada*, 8, 14.

27 Indian and Northern Affairs Canada, Fact Sheet: 2006 Census Aboriginal Demographics, <http://www.ainc-inac.gc.ca/ai/mr/is/cad-eng.asp> (accessed 29 December 2009); Jeremy Hull, Aboriginal Youth in the Canadian Labour Market, *Horizons* 10.1 (2008): 40-44.

28 Helin, *Dances with Dependency*, 44, 56.

Implications of Indian Labour Force Participation

Integrating Aboriginal youth into the Canadian workforce will by no means be an easy task. The economic and social ills plaguing Aboriginals, particularly those living on reserve, have been documented above. Merely coming of working age does not guarantee a job, even in a labour shortage. The employment rate for Aboriginals aged 25-64 is 63 percent, up from 58 percent in 2001, but much lower than 76 percent for non-Aboriginal Canadians. Of greater concern, in 2006 the unemployment rate for Aboriginals aged 25-64 was a whopping three times the Canadian average, exceeding the Canadian rate in every single region.²⁹

Thus, getting Aboriginal entrants into the Canadian labour market is not just a moral imperative in order to improve the well-being of Aboriginals: it is absolutely essential to easing Canada's coming labour shortage. Michael Mendelson is not overstating the fact when he argues that "Canada's future prosperity depends on how successful we are in achieving equitable results in our labour market for Aboriginal Canadians."³⁰

A recent analysis by the Centre for the Study of Living Standards, which detailed the fiscal implications of improving Aboriginal living standards, lends credible evidence for this conclusion. The authors found the cost of Aboriginals' above-average use of government services was \$6.2 billion in 2006, and will rise to \$8.4 billion per year by 2026 if unchecked. On the other hand, if by 2026 Aboriginal Canadians were able to increase their educational attainment to the 2006 level of non-Aboriginals, GDP would grow by an additional \$179 billion between 2001 and 2026. Government tax revenues alone would be \$3.5 billion higher in 2026.³¹

The implications for the Canadian labour force would be enormous. Assuming that Aboriginal economic and social conditions remain the same as today, Aboriginals are expected to account for 12.7 percent of labour force growth and 11.3 percent of employment growth between 2006 and 2026; by contrast, if employment and participation rates reached 2006 non-Aboriginal levels by 2026, Aboriginals would account for 19.9 percent of the labour force growth and 22.1 percent of employment growth in the same period.³² The authors recognize that such potential is unlikely to be fully realized, as many older Aboriginals are unlikely to go back to school. Nonetheless, they conclude that increasing Aboriginal well-being is not just in the interests of Aboriginals themselves – it is in the interests of all Canadians:

Not only would it contribute to the personal well-being of

29 Indian and Northern Affairs Canada, Fact Sheet.

30 Mendelson, *Aboriginal Peoples and Postsecondary Education*, 56.

31 Sharpe et al., *Increasing Aboriginal Educational Attainment*, v-vii.

32 Sharpe et al., *Increasing Aboriginal Educational Attainment*, vi.

Aboriginals, it would address Canada's two most pressing economic challenges: a looming labour shortage caused by an ageing population and low birthrate; and a lackluster growth in productivity which has eroded Canadian industry's ability to compete.³³

The best way to cope with this challenge will be to focus on increasing the educational attainment of Aboriginals. The next section examines this more closely, focusing principally on Indians.

Education is the Means

Education is not simply another social indicator; in many senses, it is the most important cause of social mobility and progress.

Study after study identifies education as the most important way to improve the life of Aboriginals. After completing post-secondary education, for example, Indians fare as well as the general population on most social indicators, though they fare slightly worse in terms of employment.³⁴ As education level rises, so does median income.³⁵ Although Aboriginals have much lower incomes than non-Aboriginals, Aboriginals with a high school diploma or higher obtained "significantly better labour market outcomes, both in absolute terms and relative to non-Aboriginal Canadians than those who did not."³⁶

Whether in the form of a secondary school diploma, a trade certificate, a college diploma, or a university degree, education matters.³⁷ As such, Canada will benefit from a sustained effort to ensure that Aboriginal youth are completing secondary school and moving on to post-

secondary education. The authors of a recent study on the economic implications of Aboriginal success contend that "increasing the number of Aboriginal Canadians who complete high school is a low-hanging fruit with far-reaching and considerable economic and social benefits for Canadians."³⁸

For Indians, "there is no question that education really is the only path out of poverty."³⁹ Secondary education is clearly a priority, and many studies have looked at ways to reform primary and secondary education for Indian students living on and off-reserve.⁴⁰ However,

33 Centre for the Study of Living Standards, *Aboriginal Education Key to Bolstering Productivity, Labour Force*, Press Release, 20 May 2009, <http://www.csls.ca/reports/csls2009-3-pressrelease.pdf> (accessed 29 December 2009).

34 Mendelson, *Aboriginal Peoples and Postsecondary Education*, 35.

35 John Richards and Aidan Vining, *Aboriginal Off-Reserve Education: Time for Action* (Toronto: CD Howe Institute, 2004), 2-4.

36 Sharpe et al., *Increasing Aboriginal Educational Attainment*, vi.

37 Usher, *Alternative Delivery Mechanisms*, 6.

38 Sharpe et al., *Increasing Aboriginal Educational Attainment*, 70.

39 Helin, *Dances with Dependency*, 205.

40 See John Richards, Jennifer Hove and Kemi Ofalabi, *Understanding the Aboriginal/Non-Aboriginal Gap in Student Performance: Lessons From British Columbia* (Toronto: CD Howe Institute, 2008); Michael Mendel-

Education is not simply another social indicator; in many senses, it is the most important cause of social mobility and progress

making the transition from secondary to post-secondary education as seamless as possible also remains a crucial issue. Given the fact that Indian students, particularly those living on reserve, come from lower-income families than the rest of Canadians, funding is an obvious issue. Many young non-Aboriginals can graduate debt-free because they have the support of their families, who can often bear an important part of the cost. Young Aboriginals, on the other hand, often come from a background of poverty and cannot count on the same level of family support.

The educational and financial factors are mutually reinforcing. Insufficient funding (or the perception of insufficient funding) is one of the primary reasons Aboriginals do not complete post-secondary studies; nearly one-quarter of Aboriginals cited finances as a reason for not completing their post-secondary studies in 2001.⁴¹ Moreover, inadequate financial support and a desire to avoid debt are major

son, *Improving Primary and Secondary Education on Reserves in Canada* (Ottawa: Caledon Institute of Social Policy, 2006).

41 Statistics Canada, *Aboriginal Peoples Survey 2001 Initial Findings: Well-Being of the Non-Reserve Aboriginal Population* (Ottawa: Government of Canada, 2003), 19.

factors that prevent Indian youth from beginning post-secondary education in the first place.⁴²

Offering Indian students the means to harness their own educational potential and determine their future can close the gap between Indian and non-Indian Canadians. As the above section demonstrates, education is the most powerful force lifting Indian youth out of poverty and dependency and into prosperity. Given the uniformity of poor social, economic and educational outcomes for Indian students across the country, this is an issue that warrants national attention. The national significance is magnified by the fact that education for registered status Indians falls under Ottawa's jurisdiction, a unique state of affairs. The next section examines the federal government's current policy for improving the post-secondary education success rate of all Indian youth.

42 R. W. Malatest and Associates Limited and Blair Stonechild, *Factors Affecting the Use of Financial Assistance by First Nations Youth* (Montreal: Canadian Millennium Scholarship Foundation, 2008).



"Having taught native students in both Canada and the US, the need for straightforward access to educational funds is clearly evident. While some bands have created an excellent process

that serves students well, other bands are only coming to understand the best practices that optimize a student's access to higher education. As an educator and economic development executive, I affirm the foundational role that education provides to establish a healthy future for our First Nations communities."

Ray Levesque, former Director of Student Services at Northwest Indian College, Bellingham, WA; former instructor, Aboriginal Educators Program, Nicola Valley Institute of Technology



"I have witnessed firsthand the corruption by which the current education and funding program is delivered in my community. Constructive changes to the process of post-

secondary educational funding is long overdue for community members. It is important that students control their own educational financial resources. It makes no sense that a political body that is more often than not motivated by patronage has arbitrary control over who gets funding and how much. There needs to be fairness and transparency in the process. Putting control of educational funding in the hands of those impacted is likely to lead to the best educational outcomes and more empowerment for individual members."

John Helin, Member of Tsimshian First Nation, member of band council, former Chief Councilor of Lax Kw'alaams Band

GOOD INTENTIONS, BAD POLICY: THE POST-SECONDARY STUDENT SUPPORT PROGRAM

Although education is constitutionally an area of provincial jurisdiction, the federal government has authority over “Indians, and Lands reserved for the Indians” under section 91.24 of the Constitution Act, 1867. The federal Indian Act provides primary and secondary on-reserve education for all status Indian students. For post-secondary education, the jurisdictional question is less clear. The federal government considers Indian post-secondary education a matter of social policy, and thus an area of provincial jurisdiction. By contrast, Indian bands and First Nations organizations claim education at all levels is a Treaty right recognized in the Canadian Constitution. When surveyed, Indian youth consistently espouse the same view.⁴³

The federal government funds post-secondary education for Indians, but views such funding as discretionary rather than constitutionally required. As Paul Leblanc, a former Senior Assistant Deputy Minister, explained to the Standing Committee on Aboriginal Affairs and Northern Development, “Our interpretation is that there is nothing in the Act that requires a contribution at the post-secondary level, and that there is nothing in the Act that limits the possibility of contributing at the post-secondary level.”⁴⁴

Federal funding for Aboriginal post-secondary education exists in the form of the Post-Secondary Education (PSE) program of Indian and Northern Affairs Canada (INAC), which dates from 1977 and is designed to provide eligible Indian and Inuit students with access to post-secondary education. It contains three components:

- Post-Secondary Student Support Program (PSSSP) – Provides money to Registered Indian and Inuit students⁴⁵ enrolled in post-secondary programs. These programs include community college and CEGEP diploma/certificate programs, undergraduate programs, and advanced/professional degree programs.
- University and College Entrance Preparation – Provides money for Registered Indian and Inuit students enrolled in university and college entrance preparation programs.

43 Canada, *No Higher Priority: Aboriginal Post-Secondary Education in Canada*, Report of the Standing Committee on Aboriginal Affairs and Northern Development (Ottawa: Government of Canada, 2007), 3; Malatest & Associates Ltd. and Stonechild, *Financial Assistance*, 23.

44 Canada, *No Higher Priority*, 3.

45 For brevity, this report focuses solely on the Indian delivery of the program. For the Inuit component of the program, the territorial governments disburse funds to individual Inuit students. Thus, many of the problems related to accountability and transparency within the Indian component of the program do not exist within the Inuit component.

- Indian Studies Support Program – Provides Indian organizations and post-secondary institutions with money for creating and administering university and college-level courses specifically for Registered Indian and Inuit students.

The Post-Secondary Student Support Program is by far the largest component of the PSE Program, at a current (2008-09) annual cost of \$314 million, increasing by a maximum of 2 percent annually. The money is intended to cover tuition, books, supplies, travel, and living allowances for students and their dependents, as well as tutoring, guidance and counseling services. Inuit students and Registered Indians living on- and off-reserve and residing in Canada are eligible for funding. In 2008-09, the program funded approximately 22,000 students, down from a high of 27,000 in 1997-98. The goal of the program, consistent with the goal of INAC’s PSE program in general, is to get more Indian students into post-secondary education, and eventually into the workforce.

Although INAC regional offices administer the program, almost 100 percent of the funding is delivered by Indian bands,⁴⁶ their administering organizations, or educational institutions. For the Inuit component of the program, the money goes from the federal government to the territorial governments, which then fund individual Inuit students.⁴⁷ For the Indian component, the money flows directly from INAC to individual bands via either a Comprehensive Funding Agreement, which consists of funding on a program basis, or an Alternative Funding Agreement, which consists of multi-year “block” funding. In either case, the money is distributed from INAC to the Indian bands, which then distribute it to individual students. The federal government determines the objectives and provides the money, but the bands ultimately determine

which students are funded.

In 2009 an INAC audit⁴⁸ unearthed countless problems with the administration and effectiveness of the program. These problems include surplus funds, wait-listed students, regional variation, favouritism and nepotism, and a lack of performance measurement. Each problem underscores fundamental issues with the program’s transparency and accountability structure. They are examined below.

46 The funding is given from INAC to the First Nations community, for which the official legal term is “Indian band.” The legal decision-making body for most bands consists of a chief and a band council. To avoid confusion, this study uses “Indian bands” or “bands” to refer to the body entitled to exercise the band’s legal power.

47 Canada, *No Higher Priority*, 13.

48 Indian and Northern Affairs Canada Audit and Assurance Services Branch, *Audit of the Post-Secondary Education Program* (Ottawa: Indian and Northern Affairs Canada, 2009), <http://www.ainc-inac.gc.ca/ai/arp/aev/pubs/au/psep/psep-eng.pdf> (accessed 29 December 2009).

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Why I favour the APSSA proposal



by Caroline Krause
Former Principal of Grandview/uuquinak'uuh
Elementary School

After reading this paper, I felt compelled to present my unequivocal support. A new approach to funding for post-secondary Aboriginal students is urgently needed to address their under-representation in universities across the country, which in turn makes it impossible for them to find skills-based and professional employment.

As former principal of Grandview/uuquinak'uuh Elementary School, which is in one of Vancouver's poorest neighbourhoods, I have had direct experience working with Aboriginal students and their families. I am well aware of the struggles that students face when entering large, impersonal secondary schools where they often encounter hostility, marginalisation, social isolation, and academic challenges at significantly higher levels than their non-Aboriginal counterparts.

Although Aboriginal students at the elementary level are currently experiencing greater academic success than in the past, many drop out of school after Grade 8 or Grade 9 and as many as fifty percent fail to graduate. I feel certain that the MLI's monetary incentive program will prove successful in keeping Aboriginal students in school, in encouraging greater numbers to graduate from high school, and in motivating them to continue on with post-secondary studies.

At one of Vancouver's secondary schools, an innovative math teacher has proven that a monetary rewards program actually works. With financial assistance from private foundations and support from some members of the University of British Columbia Math and Science Faculty, this teacher has set up a very successful after-

school homework club where Aboriginal students receive small bonuses each time they attend regular classes and each time they attend the homework club.

In an interview with me in December 2008, the teacher reported that she has seen an increase in the number of students who have been able to move from Math Essentials into Principles of Math and an increase in the percentage of students who stay in school as a result of the incentives program. She finds that the students are developing better work habits and deeper connections to the school and to the adults who are working with them.

Before things can really change for Aboriginal students, the teacher and I agreed that the indifference and inequities in the system will have to be rectified and there will have to be greater overall accountability for their social, emotional and educational well-being. In her own words, "These are not disposable children!" (C. Krause. Joint VSB/UBC Research Project. 2008).

One way to create a more equitable system will be to implement the proposed monetary incentive program right away. If secondary school students and their families knew that \$3,000 per year would be placed into a special account for post-secondary studies, I am convinced that there would be a significant increase in the number of Aboriginal students attending class regularly, in the number enrolling in mainstream rather than alternative programs, and in overall graduation rates.

Education, especially at the post-secondary level, is the crucial factor in improving employment opportunities and quality of life for Aboriginal peoples who are sadly Canada's poorest and most marginalized group. In my current position

as Faculty Associate in UBC's Faculty of Education, I have seen first-hand the financial challenges that post-secondary Aboriginal students face on an ongoing basis. Since arriving at UBC in September 2005, I have worked with dozens of Aboriginal students from the Native Indian Teacher Education Program (NITEP). During the 2005-06 academic year, I taught four first- and second-year NITEP courses. Of the eight students who were originally registered, only one has graduated so far. A second one who is currently taking one of my courses will probably graduate in April of this year. The main reason the others had to drop out was lack of funding.

Some of these students have shared with me their ongoing frustration with the current funding system that depends entirely on the goodwill of band councils and chiefs. Even when students receive approval for funding, there are times when the money arrives so late that they are unable to pay their rent, buy groceries or cover tuition fees.

Almost all Aboriginal post-secondary students that I have known at UBC have had to get jobs to supplement band funding, which can be as little as a few hundred dollars a month, or nothing at all. This has serious implications for students who have to juggle heavy university course loads and demanding work responsibilities at the same time. Some of these students are also parents with young children, who have to pay for day care or out-of-school care to be able to attend classes.

It is a well-documented fact that the current funding system (PSSSP) is not working and that it is open to serious abuse, favouritism and other discriminatory practices. It should be replaced without

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Surplus Funds and Abuse of Expenses

To the extent that minimum program requirements are met (and these requirements, as seen below, are hardly arduous), individual bands are allowed to retain “unexpected balances” at the end of the year. In a classic case of a perverse incentive, if there is money left over, it does not go to the students for whom the money was intended. It stays with the bands, to be spent at the discretion of chiefs and councils. Revealingly, the audit found “such annual program surpluses are not uncommon,” as individual bands “are not required to report on specific program spending.”⁴⁹ Although some bands claim they “reallocate” funds for other community priorities, INAC keeps no records on such reallocations.⁵⁰

When the bands do report information, there is evidence of mismanagement and abuse. The financial statements submitted to INAC routinely report the use of program funds for “non-eligible” expenses including, but not limited to, “administration costs, capital expenditures, child care costs, staff salaries and benefits, staff training/meetings, staff or council travel expenses, office expenses and utility costs.”⁵¹ Because the bands are allowed to retain surplus funds, they have the authority to spend such funds on “non-eligible” program expenses. Thus the lack of transparency and accountability built into the program effectively turns any “non-eligible” expense into an “eligible” expense.

In itself, this program flaw speaks volumes. Surplus funds from a national program intended to cover Indian students’ post-secondary education should be spent on the students, not on band council travel expenses or staff childcare arrangements. The Audit found that these uses of surplus funds “could be denying other eligible students from intended program support.”⁵² There is no evidence that anything has been done to rectify this shameful practice.

Wait-listed Students and Rationing

In spite of surplus funds, the audit found evidence that some eligible students are unable to obtain funding, which results in students being “wait-listed” for funding. There is no data on precisely how many students are wait-listed.⁵³ The program’s distribution structure has thus created a second perverse outcome: while on the one hand certain bands are able to retain surplus funds originally intended for students, on the other hand, students from other bands are unable to

receive the funding to which they are entitled. For such variance to occur in a national program aimed at all Indian students is downright scandalous.

These problems, severe as they are today, will only be exacerbated in future: the cost of post-secondary education is rising faster than the maximum rate of growth of the PSSSP. As the young Indian population continues to grow, more students will inevitably be forced to wait to have the chance to pursue their studies in the years to come. The lack of accountability and absence of clear guidelines for dealing with insufficient funds only exacerbates this problem, creating huge disparities between and even within reserves.

A recent examination of the program found that in addition to problems with oversight and accountability, stagnating resources per eligible recipient has led to rationing. Even where the program is administered properly, a two percent annual growth in expenditures cannot keep pace with the rapid growth of Indian youth, even if tuition costs were to grow at roughly the same rate rather than the 4.3 percent of the last decade.⁵⁴ Absent spending increases, funding will inevitably be rationed in one of two ways under the current structure: by reducing the amount of funding per student, or reducing the number of students assisted.⁵⁵ As it stands, there is no policy guideline for how the necessary rationing should occur. Prospective students are left at the whim of the band council, who can allocate the funding

however they see fit. The growth of the young Indian population combined with the rise in tuition costs mean this problem will only get worse in the absence of serious reform.

Regional Variation

Indian and Northern Affairs Canada is a federal government department with a mandate to serve the needs of Aboriginals across the country. Likewise, the PSSSP is a national program, designed to assist all Registered Indian and Inuit students in Canada. Yet this ostensibly national program does not have a national funding formula. Rather, different regional INAC offices use different formulae to distribute the funds to individual bands.⁵⁶

These formulae vary widely. Some regions base their funding on 18-34 age cohorts in the region, others on 18-34 age cohorts within individual bands, and others still on prior year funding. The result is considerable regional variance without any clear rationale. In 2008 the Ontario region disbursed \$1,609 per individual in the 18-34 age cohort, whereas the Atlantic region disbursed only \$941 per individual for the same cohort.⁵⁷ This is in spite of the fact that Atlantic Canada has some of the highest tuition fees in the country:

⁵⁴ Indian and Northern Affairs Canada, *Audit*, 7.

⁵⁵ Usher, *Alternative Delivery Mechanisms*, 12.

⁵⁶ Usher, *Alternative Delivery Mechanisms*, 10.

⁵⁷ Indian and Northern Affairs Canada, *Audit*, 12.

If there is money left over, it does not go to the students for whom the money was intended – it stays with the bands, to be spent at the discretion of chiefs and councils

⁴⁹ Indian and Northern Affairs Canada, *Audit*, 6.

⁵⁰ Canada, *No Higher Priority*, 21.

⁵¹ Indian and Northern Affairs Canada, *Audit*, 18.

⁵² Indian and Northern Affairs Canada, *Audit*, 17.

⁵³ Indian and Northern Affairs Canada, *Audit*, 8; Malatest & Associates Ltd. and Stonechild, *Financial Assistance*.

Nova Scotia has the highest average undergraduate tuition fees of any province, while New Brunswick has the third highest.⁵⁸ The audit offered no explanation for this disparity, nor any evidence that anything was being done to rectify it.

Favouritism and Nepotism

Fundamentally, the major problems with the program are transparency and accountability, both of which are sorely lacking. As might be expected in a program with virtually no oversight, this lack of accountability has created conditions in which favouritism and nepotism often determine funding.

In 2008, the Canadian Millennium Scholarship Foundation commissioned R.W. Malatest & Associates Ltd. and Dr. Blair Stonechild to look into the factors affecting the use of student financial assistance by Indian youth. The goal was to understand Indian youth awareness of post-secondary financial assistance programs and examine how that awareness differs from non-Indian youth. The researchers gathered information through 40 focus groups with secondary school students, youth in post-secondary education, and youth not in post-secondary education. The groups included Indian and non-Indian youth. The researchers also held interviews with 41 key stakeholders representing a wide range of people employed in occupations related to Aboriginal post-secondary education.⁵⁹ The authors concluded:

Many First Nation students expressed frustration with the “lack of transparency” with respect to how such funds are allocated. Some youth felt that receipt of band funding often depended on relationships with band leadership, proximity to the band (those living on reserve were seen as having a higher probability of being funded than those living off reserve) or other factors.⁶⁰

Even more telling, some students stated that the past performance of their family members affected their ability to receive funding. Others were allegedly passed over because of their age, the fact

58 Statistics Canada, Average Undergraduate Tuition Fees for Full Time Canadian Students, by Discipline, by Province, <http://www40.statcan.ca/101/cst01/educ50a-eng.htm> (accessed 5 January 2010).

59 Malatest & Associates Ltd. and Stonechild, *Financial Assistance*, 2-7.

60 Malatest & Associates Ltd. and Stonechild, *Financial Assistance*, viii.

that they had children, or the type of study (e.g., graduate studies) they were pursuing. Some students felt the application process was arduous and stressful, and they sometimes did not receive notification of funding until mere weeks before beginning their studies.⁶¹ Others could not fulfill course requirements because the courses were filled by the time students receive notification. Another study notes that the creation of “tiers” has become commonplace, with more “promising” students given top priority for funding.⁶² While there is nothing wrong with meritocratic funding in principle, there is no evidence that such “tiers” have been created based on objective criteria. Such overt discrimination and cumbersome bureaucratic obstacles were certainly not an intended part of a program designed to enhance access to post-secondary education for all Indian youth.

*Indian and Northern
Affairs Canada provides
money to individual bands
with no assurance that the
money will be delivered to
the people for whom it is
intended*

No Performance Measurement

None of the above problems can effectively be rectified as long as the program is immune to any objective and accurate assessment of its performance. The bands are only required to submit an enrollment report that identifies the number of students receiving funding through the program, and a graduation report of the number of students who completed their studies in the previous year. While some bands report specific receipts and disbursements, this is not mandatory.

Because of these reporting procedures, INAC has no data on the average or median funding disbursed to students, the number of years’ support provided to individual students, drop-out rates, wait-listed students, or the percentage of students graduating.⁶³ Moreover, the 2009 Audit found that “[n]o analysis has been conducted to determine the minimum amount of recipient funding required to achieve program objectives.”⁶⁴ INAC provides money to individual bands with no assurance that the money will be delivered to the people for whom it is intended, nor any assurance that the funding is adequate (or, alternatively, excessive). In short, INAC has no real way of measuring program success.

61 Malatest & Associates Ltd. and Stonechild, *Financial Assistance*, 30-32.

62 Usher, *Alternative Delivery Mechanisms*, 12.

63 Indian and Northern Affairs Canada, *Audit*, 9-10.

64 Indian and Northern Affairs Canada, *Audit*, 7.

“Being an off-reserve Indian, I was unsuccessful in any attempts to receive funding from my First Nation to attend law school. I attended classes until all savings were gone. I strongly agree with the ideals shared within this important paper.”

Donald G. Barraclough, Peguis Indian Band President, NationTalk

A major problem with the current program design is the capability of smaller bands to effectively distribute funding. Many reserves are small, with fewer than 1,000 residents. Individuals who oversee PSSSP funding often lack the academic knowledge and understanding of post-secondary institutional operation, yet they are expected to administer highly complicated programs for the disbursement of funds. In this situation, administrative inefficiency and overload are to be expected.⁶⁵ Another study found that Indian high school students commonly used informal channels, such as family and friends, rather than formal channels (teachers and counselors) to obtain information about post-secondary funding.⁶⁶

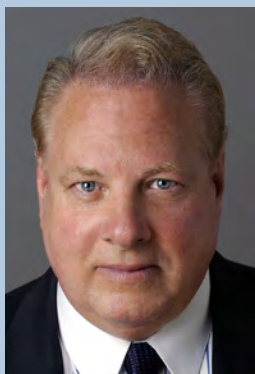
In sum, it is remarkable that a national program designed to give money to Registered Indian students across the country:

- allows individual bands to retain surplus funds to use at their discretion;
- be subject to regional variations to such an extent that the variation between Ontario and Atlantic Canada is nearly two to one per eligible student.

With virtually no transparency and accountability mechanisms in place, it is little wonder that the system has led to nepotism, favouritism, and wait-listed students. The current system devolves authority to INAC regional offices and to band councils and administrators, but gives no authority where it truly belongs: Indian youth. The next section examines several proposals for reform, and offers one solution that can overcome all the obstacles listed above.

65 Usher, *Alternative Delivery Mechanisms*, 11.

66 Malatest & Associates Ltd. and Stonechild, *Financial Assistance*, vi.



"I am pleased to wholeheartedly support this initiative. We must do a meaningful course correction and assist the Aboriginal community in a more effective manner so they can enjoy the same access

to education, careers and the abundant opportunities Canada continues to generate this new decade. To do less is a waste of the valuable human resources in this youthful community."

Bernard R. Wilson, Corporate Director and former Vice Chairman of PricewaterhouseCoopers

REFORMING THE POST-SECONDARY STUDENT SUPPORT PROGRAM

Clearly, the problems related to the PSSSP – accountability, transparency, capability, and regional variation – are not easily overcome. The program requires more than a minor tweak in order to achieve its goal of getting more Indian students into post-secondary education. A recent review of the program by the Educational Policy Institute (EPI) suggested five possible options for change in PSSSP program delivery.⁶⁷ The five options were:

- status quo with improvements in accountability;
- administration by a regional First Nations' education organization;
- administration by a pan-Canadian First Nations foundation;
- direct administration by Indian and Northern Affairs Canada;
- direct administration by Human Resources and Skills Development Canada (HRSDC).

The EPI study did not make a recommendation as to which of the five alternatives were superior. Instead, it merely laid out the advantages and disadvantages of each option, using the criteria of efficiency, accountability, capability for innovation, and "Indian control of Indian education." The study also assumed, for simplicity's sake, that the policy would still involve the distribution of grants and that the funding level would remain the same. The remainder of this section briefly discusses these five options, before offering a sixth.

Status Quo with Accountability Improvements

Of the five solutions offered, the status quo "with accountability improvements" is perhaps the least satisfying. All the problems with efficiency would remain, and students would still be at the whim of the chief and council for funding. Moreover, it is not clear what precisely is meant by "accountability improvements." Even if one suspends disbelief and assumes that all funding would be subject to full accounting and that all surplus funds would be given to the students, the status quo cannot effectively address concerns with rationing, wait-listed students, and regional variation. Nor does such a change touch on the very difficult issue of administrative capability – namely, that reserves with fewer than 1,000 people are expected to deliver a complex program with efficiency and transparency.

It is unlikely that minor accountability adjustments could effectively rid the program of the discrimination, nepotism and favouritism that currently exists. Because of the myriad problems with the program noted above, it is clear that the status quo is unacceptable. Minor tweaking will do little to address the systemic flaws with this program.

67 Usher, *Alternative Delivery Mechanisms*.

Administration by a Regional First Nations' Education Organization

Administration by a regional First Nations' education organization could potentially address the concerns over the institutional capacity of small reserves. However, several problems would arise. First, as the EPI study itself noted, where these "second and third-level" organizations do exist, they vary widely in terms of size, scope and administrative capacity. Not all bands participate in these organizations and not every region has one. Moreover, the problems of regional variation and institutional capacity would not effectively be fixed and could even be exacerbated. The administrative costs of creating these organizations where none currently exist would divert the money from helping young Indian students get their education. Finally, there is no guarantee that such an organization would eliminate the problems related to transparency and accountability. Without a clear accountability structure from INAC to the student, rationing, nepotism and favouritism could occur within a regional education organization just as easily as within individual bands.

Administration by a Pan-Canadian First Nations Foundation

Under this option, one of two things could occur: a non-governmental organization would be created to disburse money to students, with a board composed mainly of Indians; or, an existing organization such as the National Aboriginal Achievement Foundation could be charged with distributing the money.

It is difficult to see why either option is necessary. Again, such organizations could theoretically avoid the problems of institutional capacity that plagues smaller reserves. But the above concerns related to accountability, rationing and transparency would remain. How would the accountability within a pan-Canadian organization differ from the current accountability structure? How would the creation of an organization help the students who are unaware of the existence of the funds as it is? Creating a new organization would be cumbersome, time-consuming and divert important funds from

students. By the same token, there is no guarantee that an existing organization created for a purpose other than distributing funds to students would be effective or efficient at distributing these funds.⁶⁸ Although this option and the second option do retain some "Indian control of Indian education," there is little evidence that the systems would give any more control to Indian youth.

Direct Administration by Indian and Northern Affairs Canada / Direct Administration by Human Resources and Skills Development Canada

Both of the final two options, which would take control of the funding away from chiefs and band councils and put it in the hands of the federal government, would resolve many of the issues related to accountability, efficiency, regional variation, and administrative capability. Nepotism and favouritism would likely be reduced, if not eliminated. Distribution of funds would likely be similar to the Inuit component of the PSSSP, whereby funds are disbursed through territorial governments. Yet several problems would persist. As the EPI study itself notes, the government would need to create a rationing mechanism, whether based on need, merit or some other criteria.⁶⁹ Although the Inuit component of the program may lack the problems of nepotism, regional variation and abuse of expenses, there is no evidence that it has effectively dealt with problems of wait-listed students and rationing of funds. Making prospective students aware of the available funding would be another problem.

Given the scandalous problems that currently exist, either option would be preferable to the status quo. As long as the PSSSP funding continues to be based, in principle, on universality rather than need (for example, under the current system, a student's family income does not determine whether he or she receives funding), there is no inherent reason why HRSDC rather than INAC should operate the program. INAC has the list of Registered Indians and

68 Usher, *Alternative Delivery Mechanisms*, 23.

69 Usher, *Alternative Delivery Mechanisms*, 26.

"Post-secondary education is considered key to economic and social success for the 21st Century. First Nations students on-reserve continue to have the lowest participation rates at post-secondary institutions across Canada. The archaic distribution of post-secondary funds from INAC to First Nations bands across Canada needs a serious overhaul and accountability of the funds distributed for educational purposes. This paper magnifies the current issues related to the funding formula with recommendations to remedy and improve the current distribution of funds. Aboriginal students need to take control of their educational futures so that they can break the cycle of poverty and be self-reliant and contributing members of Canadian society."

Gayle Bedard, First Nations, Tsimshian Nation, District Principal, Aboriginal Education

would be far more capable than HRSDC of ensuring the money reaches the students.

It is also worth noting that the EPI study acknowledges that these two options “would command little or no support among First Nations,”⁷⁰ as these options effectively abandon the principle of “Indian control of Indian education.” The federal government, not the chief and council, would have to determine which students received funded and how rationing would occur. In this sense, bands, or at least the political leaders within the bands, would be opposed to such a policy. At the end of the following section of this report, we discuss this principle in greater detail.

Thus, if the above five options were the only options available, direct administration by INAC would be the most preferable to the status quo. However, picking the “least worst” policy option is hardly a strategy for success. There is another option the federal government can take that would erase nearly all of the problems with the PSSSP outlined in this study. Moreover, it would maintain “Indian control of Indian education,” albeit in a way that is very different from what several First Nations organizations have proposed. The next section puts forward a policy proposal that would give control directly to individual Indian students.

70 Usher, *Alternative Delivery Mechanisms*, 29.



“This paper mirrors a great deal of my own thinking and my public position on this matter. I am prepared to endorse further pursuit of this idea by our government. I share your view of the not-inconsiderable need for the reform

around funding of post-secondary education. Your plan makes sense. It puts funding for education into the hands of those who seek to benefit their lives through higher learning.”

Senator **Patrick Brazeau**, Ottawa

THE ABORIGINAL POST-SECONDARY SAVINGS ACCOUNT: EMPOWERING INDIAN STUDENTS

As the Post-Secondary Student Support Program currently exists, the federal government distributes approximately \$314 million per year to bands, who then distribute the money to students. There is virtually no accountability and students are being wait-listed. There is no effective formula for rationing. Accusations of waste, mismanagement and nepotism

abound. Indian students are often unaware that the funding is even available. A program designed to increase Indian participation in post-secondary education is not working nearly as well as it should.

Other proposals have been offered, but they fail to address the fundamental problem with the program: Indian

students are powerless to determine whether they receive funding. Authority currently rests with band councils; under other proposals, it would rest with Aboriginal organizations or with the federal government. The following proposal puts authority exactly where it belongs: with Indian youth, who will be empowered to get the education they want and so badly need to choose for themselves. Moreover, it creates an incentive structure for Indian students to complete secondary education and move on to post-secondary education.

This study proposes that the PSSSP gradually be phased out and replaced with an Aboriginal Post-Secondary Savings Account (APSSA) created at birth for all Registered Indians, regardless of whether they live on or off-reserve. This savings account would contain \$4,000 at birth and earn interest over their youth. After the completion of each grade from 6-12, the account would be credited with an additional \$3,000. This would create an incentive for Indian youth to complete secondary school by providing a tangible financial reward.

Creating such an incentive is of considerable importance. Currently, Indian high school completion rates are four times lower than non-Aboriginal rates. Over half of on-reserve Indians aged 25-34 have not completed secondary school, compared to ten percent for non-Aboriginals in the same age bracket.⁷¹ Completing secondary school leads to higher income and higher employment; Indians who have only completed secondary school are nearly twice as likely to be employed and nearly half as likely to be unemployed than Indians who have not.⁷²

Thus, the savings account would first create an incentive to complete secondary school and then assist Indian students with

71 John Richards, *Dropouts: The Achilles' Heel of Canada's High-School System* (Toronto: CD Howe Institute, 2009), 7-8; Sharpe et al., *Increasing Aboriginal Educational Attainment*, 14.

72 Sharpe et al., *Increasing Aboriginal Educational Attainment*, 22.

post-secondary education. This financial incentive would total \$25,000 upon graduation from secondary school, before adding in the substantial interest that would have accrued. This money would be placed in an account at a registered financial institution in the name of each Registered Indian student. Once the student enrolls in a bona fide post-secondary educational institution, the money in the individual's APSSA would then be available to him or her through a payment system discussed below. Recognized institutions could potentially include members of the Association of Universities and Colleges of Canada, the Association of Canadian Community Colleges, Polytechnics Canada, the National Association of Career Colleges, or the Canadian Education and Training Accreditation Commission. Membership in organizations such as these could ensure a national minimum standard for acceptable programs. Moreover, if students wish to apply to use the funds for educational institutions that did not fall within this list of "recognized institutions," there would be an approval process to ensure the program is acceptable. For up to 10 years after graduation, the funding would be available to Indian youth (at this point, young adults), after which point it would lapse and be redistributed to other students' accounts and/or be used to deal with transition costs (discussed below).

As with many existing Canadian scholarships and bursaries, there would be strict controls to ensure that money intended to cover institutional costs such as tuition would be paid directly from the account to the post-secondary institution. Tuition and mandatory post-secondary fees would transfer directly from the student's account to the educational institution at the beginning of each academic semester. Money for living expenses would be disbursed to the student on a monthly or per-semester basis, provided the student remains registered with the post-secondary institution. Acceptable monthly living expenses could be set at a specific monthly amount, which would likely vary depending on the location. There could also be controls to ensure that the account balance does not fall below the amount of tuition that remains for the completion of the program. With these mechanisms in place, students would have access to the funds only while enrolled in the post-secondary institution with good academic standing, thus providing a strong incentive to complete their studies.

Currently, there are approximately 105,000 Registered Indian students who will be completing Grade 6-12 next year.⁷³ At \$3,000 per student, this proposal would cost \$315 million, which is nearly identical to the amount of funds currently disbursed under the PSSSP. However, creating the APPSA would involve administrative costs associated with setting up the accounts, and there would have to be overlap between the creation of the savings accounts and phasing out the PSSSP. This study proposes that during a six-year transition period from the PSSSP to the APSSA, Indian students enrolling in post-secondary education would get the same \$25,000 that younger

Indian students will receive for completing secondary school.

Under this proposal, costs would rise, temporarily but substantially, during the transition period. Creating the \$4,000 accounts for every Registered Indian at birth will also necessitate an overall increase in program spending. However, the reward would be an efficient, transparent and accountable system that allows Indian students to have the funding necessary to pursue a post-secondary education. Moreover, the "lapsed" funds from the accounts of Indians who choose not to pursue post-secondary education could be used to defray some of the transition costs. In any event, it is prudent to deal with these transition costs as soon as possible, while the young Aboriginal population has not yet reached post-secondary age. Funding individual education is one of the best investments Canada can make, particularly when it is funding its most vulnerable population.

The funding numbers proposed in this study are not set in stone. Rather, they demonstrate that substantial funding can be made available to each and every Registered Indian student, if only the current spending were invested properly. The \$4,000 initial fund and \$3,000 per

year are flexible numbers that can certainly be raised depending on resources available to government and the number of Registered Indian youth. The key point of the proposal is not the exact dollar amount; rather, it is to change the structure of the way the federal government funds post-secondary education for Indian students. The creation of an Aboriginal Post-Secondary Savings Account would create incentives for Indian youth to complete secondary school and empower them to take control of their educational future.

Moreover, there is no reason that post-secondary funding would need to stop with the government. The policy could easily be tweaked so that non-profit and private donors could "top up" the students' savings accounts. This has already happened with Aboriginal education at the primary level: the Royal Bank of Canada has contributed nearly \$200,000 dollars to the Grandview/ʔUuquinak'uuu Elementary School in East Vancouver, a school with a remarkable success story.⁷⁴ If the federal government could guarantee that a system funding post-secondary education for young Indians was transparent and accessible, there is every reason to think that non-profit and private organizations might contribute.

Students would have access to the funds only while enrolled in post-secondary institutions with good academic standing

Addressing the Unique Plight of Aboriginals

Phasing out the PSSSP and replacing it with a savings account would accomplish several goals. First, it would provide an incentive for Indian students to complete Grades 6-12. Knowing that the successful completion of a grade means \$3,000 to be put toward future costs is a powerful incentive for both Indian students and parents. Like property ownership, which is also

⁷³ Information gathered through correspondence with Indian and Northern Affairs Canada.

⁷⁴ Helin, *Dances with Dependency*, 212-215.

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Accountability and transparency for Aboriginal students

By Dr. Jacquelyn Thayer Scott, O.C.
Professor and Past President,
Cape Breton University



Anyone watching the opening show at the recent Vancouver Olympics had to have been impressed by the skill, endurance and pride of those 350-plus young Aboriginal dancers from across Canada who welcomed the world's best athletes to our Pacific shores. For those nearer retirement than our college and university years, it was a moment to be proud that these impressive young people — representing their families and Canada so well—would be among those leading Canada into the middle of this century, by which time more than 22 percent of us will be seniors.

So we will be relying upon well-prepared youth for Canada's future sooner than we think. By 2011 — just next year — and for 40 years thereafter, our population will grow faster than our labour force as we older folk live longer, but contribute less directly to GDP than when we were full-time workers. Aboriginal population grew by 25 percent between 2001 and 2006, compared to six percent for other Canadians, and that trend will continue. We know from our own working lives that education has been the key to prosperity and improved quality of life; that trend shows no sign of abating as the knowledge economy matures. Yet both educational attainment and employment rates for Aboriginals lag woefully. By 2006, only eight percent of Aboriginals had completed a university degree compared to 23 percent of non-Aboriginals, and the gap is growing. The employment rate for Aboriginals aged 25-64 is 63 percent — improving, but still well below the 76 percent for non-Aboriginals. Their unemployment rate in 2006 was three times the Canadian average, exceeding that rate in every region.

This journey from Olympic-opening

euphoria to uneasiness lasts only a few short steps; knowledge of just how badly we have provided for the education of young Aboriginals has been with us for decades and did not end when the residential schools closed their doors. Fittingly, the first report issued by the country's newest national think-tank, the non-partisan Macdonald-Laurier Institute for Public Policy (MLI), tackles the issue head-on. Their report, *Free to Learn: Giving Aboriginal Youth Control over Their Post-Secondary Education*, authored by Calvin Helin and Dave Snow, makes a simple and elegant leap beyond preceding analyses and discussions.

The MLI document builds on a broad base of data documenting a deplorable state of affairs from (among many others) Statistics Canada, the Educational Policy Institute, the Millennium Scholarship Foundation (MSF), the Centre for the Study of Living Standards, the CD Howe Institute, and the Parliamentary Standing Committee on Aboriginal Affairs. An Expert Panel on Skills of the Prime Minister's Advisory Council on Science and Technology that I chaired in 2000 accumulated similar data but, like others, our recommendations faltered—stymied by the usual national hand-wringing about whose responsibility it is (or should be) to fix it.

For fix it we must. Morally, politically and economically, the Post-Secondary Student Support Program (PSSSP) of Indian and Northern Affairs Canada not only fails in its coverage but creates unfortunate unintended consequences. Put simply, since 1977 nearly all PSSSP monies — now about \$314 million annually — are given as block funding to Indian Band Councils to administer. An Indian and Northern Affairs Canada audit of the program in 2009 found considerable evidence of surplus funds used for ineligible purposes, abuse of expenses, unwarranted wait-listing, rationing for

students,
regional

variations, favouritism and nepotism, with no real performance measurement in place. Equitable coverage for students living off-reserve is much worse. A 2008 MSF study of factors affecting the use of financial assistance by Aboriginal youth found they had a high level of frustration with the abuse and misuse of program funds and the lack of transparency at all levels. Small wonder.

So, all who have looked carefully at needs agree the present support program is broken, and for a long time. There is no consensus about “how” to fix it — more accountability rules, new institutions, or direct federal administration. The MLI paper agrees that the federal government is the constitutionally responsible party, but suggests responsibility can more reliably be fulfilled by dealing directly with the Aboriginal student. At birth, \$4,000 would be placed in a registered savings account to gather interest, and each year beyond Grade 6 that is successfully completed by the student garners another \$3,000 deposit to the individual's account. Other individuals and corporations may also add to the account. At a minimum, on graduation from secondary school the student would have about \$25,000 to direct to any *bona fide* post-secondary institution for their program of choice.

If we implemented the MLI recommendation, starting with the 105,000 Aboriginal students completing Grades 6-12 next year, it would cost about \$315 million — nearly the same as the flawed PSSSP. It would take about six years to replace the present PSSSP with this Aboriginal Post-Secondary Savings Account, and there would be substantial, if temporary, transition costs. But it would be a mechanism that is accountable and transparent, and that fulfills the stated purpose of the present program—making certain students actually get the money. ●

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critical to moving people out of economic dependency,⁷⁵ this incentive would effectively give Indian youth ownership of their educational funding. Indian youth would also benefit from being informed at an early age that there are educational opportunities after secondary school.

Second, it would eliminate many of the bureaucratic and administrative costs with the current system that lead to inefficiency and confusion. The money would go directly, and automatically, from INAC to the student upon completion of a grade. All students would be aware the funding existed. No students would be forced to wait. Rationing and regional disparities in funding would become a thing of the past. Nepotism and waste would disappear. Surplus funds and “non-eligible” staff expenses would no longer be issues. Relationships with band figures could not determine funding. On-reserve students and off-reserve students would be funded equally. Most importantly, control of the funds would rest with Indian youth themselves. The decision of whether to pursue post-secondary education would be entirely in the students’ hands.

Some commentators will doubtless view the creation of the APSSA, like the PSSSP, as a way of privileging Indian students during a period in which non-Aboriginal Canadians often have difficulty paying for post-secondary education. However, as the earlier sections demonstrate, Aboriginals in general and Indians in particular do not have the same opportunities as other Canadians. Non-Aboriginals, who have higher income and employment than Aboriginals, are far more capable of contributing to Registered Education Savings Plans and other educational savings accounts. The Aboriginal Post-Secondary Savings Account is a targeted poverty reduction strategy for Indians, who cannot hope to have access to education savings programs

75 Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).

that many non-Aboriginals do. It also provides an opportunity to confront Canada’s looming shortage of young workers. The plight of Aboriginals is unique, and no other community in Canada is more deserving of the opportunity that the APSSA would provide.

A Final Word on “Indian Control of Indian Education”

Of course, the political implications of such a change have to be considered. For example, the EPI study described above was criticized for even mentioning approaches that deviate from the principle of “Indian control of Indian education,” even though it did not even advocate a change away from the status quo. In response to the EPI report, the First Nations Education Steering Committee and the First Nations Summit issued a joint press release that gave that report a “failing grade.” The reason? “Any plan that removes authorities from First Nations is unacceptable.”⁷⁶

Indians have a justifiable desire to have control over education funding. As a principle, the call for “Indian control of Indian education” grew initially out of Aboriginal experience of federal control of Indian day schools, which delivered poor educational results and offered Indians virtually no control over their educational future. Even more tragically, many Aboriginals experienced shameful treatment and abuse at schools that were not controlled by Aboriginals. Any policy change with respect to Aboriginal education that is interpreted as a loss of Aboriginal control over education is likely to bring back dark and horrible memories of residential schools, which forcibly removed Aboriginal students from their homes to promote assimilation:

76 First Nations Summit and First Nations Education Steering Committee, Federal Government’s First Nations Post-Secondary Report Earns a Failing Grade, Joint Press Release, 3 December 2009, <http://www.fnesc.ca/Attachments/Post-Secondary/Press%20Releases/FNS%20FNESC%20Joint%20Statement%20FINAL.pdf> (accessed 29 December 2009).

This proposal ensures that Indian students would be subject neither to the whims of paternalistic government institutions nor to unaccountable chiefs



“As a First Nations mother, sister, aunt, and educator, I believe that all of our children deserve the right to an equal education within our public and post-secondary education system. It is vital that we begin to teach our children to become self reliant individuals and if decisions continue to be made by political bodies and by the government, the outcomes for children are not educationally sound. The process in place does not build capacity or empower our young people.”

Gloria Raphael, Nla’kapamux Nation, Principal, Grandview/ᓵuuqinak’uuh School, Vancouver

Aboriginal children were often subjected to unspeakable humiliation, and physical and sexual abuse. Children were beaten for speaking the Aboriginal languages and practising their traditions. A deliberate effort was made to make Aboriginal people feel ashamed of their Aboriginalness.⁷⁷

These painful and shattering events justify an attitude of Aboriginal distrust toward federal involvement in Aboriginal education. However, this paper's proposal ensures that Indian students would be subject neither to the whims of paternalistic government institutions nor to unaccountable chiefs. The creation of APSSAs would indeed shift authority from the band councils, which have been proven incapable of fairly and effectively disbursing the money to the target populations. But control would remain with First Nations, as Indian youth would gain control over their own educational future. If grassroots economic empowerment does not constitute "Indian control of Indian education," then what does? What institutional arrangement could possibly be more empowering than allowing all Indian students the opportunity to spend money on their education as they see fit?

It is true that the problems of nepotism, rationing and corruption with the PSSSP do not exist in every single band: certain bands have effectively disbursed the funds to students in need. Nonetheless, the evidence suggests that many bands, particularly those that are smaller and less developed, have not effectively and fairly administered the funding to students. The goal of Aboriginal post-secondary funding

⁷⁷ Helin, *Dances with Dependency*, 97.

should be to move the entire Aboriginal population forward by ensuring that every Aboriginal student gets access to their funding in the same open and fair way.

Another potential criticism stems from the fact that Indians view post-secondary funding as a treaty right, and the PSSSP is based at least in part on this principle. However, treaty rights are meaningless if they fail to protect and promote the interests of individual Indians. Our proposal does not seek to deprive Indians of these established rights; rather, it seeks to ensure that money intended to procure post-secondary education for Indians accomplishes its objective. The

Aboriginal Post-Secondary Savings Account recognizes treaty rights by establishing a mechanism by which individual Indians are given responsibility and accountability for their own education. There is also no better guarantee of future treaty rights than a well-educated population.

The proposal put forward in this paper demonstrates that there is a way to maintain "Indian control of Indian education" while

increasing efficiency, transparency and accountability. It would create an incentive for Indian youth to finish secondary school and begin post-secondary education, and encourage individual confidence, independence and responsibility. It would solve nearly every problem associated with the current PSSSP, and could begin to fund all Indian youth immediately. Most importantly, it would offer Indian youth an opportunity to get the education they want and need to change the future of First Nations people in Canada for the better.

If grassroots economic empowerment does not constitute "Indian control of Indian education," then what does?

"Peguis First Nation is the first band in Manitoba to undertake local control of education and delivery of services to our people. Peguis is open to change in the way education services are not only delivered to our students but also how funding is provided. We, as First Nation people, are severely underfunded in our program areas in many ways and as a result, most of the mispractices conducted by some of our communities stems from this underfunding. Change is needed and the authors, Calvin Helin and David Snow, provide suggestions to achieve this change in not only how practices are conducted within our First Nation communities, but also the way the federal government funds these programs. We are entitled to a formal education and the most effective way to help our students and communities achieve success is to ensure we have practices that are solidly rooted in the benefit of our people."

Chief Glenn Hudson, Peguis First Nation, Manitoba; engineering graduate

CONCLUSION

The importance of closing the gap between Aboriginal and non-Aboriginal Canadians cannot be overstated. Improving the well-being of Aboriginals, particularly Registered Indians living on reserve, is a moral imperative for Canadians. With demographic change threatening a labour shortage across the country, it is also a social and economic imperative. Canada faces a demographic crisis that will require young, educated workers to enter the labour force. The young and booming Aboriginal population has the potential to enter the workforce precisely at the time they are most needed.

The single best way to improve the quality of life for Aboriginals is through formal education. Such education must start with the completion of primary and secondary school, but in the modern knowledge economy, it cannot stop there. Access to post-secondary education, whether through the completion of a trade, a certificate/diploma, or university, will enable Aboriginals to lift themselves out of poverty and determine their own future. As one of the authors of this paper, Calvin Helin, frames the situation:

At the end of the day, given the demographic tsunami, the looming economic costs, and the savage toll that the welfare trap is taking on the poorest group in Canada, a real investment in education is key not only to moving Aboriginal people forward but to moving Canada forward.⁷⁸ Canada's experience with Aboriginal education is not a pretty one.

78 Helin, *Dances with Dependency*, 216.

The abuses suffered by Aboriginals at the paternalistic residential and Indian day schools are etched in Aboriginal memory, and they justify a distrust of federal educational policy. In this vein, the best way to empower Canada's most vulnerable citizens is to give them the tools to pursue an education and provide a better life for themselves. The federal government, through its PSSSP, offers significant funding for Indian students to enter post-secondary education. Yet the program, in which Indian bands receive block funding and are expected to provide it to Indian youth, is not achieving its goal. There is widespread evidence of misused funds, regional disparities, rationing, and wait-

listed students. The program lacks accountability, transparency and any means by which to measure performance. Indian students are not receiving the money that is meant for them. That is unacceptable.

If Canada wants to harness the potential of Indian students, this program needs to change, and it needs to change soon. Fundamentally, this requires ensuring that authority for post-secondary education rests with Indian youth, not band councils. Phasing out the Post-Secondary Student Support Program and replacing it with an Aboriginal Post-Secondary Savings Account would achieve this. It would maintain "Indian Control of Indian Education," providing Indian students with the incentive and the means to complete their secondary education and move onto post-secondary studies.

The money is theoretically being made available to Indian students. With the Aboriginal Post-Secondary Savings Account, we can make sure they actually get it. ●

A real investment in education is key not only to moving Aboriginal people forward but to moving Canada forward



"If the APSSA were available during my academic career, I would have completed my education in a reasonable timeframe and at a younger age. Without band support for my education I managed to return to full-time post-secondary attendance after a 14-year hiatus. I took out enormous student loans to complete my undergraduate goals and received substantial scholarship awards for my first graduate degree. Upon entering a PhD program at UBC I received two years of band-sponsored, tuition-only support. After completion of the second year I had to resume full-time employment. I am a fisheries/aquatic ecologist and "work" can be complex and intense, leaving little time to focus on degree requirements. I am still enrolled at UBC and approaching a decade of pursuit to completion. Interest has accrued on those student loans during this time.

Teresa Ryan, MSc., PhD (cand), Gitlan, Tsimshian Nation; Senior Policy Advisor, Native Brotherhood of BC

Caroline Krause, Continued from page 14

delay by the proposed Aboriginal Post-Secondary Savings Account, which will eliminate all the negative aspects of the present system and place financial control directly in the hands of Aboriginal students who desperately need and deserve full funding as they undertake the necessary steps to improve their educational level, personal empowerment and quality of life.

There is an urgent need to change the present corrupt system, which is clearly not working. Furthermore, there could be no better example of “Indian control of Indian education” than seeing funding that is set aside for Aboriginal students actually end up in their hands, without the endless red tape and complications of the past.

This brilliant proposal has my unconditional support and I look forward to the day when Aboriginal students will be part of a fair and equitable system that will enable them to develop the skills and knowledge needed to occupy the place that they deserve in mainstream society. ●

CALVIN HELIN

Calvin is a bestselling author, speaker, entrepreneur, lawyer, and activist for self-reliance. A member of the Tsimshian Nation from the community of Lax Kw’alaams (on the northwest coast of BC) and son of a hereditary chief, Calvin



is President and CEO of Eagle Group of Companies and Orca Spirit Publishing & Communications. He is also president of the Native Investment and Trade Association and a director of the Vancouver Board of Trade, GeoScience BC, and the Canada-China Resource Development Foundation. Calvin was chairman of an Aboriginal trade delegation to China, and is working to establish a business model to promote long-term benefits to Aboriginal people from natural resource development.

With the release of his bestselling book, *Dances with Dependency: Out of Poverty through Self-Reliance*, Calvin has developed an international reputation. His new book, *Breaking Free from Economic Dependency: Hope and Empowerment through Self-Reliance*, is expected to be released in 2010.

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ABOUT THE AUTHORS

DAVE SNOW



Dave is a PhD student in the Department of Political Science at the University of Calgary, specializing in constitutional law and comparative politics. He received a BA from St. Thomas University in Fredericton, NB, and an MA from the University of Calgary. He is a graduate fellow at the Institute for Advanced Policy

Research, a research associate with the Frontier Centre for Public Policy, and has published a paper on affordable housing and homelessness with the Canada West Foundation.

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