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**Indigenous Peoples from an International  
Perspective:  
How is Canada Faring?**



by Joseph Quesnel  
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### Indigenous Peoples from an International Perspective: How is Canada Faring?



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# Indigenous Peoples from an International Perspective: How is Canada Faring?

*“Every educated person is not rich, but almost every educated person has a job and a way out of poverty. So education is a fundamental solution to poverty.”*

- Louisiana Governor Kathleen Blanc

## Executive Summary

- The United Nations Development Programme’s (UNDP) Human Development Index (HDI) is recognized as a more inclusive measurement of human development and well-being than is the traditional GDP.
- While Canada and other developed countries enjoy high rankings in the HDI, their indigenous peoples do not fare as well. Canada declared in the 1990s that it is the “best country in the world to live in,” based on its HDI ranking.
- Questions about whether the lives of indigenous peoples in Canada, the United States, New Zealand and Australia have improved since the 1990s arose. A recent study that used a modified HDI system looked at the conditions of indigenous peoples.
- The study shows that Canada’s First Nations are doing better in terms of life expectancy, health and educational attainment, although progress in median income is inconsistent.
- New Zealand provides an interesting example because it shows rapid improvement within the indigenous Maori population in both education and median income over the period of 1990-2000, leading one to conclude that there is a correlation.
- Canada should look to New Zealand as a model for improving the lives of its indigenous populations by promoting self-reliance and increasing access to education.
- The relationship between education and socio-economic improvement strongly suggests the need for a concerted education strategy for Canada’s indigenous peoples.
- Data indicates that off-reserve Aboriginals score higher socio-economic outcomes than those living on-reserve. This raises the contentious issue of whether Aboriginal improvement lies outside of the reserves.
- Recent judicial rulings confirm that natural resource companies need to compensate First Nations for development on their traditional territories. Moreover, improvements to the land claims process should expedite access to lands. First Nations should leverage this access to land and resources to improve the conditions in their communities.

## Background

Since 1990, the United Nations Development Programme's Human Development Index has been used to measure the level of "human development" within populations. Not satisfied with Gross Domestic Product (GDP) as a measurement of social development, it was decided by researchers in the social development world at the time that the HDI provided a better glimpse of the "the enlargement of choices made possible by education and literacy, a decent material standard of living, and a long and healthy life." Although GDP measures economic growth, many of these social development observers did not think it accurately reflected the well-being of the population at large. During the 1990s, Canada proudly flaunted its high ranking within the index and politicians declared that Canada was the "best country in the world to live in." Unfortunately, this designation does not apply to all segments of the population. It is clear that First Nations do not share this high status. When evaluated as a separate population, Aboriginal peoples rank alongside Third World countries in areas such as income, access to good public services and housing.

Much has been written about the condition of Aboriginal peoples in the 1990s. However, little research has been done to determine if this population has improved since then. In March, Statistics Canada is expected to release data on labour participation and income for Canada's Aboriginals.

In 2007, four researchers from Canada and Australia put together a study to address this research shortcoming. Looking at the areas of life expectancy, educational attainment and median income, the researchers combined the three indicators into their own Human Development Index. Looking at developed countries only, they decided that Canada's Aboriginals should be compared with other indigenous populations within developed states. This study is analyzed in this background. Titled "Indigenous Well-Being in Four Countries: An Application of the UNDP's Human Development Index to Indigenous Peoples in Australia, Canada, New Zealand, and the United States," the study was originally published in the journal *BMC International Health and Human Rights* in December 2007.

The study compares indigenous populations in Canada, the United States, Australia and New Zealand. Aboriginal people in these countries experienced similar colonial histories and have low socio-economic indicators in common. These states consistently place near the top of the Human Development Index, yet all have indigenous populations with poorer health and worse social conditions than the general population.

The first study area looks at how Canada's First Nations are faring. Did they improve over the period identified in the study, and how do they compare with other indigenous populations? Some Aboriginal leaders, including Assembly of First Nations National Chief, Phil Fontaine, decried the lack of progress among Aboriginal peoples. But, are things as bad as he claims, or is the record more mixed, with some signs of improvement along with areas that need significant improvement? More importantly, are the frequent calls for increased funding and transfer payments the way to improve these scores? When we look to examples like New Zealand, it would seem they are not.

It is very important to answer the first set of questions, but it seems that a better use of the data would be to determine how First Nations in Canada could do better. Anecdotal evidence, as well as recent empirical data, points to the persistence of poverty and dysfunction in many First Nation communities. However, as this study demonstrates, there are indigenous populations outside Canada that are doing better in key areas. What can First Nations learn from these examples?

While the study contains valuable findings about which country's indigenous populations are doing better in what areas, a more meaningful contribution of the research can come from learning what ingredients are working for specific indigenous groups. What conditions within specific societies are allowing individual prosperity to occur? Since some indigenous populations are succeeding in certain areas, why can't they all? This paper attempts to address these important questions. It will also look to future trends in Canada and look at how First Nations can improve their standing.

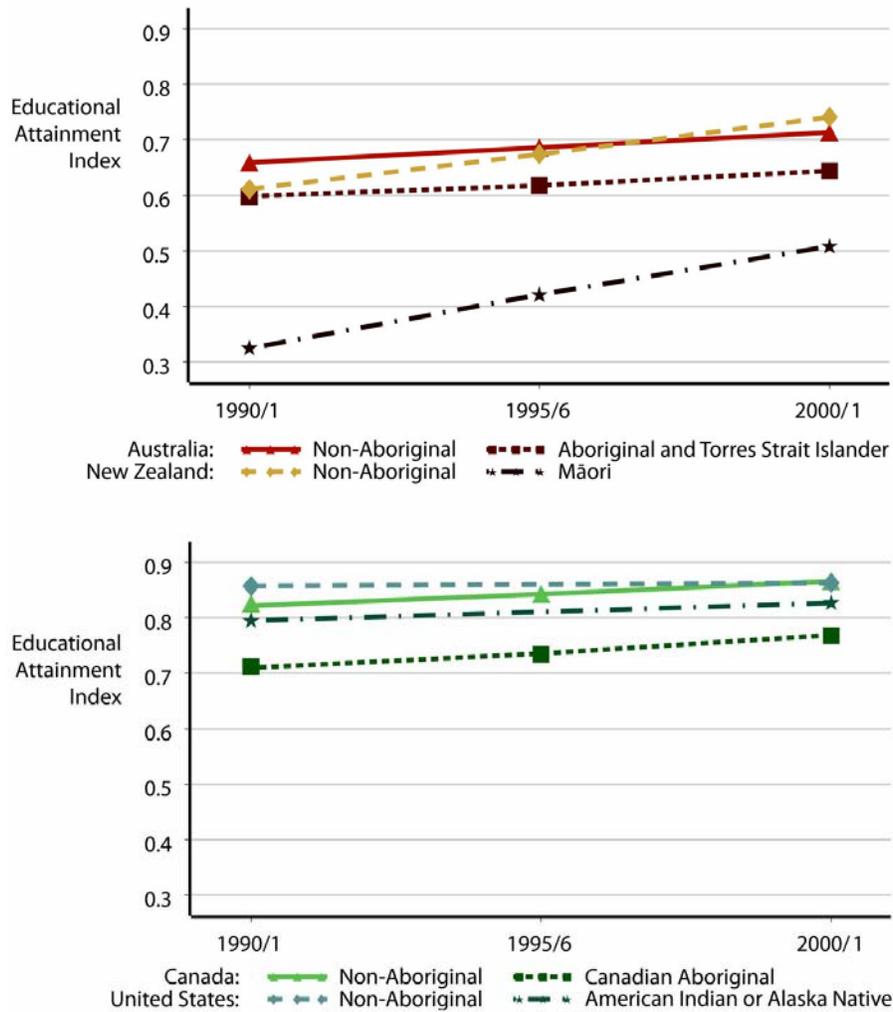
## **Study Results**

Martin Cooke, a sociologist at the University of Waterloo who was involved in the study, stressed that this study does not provide conclusive answers about whether indigenous peoples overall are improving, although he maintained that there are clear signs of improvement in some areas. Between 1990 and 2000, the HDI scores of indigenous peoples in North America and New Zealand improved at a faster rate than those of the general population, thereby lessening the gap in human development, whereas in Australia the opposite occurred. Australia's indigenous people have fallen behind in all the indicators. Looking at what is happening in Australia to cause this trend deserves a separate study so that other indigenous people know how to avoid some of their pitfalls.

The researchers studied life expectancy first. This is one area where Canada's Aboriginals are doing well, comparatively speaking. The life expectancy gap for Aboriginals decreased from 7.3 to 5.8 years over the decade, going from 70.6 years to 72.9 years. New Zealand Maori and American Indians also experienced life expectancy improvement, although not as good as that of Canadian Aboriginals. Australia saw an increase in the gap in life expectancy for its indigenous peoples.

In the way of educational attainment, scores were higher among North American populations, although all four populations showed improvement over the decade. In the United States, the gap was the smallest, and decreased over the decade. In New Zealand and Australia, there were still large gaps between the indigenous and non-indigenous populations, although the Maori narrowed the gap considerably between 1991 and 2001.

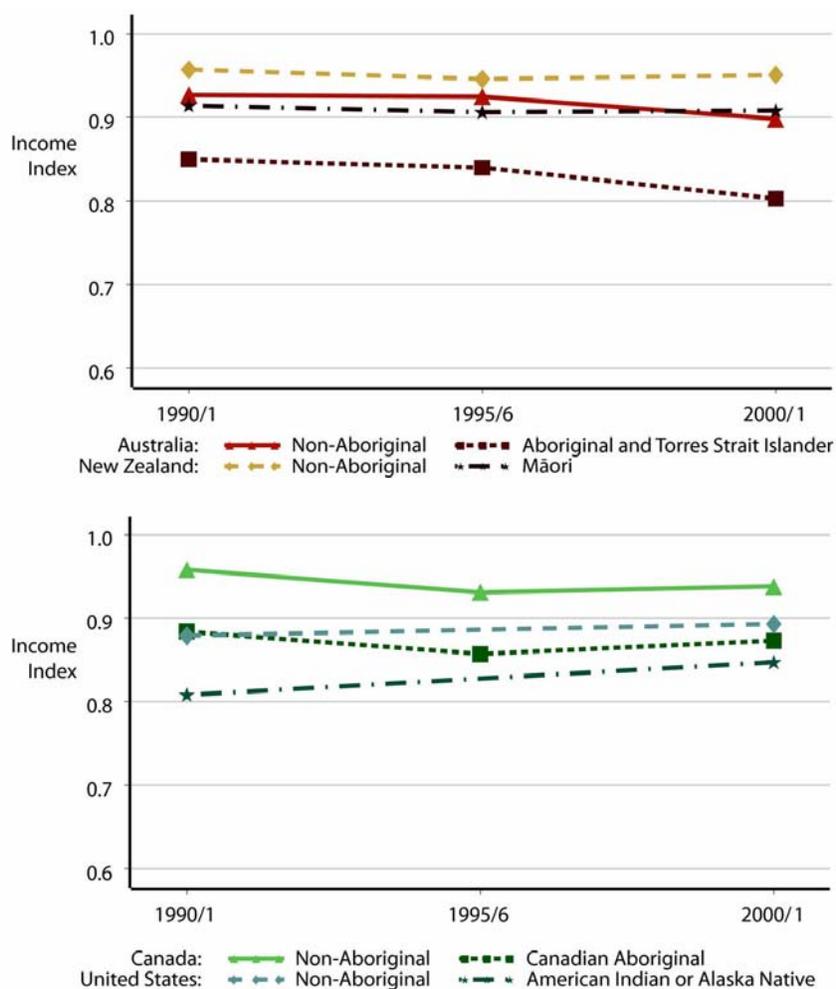
Figure 1: Education Attainment Index scores, 1990/1–2000/1.



Source: Cooke *et al.* *BMC International Health and Human Rights* 2007 7:9 doi:10.1186/1472-698X-7-9

In terms of income, the gap between indigenous and non-indigenous lessened for the four countries. However, the Maori had the highest median income among all indigenous peoples, at \$23,024 in 2001. Non-indigenous New Zealanders had a \$29,756 median income. This is a gap of \$6,732, the smallest among all four. This improvement points to differences within the Maori case study and deserves explanation. It is also important to mention if there are observations about the Maori’s success that can be applied to the Canada.

**Figure 2: Income Index scores, 1990/1–2000/1.**



Source: Cooke et al. *BMC International Health and Human Rights* 2007 7:9 doi:10.1186/1472-698X-7-9

## The New Zealand Model

The Maori are an interesting case study for Canadian Aboriginals who are interested in comparative analysis. Calvin Helin, a B.C. Aboriginal author, in his book *Dances with Dependency*, identified New Zealand and other jurisdictions as providing models for improvement for other indigenous communities.

Like Canada, New Zealand was colonized by Great Britain, and it inherited a colonial legacy, complete with legal structures. However, there are differences that merit attention. In a political and ethnic sense, Maoris are more homogenous as they speak a common language and have a more cohesive identity. Economically, it should be mentioned that the Maoris do not receive massive annual transfer payments from the federal government as happens in Canada and the United States. Maoris also receive a one-time payment of cash and assets after treaty settlements, and they must then make those assets earn revenue. New Zealand cannot sustain high transfer payments to its indigenous populations, like they do in Canada or the United States.

Maori leader Te Tara White said in an interview that because Maori were not put on reserves as in Canada and the United States, they were forced to integrate economically and become independent sooner than their North American counterparts. Maoris are a significant economic force. According to a 2003 research report<sup>i</sup>, tax contributions from the Maori population exceeded fiscal transfers to them. This compares to about \$18-billion in federal and provincial transfers to Canada's Aboriginals, with little to no tax transfers back. In 2001, the Maori commercial asset base was estimated at \$9-billion. In aggregate, the Maori economy was seen to be more profitable than even the national economy. Most interestingly, the growth of the Maori economy was greater than the economy of the non-indigenous population. Maoris also showed consistent improvement in combating unemployment.

What factors account for this significant growth? As indigenous peoples, the Maori always trailed the rest of the population in terms of socio-economic indicators. What happened was a shift in direction when it came to dealing with the Maori in New Zealand. In 1984, New Zealand wanted to halt this slide and reorient Maori toward reduced state dependency, decentralization of power and responsibility, and privatization. The Maori were given greater independence, tribal redevelopment and Maori service delivery. In other words, the greater emphasis on self-reliance fit with Maori aspirations for Maori autonomy. There was an understanding that any movement toward indigenous cultural and political self-determination had to be accompanied by economic self-reliance. Said another way, they could not call themselves self-governing while receiving handouts and massive government transfers.

It is also interesting to note that economic integration and independence did not come at the expense of cultural identity. In fact, it can be argued that decreased state dependency increases cultural pride and desire to assert identity. Despite increased economic self-reliance, the Maori still enjoy tribal universities, which emphasize traditional teachings alongside mainstream ideas. New Zealand also allows for immersion schools that teach both English and the Maori language. It is also very significant to note that as early as 2006 there were 22 Maori members of parliament, which translated to 20 per cent of the government.

What is clear is that Canada's Aboriginals can take away important lessons from the Maori example. Unlike New Zealand, Canada has a carefully controlled Indian reserve system, which systematically acts to limit economic growth and capital accumulation. This significant factor presents undeniable obstacles to economic integration. However, barring wholesale elimination of the Indian Act, there are important ways Canada can encourage self-reliance among its First Nations peoples. The federal government, in co-operation with Aboriginals, can improve band governance and allow First Nations access to own-source revenue. By separating band politics from business decisions, Ottawa can create a better investment climate on reserves and reduce dependency on state transfers. The increased employment and opportunity that come with greater investment and economic growth are a significant step toward improving the HDI score of Canada's indigenous peoples. This can also be applied to the United States and other developed countries with indigenous populations.

## **The Need for an Aboriginal Education Strategy**

There is a clear relationship between education and economic prosperity, and this study certainly bears this out. The 2002 edition of the UNESCO World Indicators Programme examined 19 developed countries and found that investment in human capital, through education and training, is a key determinant of economic growth and is associated with improvements in health and general well-being<sup>ii</sup>. The Royal Commission on Aboriginal Peoples acknowledged that the destiny of Aboriginal peoples is bound to the way its children are educated<sup>iii</sup>. This is remarkable considering it is widely acknowledged that the residential schools experience is a significant contributor to many of the inter-generational social ills plaguing Aboriginal communities today. It is ironic that education may now be their salvation.

All the countries studied showed improvement in educational attainment and overall HDI scores. Although the Maori still have significant gaps in educational attainment, during the period of 1991 to 2001 they showed tremendous growth in narrowing the educational gap. This narrowing accompanied an increase in median income among Maori, although proving an exact statistical correlation would be the subject of another paper.

If, as studies show, better-educated people are able to secure jobs, and the level of educational attainment is a large determinant of how high one's income is, it stands to reason that Aboriginal people need to improve their education levels in order to get ahead. A better expenditure of resources on the part of government would be in Aboriginal education, particularly for on-reserve students. The current government is experimenting with more devolution of education to Aboriginal communities. This should be studied in the future to see its impact on individual Aboriginal outcomes.

Some encouraging signs are that the government is beginning to notice that young Aboriginals can take advantage of education in order to meet needs in the economy. In Western Canada, it has been noted that younger First Nations people are taking advantage of the booming skills shortage. As the fastest growing segment of the population, young Aboriginals can meet this demand through increased access to training within the skilled trades. Linking Aboriginals with trade programs should be central to any First Nation education strategy.

## **Poverty and Living Off-reserve**

Unfortunately, in Canada there is also a clear relationship between lower HDI scores and living on-reserve. The median on-reserve income among Registered Indians in the 25 to 44 age group is at least \$5,000 less than the median income for the same demographic living off-reserve<sup>iv</sup>. While off-reserve Aboriginals still experience many troubling problems, they are better positioned to integrate into non-Aboriginal society and succeed. It is also important to note that moving to urban centres does not necessarily lead to loss of culture or ties to traditional communities, although language presents a problem. However, many younger Aboriginals are choosing to learn their indigenous language as a second language, rather than as their mother tongue. Many Aboriginals value their attachment to their ancestral territories, and recent studies have shown that moving to the city does not necessarily diminish

their attachment to indigenous culture and languages. They are better able to secure educational opportunities, better jobs and access to private home ownership. In many instances, they are also able to escape from many of the social dysfunctions that characterize many reserve communities, such as rampant alcoholism, domestic abuse and suicide. Many on-reserve members also welcome the chance to leave communities torn apart by factionalism, nepotism and corruption.

This presents an interesting dilemma for Aboriginal peoples. While many are attached to their cultural community, they find they must leave that community to find greater opportunity and chances for advancement. This continues to be a controversial development for many Aboriginals. In 2005, a non-Aboriginal columnist for the *Globe and Mail*, Jeffrey Simpson, received a scathing indictment for bluntly stating the obvious: leaving the reserve is the key to success in life for First Nations people.

For First Nations, this is a significant cause for concern. Constitutionally entrenched treaty rights mean that Aboriginals will not abandon their ancestral homelands, and they can use them to leverage significant resources. Thus, Aboriginals will likely always have an attachment to these lands despite urbanization within their communities. With the release of the 2006 Census, it was revealed that 54 per cent of Aboriginals now live off-reserve. With little improvement in on-reserve opportunities, it is quite likely this number will only increase. This trend can follow one of two paths. If things remain as they are, Aboriginals living off-reserve will continue to improve their levels of human development and will serve as an example for on-reserve populations. Reserves will likely become smaller and smaller, and HDI scores for First Nations living off-reserve will continue to improve.

The other path is for the Indian Act and reserve system to be changed (or even eliminated and replaced with a decentralized Aboriginal form of governance) to allow for more opportunities on-reserve. Decreasing or eliminating incentives to leave the reserve might stem the flow of people to the cities. If state dependency is reduced and private capital reaches the reserves, there is a chance for Aboriginals to find successful lives on-reserve. If this is chosen, on-reserve band members will have less incentive to leave their communities and many will remain on their ancestral lands. The road ahead will depend on how the federal government and First Nation communities respond to the challenges.

## **Access to Land and Resources**

One important source of economic improvement for First Nations in Canada is the enormous natural resource wealth they can potentially access. Rulings from the Supreme Court and lower courts since the 1990s have recognized and affirmed Aboriginal title to ancestral lands. Looking at post-1990s data on indigenous people will involve factoring in this new, significant source of revenue for Aboriginal communities. Although the communal nature of land ownership is a serious impediment to economic growth, Aboriginal communities can still leverage these lands as a form of wealth. Fundamental to this occurring is for First Nations to settle all outstanding land claims in Canada. Currently, land claims stand unsettled for generations, and costly litigation drains significant resources away from efforts to secure economic opportunities or to improve health and education services. The federal government has made

moves to expedite the specific land claims process, but there is significant work to be done in improving the process. Private investors require stability in investment and central to that would be finality of ownership rights. Already, many First Nations are working effectively with private partners on projects that bring wealth and employment to the communities.

The definition of “traditional territory” is interpreted broadly to mean the whole treaty territory used by a First Nation and not just the reserve community. Court rulings have established that First Nation communities have a right to be consulted and accommodated over any developments on their traditional territories. Often times, consultation involves compensation for crossing onto these territories. Many mining and forestry companies are discovering that they neglect the duty of consultation at their own peril. The wiser companies develop consultation and compensation protocols well ahead of development on these lands, which leads to little to no delay in development activities.

By leveraging these lands, First Nations can secure independent revenue and improve their communities and, as a result, the lives of individual Aboriginals. To use the example of New Zealand, legislative changes over the last few decades secured Maori access to land and resources even though the Maori lost many of their rights to their lands through the Native Land Acts of 1862 and 1865, which facilitated alienation of the lands. Interestingly, Maori identity has not been lost after this development. In New Zealand, the Treaty of Waitangi Act was amended in 1985 to strengthen the mandate of the Waitangi Claims Tribunal to hear claims of historical breaches of the treaty, and the 1993 Maori Land Law Act strengthened Maori land claims.

## Conclusion

Indigenous communities in the developed countries identified in this study are showing some improvements in their HDI scores, even if improvements in median income are inconsistent at best. Although the data is limited, the study looks at major areas of social and economic well-being, including life expectancy, educational attainment and median income. Significant for Canada is the fact its indigenous population has the highest life expectancy among the four countries studied. Canada, along with the United States, continues to make some of the greatest improvements. While this is certainly not reason for complacency, it is hardly the doom and gloom scenario presented by some Aboriginal leaders. However, all indigenous communities still trail the non-indigenous populations significantly, and this is a cause for concern.

It seems that improvements in educational attainment are accompanied by increases in income. The correlation between education and prosperity shows that indigenous people in Canada and elsewhere need an educational strategy. New Zealand's Maori population leads the other indigenous peoples in terms of median income. They are also rapidly narrowing the gap in educational attainment between themselves and the non-indigenous population despite still having significant discrepancies (there are still a wide gap in educational attainment between the non-indigenous and indigenous population in New Zealand). From studying New Zealand, the researchers determined that Canada and other countries

could learn from that country. Through reduced state dependency and improved economic standing, the Maori are an example for Canada, which transfers billions to First Nations, often with little result. It was also demonstrated that within the Maori community this increased economic self-reliance accompanied greater political autonomy and cultural protection.

First Nations people are leaving their communities in greater numbers to escape limited opportunities, systemic barriers to economic improvement and social dysfunction. Unless the reserve system is considerably reformed, Aboriginals will leave these communities in greater numbers and will improve their status in urban centres. For First Nation communities, the discussion focused on new sources for economic improvement. New court rulings affirmed Aboriginal rights to land and resources, as well as the right to be consulted and compensated for development activities on their traditional territories. If these developments can be leveraged properly, they can be used as important sources of revenue for First Nation communities, and they can lead to overall improvements for the residents.

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<sup>i</sup> *Maori Economic Development - Te Ohanda Whanaketanga Maori*, New Zealand Institute of Economic Research (Inc.), 2003, Online source [www.nzier.nz/SITE\\_Default/SITE\\_Publications/x-files/883.pdf](http://www.nzier.nz/SITE_Default/SITE_Publications/x-files/883.pdf)

<sup>ii</sup> UNESCO Institute for Statistics/Organization for Economic Co-operation and Development World Education Indicators Programme, *Financing Education – Investments and Returns: Analysis of the World Education Indicators* (2002 Edition), p 5

<sup>iii</sup> Report of the Royal Commission on Aboriginal Peoples, Volume 3, *Gathering Strength*, Chapter 5. Online source [www.ainc-inac.gc.ca/ch/rcap/sg/si42\\_e.html](http://www.ainc-inac.gc.ca/ch/rcap/sg/si42_e.html)

<sup>iv</sup> John Richards and Aidan Vinning, *Aboriginal Off-Reserve Education: Time for Action*, C.D. Howe Institute Publication, ISBN 0-88806-628-7, pp 2 & 4

**Appendix 1: This chart shows where indigenous populations rank in relation to their own countries and others.**

Selected international and Aboriginal HDI scores, 2001

HDI Rank	Country	HDI Score
<b>Selected Countries with High Human Development (0.800–1)</b>		
1	Norway	0.944
2	Iceland	0.942
3	Sweden	0.941
4	<i>Australia</i>	0.939
5	Netherlands	0.938
6	Belgium	0.937
7	<i>United States</i>	0.937
8	<i>Canada</i>	0.937
9	Japan	0.932
13	United Kingdom	0.93
16	Austria	0.929
17	France	0.925
19	Spain	0.925
20	<i>New Zealand</i>	0.917
23	Portugal	0.896
30	Republic of Korea	0.879
	<i>U.S. American Indian and Alaska Native</i>	0.877
32	Czech Republic	0.861
	<i>Canadian Aboriginal Population</i>	0.851
34	Argentina	0.849
42	Costa Rica	0.831
43	Chile	0.831
52	Cuba	0.806
53	Belarus	0.804
54	Trinidad and Tobago	0.802
55	Mexico	0.8

<b>Selected Countries with Medium Human Development (0.500 – 0.799)</b>		
73	Saudi Arabia	0.769
	<i>New Zealand Maori</i>	0.767
75	Ukraine	0.766
85	Philippines	0.751
94	Dominican Republic	0.737
103	Cape Verde	0.727
	<i>Australian Aboriginal and Torres Strait Islanders</i>	0.724
104	China	0.721
105	El Salvador	0.719
120	Egypt	0.648

<b>Selected Countries with Low Human Development (0. – 0.499)</b>		
142	Cameroon	0.499
150	Haiti	0.467
161	Côte d'Ivoire	0.396