



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

July 10, 2013

First Nations poverty and the Canadian Economy: aligning policy with what works

A recent CCPA study showing the extent of First Nations poverty in Canada provides yet more evidence that Canada is failing Aboriginal people. Fully 50 percent of status First Nations children in Canada live in poverty as measured by the Low Income Measure (LIM). In Manitoba the situation is particularly dire with 62 percent living in poverty.

This is unacceptable as a matter of basic social justice and human rights. But it is also a major concern for the future of our economy.

The Aboriginal population will be a significant source of labour in Canada's future. According to Census Canada's National Household Survey (NHS), Aboriginal people accounted for 4.3 percent of the population in 2011. This is an increase from 3.8 percent of the population in the 2006 Census, 3.3 percent in the 2001 Census and 2.8 percent in the 1996 Census.

The Province of Manitoba has among the highest percentage of Aboriginal people in Canada. Fully 16.7 percent of the Manitoba population—that is, one in every six Manitobans—and 11 percent of Winnipeg's population—more than one in ten—identify as Aboriginal. According to the NHS, the metropolitan area (CMA) of Winnipeg has the highest number of Aboriginal people of all CMAs in Canada and this population is expected to grow further—by 2031, between 18 percent of Winnipeg's population and 21 percent of Manitoba's population will identify as Aboriginal.

Aboriginal people in Manitoba are also much younger on average than the non-Aboriginal population. In 2011, Aboriginal children aged 14 and under represented 28.7 percent of the total Aboriginal population in Winnipeg and 18.1 percent of all children in Winnipeg. By comparison, non-Aboriginal children aged 14 and under accounted for 16 percent of the non-Aboriginal population. The median age of the Aboriginal population is 21 years, half that of the non-Aboriginal population of 41 years. The number of Aboriginal adults between ages 20 and 29 is expected to increase by over 40 percent by 2017, compared with a 9 percent growth rate among the same age cohort in the general population. In short, the Aboriginal population here is relatively large and growing fast.

It is in part the economic implications of Aboriginal poverty and the growing Aboriginal population that has led an increasing number of Canadians to take notice. For example, at a recent event organized by the Business Council of Manitoba, Aboriginal poverty was at top of mind for Winnipeg business leaders. And in 2012, the Conference Board of Canada focused on issues surrounding labour market participation of Aboriginal people in the report titled Understanding the Value, Challenges, and Opportunities of Engaging Metis, Inuit, and First Nation Workers.

While the Aboriginal population in

there is an alternative.

CCPA-MB
309-323 Portage Ave.
Winnipeg, MB
R3B 2C1

phone
(204) 927-3200

email
ccpamb@policyalternatives.ca

website
[www.policyalternatives.ca/
manitoba](http://www.policyalternatives.ca/manitoba)

blog
www.policyfix.ca

twitter
[@ccpamb](https://twitter.com/ccpamb)

continued..

Manitoba grows, Aboriginal participation in the labour market continues to lag far behind that of the non-Aboriginal population. In 2010, the unemployment rate for the Aboriginal population (off reserve) aged 25 – 54 years was 9.3 percent, compared with just 3.8 percent for non-Aboriginal people. The labour force participation rate for Aboriginal people was 78.3 percent, compared with 89.8 percent for non-Aboriginal people.

Most troubling about the statistics is that policy makers continue to implement policies that are counter to what is known to work. The authors of *Poverty and Prosperity: Indigenous Children in Canada* point to the need for First Nations self-governance as a means toward empowerment and improved social and economic outcomes. This is a critical part of what has to happen if solutions are to be found. But many Aboriginal people live in urban centres and there will be a continued role for non-First Nation governments to contribute to solutions. Research conducted through the Manitoba Research Alliance shows the need for a comprehensive, intergovernmental policy and program response that includes social and income supports; long-term investment in alternative and culturally aligned education and training; cultural competency training and ongoing supports for employers committed to hiring Aboriginal workers.

One important outcome of the research is the knowledge that short-term labour market specific training is far from sufficient. Yet this is the direction that the federal government is moving with the implementation of the “Canada Jobs Grant” program introduced in the 2013 budget. Fully 60 percent of the funds currently targeted to federal/provincial labour market agreements will be earmarked for the Canada Jobs Grant program. The federal government will contribute a maximum of \$5000 per trainee, but it must be equally matched by the provinces/territories and employers for job specific training. The new model

will have implications for the delivery of training to Aboriginal people who access training currently supported through the Canada/Manitoba Labour Market Agreement. The new program removes the flexibility from provincial governments that has allowed them to support programs that have been shown to be successful. If the Province wishes to continue to support these successful programs, they will need to find new resources at a time when budgets are extremely tight. In other words, the federal government policy does not fit with what is known to be needed if we are to be successful in moving more Aboriginal people into the paid labour force.

It is promising to hear a growing choir of voices in support of the need to take drastic steps to reduce Aboriginal poverty. But until governments respond with policies and programs that align with what is known to be effective, we will not only continue to fail Aboriginal people, but the Canadian economy as well.

Shauna MacKinnon is Assistant Professor in the Department of Urban and Inner City Studies at the University of Winnipeg, a co-investigator with the Manitoba Research Alliance, and research associate with the Canadian Centre for Policy Alternatives Manitoba.

CCPA-MB
309-323 Portage Ave.
Winnipeg, MB
R3B 2C1

phone

(204) 927-3200

email

ccpamb@policyalternatives.ca

website

www.policyalternatives.ca/
manitoba

blog

www.policyfix.ca

twitter

@ccpamb



Fast Facts are produced and distributed free via email. They can be reproduced as an OpEd or opinion piece without obtaining further permission, provided they are not edited, and full credit is given to both the author and the source, CCPA-MB. Please contact CCPA-MB today to begin your free subscription.