

Saskatchewan with an Aboriginal Majority: Education and Entrepreneurship

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Table of Contents

Introduction	1
The Education Path Out of Poverty	4
The Entrepreneurship Path Out of Poverty	10
Group One: Hairdressers, house painters and the like	11
Group Two: National motel chains, Indian casinos and the like	12
The economic roles of the two groups are similar, but different	13
The economic characteristics of the two groups are dramatically different	13
Does Economic Integration Mean Cultural Annihilation?	15
Bill C-31 and the Closing of the Indian Register	17
Is There Enough Time?	22
Bibliography	26

Saskatchewan with an Aboriginal Majority: Education and Entrepreneurship

Saskatchewan had a problem: a large, rapidly growing, economically marginalized population. The popular mood was pessimistic—they were commonly regarded as racially inferior: "poor, illiterate, diseased, morally lax, politically corrupt, and religiously deficient."¹ They were disproportionately likely to work in the sex trade. High unemployment rates were endemic. They were four times more likely to commit major legal offenses.² They were disproportionately young, but many of them opposed education since they feared it would destroy their culture and way of life; some of their school trustees even sabotaged their own school systems because of their fear of cultural annihilation. Many of them lived in rural areas where education was poorly funded and of questionable quality. Student absenteeism was so rampant that an expert, brought in from Washington, D.C., decried "poor attendance and great wastage up through the grades."³ Many received little formal schooling beyond grade one.

Taken separately, each of these were difficult public policy problems. Taken together, they were overwhelming. Moreover, it seemed likely that the population would form the majority in the foreseeable future. Hence the public policy problems were beyond overwhelming. No one knew what was going to happen.

¹The Encyclopedia of Canada (2005), entry for Prejudice and Discrimination.

²Study cited in Young (1931), p. 261.

³Fought (1918), p. 152.

The time was the early 1900's and the population consisted of hundreds of thousands of Eastern European immigrants and their descendants. They were principally from the Ukraine, Russia, Poland, and Romania.

And we all know what happened.

Now, the descendants of these immigrants form a vital part of our province's socioeconomic fabric. We fail to take ethnic note when our premier has an Eastern European name like Romanow or an Anglo-Saxon one like Calvert; we don't notice if our physician has a name like Stakiw or Smith; we don't care whether our children's teacher has a name like Chernesky or Wilson. We are transformed in a way that would have been inconceivable to the residents of Saskatchewan a hundred years ago.⁴ The descendants of the immigrants are now a part of what is referred to in our Provincial motto, "From Many Peoples Strength." That motto, a statement which revels in our modern multicultural society, was only adopted toward the end of the 20th Century. Early in our history, contemporary observers were more likely to express the sentiment that the immigrants were a "grand 'round-up' of European freaks and hoboes."⁵

Saskatchewan has a short history—just over one hundred years—so it is remarkable that we again face the dilemma of a large, rapidly growing, economically marginalized population. This time the population is made up of Aboriginal people.

⁴There were a few who predicted that society would be transformed. One was Fought (1918), who was an outside expert on rural schools.

⁵This newspaper quotation is given in Waiser (2005), p. 65.

The purpose of this paper is to analyze the economic transformation of the Eastern European immigrants and their descendants and to ask whether it will happen again for Aboriginal people in Saskatchewan. There were two principal paths that the immigrants took to escape poverty: education and entrepreneurship. This paper will ask three questions about both of these paths. How was the path followed? Why was the path followed? And will the path be followed again?

The paper employs two distinct methodologies. The analysis of entrepreneurship is largely empirical. Although the evidence about entrepreneurship among the Eastern European immigrants is mostly anecdotal, there are an increasing number of empirical studies of Aboriginal entrepreneurship. On the other hand, for both the Eastern European immigrants and Aboriginal people, the analysis of education is that of supply and demand. On the demand side, for both populations, the financial rate of return for education will be compared to the overall average for the province. On the supply side, the paper will discuss the creation of targeted educational programs.

The Education Path Out of Poverty

Partly, the immigrant's situation was resolved by education. As noted above, there were extraordinary challenges: underqualified rural teachers and rickety schools, uneven school attendance, and opposition to education caused by a fear of cultural assimilation. But, the situation was assessed and educational programs were created. For example, the University of Saskatchewan was founded and it created: summer programs to improve the educational qualifications of Provincial teachers; a number of junior colleges across the province and correspondence programs for people who could not come to campus in Saskatoon; a train which crisscrossed Saskatchewan teaching farming to the men, home economics to the women, and providing entertainment for the children; as well as other programs.⁶

The educational programs were important, but individual incentives were equally important.⁷ Notably, the Eastern European immigrants and their descendants received a higher financial return to education than that for a typical Saskatchewan resident. Their higher financial return will be crucial to the analysis that follows, so it is worth exploring why it occurred. For society as a whole, more education on average increases an individual's earnings. But more education was also a path out of immigrant poverty. With education, an immigrant or their descendant would earn more just as anyone (on average) does, but they would also earn more

⁶King (1959).

⁷Without the individual incentives, the educational programs would not have been successful. But without the programs, the cost of education would have been beyond the reach of many of the immigrants and their descendants.

because the immigrant would catch up with the remainder of society.⁸ Thus, the immigrant received a double benefit—earning both the usual amount from increased education and also the catch up. On the other hand, the typical Saskatchewan resident only earned the former. Thus the immigrants and their descendants had a higher rate of financial return from education than did a typical Saskatchewan resident. This larger economic incentive had an impact on individual behaviour. The immigrants and (especially) their descendants sought education because they had an incentive to do so. They had more of an incentive than the typical Saskatchewan resident, which resulted in them catching up educationally.

And society was transformed. With such extraordinary impediments, it is unsurprising that it took time for immigrants and their descendants to catch up educationally. For example, the University of Saskatchewan's first Medical School graduate of Eastern European ancestry was 1954, over a half-century after the first waves of Eastern European immigration.⁹ But the descendants of the immigrants have caught up, and are a vital part of the socioeconomic fabric that makes up Saskatchewan.

⁸There is relatively little hard economic data from this period, so it is necessary to build an understanding of the immigrant's situation based on partial data and anecdotal evidence. In addition to the partial evidence, however, the observation about incentives advanced above makes intuitive sense. For example, a descendant of the Eastern European immigrants who studied and became a physician would climb out of poverty by earning a physician's salary. A typical Saskatchewan resident, on the other hand, wouldn't be climbing out of poverty by becoming a physician. So the descendant would earn a larger increase in their salary as a result of education, and thus have a larger financial incentive to seek education.

⁹Personal conversation with Dr. Marc Baltzan, Saskatoon, December 2003.

In earlier research, the writer projected Saskatchewan's Aboriginal population through 2050 and concluded that Aboriginal people will make up about 35% of the population by that time.¹⁰ That projection was based on the basic parameters of the population projections in the Royal Commission on Aboriginal Peoples¹¹ which have proven to dramatically understate the growth rate of the Aboriginal population.¹² If the projection of Saskatchewan's Aboriginal population were revised, it would probably show that the population of Saskatchewan will be at least 50% Aboriginal by 2050. What will Saskatchewan's economy be like by 2050? What is going to happen?

Again, educational programs are being created at the University of Saskatchewan, as well as other educational institutions such as the Saskatchewan Institute of Applied Science and Technology, the Saskatchewan Indian Institute of Technology, the First Nations University of Canada and the University of Regina.¹³ It is notable that the University of Saskatchewan offers more Aboriginal programs than any other university in Canada. Two examples are the Aboriginal First Year Experience Program and the Native Access Program for Nursing. Both programs are

¹⁰Lendsay, Painter and Howe (1997 and 2000) and Howe (2000).

¹¹Norris, Kerr and Nault (1995).

¹²Kerr, Guimond and Norris (2003).

¹³For a complete (but rapidly growing) list of the Aboriginal programs at the University of Saskatchewan visit www.students.usask.ca/aboriginal/programs/; for the Saskatchewan Indian Institute of Technology visit www.siiit.sk.ca/; for the Saskatchewan Institute of Applied Science and Technology visit www.siaist.sk.ca/siaist/servicesforstudents/#aboriginal; for the First Nations University of Canada visit www.firstnationuniversity.ca/; and for University of Regina visit www.uregina.ca and perform a site search for the word Aboriginal.

designed for the needs of Aboriginal students—to attract them to the University and help them complete their degrees. Part of the purpose of the Aboriginal First Year Experience Program is to create a critical mass of Aboriginal students in selected courses required for degrees in professional colleges and for success in the College of Arts and Science. The Native Access Program for Nursing is a support and retention service for Aboriginal nursing students. In the future, this wide array of programs for Aboriginal students will be regarded in much the same way as the education trains from Saskatchewan’s past.

The cost of education is further reduced by federal programs which allow some Registered Indians to attend university without paying tuition.

Again, programs are important, but individual incentives are equally important.¹⁴ Do Aboriginal people have a financial incentive to seek an education? How does the financial incentive for Aboriginal people compare to that for the typical Saskatchewan resident? Here the results are clear in an array of studies done by a variety of researchers in both Canada and the United States. For example, Howe (2004) demonstrated that the lifetime earnings of an Aboriginal person in Saskatchewan vary significantly depending on their education levels. Aboriginal lifetime earnings in Saskatchewan are shown in Table 1.

¹⁴There is an issue which is significant here on the importance of financial benefits among the various incentives to seek an education. There are a wide variety of benefits to education, some of which are surprising; for example, Koski, Berkey, Ang, and Fu (2003) show that educated people are more likely to survive cancer, even correcting for some of the obvious direct effects of education. A review of the non-market benefits of education can be found in Wolfe and Haveman. An analysis of the importance of financial incentives in the educational choices of youth can be found in Wilson, Wolfe and Haveman (2005).

Table 1. Aboriginal lifetime earnings in Saskatchewan¹⁵

	Male Lifetime Earnings	Female Lifetime Earnings
An Aboriginal person drops out of school prior to receiving a highschool diploma, and does not subsequently obtain highschool equivalency	\$344,781	\$89,502
An Aboriginal person obtains a highschool diploma either by graduation or by subsequently completing highschool equivalency, with no further formal education	\$861,636	\$294,350
An Aboriginal person attends a program at a non-university post secondary institution (a technical school), with no further formal education	\$1,191,146	\$646,904
An Aboriginal person attends a program at a university	\$1,386,434	\$1,249,246

Thus an Aboriginal male who drops out without receiving a highschool diploma is reducing his lifetime income (on average) by over a half million dollars. An Aboriginal female who drops out without receiving a highschool diploma earns a lifetime income which is less than

¹⁵Taken from Howe (2004). These amounts are expressed in 2004 constant dollars. They apply specifically to a Registered Indian in Saskatchewan who reached age fifteen in 2004. The incomes reported are before tax and before government transfer payments. That is, they exclude the payment of income tax, the receipt of welfare, Employment Insurance benefits, Old Age Security, and other government transfers. The amounts shown are lifetime earnings, so they are not discounted.

ninety thousand dollars; however, by completing highschool and going on to college she will earn more than a million dollars more.

The amounts shown in Table 1 are a large financial incentive to seek education. But most individuals in our society have a large financial incentive to seek education. In order to catch up, Aboriginal people need a financial incentive which exceeds that for a typical resident. Here, too, the research conclusions are clear. The increase in earnings shown in Table 1 are greater than the corresponding amounts for a typical resident of Saskatchewan as discussed in Bly (2001) and Vanstone (2003). This is similar to results for the United States shown in a large literature discussed in Ashenfelter and Rouse (2000) and similar to Ontario as discussed in Ceaser (2006).

In fact, the greatest financial return for education in both Canada and the United States is earned by Aboriginal females. They receive a triple benefit: more education means they catch up with males, they catch up with Nonaboriginal people, and they receive the increased earnings which accrue (on average) from education. This is reflected in Table 1 where an Aboriginal male is shown to receive an additional half a million dollars if he goes to university, whereas an Aboriginal female receives another million dollars.¹⁶

¹⁶Consequently, it is not surprising that Aboriginal females outnumber Aboriginal males at the University of Saskatchewan by about two to one.

The Entrepreneurship Path Out of Poverty

Although education is a path out of poverty, education is not for everyone. For an array of reasons—from family responsibilities to lack of opportunity to personal preference—some people will not pursue education beyond the minimum. Another path out of poverty is entrepreneurship—starting your own business. An Eastern European immigrant or one of their descendants might, for example, start a laundry, start a livery stable morphing into a service station, or start a restaurant. These businesses tended to be smaller consumer-service firms, so that the demand for their services could be fairly easily assessed. They tended to involve only small amounts of capital, since the immigrant/entrepreneur lacked access to larger amounts of capital. They tended to involve lower levels of education, since otherwise the individual would likely avail themselves of the education path out of poverty. They tended to be businesses that could be micromanaged, since the individual had a low opportunity cost for their time and hence could devote large amounts of time to making their business work.

Are Aboriginal people following the entrepreneurial path out of poverty? The data on Aboriginal entrepreneurship are extraordinary. Statistics Canada estimates that between the census years of 1991 and 1996, Aboriginal entrepreneurship grew 2.5 times faster than the Canadian average!¹⁷ ¹⁸ The reader should think about that for a moment before going on, because

¹⁷Are you an Aboriginal businessperson or an Aboriginal person who is considering starting a business? Check the Aboriginal Business Canada website for the programs that are available to help with starting up Aboriginal business or with expanding existing business. The website is

strategis.ic.gc.ca/epic/internet/inabc-eac.nsf/en/h_ab00000e.html

¹⁸Aboriginal Business Canada (1998).

the growth rate then accelerated. In the period 1996 to 2001, Aboriginal entrepreneurship grew nine times faster than the Canadian average.¹⁹

What are Aboriginal businesses like in Saskatchewan? They are analysed in Lendsay, Painter, and Howe (1997) and Howe (2006). Although Aboriginal businesses are not homogeneous, they tend to form into two principal groups.

Group One: Hairdressers, house painters and the like

The first group consists of businesses that were typically formed as a way for an individual or a couple to make a living. As noted above, education is not for everyone, and another path out of poverty is entrepreneurship—starting your own business. These businesses tend to be smaller service-oriented firms (for example, hairdressing or house painting) that are established and then gradually—over the years—build their reputation and hence their customer base. Like Nonaboriginal family businesses, they may be passed on to the next generation, a loyal employee, or may be allowed to die with the individual or couple who created them, depending on circumstances. However, the writer hypothesizes that these businesses are less likely to be passed on to the next generation, since the next generation would likely be encouraged to avail themselves of educational opportunities.

These businesses are exemplified by an Aboriginal businesswoman in Prince Albert, interviewed in Howe (2006). She said:

“My husband and I started our business thirty years ago and gradually built it up We try to keep quiet because we don’t want people to be jealous of how

¹⁹Aboriginal Business Canada (2002).

well we do My husband doesn't get around as well as he used to so we are having to slow down a little."

In the interview, this businesswoman talked about how much she appreciated how hard her employees worked, and her dependence on the quality of their work, and then she—unsolicited—began to talk about the ways she served her employee's and the needs of their families. Her attitudes go far in explaining a sentiment that was echoed by several Nonaboriginal employees of Aboriginal firms or organizations. They said:

"Once you work for an Aboriginal business you will never go back to working for a Nonaboriginal business."

This first group of Aboriginal businesses is the subject of an increasing number of studies, so it is beginning to be better understood. For example, the 2002 Aboriginal Entrepreneurs Survey, done by Statistics Canada for Aboriginal Business Canada focuses on this first group and misses the second.

Group Two: National motel chains, Indian casinos and the like

The second major group of Aboriginal businesses tend to be created by medium-to-large Aboriginal organizations which have better access to financial capital, business advisory services and the array of business-to-business relationships that are important in today's outsourced business environment. These businesses also tend to be in consumer service, but much more highly capitalized than the first group. These businesses tend to be medium sized consumer-service firms (for example, the Indian casinos). This group is exemplified by a Chief, interviewed in Howe (2006), who talked about several successful businesses. He said:

“We know that consumers like to buy name-brand products from businesses with established national names. So we set up franchises to sell them what they want. That causes some ill-will from older established firms in the area, but that is how competition works.”

These businesses are one of the forces that is rapidly modernizing the consumer retail and service sectors in Saskatchewan. Just as in the first group, businesses in the second group seem to gain a great deal of loyalty from their Nonaboriginal employees; the sentiment noted above about never again working for Nonaboriginal firms was repeated by Nonaboriginal workers.

The economic roles of the two groups are similar, but different

The economic roles of the two groups of firms are similar, but different. It has been noted elsewhere that the prairies have no higher social priority than to further integrate Aboriginal people into the economic mainstream. Firms in the first group do economic integration on a small scale; that is, in a sense, what they are all about. Firms in the second group also perform economic integration but they are also large enough that they provide a measurable economic stimulus—they are economic drivers.²⁰ For example, both the Aboriginal hairdressing firm and the Indian casino are good news economically, but the Indian casino is large enough that it measurably increases the size of Saskatchewan’s economy.

The economic characteristics of the two groups are dramatically different

The studies of Aboriginal entrepreneurship must be understood in the light of the above two groups of Aboriginal businesses, together with the understanding that these studies under-represent the second group. The literature contains a growing number of analyses of Aboriginal

²⁰Of course, both groups also serve other critically important functions which range from providing role models and mentors to providing funding for Aboriginal cultural preservation.

businesses, but they are dominated by information about the first group. Studies which survey Aboriginal businesses and report averages for the responses tend to report results that are dominated by the first group because they are more numerous; studies of Aboriginal entrepreneurs tend to leave out the second group all together.

For example, consider the commonly reported result that Aboriginal firms tend to have employees with lower levels of education. The lower levels of education are a salient feature of the firms in Group One—if the owner had a higher level of education then they would likely have taken the education path out of poverty. However, we should ask whether the lower education observation applies to firms in Group Two. Probably not, though no one knows. It seems reasonable to suppose that the education levels of the employees of a Super 8 motel probably tend to be about the same regardless of whether it is Aboriginal or Nonaboriginal owned.

Another of the commonly-reported features of Aboriginal business is that it tends to use lower levels of financial capital. That, again, is probably because the firms in the first group are outweighing the firms in the second.

Does Economic Integration Mean Cultural Annihilation?

The history of Aboriginal cultures is a story of strength. Aboriginal cultures have survived extraordinary economic, political and cultural challenges: military violence, epidemics resulting from exposure to new diseases, land and property seizures, vicious racism, grinding poverty, and programs such as residential schools which were designed to bring about cultural annihilation. Given these challenges, it is not surprising that there have been substantial periods when Aboriginal people were expected to simply disappear.²¹ But Aboriginal people and cultures continue, bound up in ties of family, community and shared experience.²²

Will Aboriginal cultures be annihilated by the increasing wealth of Aboriginal people? No. Of course, the survival of Aboriginal cultures will depend on what individual Aboriginal people want. Aboriginal cultures will only continue to be preserved if Aboriginal people want to preserve them. However, individual wealth helps the process of cultural preservation because wealth gives an individual greater power and greater freedom to preserve more.

Aboriginal cultures will continue to evolve, and life in Saskatchewan will be richer as a consequence. One of the issues that Aboriginal people will have to resolve will be the role of the reserves in their lives and the lives of their families and communities. Before examining this issue, the slow death of rural and small town Saskatchewan must be understood. It seemed

²¹Given the prediction that Aboriginal people will form the majority in Saskatchewan by 2050, it is ironic that many in the past expected them to disappear. The following quote is one of many that are mocked by Aboriginal demographics. When Aboriginal people led the parade that celebrated the creation of Saskatchewan in 1905, the Moose Jaw Times wrote, as cited in Waiser (2005), p. 21, “There they were, the remnants of a departing race ...”.

²²Cornell and Kalt (1992), p. 3.

possible several decades ago that the Information Age would be the savior of the small town because the Information Age has given many of us some flexibility in where we perform our work. For many, the location where we work has become distinct from the location of our employer. So why is small town Saskatchewan dying? A fundamental reason has to do with a major change in consumer spending patterns. In 1974, just forty years ago, Saskatchewan's residents spent less than 30% of their disposable income on services. Ten years after that, the percentage had risen to 40%. Ten years after that it had risen to 50%. Last year, it was 53%.²³ Services are more readily obtainable in cities, so a result of the change in spending patterns is that people developed a greater tendency to locate in cities, or within easy driving range.²⁴ So, with the further integration of Aboriginal people into the economic mainstream, will the reserve go the way of the small town? It depends on how attached individual Aboriginal people are to the reserve. Just as small town Saskatchewan would have been preserved if more people were willing to tolerate the inconvenience of fewer services being readily available, the economic roles of the reserves will be preserved if Aboriginal people are willing to make the choices necessary for their preservation.

Over the next several decades, Saskatchewan will experience a fascinating transition as Aboriginal people deal with their newfound wealth and prosperity.

²³Personal expenditure on services and personal disposable income are from the Provincial Income and Product Accounts by the Saskatchewan Bureau of Statistics (2005).

²⁴The reader may be asking why this argument does not imply that communities within easy driving distance of cities would usually prosper. Such communities have difficulty establishing an economic base except in the most fortuitous of circumstances because they have difficulty competing with the high-volume businesses in the nearby city.

Bill C-31 and the Closing of the Indian Register

Many readers will incorrectly suppose that the majority being discussed in this report is a population of Registered Indians. That is not the case. The population being discussed is the population that identifies itself as Aboriginal. It is not commonly realized, but the population of Registered Indians will fall to zero in the foreseeable future.

Under the 1985 amendment of the Indian Act, which is commonly referred to as Bill C-31, an individual qualifies for Indian registration under either section 6(1) or 6(2). An individual born after April 16, 1985 with two Registered Indian parents, qualifies for Indian registration under section 6(1).²⁵ If they have only one parent who is a Registered Indian, and that parent is a 6(1) Registered Indian, they qualify under section 6(2). If an individual has only one parent who is a Registered Indian, and that parent is a 6(2) Registered Indian, then the individual does not qualify for Indian registration.²⁶

Figure 1 shows that a consequence of Bill C-31 is that Registered Indian status is extinguished in two generations by Registered Indians having children with people who are not Registered Indians. In the example shown in Figure 1, a 6(1) Registered Indian has a child with a person who is not a Registered Indian; consequently the child is a 6(2) Registered Indian. The

²⁵There are parts of Bill C-31 that apply to those born prior to April 16, 1985. Those parts are not relevant here, where our concern is with a future where everyone alive will have been born after 1985.

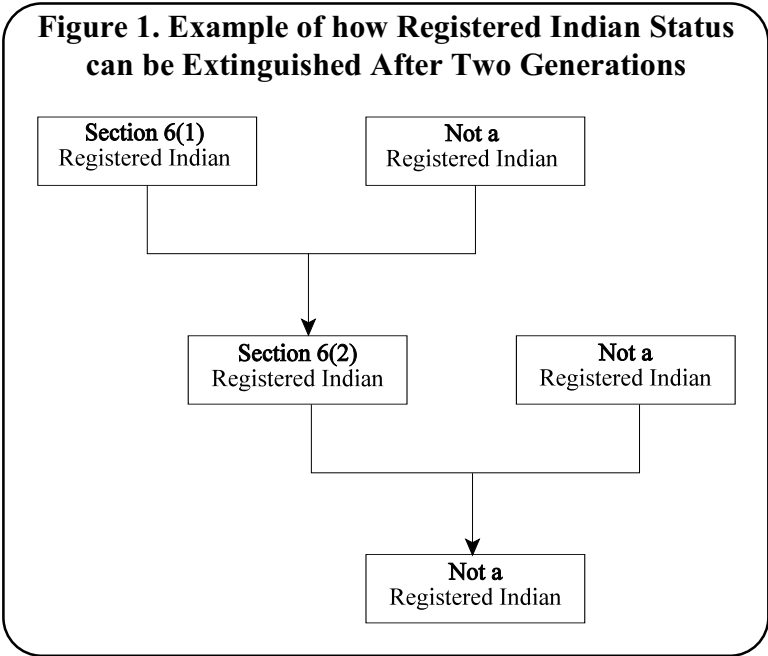
²⁶For a lengthy exposition on some of the issues associated with the Indian Registry, see Gilbert (1996).

6(2) Registered Indian child grows up and has a child with another person who is not a Registered Indian; consequently this child does not qualify for Indian registration.

The impact of this aspect of Bill C-31 depends on how common it is for Registered Indians to have children with people who are not

Registered Indians. Data is partial, but indicates that it is extraordinarily common. For example, the 2001 Census shows that for households with two adults and children where one of the adults is a Registered Indian, the other adult is not a Registered Indian 45% of the time.

Consequently, the proportion of children born to Registered Indians who qualify to be Registered Indians will diminish over time. With a lag, the absolute number of children who qualify to be Registered Indians will peak and then begin to decrease. The number of children who qualify to be Registered Indians will reach zero in the foreseeable future, so there will only be Registered Indian adults. Sometime after that, with mortality, the number of Registered Indians will be zero. The Indian Register in Canada will be closed.²⁷



²⁷It will not, however, usher in the end of First Nations. Under Bill C-31, First Nations can elect to create their own membership rules. Increasing numbers of First Nations are doing so. Consequently, there already are individuals who are members of First Nations but who do not qualify to be Registered Indians. Nor will the closing of the Indian Register mean the end of Aboriginal people. There will still be Aboriginal people but they will not qualify to be Registered

Moreover, an important issue is that of unstated paternity. When a Registered Indian mother does not state the paternity of a child, the child's qualification to be a Registered Indian is based on the mother's status. If she is registered under section 6(1), then the child is eligible for Indian registration under section 6(2). If she is registered under section 6(2), then her child is ineligible for Indian registration. Although unstated paternity is significant across Canada, it is particularly common in Saskatchewan. For example, the rate of unstated paternity for children born to 6(1) mothers was 18.9% nationally over the period 1985-1999, but it was 27.1% in Saskatchewan.²⁸ This implies that the closing of the Indian Register will arrive more quickly in Saskatchewan because this rule, in effect, assumes that the father is not a Registered Indian in cases of unstated paternity.

How quickly are these events going to be played out? Surprisingly quickly as demographic phenomena go because of the high proportion of children born to Registered Indians who have a single Registered Indian parent. In the period between April 17, 1985 and December 31, 1999, for example, over half of the children who qualify for Indian registration had only one parent who is a Registered Indian (and hence the child would qualify under section 6(2) of Bill C-31). This proportion varies significantly between the on-reserve and the off-reserve populations. For the on-reserve population, the proportion was about one in three (36.5%). For the off-reserve population, the proportion was about three out of four (74.8%). As a consequence,

Indians.

²⁸Clatworthy (2003).

the proportion of the children born to Registered Indians who themselves qualify for Indian registration will decrease quickly over time.

For example, 2024 is not far away—most of today’s parents will expect to be grandparents by that time. Will the grandchildren of today’s Registered Indian parents qualify for Indian registration? For births in 2024 to the off-reserve Registered Indian population, roughly two children out of three (62.2%) will not qualify for Indian registration. For births to the on-reserve Registered Indian population, the proportion will be higher, 81.5%, but that is to say that about one out of five children will not qualify.

And, of course, these children who do not qualify for Indian registration will increase the pool of people who parent with Registered Indians, resulting in further decreases in the number of children who qualify for Indian registration. By 2049, for children born to the off-reserve Registered Indian population, only one in seven will qualify for Indian Registration. For the on-reserve population, the proportion will be falling but will still be higher than one in two (61.9%).

When will there be no more Registered Indians in Canada? There are projections which say that the number of children born who qualify for Indian registration will be zero in Canada in four generations, roughly 100 years. However, these projections have to be interpreted with caution. They are based on an assumption that 6(2) Registered Indians have the same probability of having a child with a person who is not a Registered Indian as 6(1) Registered Indians. That assumption is necessitated by the fact that we have data from the Indian Register on 6(1) Registered Indians having children with people who are not Registered Indians, because their offspring qualify for Indian registration. We do not have data on 6(2) Registered Indians having

children with people who are not Registered Indians because their children do not qualify for Indian registration, so there is no similar data-collection point. Moreover, as the above demographic phenomenon begins to assert itself, a good argument can be made that it will accelerate. As the phenomenon continues, there will be an increase in the number of people who are descendants of Registered Indians but do not themselves qualify for Indian registration. Arguably, they are more likely to have children with Registered Indians, which would bring the closing of the Indian Register closer.

The closing of the Indian Register will be significant to Aboriginal educational programs on both the supply side and the demand side. On the supply side, some of the educational programs are available only to Registered Indians. For example, the subsidy of the expense of post-secondary education by Indian and Northern Affairs Canada is limited to Registered Indians. On the demand side, the significance is due to the tax treatment of Registered Indians. Although the treatment of Registered Indians for tax purposes is the subject of a great deal of misunderstanding, the tax benefits that Registered Indians receive increase their incentive to seek an education and hence earn higher incomes. The closing of the Indian register will reduce those incentives.

Is There Enough Time?

It took a century before Saskatchewan's Eastern European immigrant community had produced its first premier. Is there time for Aboriginal people to be further integrated into Saskatchewan's economic mainstream before they become the majority? Examining the socioeconomic problems faced by the Eastern European immigrants, it is easy to understand the near universal pessimism of contemporary observers in Saskatchewan in the early 1900's. Examining the socioeconomic problems faced by Aboriginal people, it is easy to understand similar pessimism today. Will the forces for change—including education and entrepreneurship—be sufficient to move Aboriginal people into the economic mainstream before they become the majority?

It is straightforward to argue that there is sufficient time. However, it is also straightforward to argue that there is insufficient time.

The argument that the time is sufficient would focus on Canadian programs which encourage post-secondary education for all of society. For example, student loans are available for post-secondary education; an examination of the magnitudes of the financial incentives shown in Table 1 makes it clear that Aboriginal people are well advised (on average) to gain an education even if it requires borrowing money. Although the Indian Register will begin closing, as discussed in the previous section, Aboriginal people who do not qualify for Indian registration will still have access to the financing necessary for obtaining an education. Moreover, although an increasing proportion of Aboriginal people will not qualify for Indian registration, it will be a significant time before none qualify.

The argument that the time is sufficient would also focus on educational programs that are available for all Aboriginal people, regardless of their registration status. For example, the Native Access Program for Nursing at the University of Saskatchewan is available to all Aboriginal people. The argument that time is sufficient would focus on affirmative action programs to hire Aboriginal people. These programs increase the incentive to seek an education by making it clear that jobs will be available.

The arguments that time is insufficient would focus on the capping of tuition subsidies for post-secondary educational programs for Registered Indians. By capping these programs, Indian and Northern Affairs Canada has caused significant harm to Saskatchewan because the program encourages Registered Indians to wait for funding before pursuing their post-secondary education.²⁹ By encouraging them to wait—and making them wait longer—many may never begin. The argument that time is insufficient would focus on the educational demands of life in the Information Age. It is remarkable that the average Aboriginal adult does not have a high school diploma in an age when individual earnings largely depend increasingly on individual knowledge. The argument that time is insufficient would focus on the fact that an Aboriginal person needs to “think outside the box” educationally in order to receive the high financial

²⁹ It is particularly unfortunate that the tuition subsidy is capped in nominal dollars. Hence the gradual upward movement of the price level reduces the real amount available for education programs. For example, in the first years of the 21st Century, the consumer price index in Saskatchewan has increased by an average of 2.6% per year— for a 17% cumulative increase. This resulted in a 17% decrease in the real value of the education subsidy thus far this century. At that rate, the education subsidy will be reduced by three-quarters by the middle of the 21st Century. Moreover, tuition rates are increasing faster than the overall rate of inflation, so the real decrease would be larger..

returns shown in Table 1. In order to receive the large financial return to education, an Aboriginal person must gain much more education than is the average. Just getting a little more education will not be sufficient because just a little more will still result in the Aboriginal person being undereducated relative to society. The argument that there is insufficient time would focus on ethnic migration. Individuals are increasingly likely to regard themselves as Aboriginal, with whatever idiosyncratic justification, in part to gain access to programs that are available to all Aboriginal people. The argument that there is insufficient time would focus on aspects of the socioeconomic problems faced by many Aboriginal people—housing issues such as urban churn, lifestyle issues such as teen pregnancy, drugs and alcohol dependency, and health issues such as the high rate of diabetes—and their impact on the feasibility of seeking an education. The central place of the reserve in the hearts of many makes it difficult for some individuals to leave the reserve, but most of Saskatchewan’s reserves are located in rural areas or in the north where there are educational disadvantages (see Figure 4.9 in Richards [2006], p. 71) and fewer economic opportunities. The argument that time is insufficient focus on the availability of EI and other social assistance programs which somewhat reduce individual economic incentives.^{30 31}

³⁰The writer acknowledges a referee’s opinion that, for anthropological reasons, Aboriginal people may be culturally disadvantaged in adapting to the needs of the economic mainstream. A great deal could be—and has been—written on both sides of that point. For example, even traditional activities by Aboriginal people often respond significantly to economic incentives; Stabler, Tolley, and Howe (1990) found that two of the principal determinants of Aboriginal participation in trapping in the Northwest Territories were economic—the availability of alternative employment and the price of fur.

³¹The writer also acknowledges a referee’s opinion that Aboriginal people face a disadvantage that Eastern European immigrants did not: Aboriginal people are a visible minority. Actually, just as some Aboriginal people are easily identified as such, some Eastern European

Where does this all leave us? What will Saskatchewan be like in another fifty years? The writer is optimistic. The availability of the educational incentives shown in Table 1 is resulting in Aboriginal people seeking education in ever larger numbers. The increase in Aboriginal entrepreneurship is dramatic. Both forces will result in the further integration of Aboriginal people into the economic mainstream. The situation with Eastern European immigrants early in the 20th Century provided every reason for pessimism: their high crime rates, their involvement in the sex trade, their high unemployment rates, the poor schools that were available, their large numbers, their low level of education among others. But a few individuals sought education or started businesses and discovered a path out of poverty. Others learned from their example, and the numbers increased. Saskatchewan will experience the same social transformation in the 21st Century that it experienced in the 20th.

immigrants were easily identified due to their accents, names or physical appearance. It would be interesting to know about the average identifiability of both populations.

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