

# How Ottawa's Neoliberal Austerity Measures Affect Canada's Aboriginal Communities

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## An Interview with David Newhouse

*David Newhouse is Chair of the Indigenous Studies Department, and Associate Professor of Business Administration at Trent University. His works include [Improving the Aboriginal Quality of Life: Changing the Public Policy Paradigm](#) (2006), [From Woundedness to Resilience: Urban Aboriginal Health](#) (2006), [Hidden in Plain Sight: Aboriginal Contributions to Canada](#) (2005), [Not Strangers in these Parts: Urban Aboriginal Peoples](#) (2003) and [Well-Being in the Urban Aboriginal Community](#) (2012).*

This interview was conducted prior to the start of the Idle No More movement and appears in [Alternate Routes'](#) latest issue *Great Recession-Proof? Shattering the Myth of Canadian Exceptionalism*.

— Carlo Fanelli.

Carlo Fanelli (CF): *The Public Service Alliance of Canada (PSAC) [has suggested](#) that the 2012 Canadian Federal budget "is true to Conservative governments course of assimilating the Aboriginal population by making life in Aboriginal Communities unbearable." PSAC points to the fact that the budget has done little if nothing to address housing issues faced by Indigenous peoples and is subsequently continuing a trend of inequality thereby subtly forcing Indigenous communities to assimilate in attempts to escape impoverished conditions. To what extent would you agree with such a proposition? If so, in what ways is the current budget a continuation of past attempts to assimilate Indigenous communities in Canada?*



David Newhouse (DN): The 2012 budget provides limited funding for services such as education and community infrastructure, primarily improvements to reserve water systems. There are no additional funds to address the chronic housing problems nor to assist those who wish to pursue post secondary education. As we all know, one of the keys to effective labour market participation is a high level of education. Without adequate support for primary and secondary education, the graduation rate will not improve and without increased support for those who make it to post secondary education, fewer will be able to continue. The lack of adequate funding makes it difficult to break from the cycle of poverty that exists in many aboriginal communities. Despite land claim agreements and other types of agreement, most researchers and policy analysts agree that the current level of funding is considerably below what is needed to close the gap in social and economic conditions

between Aboriginal peoples and Canadians.

The cuts to the Aboriginal health organizations removes an important set of actors from the policy advice circle. At a time when all of the indicators tell us that increased attention to Aboriginal health services are important, it doesn't make sense to remove the source of advice that can assist in the effective and efficient spending of funding on Aboriginal health. The removal of an independent Aboriginal voice, effective to a modern Canadian democracy, means that Aboriginal people lose the ability to affect government policy and participate effectively in the design and delivery of their own programs in this extremely important area.

As to the issue of assimilation, I think that this process is more complex. Certainly governments can require certain types of organizational behaviours and structures from their funding partners but that doesn't mean that Aboriginal people are assimilated if they adhere to them. There is an incredible movement within Aboriginal communities to use ideas, practices, theories, etc from our own intellectual heritage as the basis for everyday life, including organizational and community lives. What is important is that the thinking of organizational actors is Aboriginal and that thought is translated into appropriate action.

### Transformation and Adaptability

Two of the foundational ideas of Indigenous thought are transformation and adaptability. The truth test for Indigenous Knowledge is whether or not it works in real life; does it help one to survive? This allows for change and adaptation while remaining Aboriginal. We see this in the remarkable resurgence of traditional ideas being brought back into everyday life. Assimilation occurs when one stops thinking in Aboriginal terms.

I'll tell you a story from one of my first year classes a decade ago. We were reading a paper on the introduction of iron pots into Mi'kmaq culture in the 16th and 17th centuries. Some of the non-Indigenous students argued that the Mi'kmaq should not have used the pots since it changed their way of life and was not 'traditional.' A Mi'kmaq student in the class spoke up, after a lengthy debate: But we liked the pots. They made life easier for us. Using the pots didn't make us any less Mi'kmaq. They strengthened us by enabling us to do more things easier. My views on assimilation and that of the students were challenged and changed in this instant.

The history of Aboriginal people is filled with similar adaptations and yet we remain Aboriginal (of all types). Yes, life has changed and we have adapted, just like other cultures around the world. The real problem around assimilation is the homogenization that is occurring as a result of the dominance of North American modernity and the market, which are proving to be remarkably powerful forces.

CF: Recent focus on Attawapiskat has caused much of the Canadian public to become aware of the impoverished conditions apparent on a number of reserves and has highlighted the significant disparities in wealth and income between Indigenous and non-Indigenous communities. To some extent, this renewed interest in Attawapiskat and elsewhere has compelled the Canadian government to develop new strategies for tackling poverty amongst Indigenous peoples both on and off the reserve. To what extent are these challenges rooted in the failure of earlier policies and have there been any major shifts in policy orientation?

DN: The conditions that created Attawapiskat-like situations are myriad and are rooted in Canada's colonial history, the Indian Act and government paternalism, the establishment of Indian reserves outside the economic space of Canada, the continued racism toward Aboriginal peoples, and a lack of adequate funding for local government services including education and job training. In addition, the funding regulations for Indian bands did not provide for much local discretion in shifting funds to meet local needs as they emerged and changed over the course of a funding cycle. While First Nations Councils now have some increases in flexibility and a higher modicum of local control, in reality, demands for higher level of accountability from governments (both federal and provincial) effectively remove this control and the cycle of colonial administration continues, albeit in a different guise. In the economic area, the focus is now on success and helping those who are most likely to be successful. The new Aboriginal economic development framework is based on neoliberal principles, providing assistance to those who need it least and leaving those who need it the most behind.

We seem to be moving toward a policy that emphasizes the market as a primary vehicle for the way in which individuals participate in society. The emphasis on individual participation is at odds with the collectivist nature of much of Aboriginal society. It will be a challenge for Aboriginal communities to develop institutions that can effectively mediate between these two approaches. Without them, and lacking the high levels of education needed to effectively participate in the market, I have great fears that the economic and social divide will continue to widen. The playing field isn't level yet.

CF: Although the 2012 budget has been presented as being focused on providing more educational opportunities for Aboriginal children, the Canadian Coalition for the Rights of Children (CCRC) [has argued](#) that the budget fails to recognize the importance of early education and is ignoring the needs of Canada's youngest generation. Although the government has assigned \$275-million over three years for both literacy and for the building of new schools, do you think that they are failing to address the earlier educational needs of Indigenous children? Moreover, the funds have only been provided for elementary school education rather than high school or post-secondary education, so in addition to neglecting early educational needs it seems as if the government is also failing to encourage later educational opportunities. What might the consequences of this be both in the short and long term?

DN: What we fail to recognize is that education is a system of institutions that include more than schools and local education programs. For the system to function well, all aspects of it need to be well designed and adequately funded. Funding for classroom teaching is important but also needs to be supplemented by other activities these days: local school boards/committees that bring local control and parents into governance activities of schools, breakfast and lunch programs for students who often come from low income families, academic assistance such as tutors, mentors and guidance counselors, important cultural elements such as elders, traditional teachers and language teachers which help to provide a sense of pride in one's own heritage and culture.

One also needs capital funding to ensure that schools are up to date and well maintained. Learning in outdated schools or poorly maintained ones doesn't do much to improve success. It is also important to have parents involved in meaningful ways in their children's education. The consequences of not adequately funding education means lower graduation rates, lower labour force participation rates, lower incomes and an inability to contribute to Canada at one's potential. As the Aboriginal population grows, additional resources for social

assistance are required, at funding levels higher than the cost of the initial educational investment.

CF: The CCRC has also raised concern that the budget has allocated no new funds or resources to address youth rehabilitation. To the contrary, among Prime Minister Stephen Harper's first tasks since gaining a majority government in 2011 has been to introduce Bill C-10 which among other things eliminates conditional sentences for minor and property offenders and instead mandates mandatory minimum sentences. A plethora of research has shown that such an approach is not only counter-productive but actually intensifies the very problems they allegedly seek to solve.<sup>[1]</sup> As a consequence, this has resulted in the Canadian Civil Liberties Association and Canadian Bar Association, among other groups, opposing the implementation of such legislation.<sup>[2]</sup> Given that Aboriginal youth make up only 5 per cent of the overall Canadian youth population but are disproportionately represented in Canadian prisons at 28 per cent of the population, what kind of impact will this lack of rehabilitative funds have on Indigenous communities? Does this threaten to further victimize the vulnerable?

DN: The budget changes and Bill C-10 make it likely that the level of incarceration of Aboriginal youth will continue at its same level and even more likely that it will grow. The mandatory minimum sentences mean that more aboriginal youth (and others) will serve time; the loss of rehabilitative funds increases the possibility of re-offending upon release. One could analyze the effects through two lenses: the first is a loss of community productive capacity as a disproportionate number of aboriginal youth are removed; the second is through the lens of community safety as the cycle continues as youth return to communities after custody. The loss of funding for rehabilitative services also means a shift in philosophy away from restoration and rehabilitation toward deterrence and punishment. Given the gains made over the last two decades in trying to bring Aboriginal ideas into the justice system and the move toward restorative justice practices, it appears that the system would become less amicable to aboriginal peoples rather than more.

CF: One of the most contentious issues emerging from the 2012 federal budget has been to grant the Canada Revenue Agency and other federal departments the power to withdraw the tax-free status as well as government grants from charities that are involved in so-called political activities. Environmental groups, in particular, have been singled-out by federal Minister of the Environment, Peter Kent, for having been accused of money laundering, illegal activities and ubiquitous with radicals and terrorists. Given the intimate relationship between many Indigenous communities and Canadian charities, as well as efforts intent on, for instance, limiting the reckless development of the Alberta tar sands, destructive resources extraction on First Nations lands or broader issues related to climate change, how might such changes have potentially damaging affects for First Nations communities and issues related to social justice?

DN: As a society I think we have moved in a direction that criminalizes dissent. Dissent itself is defined quite broadly as any criticism or opposition to the government positions. This is dangerous territory and goes against the foundations of an liberal democratic society. It creates a climate of fear where groups of citizens are unwilling to speak their mind and advance their views as part of the public policy process. Since Aboriginal peoples have been subject to public debate restrictions in the past and have successfully found ways to advance their views, I would anticipate that aboriginal leaders and organizations will continue to advance their views, even at the risk of having their funding cut or affairs investigated. Threats of interrogation and the like have not been effective in the past at

silencing Aboriginal voices. There has been much effort at building alliances with non-Aboriginal groups over the last few decades on social justice issues. I would forecast that the attempts at labeling criticism dissent would not be effective and might have the opposite effect of creating more alliance and more pointed criticism and action. The groups who might be most affected are those who have charitable status and who are engaged in advocacy work that is considered critical of government policy.

CF: In [From Woundedness to Resilience](#), you argue that the Indigenous community needs to become aware of the ongoing colonial discourse that constructs Indigenous people as 'wounded,' causes them to remain reliant and restricts their ability to become aware of their own agency. If I understand you correctly, you argue that a collective consciousness needs to be developed in order for Indigenous communities to see themselves as resilient. Given the economic crisis and Harper's cuts to many social services that Aboriginal and non-Aboriginal communities often depend on in terms of health, welfare and so on, do you think that this process has been restricted? In your view has the economic crisis constrained this process of 'healing'? How might these cuts have continued this notion of 'woundedness' or prevented Indigenous communities from moving past this stereotype?

DN: Good question. Will the reduction or loss of government funding stop the healing process? It may slow certain aspects of it down but I don't think that it will be stopped as its essential core doesn't depend upon government funding. The developing resilience I think will be able to find new ways to address some of the problems. My major concern is for those who are the most vulnerable and the most wounded who need specialized supports and attention. We seem to have forgotten about them and it is clear that the institutional support will not be available. Aboriginal people have always lived in a polarized environment with sharp differences in economic and social conditions. Reducing this distance is a national challenge which the state has been reluctant to take up, except on its own terms. Aboriginal peoples have articulated over and over again what they believe needs to be done to reduce the economic and social distance as well as bring them into confederation. The best articulation of an Aboriginal vision of Canada is the final report of the Royal Commission on Aboriginal Peoples. It forms the foundation of contemporary Aboriginal political action on many fronts. Its aim is to reduce the polarization.

The question in my own mind is whether or not Canadians can deal with a 'healed' Indian. So much of our public policy effort is based upon the notion of woundedness. This is not to say that there is not genuine poverty and social dislocation that needs addressing. Can we support Aboriginal led efforts as I believe that healing comes also from doing things for oneself. I was struck by the results of the Environics Urban Aboriginal Peoples Study that indicated that 100 per cent of those interviewed had experienced discrimination and racism in their lives and had to a large extent decided that there was nothing they could do about it and so were getting on with living with it.<sup>[3]</sup> It was an astounding finding for the year 2011 but it is illustrative of the complex environment that we live in. A recent IPSO-REID poll also showed that most Canadians believe that Aboriginal peoples get too much from government.<sup>[4]</sup> A part of the issue as I see it changing the attitudes of non-Aboriginal Canadians so that they can find a way to live comfortably with us.

CF: In an era of unprecedented austerity and continuing economic insecurity, what are some of the major challenges facing First Nations communities that have yet to garner the serious media, academic and popular attention that is warranted? In what ways are health care, housing and other social services at risk of deteriorating? And why is the continuing study of First Nations peoples central to improving the lives of both Indigenous and non-Indigenous



communities?

DN: What always strikes me is the fragility of some of the gains over the last two decades. It is clear that government funding for services and institutional development is important and critical to continued improvement in health, education and economic participation. Without stable predictable funding for a set of societal institutions in these three areas it will be difficult to improve. The loss of National Aboriginal Health Organization and the First Nations Statistical Institute will be felt as they represent important sources of knowledge for policy makers in all foray. What many focus upon is only the delivery of services; what is missing is an understanding of the nature of the institutions that are necessary for direct support organizations to function. The issue of racism and its effects has been consistently ignored by researchers and governments as have urban issues (which are now slowly beginning to gain some attention). Policy makers have consistently ignored urban Aboriginal peoples until recently.

Research helps us to better understand the issues and to devise, hopefully, better policy and programming interventions. Aboriginal leaders complain that their communities have been researched to death and that their interest is more in action than more research. And to some extent this is true. Much of the research on Aboriginal peoples has been performed by outsiders and directed toward improving the knowledge of outsiders. What is needed is more research that is undertaken on issues identified by aboriginal communities as important to them, undertaken by researchers working with them rather than for someone external and which helps local communities understand their situations better. The likelihood of improved local effort is much improved. •

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Endnotes:

1. For an introductory overview see Barken, S.E. and G.J. Bryjak. (2011). *Fundamentals of Criminal Justice: A Sociological View*, 2nd edition. Toronto: Jones and Bartlett Learning.

2. The CCLA has called Bill C-10 “unwise, unjust, unconstitutional.” See [ccla.org/omnibus-crime-bill-c-10](http://ccla.org/omnibus-crime-bill-c-10).

3. Environics. (2010). [Urban Aboriginal Peoples Study](#).

4. Smith, Teresa. (2012, June 30). “[Canadians think government is too generous with aboriginals: poll](#),” *Global News*.

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