May 2009

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A REVIEW OF THE POTENTIAL IMPACTS OF THE MÉTIS HUMAN RESOURCES DEVELOPMENT AGREEMENTS IN CANADA

CSLS Research Report 2009-1
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May 2009

Prepared for the Métis National Council | By the Centre for the Study of Living Standards

A Review of the Potential Impacts of the Métis Human Resources Development Agreements in Canada

Abstract

Since 1999, thousands of Métis have received training and found employment through Métis Human Resources Development Agreements (MHRDAs). We estimate MHRDA activities' annual fiscal impact, which includes include higher tax revenue, lower government transfers, mostly in the form of EI and social assistance, and lower health expenditures. Based on results from the 2007-2008 fiscal year, we estimate the annual fiscal impact of one year or activity to be between $4.2 and $47.9 million, with a higher probability associated to the lower-bound estimate than the upper-bound estimate. On a long-term basis, the discounted fiscal benefits outweigh program costs (about $49 million for one year of activity) in all cases but the one based on a the lower-bound estimate and highest discount rate. Our middle-bound estimate suggests annual fiscal benefits of $8.5 million, with long-term benefits reaching $103 million. Given that benefits from Métis training and employment encompass more than what is captured in this analysis, the return from the MHRDA for Canadian society appears to be well worth the investment.

Résumé

Depuis 1999, des milliers de Métis ont reçu une formation et ont trouvé un emploi grâce aux *Ententes de développement des ressources humaines métis* (EDRHM). Ce rapport estime que l'impact annuel fiscal des EDRHM, incluant une hausse des revenus de taxation, une diminution des transferts gouvernementaux (surtout sous la forme de l'assurance emploi et de l'assistance sociale) et une diminution des coûts des soins de santé, se situe entre $4.2 et $47.9 millions – avec une probabilité plus élevé associée à l'estimé plancher qu'à l'estimé plafond. Sur le long-terme, les bénéfices fiscaux actualisés surpassent les coûts du programme (environ $49 million pour une année d'activité) dans tous les cas étudiés, à l'exception de ceux basés sur l'estimé plancher et un taux d'escompte élevé. Notre estimation centrale suggère que les bénéfices fiscaux sont de l'ordre de $8.5 million annuellement, et les bénéfices à long terme environ $103 million. Puisque les bénéfices découlant des services de formation et d'emploi pour Métis englobent plusieurs éléments qui ne sont pas capturés par cette analyse, le rendement des EDRHM pour la société canadienne semble justifier l'investissement.

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Executive Summary

In 1999, federal Aboriginal labour force programming was devolved to the Aboriginal communities through the Aboriginal Human Resources Development Strategy (AHRDS). The initial annual investment was approximately $350 million, of which about $40 million was allocated to Métis communities. The current agreements will sunset on March 31, 2010, and the federal government is examining the possibility of extending or building on the current agreements going forward. The key objective of this report is to provide an **independent** review of both the direct and indirect impacts of federal investments into Métis labour force development institutions, programs and services, and more particularly the impacts of interventions funded in the context of the MHRDAs.

Profile of the Métis population

Before evaluating the MHRDAs, it is important to set out who are the Métis, and what is their current situation in Canada in terms of labour and social outcomes. In Canada, the Métis population is concentrated in the four Western provinces and Ontario (representing more than 85 per cent of all Métis in 2006), which are the five provinces in which MHRDAs operate. The following key characteristics stand out from a review of Métis labour and social outcomes:

- The Métis population is generally much more concentrated in rural and remote locations than the general population. In 2006, 30.6 per cent of all Métis lived in non-urban areas, compared to only 19 per cent of the non-Aboriginal population. Even within urban areas, Métis tend to live in smaller centres.
- The Métis population is much younger than the non-Aboriginal population, with more than 35 per cent of its population under the age of 20 in 2006. Among the non-Aboriginal population, less than a quarter of the population was under 20 years old.
- In 2006, more than a third of Métis (34.6 per cent) had not completed high school nor obtained another diploma or certificate, compared to only 23.1 per cent of non-Aboriginal Canadians. Yet the Métis have progressively reduced the gap with non-Aboriginal Canadians, from 20 percentage points for Métis aged 65 to 74 years, to 10.3 percentage points for Métis aged 25 to 34 years.
- However, the Métis/non-Aboriginal gap in terms of university certification *increased* for every cohort of students since 1966. Among those aged between 65 and 74 years, the gap was 10.1 percentage points in 2006. In the youngest cohort, those aged 25 to 34 years, the gap was twice as large (19.7 percentage points).

- Between 1996 and 2006, both the non-Aboriginal and the Métis population made significant progress in terms of absolute participation, unemployment and employment rate. The Métis population also made significant progress relative to the non-Aboriginal population. Over that ten-year period, the Métis/non-Aboriginal participation rate gap closed by 3.6 percentage points, the unemployment rate gap closed by 6.5 percentage points and the employment rate gap closed by 7.4 percentage points.
- Even though Métis people currently display higher aggregate participation and employment rates than non-Aboriginal Canadians, it is entirely due to their younger population. If Métis had an age pyramid identical to that of non-Aboriginal Canadians, their participation rate in 2006 would have been 63.9 per cent instead of 70.1 per cent; their employment rate would have been 57.9 per cent instead of 63.1 per cent; and their unemployment would have been 9.5 per cent instead of 10 per cent.
- Métis display a higher incidence of poverty, a higher incidence of health issues and a higher incidence of lone-parent households than the general population.

HRSDC Review Process

Program evaluations and program reviews are one of the key processes through which governments can identify the strengths and weaknesses of different initiatives. In the case of the Aboriginal Human Resources Development Agreement (AHRDA) program, Human Resources and Skills Development Canada (HRSDC) published its first and only program review in 2004. HRSDC is currently in the process of completing formative and summative evaluations of the program, exercises which may well guide discussions on the renewal of the program after March 2010. Preliminary findings from the summative evaluation show that AHRDAs seem to obtain significantly better results than those of a similar program evaluation completed for the BC Labour Market Development Agreement (LMDA) in 2004 (see Exhibit 1).

Exhibit 1: A Comparison of Impact Estimates by Type of Client between BC LMDA and AHRDAs

	Employment Increased	Earnings Increased	EI Income Decreased	Income Support Decreased	Employment Increased	Earnings Increased	EI Income Decreased	Income Support Decreased
	British Columbia Labour Market Development Agreement				Aboriginal Human Resources Development Agreements			
Active EI Claimant	**Yes**	**Yes**	No	-	**Yes**	**Yes**	**Yes**	**Yes**
Former EI Claimant	No	No	No	-	**Yes**	No	?	?
Non-EI eligible clients	N/A	N/A	N/A	N/A	**Yes**	**Yes**	No	**Yes**

Note: Positive results are bolded. Dashes mean inconclusive findings. Interrogation marks mean that the information has not yet been provided. N/A means that no such client was served.

In addition, an analysis of data sent by the Manitoba Métis Federation and the Métis Nation of Alberta suggest that MHRDA organizations make a more intensive use of training purchases and sponsorship than other Aboriginal agreement holders and the

BC LMDA. This type of intervention produces the strongest results according to both the BC LMDA review and the preliminary findings from the AHRDA summative evaluation.

Potential Contribution of the Métis

The Métis population will play an increasingly important role in the Canadian economy. A high-level analysis of the potential impact of a more employable Métis population based on a methodology previously developed by the CSLS found the following key elements:

- The importance of the Métis people for the future of the Canadian economy is disproportionally large when compared to its population, well surpassing its 2006 population share (1.25 per cent) and expected contribution to working-age population growth (1.88 per cent).
- While in 2006 Métis represented 1.2 per cent of the labour force, they are projected to account for 3.0 per cent of labour force growth over the 2006-2026 period even if no improvement in age-specific participation rates takes place. The Métis contribution could increase to 3.5 per cent of labour force growth if measures were taken to increase their participation rates to levels comparable to that of the non-Aboriginal population. Similarly, Métis are projected to account for between 2.9 and 3.8 per cent of employment growth between 2006 and 2026.
- If by 2026 Métis reached the 2001 educational level of non-Aboriginal Canadians, as well as closed the education-specific employment rate and employment income gaps, GDP would be $7.5 billion higher ($2006). Over these 25 years, additional GDP would cumulate to a staggering $81.6 billion ($2006).
- Similarly, if that scenario were to materialize, additional tax revenue in 2026 alone would be $3.0 billion higher, cumulating to additional government revenue of $33.5 billion over the 2001-2026 period ($2006).

Potential Impact of the MHRDAs

There are well established linkages between education and experience and income. Moreover, researchers have also identified a number of linkages between training and non-monetary benefits. A large number of these benefits directly relate to outcomes where Métis are currently lagging the non-Aboriginal population: health, poverty and household stability for example. Learning and better labour market outcomes have far-reaching impacts on individuals and society, and it is important to realize that only a partial accounting of benefits can ever be done. In this report, we focus on the fiscal impact of MHRDA activities.

The core data used in this analysis is the number of clients who returned to employment or education following a MHRDA intervention (employment and education returns - EERs). A number of data integrity issues have been identified in relation to the EER data used in this analysis. These issues have been noted in previous program reviews, and their effect is mostly to reduce the number of positive results reported by

local MHRDAs. In the absence of more reliable estimates, however, these data will form the basis of the analysis.

Exhibit 2: Summary of the Methodology to Measure the Potential Impact of MHRDAs

The **income benefits** are calculated by multiplying the estimated incremental dollar value of an employment return over the "no intervention" case in a given province by the number of employment returns in that province in that fiscal year. Two assumptions on the magnitude of this effect are used:

- The upper-bound is considered to be half the median wage in the province (≈$13,000).
- The lower-bound is derived from the measured effect of successful interventions in the BC LMDA (≈$2,000).

The **additional government revenue** is calculated by multiplying an estimate of additional GDP derived from employment income for each province by the provincial total government revenue-to-GDP ratio (≈0.4).

- For the upper-bound we divide upper-bound employment income by the labour share in that province to obtain an estimate of additional GDP.
- For the lower-bound, the lower-bound employment income is assumed to represent additional GDP.

The **transfers savings** are calculated by multiplying the estimated dollar savings of an employment return in terms of transfers (mostly EI and social assistance) by the number of employment returns in that fiscal year. Two assumptions on the magnitude of this effect are used:

- The upper-bound is the difference between the value of government transfers of the first and the third quintile of economic families (≈$500).
- The lower-bound is a quarter of the difference between the first and second quintile of economic families (≈$3,000).

The **health fiscal savings** related to additional education and training on health are based on an estimate of the difference in the annual cost of serving Métis and non-Métis patients of a given age in Canada based on previous CSLS research. The savings are calculated by multiplying the number of employment returns by a portion of this difference. Two assumptions on the magnitude of the gap that would be closed due to the employment return are used:

- The upper-bound assumes that half the difference in health care costs is eliminated (≈$100).
- The lower-bound assumes that one eighth of the difference in health care costs is eliminated (≈$500).

The **lifetime income effect** and the **lifetime fiscal effect** are calculated using estimates a variety of time-periods and assumptions on discount rates.

Ideally, the adoption of an experimental design methodology would be most appropriate to measure the direct impact of MHRDA interventions. The lack of data, however, precludes such an analysis by the CSLS. Given this limitation, we instead adopt an assumption-based methodology.

Two important caveats which have an impact on our choice of assumptions merit mention. First, our assumptions must take into account the fact that not all employment

returns are a direct result of MHRDAs interventions. In the absence of a control group to correct for this phenomena, this fact must instead be embedded in our assumptions about the effects of MHRDAs. Second, it is possible that workers who find employment because of MHRDA interventions are in fact displacing other workers who would have otherwise found employment. This effect, which we call the "displacement effect", constitutes another reason which justifies the adoption of conservative estimates of benefits.

With these caveats in mind, we now turn to the actual methodology. Two types of benefits are estimated: monetary benefits which take the form of additional employment income and benefits accruing to the different levels of government in terms of additional tax revenues and fiscal savings. These benefits are estimated for a single year, and then extended forward to obtain an estimate of the lifetime impact of MHRDA programs. Exhibit 2 provides a summary of the methodology.

Exhibit 3: Summary of the Potential Impact of MHRDA Activities on Governments' Fiscal Position, 2007-2008

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Potential Total Annual Effect Increase in Tax Revenue					
Lower-Bound	287,990	522,928	346,799	731,232	496,245	2,385,194
Upper-Bound	3,522,174	6,804,079	5,733,020	10,782,292	6,346,604	33,188,169
	Potential Total Annual Effect on Government Transfers					
Lower-Bound	174,500	-74,700	203,350	1,057,800	34,350	1,395,300
Upper-Bound	1,012,100	1,867,500	3,253,600	6,297,600	618,300	13,049,100
	Potential Total Annual Effect on Health Expenditure					
Lower-Bound	36,636	98,285	89,862	99,940	82,101	406,823
Upper-Bound	146,543	393,141	359,447	399,758	328,403	1,627,292
	Potential Total Annual Effect on Fiscal Position (2006 dollars)					
Lower-Bound	499,126	546,513	640,010	1,888,972	612,695	4,187,317
Upper-Bound	4,680,817	9,064,720	9,346,066	17,479,650	7,293,307	47,864,561
	Benefits/Cost Ratio (per cent)					
Lower-Bound	10.6	4.4	5.4	14.2	11.3	8.8
Upper-Bound	99.1	73.6	78.4	131.5	134.6	100.4

Sources: CSLS calculations based on Table Table 20, Table 22 and Table 23. *Estimates are based on 2006 dollars.

Exhibit 3 provides a summary of the potential impact of MHRDA interventions in 2007-2008 on the revenue and expenditures of the federal and the five provincial governments concerned. When increases in tax revenue, decreases in government transfers and declines in health care expenditures are summed up, the total effect ranges from $4.2 million to $47.9 million. As a whole, MHRDAs cost-to-benefit ratio ranges from 8.8 per cent to 100.4 per cent. If the upper- bound indeed reflected reality, it would mean that MHRDA can generate enough additional activity in a single year to cover their annual costs.

While MHRDA activities do generate immediate benefits, a large part of the benefits are realized over time through permanently higher incomes and thus higher tax revenues, lower government transfers and better health outcomes. Future benefits, however, must be discounted to accurately reflect their current value. Using three discount rates, we provide estimates of benefits over 10, 20 and 30 years. Exhibit 4 provides a summary of results. The lower-bound scenario appears most reasonable, but likely slightly underestimates the impact of MHRDA labour market programming. Using a two per cent or a six per cent discount rate, the costs of the program (about $49 million) are recovered after 14 and 19 years respectively. If a ten per cent discount rate is used to deflate lower-bound estimates, governments never fully recover their costs.

Exhibit 4: Present Value of Change in Fiscal Position related to 2007-2008 MHRDA Results, Million of $2006

		Lower-Bound Estimates	Upper-Bound Estimates
Discount Rate of 2 per cent	Benefits after 10 years	38.4	438.5
	Benefits after 20 years	69.8	798.3
	Benefits after 30 years	95.7	1,093.4
	Years for Cost-Recovery	14 years	1 year
Discount Rate of 6 per cent	Benefits after 10 years	32.7	373.4
	Benefits after 20 years	50.9	581.9
	Benefits after 30 years	61.1	698.4
	Years for Cost-Recovery	19 years	1 year
Discount Rate of 10 per cent	Benefits after 10 years	28.3	323.5
	Benefits after 20 years	39.2	448.2
	Benefits after 30 years	43.7	496.3
	Years for Cost-Recovery	Never	1 year

Source: CSLS calculations based on Table 24

The wide range of estimates raises an important question: What is the level at which the fiscal benefits of MHRDA most likely to stand? Based not only on the vigour of the labour markets in the provinces covered by MHRDA, but also by differences in the mix of interventions and differences in the target population of the MHRDA and LMDA program, we estimate annual fiscal benefits at $8.5 million, or roughly double the lower-bound based on estimates from the BC LMDA. Using a discount rate of 6 per cent, our middle-bound estimate implies that the MHRDA program provide a full return on investment after 6 years. Moreover, based on a 20 years benefit period and a 6 per cent discount rate, total lifetime benefits of one year of MHRDA programming are estimated at $103 million.

In addition to these fiscal costs, other impacts of the work carried out by MHRDA holders are harder to quantify but should form part of any assessment about their value to individuals and communities: the Métis bursaries and awards made possible by MHRDA funding; their capacity and the outcomes resulting from resources leveraged through partnership by agreement holders; and the role they have in and the opportunities they provide for individual and community capacity building.

Conclusion

This paper examined the benefits flowing from the MHRDAs. We find that according to the preliminary findings from the ongoing HRSDC evaluation, AHRDAs as a whole seem to have produced better results than those of services provided through the BC LMDA. Moreover, we find that the composition of services offered by MHRDAs is skewed toward services which produce generally better results (i.e. skills development programs based on training purchases or project-based training), suggesting that MHRDAs are actually above-average in terms of results within the AHRDA program. We also found that a number of issues previously raised by stakeholders remain largely unaddressed: data completeness and accuracy, capacity building, and measurement of more relevant indicators of performance and accountability.

From the data available from HRSDC, we derived estimates of the potential impact of MHRDA activities on the fiscal position of the federal government and of governments in the five jurisdictions covered by MHRDAs: Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. In a single year, the MHRDA are estimated to improve to fiscal position of Canadian governments within a range of $4.2 to $47.9 million, with a higher probability associated to the lower-bound estimate than the upper-bound estimate. Our middle-bound estimate is $8.5 million. On a long-term basis, the discounted fiscal benefits of the MHRDA outweigh its costs in all cases except when a very high discount rate (ten per cent) is used alongside our most conservative estimate. Our middle-bound estimate of lifetime benefits is $103 million. Given that benefits from Métis training and employment encompass more than what is captured in this analysis, the return from the MHRDA to Canadian society appears to be well worth the investment.

Of course, there is still room for improvement to MHRDAs. Training and employment services tend, in general, to be focused on the supply side (on the client) rather than involving employer (demand) and prospective employee (supply). On the other hand, the federal government must ensure that it works in partnership with Métis people in the development of the new AHRDAs for 2010 to ensure a healthy and trustworthy dialogue going forward.

Glossary

AHRDA: Aboriginal Human Resources Development Agreement
AHRDS: Aboriginal Human Resources Development Strategy
CRF: Consolidated Revenue Fund
EER: Employment and Education Return
EI: Employment Insurance
GDI: Gabriel Dumont Institute
GDP: Gross Domestic Product
HRSDC: Human Resources and Skills Development Canada
LICO: Low-Income Cut-Offs
LMDA: Labour Market Development Agreement
MHRDA: Métis Human Resources Development Agreement
MMF: Manitoba Métis Federation
MNA: Métis Nation of Alberta
MNC: Métis National Council
MNBC: Métis Nation of British Columbia
MNO: Métis Nation of Ontario
MN-S: Métis Nation - Saskatchewan

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A Review of the Potential Impacts of the Métis Human Resources Development Agreements in Canada[1]

I. Introduction

In 1999, federal Aboriginal labour force programming was devolved to the Aboriginal communities through the Aboriginal Human Resources Development Strategy (AHRDS). The initial annual investment was approximately $350 million, of which about $40 million was allocated to Métis communities. Through Métis Human Resources Development Agreements (MHRDAs), thousands of Métis have received training and have found employment, with employment results being tracked closely through the HRSDC client database. The macroeconomic and microeconomic impacts of interventions completed through MHRDAs encompass, for example: direct savings to the public treasury in the form of unpaid employment related contributions to EI and increased tax base; increased private returns to individuals through higher human capital; leveraging of public and private resources; better social outcomes for Métis; individual and community capacity building.

The current agreements will sunset on March 31, 2010, and the federal government is examining the possibility of extending or building on the current agreements going forward. In its 2009 budget (Finance Canada, 2009), the federal government mentioned its intention to implement "a partnership and results based successor to the Aboriginal Human Resources Development Strategy" and committed "a further $25 million for 2009–10 to maintain current AHRDS funding until the new overall strategy is put in place in April 2010." Yet the design of a new agreement is still under discussion, and stakeholders are engaging HRSDC and proposing ways forward (see for example MHRDA Technical Working Group, 2008). In this context, a review of the positive impacts of MHRDAs will help establish the extent to which these programs provide benefits to the Métis communities and the wider Canadian population.

The key objective of this project is to provide an **independent** review of both the direct and indirect impacts of federal investments into Métis labour force development institutions, programs and services, and more particularly the impacts of interventions funded in the context of the MHRDAs. These findings will be contextualized by providing estimates of the potential contribution of increased Métis education and training to the Canadian labour force, economic production and tax revenues. The report is not meant to replace or challenge the HRSDC evaluation of the program to be published in mid-2009, but rather to complement it. The scope of this report is wider than the HRSDC evaluation described in HRSDC (2007) and for which preliminary findings are already available (ARDOS Consulting, 2007 and HRSDC, 2009) in that it attempts to capture benefits well beyond those measured by the

[1] This paper was written with financial support from the Métis National Council. The conclusions of this report were reached by the authors independently from the MNC. The views contained in this report do not necessarily represent the opinion of the MNC.

performance indicators included in the agreements. It is also narrower than the HRSDC evaluation in that it focuses strictly on the Métis portion of the AHRD programming.

The report is divided into six sections. After this brief introduction, the second section presents a profile of the Métis population covered by the MHRDAs. The third section introduces the agreements, discusses issues related to the tracking of performance indicators and provides an overview of the recent work undertaken by HRSDC to review the AHRDAs. The fourth section is the core of the report as it attempts to provide estimates of the direct and indirect impact of MHRDAs on individuals, and on Canada's fiscal balance in particular. The fifth section briefly presents aspects of the work done by MHRDA which provide sizeable benefits that may not be fully captured by existing indicators. The sixth and final section summarizes the key findings.

II. The Métis Population of Canada

Before evaluating the MHRDAs, it is important to set out who are the Métis, and what is their current situation in Canada in terms of labour and social outcomes. This section begins with a brief overview of Métis history and an exploration of the different criteria and processes used to identify Métis by the Métis organizations, by Canadians statistics and by MHRDA agreement holders. A comprehensive socio-economic profile of the Métis population is then presented, which will buttress portions of the subsequent review of MHRDA impacts.

A. Who are the Métis?

In Canada, the Métis history is rich in highlights, be they political, social or legal. In this section, we provide a very brief overview of the historical roots of the Métis Nation in Canada, as well as examine how the Métis can be identified.[2]

i. Historical Context

The Métis people hail primarily from the Canadian plains, descendants of the intermarriage of fur trading men and Cree and Ojibway women. In this region of Canada, natural terrain and the interests of the fur trade companies discouraged settlers from the east. In contrast to eastern Canada, where in general "large-scale immigration and agricultural settlement had caused the absorption of people of mixed ancestry into the settler or Indian populations", in the Prairie settlements of the mid-nineteenth century the majority culture of the Métis emerged as a distinct nation of people (Weinstein, 2007: 2 and 5).

The Métis struggle for recognition began after the Hudson's Bay Company sold Rupert's land to the Dominion of Canada in 1869. As John Weinstein explains, "the Métis believed that as a people conceived on the western plains, they – along with the Indians – were its true owners and possessed certain rights" (Weinstein, 2007:4). The Métis resisted a survey of the land and the transfer of authority until they could have assurance that Ottawa would negotiate with them about what was to happen to their home. In the interim, they established the Métis National Committee, which declared itself a provisional government (Weinstein, 2007:8). From that time on, they have worked to establish a Métis land base, but have been denied it by both provincial and federal governments.

The Métis are distinct from the First Nations culturally and pragmatically. They are more than the simple sum of their European and Native parts. Rather, they are a culture that was born on the prairies with European and Native parentage. Much as the English and French of eastern Canada feel themselves to be distinct from their European forebears, the Métis recognize the European and Native elements of their culture but still consider themselves different.

[2] Weinstein (2007) provides a detailed history of Métis in Canada, and Teillet (2006) provides a more complete discussion of the definition of Métis and a comprehensive review of the legal history of Métis rights.

Since 1982, Métis Aboriginal rights are constitutionally protected. Over the previous century, Métis people had many political issues separate from those concerning First Nations peoples. Many of these issues were practical rather than based on legal grounds, and thus solutions were often found more efficiently through discussion with provincial governments than through legal negotiation with federal authorities. In addition, as noted by Weinstein (2007:11) "the Métis did see themselves as an indigenous people and co-owners of the land with the Indians, but they also saw themselves as a nation, not a tribe, and as such sought political equity with English Ontario and French Quebec in the form of provincial status and powers rather than the protection of the Crown offered to the Indians under the paternalistic and restrictive treaty and reserve system."As a result, Métis organizations, especially in Alberta, have shown a willingness to work with provincial governments, unlike many Aboriginal groups.[3]

ii. Formal definitions of Métis identity

Unlike for First Nations people, there is no distinction between status and non-status Métis. As it pertains to Métis rights,[4] Canada's courts have established a definition of Métis which relies on three broad factors: Métis self-identification, ancestral connection to the historic Métis community, and community acceptance.[5] These criteria are also those used by the Métis National Council (MNC) to define a Métis individual. In 2002, the MNC adopted the following formal definition of Métis: "Métis means a person who self-identifies as Métis, is of historic Métis Nation Ancestry, is distinct from other Aboriginal Peoples and is accepted by the Métis Nation." This definition is in turn used by the provincial Métis organisations

[3] Weinstein (2007:22) also notes that "with its transfer of public lands and natural resources to the Prairies in 1930, the federal government absolved itself of any further responsibility for the Métis. Any future interventions on their behalf would have to come from the provinces." The reaction of the province was to "avoid the outstanding issue of Métis land rights, focus on existing social and economic conditions, and seek remedies through relief measures" (Weinstein, 2007:25).

[4] Recognized Métis rights are currently limited to harvesting rights (which includes hunting and fishing). Legally, it is now accepted that Métis can exercise the harvesting rights of their community within that community's traditional harvesting territory (Teillet, 2006). However, the definitions of Métis community and traditional harvesting territory remain contentious.

[5] On October 22, 1993, Steve and Roddy Powley killed a moose near Sault Ste Marie, Ontario, tagging it with a Métis membership card and a note that read "harvesting my meat for winter". They were charged with hunting moose without a license and for unlawful possession of moose. The case went up to the Supreme Court, where the Powleys Métis right to hunt was upheld (Teillet, 2006:33). In its ruling, the Supreme Court of Canada also established the proper way to define Métis harvesting rights according to the 1982 *Constitution Act*. The Métis Nation of Alberta provides the following information on each of the three factors mentioned in the 2003 Powley court judgment: "*Self-identification*: the individual must self-identify as a member of a Métis community. It is not enough to self-identify as Métis; that identification must have an ongoing connection to an historic Métis community. *Ancestral Connection*: There is no minimum "blood quantum" requirement, but Métis rights-holders must have some proof of ancestral connection to the historic Métis community whose collective rights they are exercising. The Court said the "ancestral connection" is by birth, adoption or other means. "Other means" of connection to the historic Métis community did not arise with the Powley judgment and will have to be determined in other cases. *Community Acceptance*: there must be proof of acceptance by the modern community. Membership in a Métis political organization may be relevant but the membership requirements of the organization and its role in the Métis community must also be put into evidence. The evidence must be "objectively verifiable." That means that there must be documented proof and a fair process for community acceptance. The Court said that the core of community acceptance is about past and ongoing participation in a shared culture, in the customs and traditions that reveal a Métis community's identity. Other evidence might include participation in community activities and testimony from other community members about a person's connection to the community and its culture. There must be proof of a "solid bond of past and present mutual identification" between the person and the other members of the Métis community. What can be understood from this community acceptance requirement is that in order to claim Métis rights, it is not enough to prove a genealogical connection to a historic Métis community and then join a Métis organization. One must have a "past and ongoing" relationship to the Métis community.

when considering individuals for Métis membership. All five provincial Métis organisations regulate and maintain membership registries.

In the Canadian statistical system, Métis identity is based entirely on self-identification. There is no question on formal Métis membership. The Métis population thus encompasses all individuals who decide to self-identify as Métis. In the last two censuses, the number of Canadians identifying as Métis has blossomed, with the Métis population almost doubling between 1996 and 2006. The increasing self-identification of Métis points to a growing awareness of the historical importance of Métis across Canada. Self-identification was also spurred in part by the formal recognition of certain Métis rights. Even though increased Métis self-identification is encouraging in that it means that Métis people feel increasingly secure and justified in identifying themselves as Métis, it has posed significant statistical challenges and has made an accurate tracking of Métis socio-economic progress particularly difficult.

In general, the MHRDAs require that clients be self-identified, and in some case "verified", Métis people. In practice, these requirements imply a definition that sits somewhere in between the one developed through the legal system and that used by the Census. In British Columbia, clients are asked to self-identify and then go through an "oath" process to meet the Métis "verification" requirement. In Ontario, clients are asked to self-identify as Métis and complete a verification form which among others confirms that they are not registered as an Indian on an Indian registry or Inuit on an Inuit registry. In all five MHRDA provinces the process relies heavily on self-identification, and is thus more in line with the Census approach than with the more formal approach used to establish Métis registry lists. In other words, while using Census data may be inaccurate if we are attempting to describe the reality of more narrowly defined Métis people, it does provide a good picture of the target MHRDA clientele.

B. Profile of the Métis Population

As was just noted, the Canadian statistical system relies on self-identification when coding for Métis identity. This section draws a recent portrait of the major socio-economic characteristics of Métis people based on data using that definition of Métis identity.[6] The main data sources are the Canadian censuses, the Aboriginal People Survey, the Aboriginal Children Survey and the Labour Force Survey.

i. Métis population growth and provincial distribution

The Census is the main source of detailed information which provides comparable information on both Métis and non-Métis Canadians. According to the 2001 Census, the Métis population of Canada represented about 1.0 per cent of total population and almost 30 per cent of the total Aboriginal population (Table 1). But the Métis population is growing fast, with the estimated number of Métis increasing from 292,305 in 2001 to 389,780 in 2006, a 33.3 per cent increase. With total population growing only 5.4 per cent over the same period, the share

[6] In this section, we focus on the population which identified as Métis only (Métis single response), and thus ignore individuals who self-identified as Métis as well as Inuit or North American Indian (less than 2 per cent of Métis).

of Métis increased to 1.25 per cent in 2006. Similarly, the share of Métis population in the Aboriginal population increased 3.3 percentage points to 33.3 per cent in 2006. The rapid growth of the Métis population over this period was in large part caused by an increase in the number of people self-identifying as Métis (Sharpe, Arsenault and Lapointe, 2007).[7]

In Canada, the Métis population is concentrated in the four Western provinces and Ontario, which are the five provinces in which MHRDAs operate. In 2006, more than 85 per cent of all individuals self-identifying as Métis were in one of these five provinces. In relative terms, the Métis population is particularly important in Manitoba (6.3 per cent of the population) and Saskatchewan (5.04 per cent of total population). In absolute terms, the largest Métis populations were in Alberta (85,500) and Ontario (73,605). In these five provinces, the Métis population accounted for between 30 and 45 per cent of the total Aboriginal population, compared to only 22 per cent in the rest of Canada.

Table 1: Métis Population for Provinces covered by MHRDA, 2001 and 2006 Census

	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Rest of Canada
	Total population						
2001	29,639,035	11,285,550	1,103,700	963,155	2,941,150	3,868,875	9,476,615
2006	31,241,030	12,028,900	1,133,515	953,850	3,256,355	4,074,385	9,794,030
2001-2006 (per cent)	5.4	6.6	2.7	-1.0	10.7	5.3	3.3
	Aboriginal population						
2001	976,305	188,315	150,040	130,190	156,220	170,025	181,515
2006	1,172,790	242,495	175,395	141,890	188,365	196,075	228,575
2001-2006 (per cent)	20.1	28.8	16.9	9.0	20.6	15.3	25.9
	Métis Population						
2001	292,305	48,340	56,795	43,695	66,060	44,265	33,145
2006	389,780	73,605	71,805	48,115	85,500	59,445	51,310
2001-2006 (per cent)	33.3	52.3	26.4	10.1	29.4	34.3	54.8
	Share of Métis population in Total Population						
2001	0.99	0.43	5.15	4.54	2.25	1.14	0.35
2006	1.25	0.61	6.33	5.04	2.63	1.46	0.52
2001-2006 (points)	0.26	0.18	1.19	0.51	0.38	0.31	0.17
	Share of Métis population in Aboriginal Population						
2001	29.9	25.7	37.9	33.6	42.3	26.0	18.3
2006	33.2	30.4	40.9	33.9	45.4	30.3	22.4
2001-2006 (points)	3.3	4.7	3.1	0.3	3.1	4.3	4.2

Source: CSLS calculations based on 2001 and 2006 Census Tabulations

[7] The large increase in the Métis population between 2001 and 2006 came on the heels of another big increase between 1996 and 2001, when the Métis population increased 43 per cent. Between 1996 and 2006, the Métis population increased a total of 91 per cent, accounting for 6.5 per cent of total Canadian population growth over the period (Sharpe, Arsenault and Lapointe, 2007). As previously mentioned, increased self-identification has played an important role in this Métis population boom.

ii. Urban and rural Métis population

The geographic distribution of the Métis population does not correspond to the distribution of the general population. Indeed, the Métis population is generally much more concentrated in rural and remote locations. Of the 389,780 enumerated Métis in 2006, almost 120,000 lived in rural areas or on a reserve, representing more than 30 per cent of all Métis (Table 2). By comparison, less than 20 per cent of the non-Aboriginal population lived in rural areas. Even within urban areas, Métis tend to live in less densely populated areas. The proportion of Métis living in Canada's 34 Census Metropolitan Areas (CMAs) in 2006, which includes cities with a population of 100,000 or more, was 41.3 per cent, less than two-third the proportion for non-Aboriginal Canadians (65.1 per cent). Winnipeg (40,980), Edmonton (27,740) and Vancouver (15,070) were the three urban centres with the largest Métis population in 2006, followed by Calgary (14,770) and Saskatoon (9,610).

Table 2 Urban and Rural Population Distribution in Canada, in per cent, 2006

	Non-Aboriginal	Métis
On reserve	0.1	1.1
Rural (excluding reserves)	18.9	29.5
Total urban (excluding reserves)	81.0	69.4
Urban non-census metropolitan area	15.9	28.1
Urban census metropolitan area	65.1	41.3

Source: 2006 Census Tabulations
An urban area has a minimum population concentration of 1,000 persons and a population density of at least 400 persons per square kilometre. All territory outside urban areas is classified as rural.
A census metropolitan area (CMA) is a large urban area and has a population of at least 100,000.
Urban non-census metropolitan areas are smaller urban areas with a population of less than 100,000.
Rural areas include remote and wilderness areas and agricultural lands, as well as small towns, villages and other populated places with a population of less than 1,000.

iii. Age structure of the Métis population

Another interesting aspect in which the Métis population differs sharply from the non-Aboriginal population is in its age structure. The Métis population is much younger, with more than 35 per cent of its population under the age of 20 in 2006 (Table 3). Among the non-Aboriginal population, less than a quarter of the population was under 20 years old. The median age of Métis was 30 years, nine years younger than that of the overall Canadian population.

The differences in the age pyramid of Métis and non-Aboriginal Canadians is most pronounced at the upper and lower tail of the distribution. Indeed, both groups have a similar proportion of their population in the 20 to 44 years category, at 34.7 per cent for non-Aboriginal Canadians and 37.5 per cent for Métis. The large difference noted above in terms of young people is reflected in the respective proportions of the population aged above 45 years old. That proportion is about 50 per cent larger in the non-Aboriginal population (41.2 per cent) than in the Métis population (27.4 per cent).

The pattern is even more pronounced if we focus on the working age population. More than half of working-age Métis are in the core 20-44 age group (50.2 per cent), compared to only 42.0 per cent of non-Aboriginal Canadians. All in all, a younger Métis population means that the potential gains from training and employment programs for Métis are likely larger than for non-Métis given that the benefits of enhanced human capital can be realized over a longer time period.

Table 3: Age Distribution of the Population, per cent, 2006

	Total Population		Working Age Population (15+)	
	Non-Aboriginal	Métis	Non-Aboriginal	Métis
0 to 19 years	24.1	35.1	8.1	13.2
Under 5 years	5.3	7.4	-	-
5 to 9 years	5.6	8.3	-	-
10 to 14 years	6.5	9.5	-	-
15 to 19 years	6.7	9.9	8.1	13.2
20 to 44 years	34.7	37.5	42.0	50.2
20 to 24 years	6.6	8.4	8.0	11.2
25 to 34 years	12.7	14.0	15.4	18.8
35 to 44 years	15.4	15.1	18.6	20.1
Above 45 years	41.2	27.4	49.9	36.6
45 to 54 years	16.0	14.2	19.4	19.0
55 to 64 years	11.9	8.0	14.4	10.7
65 to 74 years	7.4	3.6	8.9	4.8
75 years and over	6.0	1.5	7.3	2.0
Working Age (15+)	82.6	74.7	100.0	100.0
Total	100.0	100.0	-	-

Source: Census 2006 Tabulations

iv. Educational attainment of Métis people

It was shown in Sharpe, Arsenault and Lapointe (2007) that education is an important determinant of income, labour market outcomes and other indicators of well-being. In particular, higher educational attainment was associated with higher income, lower unemployment, higher labour market participation, lower chances of being involved in crime, and better overall health. This section examines the level of educational attainment of Métis in relation to the level attained by non-Aboriginal Canadians.

On average, Métis aged 15 and over had a lower educational attainment in 2006 than their non-Aboriginal counterparts. More than a third of Métis (34.6 per cent) had not completed high school nor obtained another diploma or certificate, compared to only 23.1 per cent of non-Aboriginal Canadians (Table 4). In terms of apprenticeship, trade, college and other non-university certificates or diplomas, the Métis and non-Aboriginal populations had similar levels of educational attainment, with about 30 per cent of their respective populations with these certifications as their highest educational achievement. The proportions of Métis

and non-Aboriginals with high school certification as their highest educational level were also similar, namely just above 25 per cent.

The difference in educational attainment between non-Aboriginal and Métis people was almost entirely due to the sharp difference in university-level education. In 2006, only 9.8 per cent of Métis people had university-level certification, compared to 23.0 per cent for non-Aboriginal Canadians. In other words, of those Métis obtaining at least a high school degree, only 15 per cent continued and obtained a university-level certification: among non-Aboriginals, 30 per cent did. The proportion of Métis with university-level certification was identical to that of off-reserve North American Indians (9.8 per cent), and only slightly above that of North American Indians as a whole (8.1 per cent).

Table 4: Highest Level of Educational Attainment[8], Population 15+ 2006

	Non-Aboriginal population (%)	Métis population (%)	Gap (percentage point)
No certificate, diploma or degree	23.1	34.6	11.5
Certificate, diploma or degree	76.9	65.4	-11.5
High school certificate or equivalent	25.7	25.6	-0.1
Apprenticeship or trades certificate or diploma	10.8	13.1	2.3
College, CEGEP or other non-university certificate or diploma	17.4	16.9	-0.5
University certificate, diploma or degree	23.0	9.8	-13.2

Source: 2006 Census Tabulations

Only a very small part of these differences in educational attainment can be attributed to the higher proportion of Métis living in rural areas. Both Métis in rural areas and Métis in urban areas clearly underperform their non-Aboriginal counterparts. For example, in 2006 only 6.7 per cent of Métis living in rural areas obtained a university-level certification compared to 13.9 per cent for non-Aboriginal. In urban areas, the respective proportions were 11.2 and 25.2 per cent – in CMAs in particular, it was 13.3 and 27.7 per cent. In all cases, the proportion of Métis completing a university certification was about half that of non-Aboriginal Canadians. In fact, if the Métis population was distributed like that of the non-Aboriginal population (with higher shares in better-performing urban areas), the proportion of Métis with university education would increase only marginally, from 9.8 per cent to 10.3 per cent approximately.

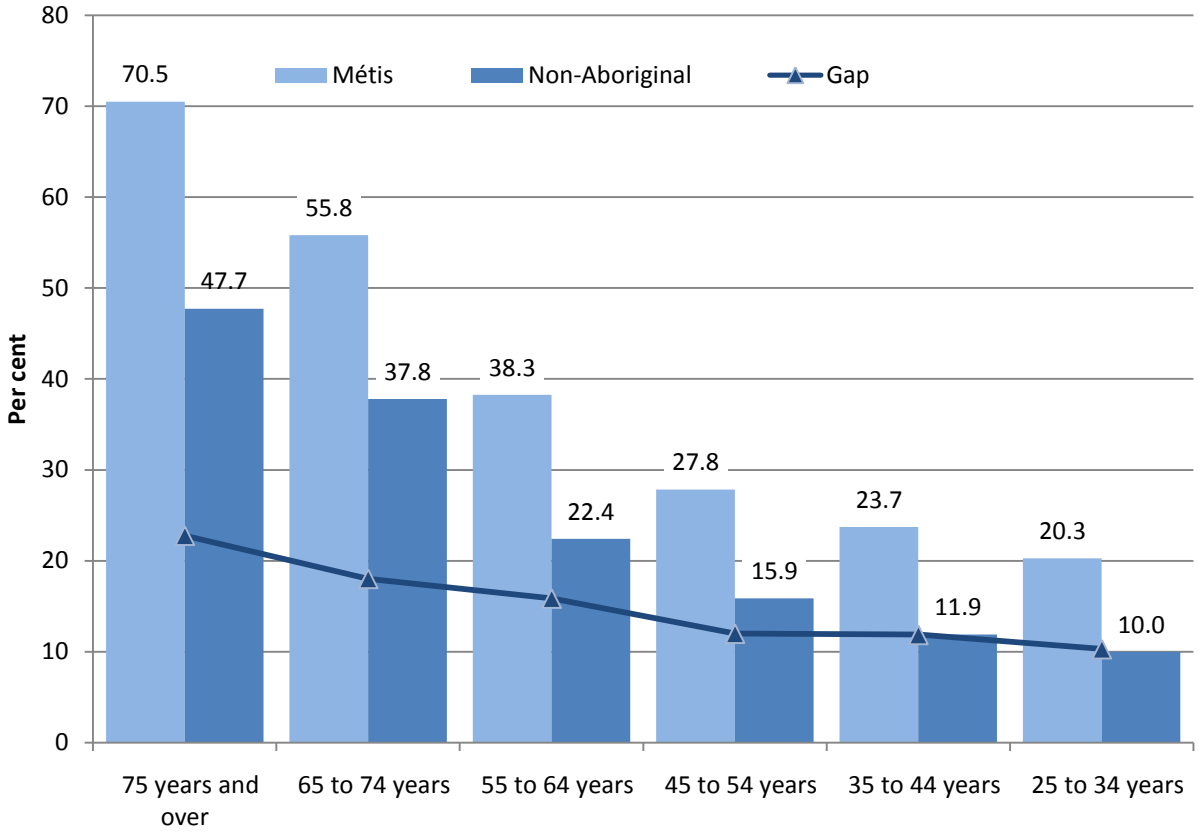
It would be instructive to examine educational outcomes of Aboriginal Canadians not only at a given point in time, but also across censuses. In 2006, however, the definition used

[8] The educational categories included in the 2006 Census are not comparable to previous censuses. Unlike previous censuses, the 2006 Census does not include the categories "college: without trades or college certificate" and "university: without certificate, diploma and degree". The only strictly comparable categories are those at or above the university level.

to classify educational attainment was changed significantly, and straightforward comparisons are impossible. For most educational categories, no meaningful comparison can be made.[9] The interpretation of changes between the two censuses is also made more difficult by increased Métis self-identification, which has changed the composition of the Métis population .

These problems can be avoided using a cross-section decomposed by age, which allows us to observe the evolution in educational attainment through time. For example, 40 years ago, in 1966, the current 65 to 74 group was aged between 25 and 34 years. Thus, we can compare how educational attainment has evolved since 1966 using the groups aged 65-74 (1966 cohort), 55-64 (1976 cohort), 45-54 (1986 cohort), 35-44 (1996 cohort) and the 2006 group aged 25-34 (2006 cohort).

Chart 1: Proportion of Métis and non-Aboriginal aged 15 and Over Without Any Diploma, Certificate or Degree, by Age, 2006



Source: CSLS calculations based on 2006 Census tabulations.

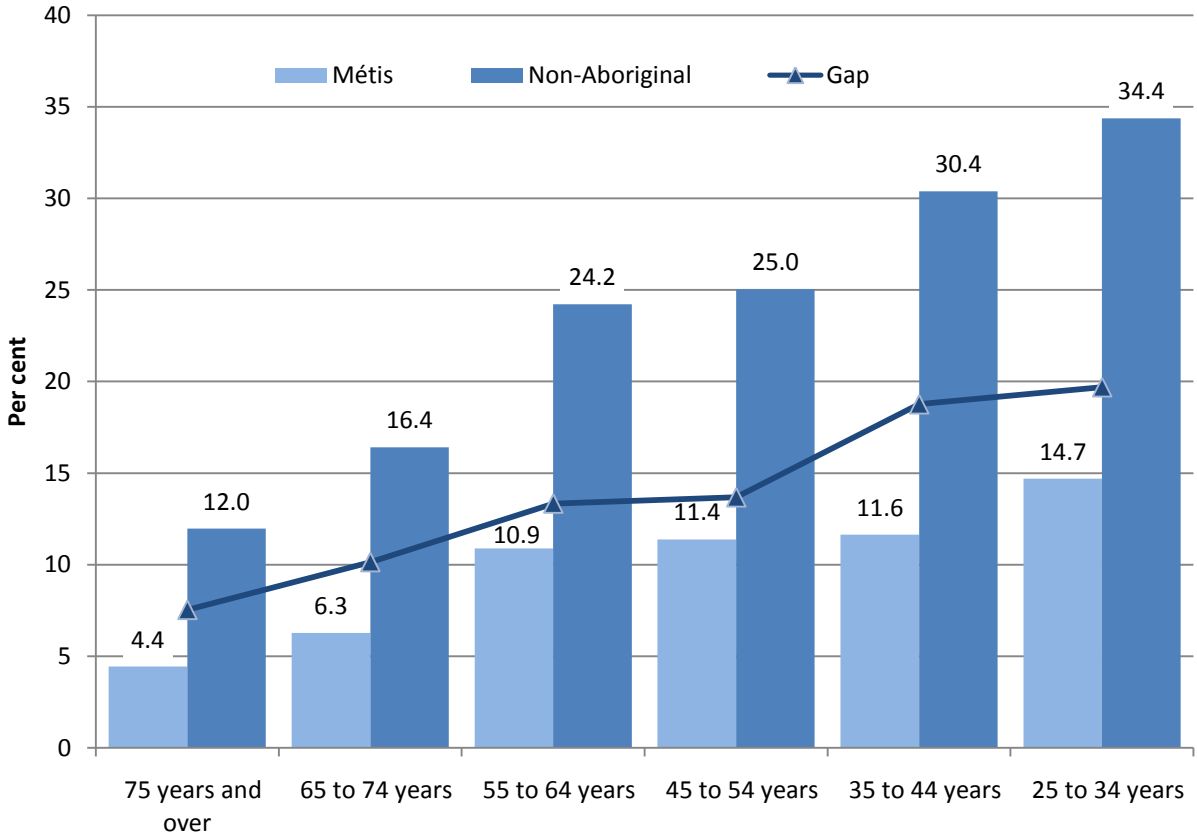
As Chart 1 illustrates, the proportion of Métis who have no certificate is trending downwards through time. However this indicator also clearly shows a slower progression for

[9] The main reason behind this lack of inter-census comparison is the elimination of the categories "some post-secondary without certificate" and "some university without certificate" which were included in previous censuses. For example, in 2001, if an individual had no high school diploma, but had spent one semester at a community college, the person would have been classified as having "some post-secondary without certificate". In the 2006 census, that person would instead be classified as having no diploma, certificate or degree.

later cohorts than for earlier cohorts. For example, the proportion of the 1986 Métis cohort (45-54 years) with no certificate was 10.5 percentage point lower than that of the 1976 Métis cohort (55-64 years), whereas the 2006 Métis cohort experienced only a slight improvement over the 1996 cohort (35-44 years) of 3.4 percentage points. Nonetheless, the Métis have progressively reduced the gap with non-Aboriginal Canadians, from 20 percentage points for the 1966 cohort (65-74 years) to 10.3 percentage points for the 2006 cohort (25-34 years).

The reduction in the gap between the proportion Métis and non-Aboriginal with no certification conceals a much worse picture at the university level. In fact, the Métis/non-Aboriginal gap in terms of university certification *increased* for every cohort since 1966 (Chart 2). Among those aged between 65 and 74 years, the gap in 2006 was 10.1 percentage points. In the latest cohort, those aged 25 to 34 years, the gap was twice as big (19.7 percentage points). Not only has the gap increased steadily across cohorts, but the proportion of Métis completing university stagnated between the 1976 and 1996 cohorts (from 10.9 per cent to 11.6 per cent). The increase for Métis aged 25-34 in 2006 (3.1 percentage points higher than those aged 35-44) is encouraging, but it remains below the progress made by non-Aboriginal Canadians (4.0 percentage points).

Chart 2: Proportion of Métis and non-Aboriginal aged 15 and over with University-Level Certification, by Age, 2006



Source: CSLS calculations based on 2006 Census tabulations.

One clear finding is that the educational attainment of the Métis population still lags far behind that of the non-Aboriginal population. The most important gap is at the university level, which is due both to a lower proportion of Métis finishing high school, and a lower proportion of high-school graduates who continue and complete university-level education.

v. Labour market outcomes of Métis people

Lower educational attainment translates into poorer labour market outcomes. But differences in labour market outcomes can also be the result of other human capital characteristics such as experience, or simply to differences in employment opportunities related to geographical location.

There are four major indicators of labour market outcomes: participation rate, employment rate, unemployment rate and employment income. The first three indicators are intertwined. The participation rate captures the percentage of the working age population who are in the labour force, i.e. employed or searching for work.[10] The unemployment rate determines what share of the labour force is not currently employed. The employment rate is in turn defined as the proportion of the working age population employed in the reference week, and is a function of the two former rates.

Table 5: Métis and Non-Aboriginal Labour Market Outcomes in Canada, 1996-2006

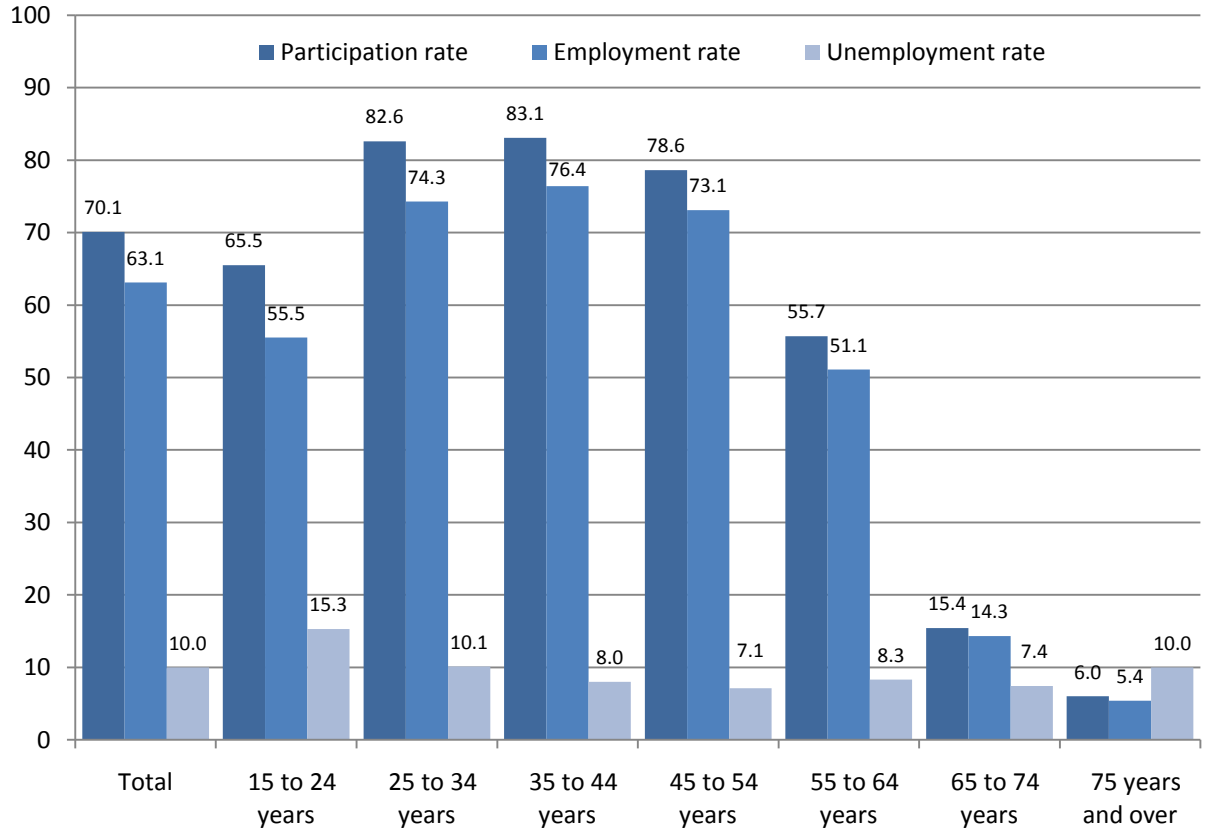
	1996	2001	2006	Percentage point change (1996-2006)
	Participation Rate			Participation Rate
Non-Aboriginal	65.5	66.5	66.9	1.4
Métis	65.1	69.1	70.1	5.0
Métis/Non-Aboriginal Gap	-0.4	2.6	3.2	3.6
	Unemployment Rate			Unemployment Rate
Non-Aboriginal	10.1	7.1	6.3	-3.8
Métis	20.3	14.0	10.0	-10.3
Métis/Non-Aboriginal Gap	10.2	6.9	3.7	-6.5
	Employment Rate			Employment Rate
Non-Aboriginal	58.9	61.8	62.7	3.8
Métis	51.9	59.4	63.1	11.2
Métis/Non-Aboriginal Gap	-7.0	-2.4	0.4	7.4

Source: 1996, 2001 and 2006 census tabulations. CSLS calculations from 1996 census micro-data for Métis In 1996.

[10] The official measure of unemployment is restricted to people who are actively looking for a job. This measure can be misleading because in some areas, employment opportunities are so scarce that numerous individuals decide to stop searching for work. They are called discouraged workers, and despite their desire to work, they are not included in the unemployment rate statistics. Another form of under-utilization of labour is part-time workers who want full-time employment. Those workers, called involuntary part-time workers, are not included in the official measure of unemployment. Statistics Canada does publish supplementary measures of unemployment, such as the unemployment rate plus discouraged searchers and the unemployment rate plus involuntary part-timers, but they are only available on a consistent basis since 1997 for Canada and the provinces, with no data publically available broken down by Aboriginal identity.

Between 1996 and 2006, both the non-Aboriginal and the Métis population made significant progress in all three labour market indicators. In addition, the Métis population made significant progress relative to the non-Aboriginal population. Over that ten year period, the Métis/non- Aboriginal participation rate gap closed by 3.6 percentage points, the unemployment rate gap closed by 6.5 percentage points and the employment rate gap closed by 7.4 percentage points (Table 5). In 2006, Métis had higher participation and employment rates than non-Aboriginal Canadians, a striking reversal of the situation prevailing in 1996.

Chart 3: Labour Market Outcomes of Métis People, by Age, 2006



Source: CSLS calculations based on 2006 Census tabulations.

Two important factors must be mentioned. First, the increased self-identification probably contributed significantly to the improvement in Métis labour outcomes as newly identified Métis are likely to have characteristics more in line with those of non-Aboriginal Canadians.[11] Second, even though Métis people currently display higher aggregate participation and employment rates, it is in large part related to their younger population.[12] Indeed, as shown in Chart 3, participation and employment rates are particularly weak for

[11] The effects of increased self-identification are not apparent in the education data since we used a cross-section of different age groups from the 2006 census instead of a time series of censuses. This cannot be done for labour market outcomes because age is one of the key determinants of participation and employment in the labour force.

[12] The performance of Métis people in the labour market must also be seen in the context of the particularly strong performance of Western performance relative to other provinces. The Métis population is concentrated in Ontario and the Western provinces, which had well above average labour market outcomes in 2006.

individuals aged 65 and above.[13] In 2006, only 6.9 per cent of the Métis working age population was aged 65 or more, compared to 16.2 per cent for non-Aboriginal Canadians (Table 3). The Métis population had a larger proportion of its working-age population aged 15-24 (24.5 per cent compared to 16.1 per cent) and 25-64 (68.9 per cent compared to 67.7 per cent).

Table 6: Labour force characteristics for Métis and all Canadians, 2004-2008

	Métis Population						Total Population			
	2004	2005	2006	2007	2008	Point Change 2004-2008*	2004	2008	Point Change 2004-2008	Relative Métis Performance in 2008** (per cent)
	Participation rate									
Canada - Métis	-	-	-	68.7	70.4	1.7	67.5	67.8	0.3	103.8
Ontario	-	-	-	64.5	67.0	2.5	68.4	68.1	-0.3	98.4
Manitoba	72.9	71.1	73.6	72.2	73.6	0.7	69.1	69.6	0.5	105.7
Saskatchewan	66.1	68.9	70.4	70.1	68.4	2.3	67.9	69.7	1.8	98.1
Alberta	72.5	72.6	73.8	72.9	71.2	-1.3	73.5	74.7	1.2	95.3
British Columbia	71.3	72.1	68.8	67.7	74.1	2.8	65.5	66.6	1.1	111.3
	Employment rate									
Canada - Métis	-	-	-	62.6	64.8	2.2	62.7	63.6	0.9	101.9
Ontario	-	-	-	57.6	60.9	3.3	63.8	63.6	-0.2	95.8
Manitoba	65.6	64.6	67.9	67.2	68.2	2.6	65.4	66.7	1.3	102.2
Saskatchewan	57.8	59.9	63.3	62.9	62.4	4.6	64.3	66.8	2.5	93.4
Alberta	66.4	67.5	69.6	67.6	65.8	-0.6	70.1	72.0	1.9	91.4
British Columbia	62.7	65.9	63.1	62.8	69.7	7.0	60.9	63.5	2.6	109.8
	Unemployment rate									
Canada - Métis	-	-	-	8.9	7.9	-1.0	7.2	6.1	-1.1	129.5
Ontario	-	-	-	10.8	9.1	-1.7	6.8	6.5	-0.3	140.0
Manitoba	10.1	9.1	7.8	6.9	7.3	-2.8	5.3	4.2	-1.1	173.8
Saskatchewan	12.6	13.1	10.1	10.3	8.8	-3.8	5.3	4.1	-1.2	214.6
Alberta	8.5	7.0	5.8	7.4	7.5	-1.0	4.6	3.6	-1	208.3
British Columbia	12.1	8.7	8.2	7.3	6.0	-6.1	7.2	4.6	-2.6	130.4

Source: Statistics Canada, Labour Force Survey
*2007-2008 for Canada and Ontario ** The Métis rate divided by the rate for the general population in the same jurisdiction

We can obtain an estimate of the effect of age on Métis labour market outcomes by applying the age structure of non-Aboriginal Canadians to the participation, employment and unemployment rates of Métis for each age group. If Métis had an age pyramid identical to that of non-Aboriginal Canadians, their participation rate in 2006 would have been 63.9 per cent instead of 70.1 per cent; their employment rate would have been 57.9 per cent instead of 63.1 per cent; and their unemployment would have been 9.5 per cent instead of 10 per cent. In other words, when age is taken into account, the picture of Métis labour market outcomes

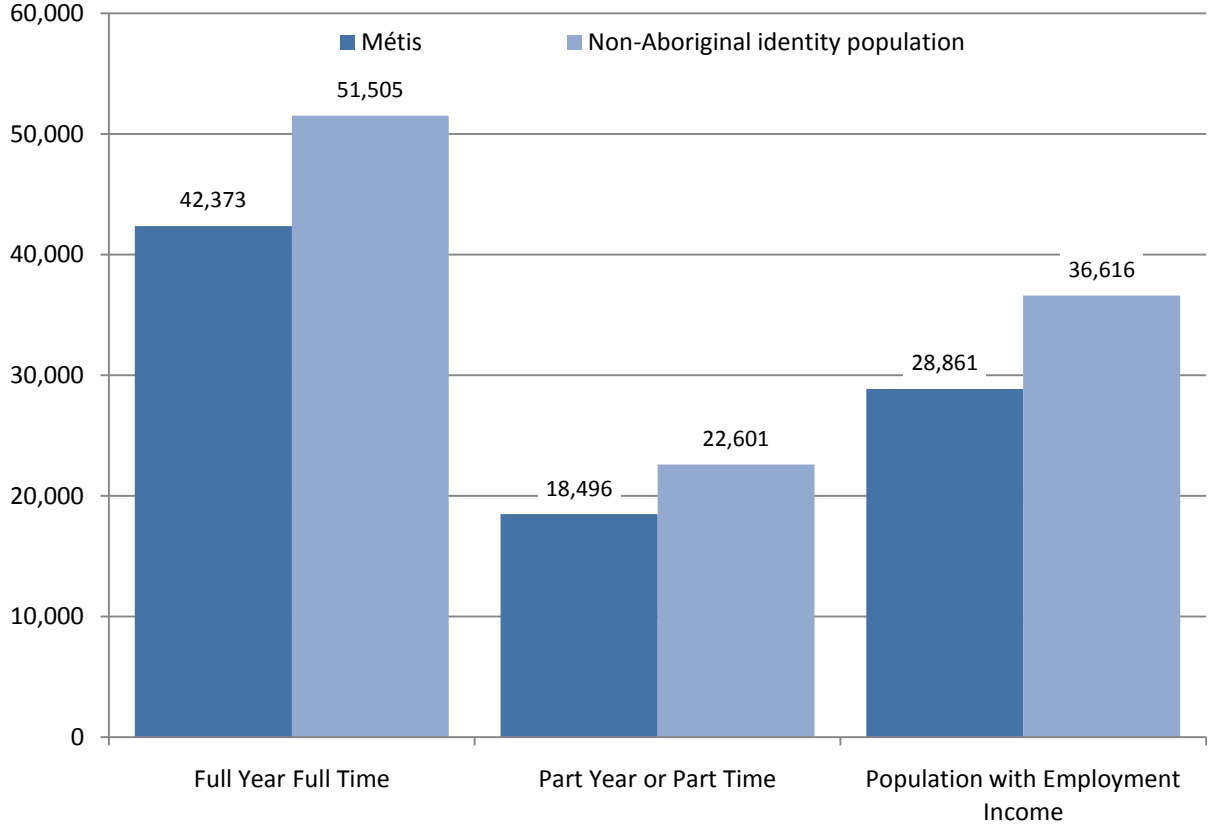
[13] The labour market outcomes of non-Aboriginal Canadians follow an almost identical age pattern to that of Métis people which is shown in Chart 3.

worsens – and it becomes clear that they still face much more significant challenges than their non-Aboriginal counterparts.

Since 2004, the Labour Force Survey provides provincial labour market data for off-reserve Aboriginal people for Manitoba westward (Table 6). It allows for a more up-to-date, but less detailed, monitoring of Métis labour market outcomes than the Census. Over the 2004-2008 period, Métis participation and employment rates increased and Métis unemployment rates decreased for three of the four provinces. The exception was Alberta, where labour market outcomes for Métis peaked in 2006.

In Ontario, for which Métis data is available only for 2007 and 2008, Métis labour market outcomes also improved significantly. In all MHRDA provinces except Ontario, the Métis experienced greater improvements than average Canadians. On the other hand, the labour market outcomes of Métis relative to the general population in 2008 were much better in British Columbia than in other provinces, with BC Métis enjoying higher participation and employment rates than non-Métis, and having an unemployment rate only 30 per cent above the provincial average (compared to 40 to 115 per cent in other provinces).

Chart 4: Average Employment Income of Aboriginal and non-Aboriginal Populations aged 15 and over with Employment Income, by Work Activity, 2005



Source: CSLS calculations based on 2006 Census tabulations.

According to the 2006 Census, Métis Canadians are not only facing important challenges in terms of employment, but they also earn less on average than non-Aboriginal Canadians. In 2005, the average Métis with employment income earned 21 per cent less than the average non-Aboriginal with employment income (Chart 4). Part of this gap is due to the relatively smaller proportion of employed Métis who work full-time full-year. In 2005, only 48.2 per cent of Métis with employment income worked full-time full-year compared to almost 55 per cent for non-Aboriginal people.

Even when differences in work patterns are controlled for, however, significant differences remain. The average Métis who worked full-time full-year earned $42,373 in 2005, about 17 per cent lower than their non-Aboriginal counterparts ($51,505). A practically identical pattern was observed for part-time and/or part-year workers.

vi. Métis poverty

Several measures of low income, which in practice can be referred to as poverty indicators, are used in Canada. The most widely reported is the Low-Income Cut-Off (LICO), for which the poverty line is set at the income level at which households (including persons living alone) are expected to spend 20 percentage points more than average of their income on food, shelter and clothing.[14]

Based on both before and after-tax LICOs, Métis people in Canada and the MHRDA provinces faced a much higher prevalence of poverty than non-Aboriginal Canadians in 2005 (Chart 5). In Manitoba and Saskatchewan, Métis people faced poverty rates about twice as large as those of non-Aboriginal people (20.7 per cent versus 10.2 per cent in Manitoba and 16.0 per cent versus 7.8 per cent in Saskatchewan for after-tax LICOs). Alberta performed slightly better with Métis poverty rates about 60 per cent higher than those of non-Aboriginal people, a decent showing given that Alberta was the province with the lowest prevalence of pre-tax poverty in 2005. Ontario was the province where Métis poverty rates were closest to those of their non-Aboriginal counterparts (13.1 per cent versus 11.0 for after-tax LICOs). It was also the province where Métis poverty rates were the lowest among the five MHRDA provinces.[15]

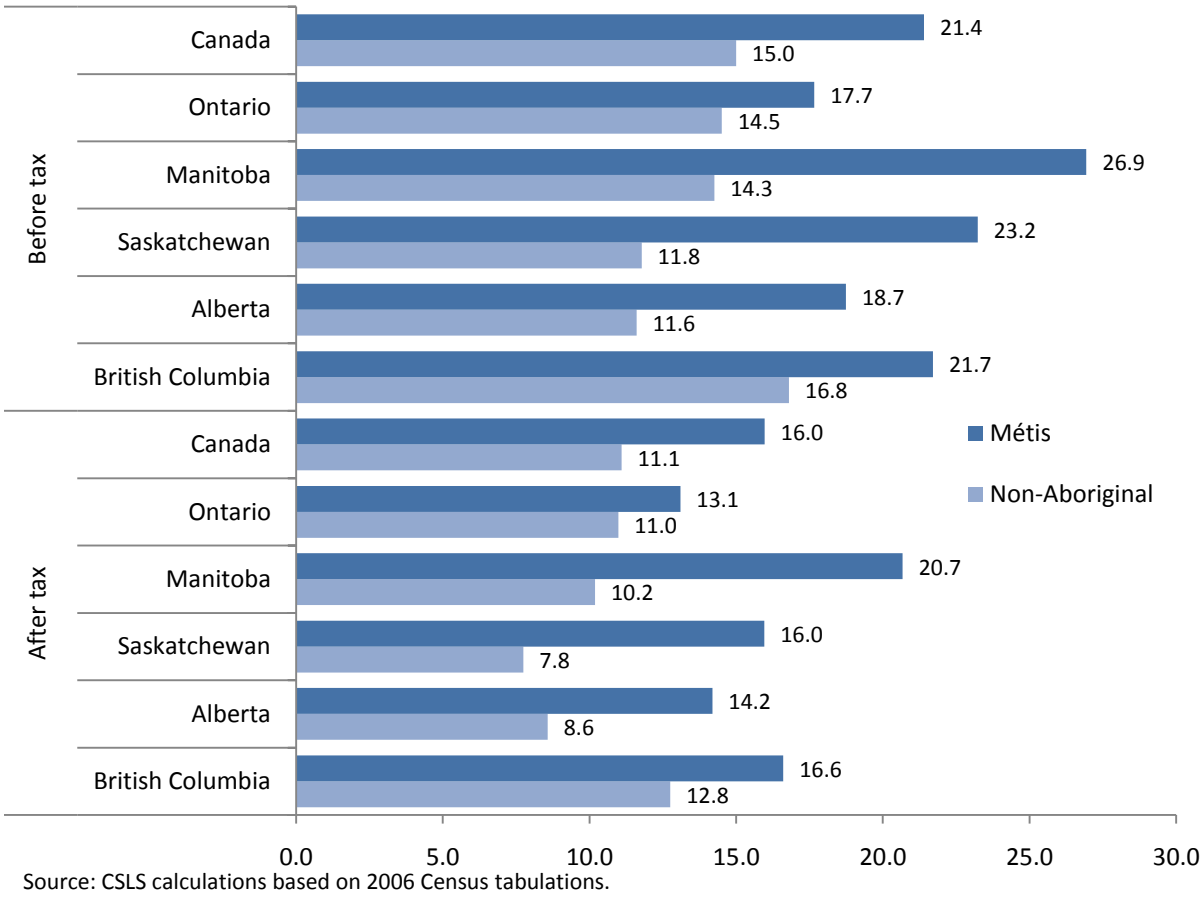
The higher prevalence of poverty among Métis reinforces the finding that Métis people are facing unique challenges in the labour market – and confirms that these challenges

[14] Other commonly used measures are the Low-Income Measure (LIM), which sets the poverty line at one half the median household income, and the Market Basket Measure, which benchmarks disposable family income to the cost of the goods and services in the "Market Basket" to determine low-income status. According to HRSDC (2008), the MBM defines disposable family income as "the sum remaining after deducting the following from total family income: total income taxes paid; the personal portion of payroll taxes; other mandatory payroll deductions such as contributions to employer-sponsored pension plans, supplementary health plans, and union dues; child support and alimony payments made to another family; out-of-pocket spending on child care; and non-insured but medically prescribed health-related expenses such as dental and vision care, prescription drugs, and aids for persons with disabilities." The basket "includes specified quantities and qualities of goods and services related to food, clothing and footwear, shelter, transportation, and other goods and services such as personal and household needs, furniture, telephone service, and modest levels of reading, recreation, and entertainment (for example, newspaper and magazine subscriptions, fees to participate in recreational activities or sports, video rentals, tickets to local sports events)."

[15] Once again, it is worth mentioning that due to increased self-identification, comparing poverty rates across census may be misleading. As a result, when possible we do not make such comparisons in the report.

not only mean a missed opportunity for the Canadian economy, but also have real negative impacts on Métis individuals and communities.

Chart 5: Prevalence of Low-Income Among Métis and Non-Aboriginal Persons in Private Households, Before and After Tax, 2005



Source: CSLS calculations based on 2006 Census tabulations.

vi. Métis health

In this section, we dress a portrait of Métis' health status. The 2006 Aboriginal People Survey includes a plethora of questions on Métis health. A summary of findings is provided in Statistics Canada (2009). The publication also contrasts some of the data with comparable estimates for the overall Canadian population obtained through the 2005 Canadian Community Health Survey (CCHS).[16] This section draws on Statistics Canada (2009) for the national data and on the Aboriginal Population Survey Community Profiles for provincial data.

A good subjective indicator of overall health is self-rated health. In 2006, 58 per cent of Métis in Canada rated their health as either excellent or very good, a lower proportion than the 62 per cent reported for the general Canadian population (age-adjusted to reflect the

[16] Data in this section refer to the population aged 15 and over, unless otherwise mentioned.

younger Métis age structure) (Table 7). There was almost no difference between male and female Métis or between Métis living in rural or urban areas, and all of the five MHRDA provinces reported lower Métis self-rated health than the national average for the general population. In terms of age, only the 15-19 and 20-24 age groups had a higher proportion of Métis rating their health as excellent or very good compared to the general population (75 versus 67 per cent and 70 versus 69 per cent respectively).

Table 7: Selected Health Indicators for Métis and the General Population, by Gender, Urban and Rural Area and MHRDA Province, 2006

	% with excellent or very good self-rated health	% with arthritis or rheumatism	% with diabetes	% with family doctor
Canada – General Population*	62	13	4	86
Canada - Métis	58	21	7	81
Male	59	18	7	-
Female	58	24	7	-
Urban Areas	58	20	6	-
Rural Areas	59	23	7	-
Ontario	58	24	7	86
Manitoba	60	21	7	80
Saskatchewan	56	20	8	79
Alberta	61	20	6	79
British Columbia	56	22	7	85

Source: Statistics Canada, Aboriginal Population Survey and Canadian Community Health Survey
*Data for 2005. Age adjusted to reflect the Métis age structure for all variable except the percentage with family doctors.

Métis also fared poorly in terms of objective health indicators. The prevalence of chronic conditions was higher for Métis than for the general Canadian population (age adjusted), with Métis reporting higher rates of arthritis or rheumatism (21 versus 13 per cent), high blood pressure (16 versus 12 per cent), asthma (14 versus 8 per cent) and diabetes (7 versus 4 per cent). Once again, these findings held across genders, for both urban and rural areas and for all five provinces. Unlike the self-rated health indicator, the higher prevalence of chronic conditions among Métis relative to the general population held up at all ages (15-19 years, 35-44 years, 45-54 years and 65 and over).

The reasons behind the relatively poorer health of Métis people are related both to lower health care utilization and/or quality, and a higher prevalence of health-detrimental behaviour. In 2006, Métis were less likely to have a family doctor (81 versus 86 per cent). Only in Ontario (86 per cent) and British Columbia (85 per cent) did Métis have a proportion of the population with a family doctor comparable to the overall population. Métis were also slightly less satisfied with the care provided by health care professionals, with 57 per cent saying they were very satisfied compared to 61 per cent for the total population of Canada. Nonetheless, the proportion of Métis saying that there was a time in the last year when they needed health care but did not receive it was low at 11 per cent, and almost identical to that of the general population (12 per cent).

Doing more exercise (48 per cent), adopting better eating habits (16 per cent) and quitting smoking (12 per cent) were the three most prominent ways identified by Métis through which they could improve their overall health. In 2006, 61 per cent of Métis did not smoke, a clear improvement from 2001 (54 per cent), but still a far cry from the almost 80 per cent of Canadians who did not smoke in 2005. On a more positive note, however, Métis people were less likely to never walk to work, school or while doing errands (22 versus 29 per cent) and did slightly less sitting during usual activities or work habits (22 versus 25 per cent) than the general population.

vii. Other social indicators

In previous sections, we provided a detailed review of key indicators for Métis people: population growth and distribution, age structure, educational attainment, labour market outcomes and health status. In this section we briefly review some indicators related to family structure, housing adequacy and cultural attachment.

As was noted earlier, the Métis population is on average younger than the general population. It is thus not surprising that the number of children per family is also much higher. Indeed, in 2006, the average Métis family had 1.6 children at home, compared to only 1.1 for non-Aboriginal families.[17] Similarly, 32 per cent of Métis children under the age of six lived in families with three or more children, compared to 25 per cent of non-Aboriginal children (Statistics Canada, 2008). Moreover, 22 per cent of Métis children under the age of six were being raised by mothers between 15 and 24 years old, compared to only 8 per cent for their non-Aboriginal counterparts.

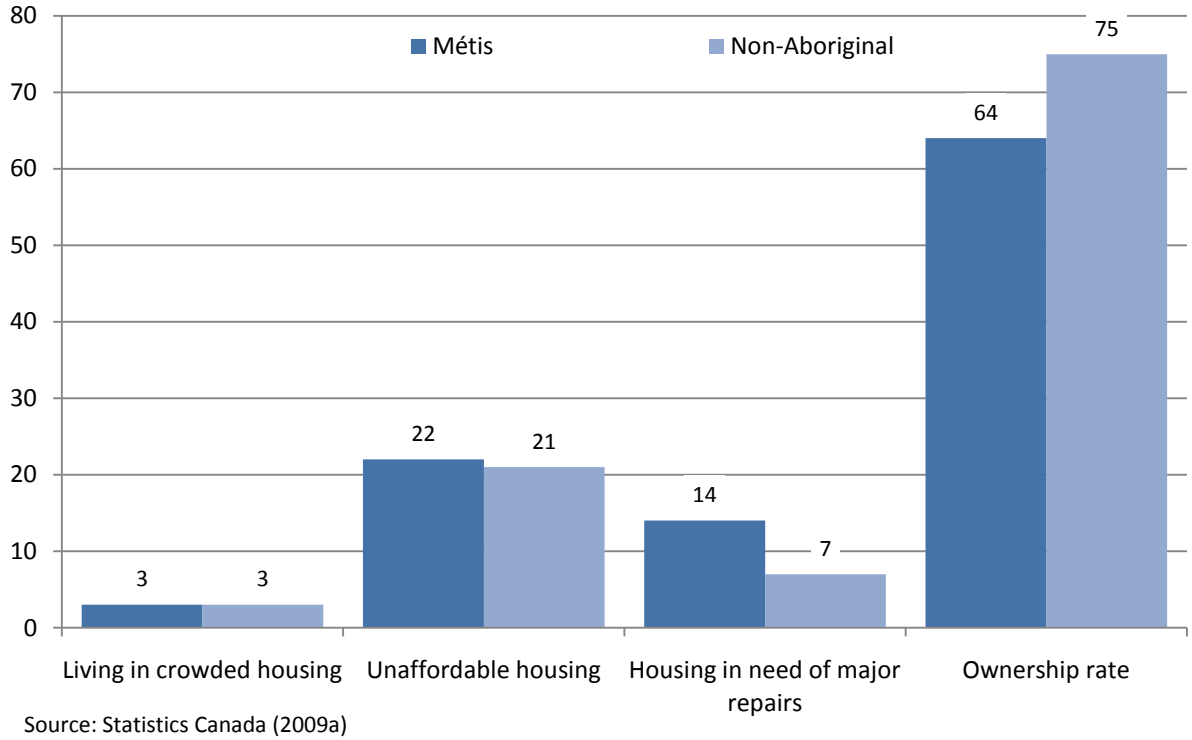
Unfortunately, a larger proportion of Métis are born with a low birth weight and more Métis children are part of lone-parent households. In 2006, the Aboriginal Children Survey estimated that 7 per cent of Métis newborns weigh less than 2500 grams at birth, compared to 6 per cent for Canada as a whole (CIHI, 2007). Moreover, while the proportion of Métis households with only one parent was 26.0 per cent of all households with children in 2006, the proportion was only 15.3 per cent for non-Aboriginal households. For children under the age of six, the percentage of Métis children living in lone-parents families was 30 per cent in 2006, compared to only 13 per cent for non-Aboriginal (Statistics Canada, 2008). These indicators are a cause for concern as they indicate that the conditions for breaking the cycle of poverty among Métis people are not yet fully met.

In terms of housing adequacy for Métis people, the indicators are mixed: while the level of crowding and housing affordability were similar for Métis and non-Aboriginal households in 2006, Métis had much lower home ownership rates and their housing was in

[17] Here, the term "family" refers to census families, which excludes unattached individuals. It does include married and common-law couples without children. Children refer to blood, step- or adopted sons and daughters (regardless of age or marital status) who are living in the same dwelling as their parent(s), as well as grandchildren in households where there are no parents present. Sons and daughters who are living with their spouse or common-law partner, or with one or more of their own children, are not considered to be members of the census family of their parent(s), even if they are living in the same dwelling. In addition, those sons and daughters who do not live in the same dwelling as their parent(s) are not considered members of the census family of their parent(s).

worse condition (Statistics Canada, 2009a). In 2006, crowding, defined as more than one individual per room living in the house (excluding bathrooms, halls, vestibules and rooms used solely for business purposes), affected only 3 per cent of Métis (identical to non-Aboriginal people) (Chart 6). It represented a significant improvement from 1996 when crowding affected 7 per cent of Métis. Lack of affordable housing also seemed not to affect Métis more than the general population, with 22 per cent of Métis living in a household that spent 30 per cent or more of its income on shelter costs compared to 21 per cent for the non-Aboriginal population.

Chart 6: Selected Housing Indicators for the Métis and Non-Aboriginal Populations, 200



Source: Statistics Canada (2009a)

However, in 2006, 14.1 per cent of Métis lived in housing requiring major repairs, a proportion more than double that for non-Aboriginal Canadians (7.0 per cent) (Table 8 and Chart 6). The proportion of Métis living in housing needing minor repairs was also significantly larger (35.2 versus 27.8 per cent). Relatively poor housing conditions for Métis were a reality across all five MHRDA provinces, but were generally better in larger urban areas that in the rest of the provinces. The poor housing conditions may be a symptom of lower ownership rates, with 64 per cent of Métis living in a home that was owned by a member of the household in 2006, compared to 75 per cent for the non-Aboriginal population.

The final aspect examined in this profile of the Métis people is their attachment to traditional Métis culture. Of course, these indicators cannot be meaningfully benchmarked to the general population, but they can be compared through time and across aboriginal identity. In 2006, of the three Aboriginal groups (Métis, North American Indians and Inuits), the Métis were the least likely to know an Aboriginal language. Moreover, Aboriginal language knowledge decreased over time. In 1996, 8 per cent of Métis were able to converse in an

Aboriginal language (Statistics Canada, 2003). This proportion decreased to 5 per cent in 2001 and to 3.5 per cent in 2006.[18] This decline was in part due to increased self-identification, and the percentages remained relatively high in Saskatchewan (11.9 per cent in 2006) and to a lesser extent Alberta (4.9 per cent). Nonetheless, the Métis attachment to the traditional culture and language remained high (albeit below that of other Aboriginal identity groups), with about half of Métis saying that learning, relearning or keeping an Aboriginal language was very or somewhat important in both 2001 (50 per cent) and 2006 (51 per cent).

Table 8: Housing Conditions of Métis and Non-Aboriginal People in MHRDA Provinces and Urban Areas with more than 5,000 Métis, 2006

	Regular maintenance only			Minor repairs			Major repairs		
	Métis	Non-Aboriginal	Ratio	Métis	Non-Aboriginal	Ratio	Métis	Non-Aboriginal	Ratio
Canada	50.7	65.2	77.7	35.2	27.8	126.6	14.1	7.0	202.5
Ontario	53.4	67.4	79.3	35.7	26.4	135.2	10.9	6.3	174.4
Ottawa - Gatineau*	53.0	65.4	81.1	35.2	28.3	124.4	11.7	6.3	186.4
Toronto	56.7	69.5	81.6	34.0	24.8	137.1	9.4	5.7	164.7
Greater Sudbury	53.2	62.8	84.7	37.1	29.8	124.7	9.7	7.4	130.6
Manitoba	47.1	60.9	77.3	36.4	30.9	117.8	16.5	8.2	201.3
Winnipeg	49.7	62.6	79.5	36.2	29.7	121.9	14.1	7.8	181.5
Saskatchewan	46.1	58.4	78.9	35.6	33.1	107.6	18.3	8.5	214.8
Regina	51.5	63.0	81.6	37.0	29.8	124.4	11.6	7.2	161.1
Saskatoon	56.3	66.2	85.1	33.8	28.4	119.0	9.8	5.4	182.0
Alberta	53.0	66.5	79.6	34.2	27.5	124.3	12.9	6.0	214.7
Calgary	61.7	71.5	86.3	28.8	23.8	120.8	9.5	4.7	203.5
Edmonton	55.5	67.5	82.3	33.9	27.3	124.2	10.6	5.3	201.2
British Columbia	53.7	67.4	79.7	34.2	25.9	131.9	12.1	6.7	180.6
Vancouver	57.1	69.2	82.5	31.3	24.4	128.1	11.6	6.3	182.6

Source: CSLS calculation from 2006 census tabulation. * Includes the Quebec portion

[18] Cree (9,360) and Ojibway (1,620) were among the Aboriginal languages most often spoken among the Métis in 2006. Other languages spoken by Métis include Dene (1,620), and other Algonquian languages, as well as Michif (fewer than 1,000 speakers) which is the official Métis language (Statistics Canada, 2009b).

III. The Métis Human Resource Development Agreements

The previous sections provided a portrait of the Métis in Canada: a brief history of who they are and where they came from and how their socio-economic status compares to that of non-Aboriginal Canadians. The recognition of the Métis Nation, as well as the need for to raise the socio-economic status of the Métis people, have clearly been important driver of the current agreements. But these factors only set the broad context into which the agreements were developed. In this section, we review the specific context that lead to the agreements, as well as discuss the agreements' key components and limitations. We also discuss HRSDC efforts to evaluate the agreements to date, and how our review relates with these efforts.

A. Review of the Agreements

i. History of the Agreements

In the late 1980s and early 1990s, Canadian policy makers developed an increasing awareness that existing labour market policies did not serve the Aboriginal population particularly well. In fact, the use of available resources for training and employment by Aboriginal people fell well short of its population share among targeted populations (in particular the unemployed). At the time, Aboriginal involvement in labour market programming was largely limited to the provision of advice to federal and provincial service providers. Policy makers recognized an acute need for a targeted and innovative approach.

This need was met by the establishment of a new Aboriginal labour market program, dubbed "Pathway to Success", implemented in the early 1990s. Under this program, federal funding for aboriginal training and employment services was administered by Aboriginal management boards which were expected to develop the capacity to take on the delivery and management of labour market programming for Aboriginal people. In most cases, however, the involvement of Aboriginal community-based organizations was strictly advisory.

This model was used up to 1996, when Pathway to Success was replaced by the National Framework/Regional Bilateral Agreement, a constituency-based approach under which funding would flow directly to the three Aboriginal groups recognized under the Canadian Constitution (the First Nations, Inuit, and Métis). A National Framework Agreement was signed with each of the three national Aboriginal constituencies (the Métis National Council (MNC) in the case of the Métis).These Framework Agreements were negotiated for a three-year period, starting April 1, 1996 and expiring March 31, 1999. Regional bilateral agreements were then signed with the provincial Métis Nation's governing bodies in Ontario and in Western provinces for the delivery of labour market programming for Métis people.

In 1999, the Aboriginal Human Resource Development Agreements (AHRDA) replaced the Regional Bilateral Agreements. These new agreements included additional funding for youth, persons with disabilities, capacity building and urban components. The AHRDA had a five-year window, starting in April 1999 and expiring in March 2004. This set

of agreements was renewed to 2009, and then renewed once more for one year, ending March 2010.

These agreements are the key component so far of a wider Aboriginal strategy, the Aboriginal Human Resources Development Strategy (AHRDS). In the words of HRSDC, the strategy "is designed to expand the employment opportunities of Aboriginal people across Canada".[19] The strategy was particularly innovative in that it devolved control and responsibility for the design and delivery of labour market programs to local Aboriginal organizations. This feature not only ensures that Métis organizations have the "authority to make decisions that will meet the needs of their communities", it also established a model for nation-to-nation discussions which was absent in most previous federal programs with a Métis component.

ii. Programs description, limitations, funding, result measurement and implementation

The agreements generally include funding for general labour market interventions, for youth programming, for programs in selected urban areas, for Métis persons living with disabilities programming, and for capacity building for Agreement holders. Currently, there are five Métis Human Resources Development Agreements (MHRDAs) in place across Canada – one for Ontario and one in each of the four Western provinces.

Under these agreements, funding comes from two main streams: the Employment Insurance (EI) stream and the Consolidated Revenue Fund (CRF) stream. The EI funding stream is governed by the Employment Insurance Act and is fairly restrictive. It is mainly for labour market programs similar to those established under Part II of the EI Act, such as:

- the Targeted Wage Subsidy Employment Benefit to encourage employers to hire unemployed individuals;
- the Self-employment Employment Benefit to help unemployed individuals start their own businesses or become self-employed;
- the Job Creation Partnerships Employment Benefit to provide unemployed individuals with employment opportunities to gain work experience;
- the Skills Development Employment Benefit to help unemployed individuals obtain skills ranging from basic to advanced skills.

EI funding is also used to support funding to persons with disabilities and portion of the urban programming in Alberta.[20] In addition, EI funding can be used to:

- support organizations that provide employment assistance services to the unemployed;

[19] See http://www.hrsdc.gc.ca/eng/employment/aboriginal_employment/index.shtml for more details on the strategy.
[20] Urban programming must be used in specified urban communities, while funding for persons with disabilities must be used to provide special programs to help persons who self-identify as having a physical, mental or learning impairment prepare for, find, and keep employment.

- support relevant groups (employers, community groups, etc.) in developing and implementing strategies for dealing with labour force adjustments and meeting human resource requirements;
- support research and innovative projects to identify better ways of helping persons prepare for, return, or keep employment.

The restrictive nature of EI funding is primarily related to the fact that only "EI clients" can be funded, i.e. individuals who currently claim EI benefits, or individuals who have claimed EI benefits within the previous 36 months, or individuals for whom a benefit period has been established in the previous 60 months and who seek to re-enter the labour force. In other words, these funds cannot be used to help Métis people maintain employment, develop needed skills while employed or help with the work-to-school transition, as they do not target EI-ineligible unemployed individuals. The EI eligibility requirements are demanding, particularly in Western provinces where the unemployment rates are low, and the number of hours of work needed to qualify for regular EI benefits is quite high. In some cases, EI funding

Table 9: Funding Level by Component and MHRDA for 2007-2008 (dollars)

	Métis Nation of Ontario*	Manitoba Métis Federation	Gabriel Dumont Institute (Saskatchewan)	Métis Nation of Alberta	Métis Nation of British Columbia	All five MHRDAs
Total Funding	4,721,464	12,308,774	11,922,848	13,289,822	6,349,473	48,592,381
EI Funding	1,420,618	3,802,460	3,478,773	4,809,326	1,899,841	15,411,018
EI Labour Market	1,278,104	3,645,699	3,339,852	4,225,417	1,821,377	14,310,449
Person with Disability	55,095	156,761	138,921	131,352	78,464	560,593
Urban (EI)	-	-	-	452,557	-	452,557
Total CRF Funding	3,300,846	8,506,314	8,444,075	8,480,496	4,449,632	33,181,363
CRF Labour Market	2,545,859	7,262,866	7,158,980	7,625,530	3,627,491	28,220,726
Youth	662,513	982,879	1,104,800	999, 595	691,718	3,441,910
Capacity Building	179,893	260,569	180,295	218, 334	130,423	751,180
Urban (CRF)	-	-	-	854,966	-	854,966

*In Ontario, funding for capacity building is divided into $92,474 from EI and $87,419 from CRF.

CRF funds are much more flexible. The CRF stream funds general labour market programming as well as particular youth programming (for Métis youth between the ages of 15 and 30, which account for the fastest growing population segment in the Métis population), capacity building and, in the case of Alberta, part of its urban programming.[21] The only major

[21] The types of intervention for each of these components are quite varied. CRF labour market programming includes many programs similar to those offered under the EI umbrella. Single-seat training purchases, that is an agreement under which the participants receives support to cover expenses related to training leading to employment, is one of the most common interventions. Youth programming includes, for example, outreach activities, client assessment, case management, the development of employability skills through community service, work experience, entrepeneurship experience, individual

restriction on the use of these funds is that programs may not target full-time students.[22] In addition, since 2005, the Métis agreements have differed slightly from those of other AHRDA holders, through the use of an agreement template specific to Métis. The key difference is the addition of a clause providing support for eligible clients (not full-time students) for post-secondary education, and the possibility of contributing to an endowment fund for bursaries for post-secondary programs of a length of up to 64 weeks at or below the undergraduate level.

In 2007-2008, the five Métis agreement holders responsible for delivering labour market programming received a total of $48.6 million, with about one-third in EI funding ($15.3 million) and two-thirds in CRF funding ($33.3 million) (Table 9). Slightly more than 55 per cent of the money was allocated in the form of general CRF labour market programming, while about 7 per cent of the funding went to youth initiatives and slightly more than 1.5 per cent and 1 per cent was allocated to capacity building and persons with disabilities, respectively. Only Alberta received funding under the urban component and that funding accounted for roughly 10 per cent of its annual funding envelope.

Under the current agreements, the performance of the Métis agreement holders is generally measured according to three key indicators: the number of clients returning to employment or to school for youth; the number of interventions (funded and non-funded) completed by the agreement holders in the reporting period; and a measure of savings on EI and social assistance benefits. Appendix 1 provides a detailed explanation of how these results are measured. Issues related to the accuracy of these performance indicators will be discussed later. Targets for these indicators are set based on historical data and the local context. The targets are generally set by the MHRDAs in consultation with the regional coordinator of Service Canada. There is no direct consequence related to the failure or success of a given MHRDA to achieve its targets.

In terms of implementation, each of the agreement holders has developed a slightly difference approach (see Appendix 2 for more details). In general, agreement holders offer a point of service in all sub-provincial regions, and some even provide additional services to remote areas within these regions, either through a mobile unit (as in Alberta) or through regular visits organized in partnership with local community organizations (as in Saskatchewan). The agreement holders have created internal structures to deliver MHRD services, with the level of local control varying across provinces. In Alberta, the process is more centralized in order to maximize efficiency. In Manitoba, on the other hand, the decision-making process is more decentralized, with local management boards having an active role in service delivery and decision-making. In all cases, the governance structure seems to have a reasonable feedback and adjustment mechanism to insure that service delivery respond to local needs without significantly jeopardizing efficiency and/or accountability.

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skills enhancement, summer career placement, etc. Funding for capacity building must be used to fund activities described in the holders' capacity building plan approved by HRSDC.

[22] Some agreement holders provide support to students in their last year of university, as the restriction states that ineligibility is for persons who are currently full-time students ***and*** intend to return to school on a full-time basis in the following academic year.

B. HRSDC Review Process

Program evaluations and program reviews are one of the key processes through which governments can identify the strengths and weaknesses of different initiatives. In principle, it allows for evidence-based decision making and provides a feedback mechanism that allows for improvements in program design and delivery. In the case of the AHRDAs program, HRSDC published its first and only program review in 2004. HRSDC is currently in the process of completing a formative and a summative evaluation of the program, an exercise which may well guide discussions on the renewal of the program after March 2010. In this section, we briefly highlight the key findings that have transpired from these reviews and evaluations. We also situate this report in the context of the past and current work undertaken by HRSDC in terms of program evaluation.

i. The 2004 review

The 2004 review (HRSDC, 2004a) primarily examines issues relating to the implementation and effectiveness of the AHRDAs. The review mentioned that the use of an experimental method, while technically better, was impractical due to the difficulties in establishing an appropriate control group. The approach was thus qualitative in nature: ten case studies (the two MHRDAs that were studied were MNA and MMF) and a survey of clients that had received services was conducted, and only limited analysis of administrative data was completed. The document was a synthesis of findings, and as such was very general in its findings. There was no analysis broken down by Aboriginal identity which could allow for a meaningful assessment of MHRDAs in particular.

In general, the review's findings were positive. It found that AHRDA holders had made significant progress in building capacity, as was demonstrated by the sophistication of their planning activities and the successful establishment and management of complex partnerships. Yet, it also mentioned that key informants considered the current level of funding for capacity building insufficient. Local decision-making and community-based delivery were seen as significant strengths of the AHRDA model.

Among the client population surveyed, the level of satisfaction was high. The available evidence showed significant penetration among potential client populations and pointed to strong positive impacts on affected clients and communities. It was noted, however, that the most benefits were likely to be intangibles, and thus hard to capture through a formal evaluation methodology as they would have visible impacts only in the long-run. Moreover, the quality of current data on the performance of AHRDA holders was deemed poor, and the menu of quantitative indicators and measures was widely seen as failing to capture some of the key effects of AHRDA interventions.

ii. The ongoing evaluations

The formative evaluation was similar to the 2004 review, relying primarily on existing literature and case studies (ARDOS, 2007). The methodology drew on the earlier review, as well as on the numerous formative evaluations undertaken by HRSDC in the late 1990s and

early 200s on provincial Labour Market Development Agreements (LMDAs).[23] Key findings were almost identical to those presented in the earlier review. Insufficient funding for capacity building was noted. Inconsistencies in data between AHRDA holders and HRSDC were documented. The need for better indicators was underlined once again, and the capacity of AHRDAs to manage complex partnerships was commended. Significant efforts were spent examining the effect of new funding for childcare, but this funding was only for Inuits and First Nations, and was thus largely irrelevant to Métis holders. Key informants considered that HRSDC and Service Canada failed to fully implement the Action Plan adopted after the 2004 review.

Table 10: A Comparison of Impact Estimates by Type of Client between BC LMDA and AHRDAs

	Employment Increased	Earnings Increased	EI Income Decreased	Income Support Decreased	Employment Increased	Earnings Increased	EI Income Decreased	Income Support Decreased
	British Columbia Labour Market Development Agreement				Aboriginal Human Resources Development Agreements			
	Active EI Claimant							
All Programs	**Yes**	**Yes**	No	-	**Yes**	**Yes**	**Yes**	**Yes**
Skills Development	**Yes**	**Yes**	No	**Yes**	**Yes**	**Yes**	?	**Yes**
Targeted Wage Subsidy	**Yes**	-	No	No	**Yes**	**Yes**	?	?
Employment Assistance	-	-	No	-	**Yes**	**Yes**	?	?
Job Creation Partnership	**Yes**	-	-	No	**Yes**	**Yes**	?	?
Self-Employment	**Yes**	No	-	No	No	No	**Yes**	?
	Former EI Claimant							
All Programs	No	No	No	-	**Yes**	No	?	?
Skills Development	No	No	-	-	**Yes**	No	-	-
Targeted Wage Subsidy	**Yes**	**Yes**	No	**Yes**	**Yes**	**Yes**	No	**Yes**
Employment Assistance	No	No	No	No	?	?	?	?
Job Creation Partnership	**Yes**	No	-	**Yes**	**Yes**	-	No	**Yes**
Self-Employment	-	No	**Yes**	-	No	No	**Yes**	?
	Non-EI eligible clients							
All Programs	N/A	N/A	N/A	N/A	**Yes**	**Yes**	No	**Yes**
Skills Development	N/A	N/A	N/A	N/A	**Yes**	**Yes**	No	**Yes**
Targeted Wage Subsidy	N/A	N/A	N/A	N/A	**Yes**	**Yes**	No	**Yes**
Employment Assistance	N/A	N/A	N/A	N/A	**Yes**	**Yes**	?	?
Job Creation Partnership	N/A	N/A	N/A	N/A	**Yes**	-	No	**Yes**
Self-Employment	N/A	N/A	N/A	N/A	?	?	?	?

Source: Based on HRSDC (2004: Table 6) and preliminary findings from HRSDC (2009)
Note: Positive results are bolded. Dashes mean inconclusive findings. Interrogation points mean that the information was not yet provided.

The core component of the summative evaluation used a quasi-experimental design, and aimed to address the questions of program relevance, program success and cost-effectiveness (HRSDC, 2007 and 2009). First, it is interesting to note that a quasi-

[23] HRSDC complete a formative evaluation for the LMDA of eight provinces (except Quebec and Ontario) and for Yukon (HRSDC 1999, 1999a, 1999b, 2000, 2000a, 2000b, 2000c, 2000d and 2001). I addition, a formative evaluation was done on the delivery of employment benefits and support measures in the Ontario region (HRSDC, 2000e).

experimental approach was adopted despite the earlier warning provided in HRSDC (2004a) about the difficulties associated with finding control groups. Details on the methodology to produce a control group are not yet fully known, but they will have to be critically assessed if the quantitative findings from the summative evaluation are to be credible.

The summative evaluation separated clients into three types: active EI claimants (12.9 per cent), former EI claimants (19.7 per cent) and non-EI eligible clients (67.5 per cent) (see Appendix 1 for more details). The proportion of EI versus non-EI eligible clients was roughly in line with EI and CRF funding allocation. In general, preliminary findings were very positive, with active EI claimants experiencing increases in employment earnings and in the incidence of employment and declines in EI and Social Assistance benefits received in comparison with the control group (Table 10). Non-EI-eligible clients had similar results, but with an increase in their EI use due to increased EI eligibility based on post-program employment activities. The results for former EI clients were more mixed, with employment increasing but earnings decreasing on average. No estimates of the magnitude of these improvements were available as of March 2009.

These preliminary findings appear to be significantly better than those of a similar program evaluation that was completed for the BC Labour Market Development Agreement (LMDA) in 2004 (HRSDC, 2004). The BC LMDA only covered EI eligible clients. As is the case for the AHRDAs, results were much better for active claimants than for former claimants (Table 10). Results for active claimants were positive in terms of earnings and employment, but they translated into an increase in the use of EI and had no significant effect on the amount of income assistance received (unlike AHRDAs). Moreover, former claimants, who presented the worst results, accounted for 40 per cent of all clients in the BC LMDA, compared to less than 20 per cent for AHRDAs. It would thus not be surprising if when official, the results from the AHRDAs were significantly better than those observed in BC under the LMDA.

iii. Positioning of the report

The report is not meant to replace or challenge the HRSDC evaluation of the program to be published in mid-2009, but rather to complement it. The scope of this report is wider than the current HRSDC evaluation, in that it attempts to capture benefits well beyond those measured by the performance indicators included in the agreements. It is also narrower than the HRSDC evaluation in that it focuses strictly on the Métis portion of the AHRD programming.

Apart from its focus on Métis, the key difference between this report and previous HRSDC evaluation efforts lies in its methodological approach. In its quantitative evaluation of MHRDA activities, HRSDC has focused on the short-term impact of MHRDA activities on employment income and EI spending. In other words, it has focused on short-term impacts at the micro-level. In this report, we adopt a long-run macro perspective. We provide new estimates of the potential contribution of Métis to the Canadian economy and labour market, which will offer an up-to-date picture of the strategic importance of Métis development for Canada's economic future. We will also provide quantitative estimates for some of the

intangible benefits of MHRDAs activities, an aspect untouched by past and current HRSDC evaluation. Finally, and most importantly, the estimation of economic benefits contained in this report will focus on long-term benefits to human capital, not restricting itself to impacts observed shortly after an intervention takes place. These are substantial methodological differences and will offer a different perspective of the potential effects of MHRDA activities.

IV. The potential effects of a more educated and employable Métis population

In this section, we conduct a high-level analysis of the potential impact of a more employable Métis population based on the methodology first developed in Sharpe, Arsenault and Lapointe (2007) and refined in Sharpe, Arsenault, Lapointe and Cowan (2009). In these reports, projections of the future impact of the Aboriginal population on employment, output, and productivity in Canada to 2026 were developed. In this section, we briefly present estimates based on the same methodology for the Métis population.

A. Estimation of the Potential Contribution of Métis People to the Labour Force

First, it must be noted that the following projections are based on Aboriginal population projections produced jointly by INAC and CMHC (2007) which are benchmarked on the 2001 Census. These projections were then adjusted by the CSLS to take into account the new 2006 Census estimates, which is of particular importance for the Métis population due to a significant increase in self-identification between the two censuses.[24] Population projections for the general Canadian population are based on Statistics Canada (2005).

Table 11: Métis and Non-Aboriginal Participation and Employment Rates by Age, 2006

	Participation Rate			Employment Rate		
	Métis	Non-Aboriginal	Gap (points)	Métis	Non-Aboriginal	Gap (points)
Total	70.1	66.9	3.2	62.7	63.1	-0.4
15 to 19 years	52.9	51.8	1.1	44.3	44.3	0.0
20 to 24 years	80.3	81.0	-0.7	72.0	68.6	3.4
25 to 34 years	82.6	86.1	-3.5	80.8	74.3	6.5
35 to 44 years	83.1	87.1	-4.0	82.8	76.4	6.4
45 to 54 years	78.6	85.0	-6.4	81.1	73.1	8.0
55 to 64 years	55.7	59.9	-4.2	56.8	51.1	5.7
65 to 74 years	15.4	16.1	-0.7	15.3	14.3	1.0
75 years and over	6.0	4.5	1.5	4.2	5.4	-1.2

Source: Census 2006 Tabulations

Assuming no future increase in self-identification, the Métis population is projected to increase from about 400 thousands in 2006 to more than 520 thousands in 2026. Over this period, much more Métis will join the labour force (15 and over) than will exit, creating

[24] CMHC and INAC's Métis population projection for 2006 differ significantly (more than 25 per cent lower) from 2006 census data due to a dramatic and unexpected surge in Métis self-identification. To account for these discrepancies, CMHC and INAC's 2006 population projections were corrected by the CSLS using 2006 census data adjusted to take undercounting into account. These estimates for 2006 were extended to 2026 using CMHC and INAC's projected population growth rates. It must be noted that this method assumes that accelerated Métis population growth caused by changes in self-identification does not continue past 2006. For more details on these adjustments, see Sharpe, Arsenault, Lapointe and Cowan (2009).

significant opportunities for the Canadian economy. Our base projections (Scenario A) holds participation and employment rates constant at 2006 levels for each of eight age groups (Table 11), thus taking into account projected changes in the age structure of both the Métis and non-Aboriginal population.

Table 12: Potential Contribution of the Métis Population to the Canadian Labour Force and Employment (2006-2026)

		2006	2026	Percentage Change 2006-2026	Absolute Change 2006-2026	Contribution to Growth (%)
Population (15+)	Métis	301,883	401,312	32.94	99,429	1.88
	General Population	26,922,700	32,202,100	19.61	5,279,400	100.0
Labour Force	Métis					
	Scenario A	211,620	255,544	20.76	43,923	2.98
	Scenario B	211,620	262,937	24.25	51,317	3.31
	Scenario C	211,620	267,657	26.48	56,036	3.48
	Total Population	17,970,097	19,445,403	8.21	1,475,306	100
Participation Rate	Métis					
	Scenario A	70.1	63.7	-9.16	-6.42	-
	Scenario B	70.1	65.5	-6.53	-4.58	-
	Scenario C	70.1	66.7	-4.86	-3.40	-
	Total Population	66.7	60.4	-9.53	-6.4	-
Employment	Métis					
	Scenario A	190,488	230,653	21.09	40,165	2.91
	Scenario B	190,488	242,724	27.42	52,236	3.51
	Scenario C	190,488	249,557	31.01	59,068	3.76
	Total Population	16,790,627	18,171,555	8.22	1,380,928	100
Employment Rate	Métis					
	Scenario A	63.1	57.5	-8.91	-5.63	-
	Scenario B	63.1	60.5	-4.15	-2.62	-
	Scenario C	63.1	62.2	-1.45	-0.91	-
	Total Population	62.4	56.4	-9.52	-5.9	-

Sources: Adapted from Sharpe, Arsenault, Lapointe and Cowan (2009)

Note:
Scenario A assumes age-specific Métis employment and participation rates remain at 2006 levels in 2026.
Scenario B assumes age specific Métis employment and participation rates reach the midpoint between 2006 Métis rates and 2006 non-Aboriginal rates by 2026.
Scenario C assumes Métis employment and participation rates reach 2006 non-Aboriginal levels by 2026

In addition to labour force and employment projections based on constant participation and employment rates (scenario A), this report includes projections using two other scenarios. Scenario B assumes that half of the gap between the 2006 Métis participation and employment age-specific rates and the 2006 participation and employment rates of the non-Aboriginal population is closed by 2026. Scenario C assumes that the Aboriginal population's

age-specific participation and employment rates will reach 2006 non-Aboriginal levels by 2026. In the rare instances where Métis participation rates or employment rates exceeds the non-Aboriginal rate for a given age group in 2006, it is held constant.[25]

Without increases in its age-specific participation or employment rates, the Métis labour force and the total number of Métis employed is expected to grow by 43,923 and 40,165, respectively (Table 12). Should the increases in participation and employments rates assumed by scenario C come to fruition, the Métis labour force and Métis total employment are expected to grow by 56,036 and 59,068 respectively – an increase of 28 and 47 per cent over scenario A.

The potential contribution of the Métis population to Canadian labour force and employment growth over the 2006-2026 period well surpasses its 2006 population share (1.25 per cent) and its expected contribution to working-age population growth (1.88 per cent). Métis are projected to account for 3.0 per cent of labour force growth over that period even if no improvement in age-specific participation rates takes place. The Métis contribution could increase to 3.5 per cent of labour force growth if measures were taken to increase their participation rates to levels comparable to that of the non-Aboriginal population. Projected employment estimates show similar results, with Métis accounting between 2.9 and 3.8 per cent of employment growth between 2006 and 2026. In other words, the importance of the Métis people for the future of the Canadian economy is disproportionally large when compared to its population. The importance of the Métis is made even larger given that they are concentrated in provinces that are experiencing significant long-term challenges in terms of labour supply.[26]

B. Estimation of the Additional Potential GDP

i. Methodology

In this section, we draw on the population projections briefly described earlier, on economic projections by Dungan and Murphy (2008) and on estimates off educational attainment, employment rate and employment income derived from the 2001 Census micro-data file. Micro-data file from the 2006 Census will only be available in late 2009 or early 2010. The methodology used in this section was first developed in Sharpe, Arsenault and Lapointe (2007) and is summarized briefly in Box 1.

[25] In several cases, Métis participation and employment rates in the oldest age group (75+) are higher than the Non-Aboriginal rates. It is possible that this phenomenon is caused by high rates of poverty among elderly Aboriginals, which forces them to continue working past their desired retirement age. It is also possible that high participation rates among elderly Aboriginals reflect a dedication to traditional Aboriginal activities such as hunting and fishing.

[26] It is interesting to note, however, that aging, in particular a higher percentage of the working-age population entering the 55 and over age group with low participation and employment rate, will also affect the Métis population. Under scenario A, participation rate and employment rate are expected to fall by approximately six percentage points for both the Métis and non-Aboriginal population. Even under scenario C where age-specific Métis participation and employment rates increase, aggregate Métis participation and employment rate would fall.

The potential contributions are examined under different scenarios based on assumptions over three variables: (i) the educational profile of Métis people; (ii) the Métis employment rate at a given education level in 2026; (iii) and Métis average employment income at a given education level in 2026 (Table 13).[27] In the base year, in 2001, GDP and productivity levels are actual values and are the same over all scenarios. Total Canadian GDP is $1,266 billion (2006 dollars) and labour productivity is $84,654 per worker (2006 dollars).[28] The results of this analysis are detailed in Appendix Table 1 through 11.

Box 1: Summary of the Methodology to Measure Potential Métis GDP

In order to make projections of Métis contribution to GDP and labour productivity growth to 2026, a general methodology was developed and is outlined below.

- The Métis and non-Aboriginal populations in 2001 were divided into educational attainment categories based on the highest level of schooling they achieved, and shares of the population for these two populations in each educational category were calculated.
- The shares of the Métis population in each educational category are then applied to the total working age population in 2001 and 2026 to find the absolute number of persons of working age in each educational category in 2001 and 2026.
- The working age population in each educational category is then multiplied by the category's corresponding employment rate (chosen according to the scenario) to find the number of Métis employed in each category.
- The number of Métis employed is then multiplied by the average employment income in each educational category (once again, chosen according to the scenario) to obtain the aggregate income for that category.
- Total employment income of the Métis population in 2026 is calculated by summing up the incomes of each educational category. Total Canadian GDP is derived from total employment income.

ii. Base Scenarios – Scenarios 1 and 2

The increase of the Métis population itself has an effect on the aggregate income of that population, whether anything is done to boost the employability of the Métis population or not. Before estimating the impact of increased education and employment on GDP, the

[27] These assumptions differ from the assumptions used for the labour force projections. While employment rates in the labour force projections are adjusted for projected changes in the relative weights of different age groups, employment rates for the output and productivity section are adjusted for assumed changes in educational attainment. Both methodologies make various assumptions about the Métis/non-Aboriginal employment rate gap. Fortunately, the difference in employment rate projections is not substantial. The worst case scenario for in the labour force projections assumes no growth in employment rate for all age groups. An aggregate Métis employment rate of 57.5 is projected in 2026. The worst case scenario for output projections assumes no change in educational attainment or employment rate by educational attainment. This scenario projects an employment rate about three percentage points (60.4) higher than the labour force projections. Likewise, the best case labour force scenario (which assumes age-specific Aboriginal employment rates reach 2006 non-Aboriginal levels) is just 2.0 percentage points lower than the best case output scenario which assumes full catch in educational attainment and employment rate by educational group. Ideally, all factors would be accounted for, for both labour force and output projections. Due to a lack of data, however, this is not currently possible.

[28] All monetary projections are in 2006 dollars.

report thus develops base case – or status quo - scenarios in which there is no improvement in education or labour market outcomes for Métis between 2001 and 2026.

Table 13: Scenario Summary

Scenario	Métis Average Income Given Education in 2026	Métis Employment Rate Given Education in 2026
	The Métis Educational Structure Remains Unchanged	
Base Scenario 1	2001 Level With Average Wage Growth	Level of Métis Employment Rate in 2001
Base Scenario 2	Level of Non-Aboriginal Income in 2026	Highest of Non-Aboriginal or Métis Employment Rate in 2001
	Half of the Gap Between the Métis and Non-Aboriginal Education in 2001 is Eliminated	
3	2001 Level With Average Wage Growth	Level of Métis Employment Rate in 2001
4	2001 Level With Average Wage Growth	Highest of Non-Aboriginal or Métis Employment Rate in 2001
5	Level of Non-Aboriginal Income in 2026	Level of Métis Employment Rate in 2001
6	Level of Non-Aboriginal Income in 2026	Highest of Non-Aboriginal or Métis Employment Rate in 2001
	The Complete Gap Between the Métis and Non-Aboriginal Education in 2001 is Eliminated	
7	2001 Level With Average Wage Growth	Level of Métis Employment Rate in 2001
8	2001 Level With Average Wage Growth	Highest of Non-Aboriginal or Métis Employment Rate in 2001
9	Level of Non-Aboriginal Income in 2026	Level of Métis Employment Rate in 2001
10	Level of Non-Aboriginal Income in 2026	Highest of Non-Aboriginal or Métis Employment Rate in 2001

Source: Adapted from Sharpe, Arsenault and Lapointe (2007)

In the "no change" scenario (Base Scenario 1), average employment income is assumed to increase by 45.9 per cent over the period, which is the projected average real wage increase (Dungan and Murphy, 2008), while employment rates remain constant for each educational attainment category. The gap in employment income between Métis and non-Aboriginal Canadians for each educational category remains unchanged. The main results are summarized in Table 14 and Table 15.

This scenario projects a level of estimated GDP created by the Métis population in 2026 of $18.9 billion – a $9.9 billion increase over 2001 - with an average annual growth of 3.0 per cent over the 2001-2026 period. The total Canadian GDP in 2026 under this base scenario is assumed to be at a level of $2,187 billion (Dungan and Murphy, 2008) while

employment is projected to be 19,198 thousands of persons. Canadian labour productivity, then, is estimated at $113,923 per worker in 2026. The annual average growth rates are 2.212 per cent for GDP, 1.005 for employment and 1.195 per cent for labour productivity over the 2001-2026 period (Table 14 and Table 15).

Table 14: Summary of Projections for GDPwith Increased Métis Education and Labour Market Outcomes in 2026

		Projected Canadian GDP in 2026 (Billions of $2006)	Average Annual GDP Growth Rate (2001-2026)	GDP Difference with Scenario 1 (Billions of $2006)	GDP Growth Difference with Scenario 1 (Percentage points)
Base Scenarios	1	2,187.0	2.212	-	-
	2	2,190.7	2.219	3.7	0.007
Half the educational gap is eliminated	3	2,188.5	2.215	1.5	0.003
	4	2,188.6	2.215	1.6	0.003
	5	2,192.4	2.222	5.4	0.010
	6	2,192.6	2.222	5.5	0.010
All the educational gap is eliminated	7	2,190.0	2.217	3.0	0.006
	8	2,190.1	2.218	3.1	0.006
	9	2,194.3	2.226	7.3	0.014
	10	2,194.5	2.226	7.4	0.014

Source: CSLS estimates

Table 15: Summary of Projections for Productivity with Increased Métis Education and Labour Market Outcomes in 2026

		Projected Labour Productivity in 2026 ($2006 per worker)	Average Annual Productivity Growth Rate (2001-2026)	Productivity Level Difference with Scenario 1 ($2006 per worker)	Productivity Growth Difference with Scenario 1 (Percentage points)
Base Scenarios	1	113,923	1.195	-	-
	2	114,104	1.201	181	0.006
Half the educational gap is eliminated	3	113,958	1.196	36	0.001
	4	113,955	1.196	33	0.001
	5	114,163	1.203	240	0.009
	6	114,161	1.203	238	0.008
All the educational gap is eliminated	7	113,994	1.197	72	0.003
	8	113,991	1.197	69	0.002
	9	114,219	1.205	297	0.011
	10	114,218	1.205	295	0.010

Source: CSLS estimates

A second scenario used the assumption of no increase in educational attainment, and is also to be used as a benchmark. A large portion of labour market programming is not aimed

directly at improving educational attainment, but rather at directly improving the employment prospects of clients. This has an effect on employment opportunities and the level of income derived from employment for Métis people. Base Scenario 2 attempts to measure the potential effect of improvement in labour market outcomes not captured by improvement in the educational profile of Métis people. It does so by assuming that the employment rates of the Métis population in each educational attainment category will, by 2026, reach the highest of Métis or non-Aboriginal employment rate in 2001. It also assumes that the average Métis employment income in each educational category will increase to the 2026 level of the non-Aboriginal population (assuming the non-Aboriginal wages grow at the average growth rate projected in Dungan and Murphy, 2008).

Under Base Scenario 2, the estimated Canadian GDP in 2026 is $2,191 billion – $3.7 billion over Base Scenario 1. The average annual increase of Canadian GDP is projected to reach an average 2.219 per cent per year between 2001 and 2026. Canadian labour productivity in 2026 would be $114,218 per worker, increasing at an average of 1.205 per cent per year between 2001 and 2026.

iii. Complete Convergence in Educational Attainment – Scenarios 7 to 10

For the purpose of brevity, we focus on the scenarios where the educational profile of the Métis people in 2026 is identical to that of non-Aboriginal in 2001. In these scenarios educational parity would be reached in 2026 if there is no additional increase in non-Aboriginal education between 2001 and 2026.[29] Four scenarios are considered. In Scenario 7, educational attainment is the only variable improving for the Métis population. Scenario 8 adds the assumption that Métis employment rates reach at least the 2001 level of the non-Aboriginal population. In Scenario 9, employment rates are kept constant, but the average Métis employment income of each education group reaches parity with the projected non-Aboriginal incomes in 2026. In the last Scenario, all three variables improve. Scenario 10 is thus the *best case* scenario in this report.

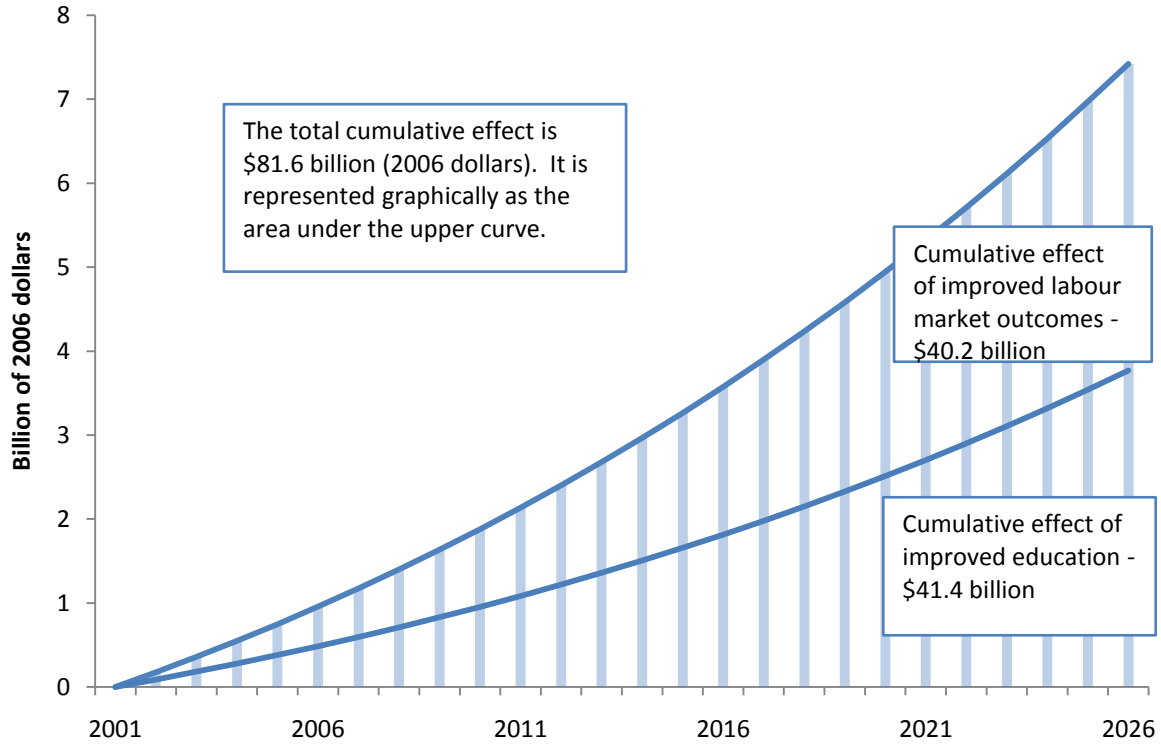
Under Scenario 7, the total GDP in Canada in 2026 is estimated at $2,190.0 billion, increasing at a rate of 2.217 per cent per year. Labour productivity in 2026 is projected at $113,994 per worker, with a growth rate of 1.197 per cent per year on average. Under the best case Scenario (10), total GDP is $2,194.5 billion in 2026, increasing at an average of 2.226 per cent per year over the period. Labour productivity in this case is projected at $114,218 per worker, representing an additional $295 per worker over the base scenario. This variable has an average annual growth rate of 1.205 per cent per year in this scenario.

Comparisons with the base scenarios are particularly interesting. The annual growth rate of output is higher by 0.014 percentage points in Scenario 10 than in Scenario 1, which translates in the 2026 level being higher by $7.5 billion (Table 14). Productivity growth is also higher by 0.010 percentage points. This encompasses improvement in the growth rate coming from all three sources outlined earlier.

[29] One can note that the educational attainment of non-Aboriginals already increased between 2001 and 2006, and if Métis reached the 2001 non-Aboriginal level in 2026, it would not result in parity. In other words, our projections of Métis educational attainment are quite conservative.

The potential Métis contribution can be divided into the portion coming from educational improvements and the portion from direct improvement in labour market outcomes. The contribution of better education can be captured by comparing scenario 2 and 10, while the difference between Scenario 1 and 2 embodies the portion attributable to better labour market outcomes. In 2026, of the $7.5 billion difference between the status-quo scenario and scenario 10, about $3.8 billion is related to education and $3.7 billion to labour market outcomes.

Chart 7: Potential Path of Canadian GDP in Scenario 10 Compared to Canadian GDP in Base Scenario 1, 2001-2026



The additional GDP growth in scenario 10 over scenario 1 may seem small at only 0.014 percentage points each year. However, when considering a trillion-dollar economy, a small increase in GDP growth has a large effect. Chart 7 illustrates the trend in the difference between GDP under Scenarios 1 and 10. It is important to note that the chart represents only one of the multitudes of possible paths between the level of GDP in 2001 and that reached in 2026. [30] In 2001, the GDP is the same in both scenarios, but in 2026, the difference grows to

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Chart 7 assumes that the growth rate remains constant over the period. Of course, the path between the level of GDP in 2001 and that in 2026 can take various other forms. Specifically, if a large number of currently employed Métis drop out of the labour force in order to return to school, this might results in more muted growth at the beginning of the period and stronger growth towards the end. In turn, the shape of the path between the 2001 and the 2026 GDP levels can significantly affect the estimate of cumulated benefits, and as such these estimates must be interpreted with care. The chart is meant to be illustrative of the magnitude of potential benefits, rather than a definite and robust estimate of the cumulated benefits.

$7.5 billion. Over the 25 years, the aggregate additional GDP to the Canadian economy would be a staggering $81.6 billion.[31]

C. Estimation of the potential increase in tax revenues

Should the educational attainment, employment income and employment rate gaps between the Métis and non-Aboriginal populations close by 2026, Métis people will not be the sole beneficiary of the economic windfall. All levels of Canadian government will incur a significant increase in tax revenue which can be used to reduce the overall tax burden, increase services or reduce public debt. Due to the complexity of Canada's tax system, only a rough of estimate of the potential increase in tax revenue is feasible.

In this section, we project that the Métis population could contribute up to $3.0 billion in additional tax revenue in 2026 alone if increases in income related to increased educational attainment and improved labour market outcome are realized. This estimated increase in tax revenue does not include the increase that would occur in the status quo scenario and that is related to a growing Métis population.

To project the Aboriginal population's potential contribution to government revenue, we adopt a macro-level methodology. In the previous section, we estimated the potential value of increased Métis education and improved Métis labour market outcomes to the Canadian economy. We apply the government revenue-to-GDP ratio to these estimates to obtain a rough measure of the potential additional revenue that would accrue to governments if Métis improved their educational and labour market outcomes. No further adjustment is needed as Métis people, unlike registered Indians, do not benefit from any particular tax treatment.

Table 16: Potential Increased Tax Revenue Attributable to Improved Aboriginal Education and Education-Specific Labour Market Outcomes

	Métis GDP Contribution ($2006)	Government revenue related to Métis ($2006)
	A	A*0.41 = B
Scenario 1	18,876	7,739
Scenario 10	26,294	10,781
Difference*	7,418	3,041

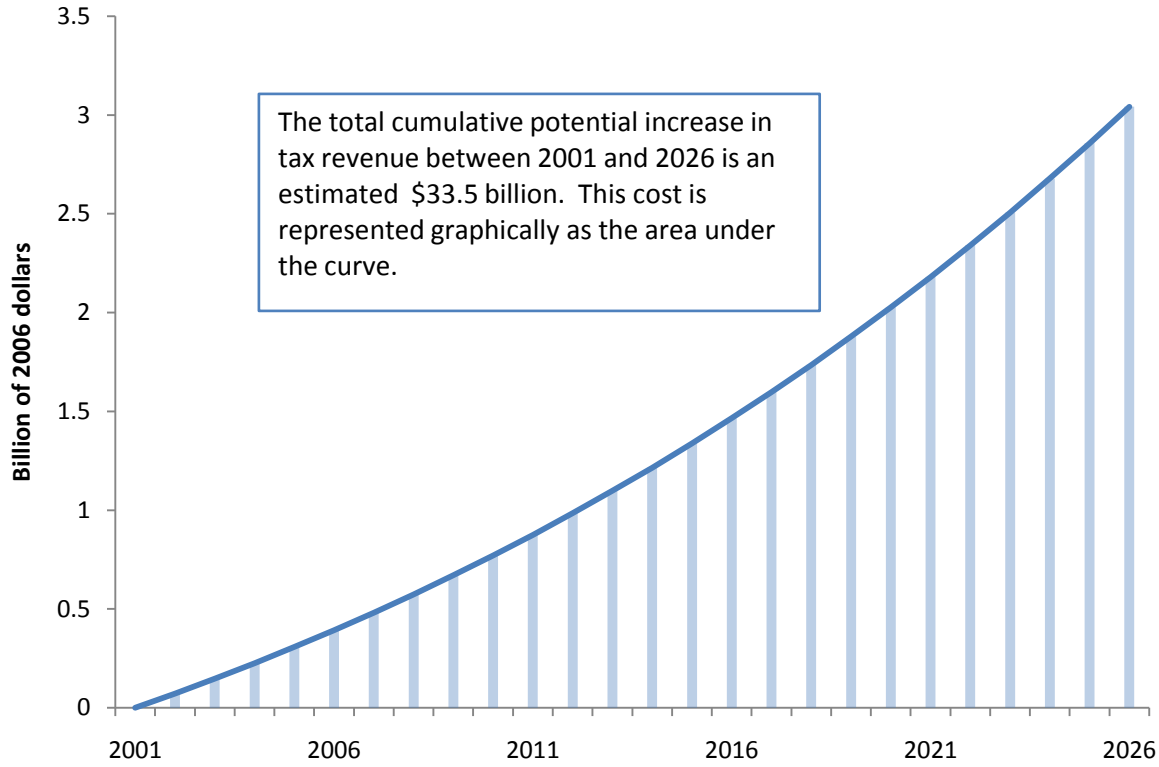
Source: Statistics Canada, Cansim Table 385-0001 and CSLS calculations.

In 2007, total Canadian nominal GDP was $1,535 billion. In fiscal year 2007-08, consolidated government revenue was $636 billion or 41 per cent of GDP. Table 16

[31] This aggregate additional GDP over the 25 years is determined by two effects. First, there is a level effect. The increased growth rate in the first year induces an increase in the level of GDP that is permanent over the whole period. This is not a one-time gain: it is realized year after year. In other words, even if the growth rate increase was only present in the first year, the level of the GDP would have been higher than the status quo in each of the subsequent years. However, the absolute growth is higher every year, and thus there is a second effect, the growth rate effect. Each year, the growth rate is 0.014 of a percentage point, but it applies to a higher base. Therefore there is a small compound growth rate effect which magnifies the difference of the absolute annual growth of GDP of the two scenarios. Overall, both effects add up, which means that past increases in the level of the GDP carry on to subsequent years and that each year an additional increase is added to the total.

demonstrates by how much government revenue would increase above the base scenario should the best case scenario materialize. Without any increases in educational attainment or education-specific labour market outcomes, the Métis population is expected to contribute about $7.7 billion in tax revenue in 2026 ($2006). If the best case scenario materializes, the Métis population would contribute about $10.8 billion in tax revenue in 2026. In other words, education and labour market improvements have the potential to increase tax revenues by $3.0 billion in 2026.

Chart 8: Cumulative Increase in Tax Revenue Attributable to Increased Métis Education and Improved Education-Specific Labour Market Outcomes



Source: CSLS calculations

The cumulative impact of improved Aboriginal education and education specific labour market outcomes from 2001 to 2026 on tax revenue is an estimated $33.5 billion (Chart 8). Given the magnitude of the Aboriginal population potential contribution to public sector revenue, it is clear that in addition to providing a much-needed boost to Aboriginal earnings, prioritizing Aboriginal education today will pay significant dividends for all levels of Canadian government in the future.

V. A Holistic Review of the Potential Impacts of MHRDAs

In this section, we seek to measure the potential impacts of MHRDAs on the Métis people and the wider Canadian economy. We specifically focus on estimating the potential of the MHRDAs using both administrative data from the Agreement holders and existing research on the benefits related to employment and training programs.

We first examine the literature on the potential effect of training and employment services on individuals and societies. We then turn to the performance indicators reported by the five agreement holders. Using these indicators, we derive measures of the potential direct long-term economic benefits resulting from MHRDA interventions. In the third part, we develop a methodology to measure some of the indirect benefits to MHRDA intervention, in particular health benefits and the ensuing fiscal savings. In the fourth and final part, we examine the benefits to various groups flowing from other MHRDA activities, such as the granting of bursaries and awards, the development of partnerships, and client referrals to other services.

A. Measuring the potential economic impacts of successful MHRDA interventions

i. Review of potential benefits

The literature on the benefits of learning and employment is extensive. Of course, there are well established linkages between education and experience and income. The returns to one additional year of schooling are believed to be a roughly 10 per cent increase in income, but these returns can depend on a variety of characteristics (cognitive ability, gender, location, race, etc.), and are highly heterogeneous across individuals (OECD, 2007).

Increasingly, however, research has focused on the linkages between learning and social outcomes. In 2005, the OECD launched the Social Outcomes of Learning project with the intention of addressing some of the knowledge gaps on the social benefits of learning. They identified some of the areas where non-monetary benefits, both private and social, arise, and these are detailed in Box 2. A large number of these benefits directly relate to outcomes where Métis are currently lagging the non-Aboriginal population: health, poverty and household stability for example. This list of non-monetary benefits is also a reminder of the far-reaching impacts of learning, and better labour market outcomes on individuals and society. It is useful to keep it in mind when assessing the impact of Métis training and employment services, and to realize that only a partial accounting of benefits can ever be done.

ii. Data Integrity

As was noted earlier, the quality of the data produced by HRSDC from the raw data uploaded by agreement holders has been questioned in the 2004 HRSDC review and in the preliminary documents of the ongoing evaluation. Not only are there significant discrepancies between the aggregate results produced at the local level and those produced by HRSDC, but

the HRSDC data is regularly reviewed, and even highly aggregated historical results may change significantly from month-to-month.

Box 2: Private and Public Non-Monetary Benefits of Education

Private non-monetary benefits of education

- positive health effects
  - reduced infant mortality
  - lower illness rates
  - greater longevity
- human capital produced in the home
  - children's education enhanced
- more efficient household management
  - higher returns on financial assets
  - more efficient household purchasing
- labour-force participation rates
  - higher female labour-force participation rates
  - reduced unemployment rates
  - more part-time employment after retirement
- lifelong adaptation and continued learning
  - use of new technologies within the household
  - reduced obsolescence: human capital replacement investment
  - curiosity and educational reading; educational TV/radio
  - utilization of adult education programs
- motivational attributes
  - productivity of non-cognitive skills
- non-monetary job satisfaction
- pure current consumption effects
  - enjoyment of classroom experiences
  - leisure-time enjoyments while in school
  - child-care benefits to the parents
  - hot lunch and school-community activities

Public non-monetary benefits of education (controlling for income effects)

- population and health effects
  - lower fertility rates (developing countries)
  - lower net-population growth rates
  - public health
- democratization
  - democratization
  - human rights
  - political stability
- poverty reduction and crime
  - poverty reduction
  - lower homicide rates
  - lower property crime rates
- environmental effects
  - less deforestation
  - less water and air pollution
- retirement
  - later retirement
  - more work after retirement
- community service effects of education
  - time volunteered to community service within income strata
  - generous financial giving within income strata
  - knowledge dissemination through articles, books, television, radio, computer and informal learning activities

Source: Canadian Council on Learning (2009), originally from McMahon (1998), as well as from Campbell (2006) and Mainguet and Bayn (2006) as part of the OECD Social Outcomes of Learning project.

There are many reasons that can explain data discrepancies. First, HRSDC must process and filter the data to transform it into a compatible format as different organizations use different case management software. If data uploads are not error-free, discrepancies will arise. Second, the application of the 24 weeks rule as well as the calculation process for EI and Social Assistance benefits may be applied differently locally and by HRSDC, resulting in slightly different results (see Appendix 1 for more details on how HRSDC performs these calculations). Third, when clients are co-funded through a partnership with the province, the federal government or another AHRDA, the results are only allocated to one of these entities, creating discrepancies once again. Other issues, for example the way results are computed for

Métis youth by HRSDC, add another layer of complexity.[32] Some of these problems are serious and should be addressed in the future if credible data is to be produced on a regular basis. Fixing these issues would also help improve the level of transparency and trust between agreement holders and HRSDC officials.

In this report, we use data based on HRSDC Gateway, but that has been approved (and modified when necessary) by the five Métis Agreement holders. We believe this is an appropriate compromise. Only aggregated data are available for the five provinces with Métis agreements, and unlike for the HRSDC evaluation, we have no EI or Revenue Canada data to draw on. We thus use the aggregate data on employment returns to establish the potential lifetime income effect that MHRDA interventions have had in 2007 and 2008 and since the program inception in 1999. More emphasis is put on data from the 2007-2008 fiscal year as it is deemed more accurate than that of earlier years.

iii. Qualitative review of the data

The main data that will be used are summarized in Table 17 and Table 18. The Métis Nation of Alberta (MNA), which had the largest budget in 2008, was, at 984 employment and education returns (EERs), the MHRDA that recorded the largest number of EERs followed by the Manitoba Métis Federation (MMF) and the Métis Nation of British Columbia (MNBC). The performance of MNBC, with almost 700 EERs, was particularly impressive given that it operated with less than half the funding of MNA, MMF or the Gabriel Dumont Institute (GDI). Even though GDI reported only 581 EERs despite its sizeable budget, it also reported the largest EI and income support savings. The Métis Nation of Ontario (MNO), with a budget slightly smaller than that of MNBC, reported the least EERs (349). By and large, the results for 2007-2008 reflected the longer-term results presented in Table 18.

There seems to be no strong relationship between the number of interventions and the number of EERs. MMF completed twice as many interventions as MNA, but reported on 76 per cent of the EER. Similarly, MNA and GDI completed practically the same number of interventions but report a 40 per cent difference in EER. These differences could reflect not only differences in the performance of and labour markets faced by the different agreement holders, but also differences in the success of different organizations in tracking and monitoring the outcomes of their interventions.

This hypothesis is confirmed by a cursory analysis of more detailed data provided by MNA and MMF. MMF provided to the CSLS a detailed output of all its interventions and employment results, while MNA provided detailed data on employment and education returns by type of intervention.[33] Based on these data, we find that in 2007-2008, MNA failed to locate individuals and enter an employment status for only about 10.9 per cent of its interventions, while the proportion for MMF appeared to be above 20 per cent.

[32] Employment and school returns results for youth include all individuals aged between 15 and 30, rather than only individuals funded by youth programs. Thus the results are always well above the targets, which are based partly on the amount of funding available. In turn, results for other categories (EI, CRF) are deflated.
[33] All confidential data, such as clients' social insurance numbers, were deleted from the data the MMF sent to the CSLS..

Table 17: Target and Performance Indicators for the Five MHRDAs, 2007-2008 Fiscal Year

		Métis Nation of Ontario	Manitoba Métis Federation	GDI Train. & Emp. Inc.	Métis Nation of Alberta	Métis Nation British Columbia	All Five MHRDAs
Employment Insurance				***Employment Returns (persons)***			
	Annual Target	110	150	0	144	91	495
	Actual Results	53	160	181	185	167	746
				Intervention Completions (interventions)			
	Annual Target	800	300	0	265	163	1,528
	Actual Results	273	569	460	205	257	1,764
				Unpaid Benefits (dollars)			
	Annual Target	220,000	960,000	0	468,310	58,000	1,706,310
	Actual Results	156,436	287,247	428,156	310,025	349,633	1,531,497
Consolidated Revenue Fund				***Employment Returns (persons)***			
	Annual Target	130	250	0	361	123	864
	Actual Results	95	247	155	397	265	1,159
				Intervention Completions (interventions)			
	Annual Target	1,000	1,500	0	463	178	3,141
	Actual Results	1,068	1,082	380	613	477	3,620
				Unpaid Income Support (dollars)			
	Annual Target	0	0	0	300,000	0	300,000
	Actual Results	3,544	16,104	49,174	42,509	21	111,352
Youth				***Employment & Education Returns (persons)***			
	Annual Target	300	55	0	83	59	497
	Actual Results	189	331	241	379	245	1,385
				Intervention Completions (interventions)			
	Annual Target	600	80	0	119	152	951
	Actual Results	978	1,132	553	562	499	3,724
Disabilities				***Employment Returns (persons)***			
	Annual Target	10	3	0	21	11	45
	Actual Results	12	9	4	23	10	58
				Intervention Completions (interventions)			
	Annual Target	35	5	0	33	20	93
	Actual Results	113	38	13	37	20	221
				Unpaid Benefits (dollars)*			
	Annual Target	0	0	0	n/a	0	0
	Actual Results	0	336	7,659	11,665	0	19,660
Total				**Employment & Education Returns**			
	Actual Results	349	747	581	984	687	3,348
				Interventions Completed			
	Actual Results	2,432	2,821	1,406	1,417	1,253	9,329
				Unpaid Benefits			
	Actual Results	159,980	303,687	484,989	364,199	349,654	1,662,509

Source: Appendix Table 12 to 17. Data from HRSDC Gateway with adjustment from MHRDA holders where discrepancies existed.

Table 18: Target and Performance Indicators for the Five MHRDAs, 1999/2000 to 2007/2008 Fiscal Year

		Métis Nation of Ontario	Manitoba Métis Federation	GDI Train. & Emp. Inc.*	Métis Nation of Alberta	Métis Nation British Columbia	All Five MHRDAs
Employment Insurance		***Employment Returns (persons)***					
	Annual Target	644	1,350	1,413	1,323	457	5,187
	Actual Results	721	2,047	2,375	2,357	1,629	9,129
		Intervention Completions (interventions)					
	Annual Target	3,042	2,700	1,848	2,265	925	10,780
	Actual Results	2,998	2,753	4,397	3,534	2,410	16,092
		Unpaid Benefits (dollars)					
	Annual Target	1,706,236	8,640,000	1,817,200	3,623,240	1,072,000	16,858,676
	Actual Results	1,745,149	3,230,102	5,307,015	4,820,639	3,263,108	18,366,013
Consolidated Revenue Fund		***Employment Returns (persons)***					
	Annual Target	2,015	2,750	2,163	3,669	662	11,259
	Actual Results	788	2,245	2,437	3,728	2,663	11,861
		Intervention Completions (interventions)					
	Annual Target	5,625	12,000	3,948	4,892	1,126	27,591
	Actual Results	8,734	5,399	10,013	7,953	4,485	36,584
		Unpaid Income Support (dollars)					
	Annual Target	1,507,215	11,000,000	376,960	15,947,848	1,551,000	30,383,023
	Actual Results	150,340	311,197	881,843	944,928	368,224	2,656,532
Youth		***Employment & Education Returns (persons)***					
	Annual Target	1,247	645	686	861	367	3,806
	Actual Results	1,543	3,147	3,206	3,260	2,673	13,829
		Intervention Completions (interventions)					
	Annual Target	2,236	570	1,195	800	682	5,483
	Actual Results	3,374	5,029	5,690	4,697	3,738	22,528
Disabilities		***Employment Returns (persons)***					
	Annual Target	57	27	52	98	54	288
	Actual Results	85	53	33	315	118	604
		Intervention Completions (interventions)					
	Annual Target	147	45	76	141	97	506
	Actual Results	325	153	110	420	165	1,173
		Unpaid Benefits (dollars)					
	Annual Target	34,510	90,000	125,000	322,111	123,100	694,721
	Actual Results	23,018	14,354	8,510	104,937	23,427	174,246
Total		**Employment & Education Returns**					
	Actual Results	3,137	7,492	8,051	9,660	7,083	35,423
		Interventions Completed					
	Actual Results	15,431	13,334	20,210	16,604	10,798	76,377
		Unpaid Benefits					
	Actual Results	1,918,507	3,555,653	6,197,368	5,870,504	3,654,759	21,196,791

Source: Appendix Table 12 to 17. Data from HRSDC Gateway with adjustment from MHRDA holders where discrepancies existed.
*Data is for Saskatchewan Métis Agreements. Before 2007-2008, the Métis Nation – Saskatchewan was the agreement holder.

A review of the available data also shows important patterns in the type of interventions used by the MHRDAs. A large portion of MMF's interventions are "soft" interventions, with counseling and employment assistance services accounting for more than 50 per cent of all interventions. Among funded interventions, training purchases were by far the ones used most often, accounting for a quarter of all interventions. The success rate was particularly high for this type of intervention, with 85 per cent of participants finding employment.

The difference between MMF and MNA in the number of interventions is explained in large part by the fewer counseling and employment assistance interventions in Alberta. In Alberta, a third of all interventions were individual training sponsorships, and a quarter were project-based interventions. The proportion returning to employment was particularly high for individual training sponsorships (85 per cent).

The most important finding of this analysis is that Métis organizations seem to make intensive use of training purchases and sponsorship, which is the type of intervention (skills development) that produced the strongest results according to both the BC LMDA review and the preliminary findings from the AHRDA summative evaluation.

iv. Economic and fiscal benefits

Earlier sections established that according to available information, AHRDA have been outperforming similar programs, in particular the BC LMDA. It was also just established that skills development interventions, which reported large positive results, are the most used type of intervention by Métis holders, which in turn suggests that Métis-specific results may be even more positive than those of the average AHRDA. These findings, however, do not provide an idea of the potential magnitude of the effects of MHRDAs intervention. In this section, we develop a methodology to measure and we provide estimates of the lifetime income effect of MHRDA interventions. We also provide estimates of the tax benefits that accrue to all levels of governments in relation to MHRDA interventions.

1. Methodology

Ideally, the adoption of an experimental design methodology would be most appropriate to measure the direct impact of MHRDA interventions. These results could then be extrapolated forward to obtain a measure of the lifetime income effect. There are two reasons which preclude us from adopting such a methodology. The more substantive reason is the impossibility for the CSLS to access data on clients' employment income and data on non-client Métis Canadians which would provide a valid control group. The second reason is simply that such an exercise is already at the core of HRSDC's summative evaluation and there would be little value in replicating it.

Given these limitations, we adopt an assumption-based methodology. To minimize the impact of the choice of assumptions on our estimates, we provide a range of estimates using lower- and upper-bound assumptions when significant uncertainties exist.

Box 3: Summary of the Methodology to Measure the Potential Impact of MHRDAs

The **income benefits** are calculated by multiplying the estimated dollar value of an employment return in a given province by the number of employment returns in that province in that fiscal year. Two assumptions on the magnitude of this effect are used:

- The upper bound is considered to be half the median wage in the province (≈$13,000).
- The lower bound is derived from the measured effect of successful interventions in the BC LMDA (≈$2,000).

The **additional government revenue** is calculated by multiplying an estimate of additional GDP derived from employment income for each province by the provincial total government revenue-to-GDP ratio (≈0.4).

- For the upper bound, we divide upper-bound employment income by the labour share in that province to obtain an estimate of additional GDP.
- For the lower bound, the lower-bound employment income is assumed to represent additional GDP.

The **transfers savings** are calculated by multiplying the estimated dollar savings of an employment return in terms of transfers by the number of employment returns in that fiscal year. Two assumptions on the magnitude of this effect are used:

- The upper bound is the difference between the value of government transfers of the first and the third quintile of economic families (≈$500).
- The lower bound is a quarter of the difference between the first and second quintile of economic families (≈$3,000).

The **health fiscal savings** are based on an estimate of the difference in the annual cost of serving Métis and non-Métis patients of a given age in Canada based on previous CSLS research. The savings are calculated by multiplying the number of employment returns by a portion of this difference. Two assumptions on the magnitude of the gap that would be closed due to the employment return are used:

- The upper bound assumes that half the difference in health care costs is eliminated (≈$100).
- The lower bound assumes that one eighth of the difference in health care costs is eliminated(≈$500).

The **lifetime income effect** and the **lifetime fiscal effect** are calculated using estimates for a variety of time-periods and assumptions about discount rates.

Two important caveats which have an impact on our choice of assumptions should be mentioned. First, our assumptions must take into account the fact that not all employment returns are a direct result of MHRDA interventions.[34] In the absence of a control group, this fact must be embedded in our assumptions about the effects of MHRDAs, which mean a bias towards choosing assumptions which imply a smaller rather than larger effect. We call this effect the "control group" effect. Second, it is quite possible that workers who find employment because of MHRDA interventions are in fact displacing other workers who

[34] Moreover, when considering the effect on lifetime income, it is heroic to assume that all future income of the individual will be solely attributable to the intervention. Most likely, the individual would eventually have found some employment, albeit maybe not as stable or with lower pay that what has been made possible by the intervention.

would otherwise have found employment.[35] This effect, which we call the "displacement effect", is generally smaller in labour markets where skills shortages are prevalent, and it does not affect services which focus on skills development as much as strict employment assistance services. Nonetheless, it constitutes another reason justifying the adoption of conservative benefits estimates.

With these caveats out of the way, we now turn to the actual methodology. Two types of benefits are estimated: monetary benefits which take the form of additional production (GDP), and benefits accruing to the different levels of government in terms of additional tax revenues and fiscal savings. These benefits are estimated for a single year, and then extended forward to obtain an estimate of the lifetime impact of MHRDA programs. Box 3 provides a summary of the methodology. Unless otherwise mentioned, our estimates will be expressed in 2006 dollars. The estimation process will be explained in detail in the relevant section.

2. Income benefits

To estimate the direct income benefits of MHRDA, we need assumptions on the benefits that are derived from successful interventions. An appealing assumption is to simply adopt the average wage. This, however, is unreasonable on many grounds. First, the top 1 per cent or 5 per cent of earners mainly work as highly paid professionals or senior management executives or work in the financial sector - very few MHRDA clients, if any, will join their ranks as such workers generally rely heavily on the formal and informal networks they have built in their early years to reach such positions. Thus, using median employment income, a measure that is not distorted by the tails of the income distribution, is more appropriate.

Our upper-bound assumption, however, uses only half the median employment income. This lower estimate is justified by three factors: (i) the control group effect; (ii) the displacement effect; and (iii) the fact that unemployed individuals tend to have below-average labour market characteristics, suggesting that the employment they take up is likely to be at a lower wage level than that of the median wage. On the other hand the estimate appears to be a reasonable upper-bound given the high average length of training programs offered by MHRDAs (29 weeks for training sponsorship and 16 weeks for project-based training in Alberta in 2007-2008).

Our lower-bound assumption is based on the findings from the BC LMDA program evaluation. In its evaluation, HRSDC (2004: Table 12) finds that the average annualized impact of its interventions was $1,181 per client for active claimants, and was negative for former claimants. It also indicates that 93 per cent of participants were employed at some point after their participation ended (HRSDC, 2004:46). That proportion is of course much higher than that suggested by the employment returns estimates, because it refers to a two-year period, not a point-estimate within 24 weeks of the end of participation. Nonetheless, it is

[35] An example may make this effect clearer. Let's assume a client obtains a job that he would otherwise not have obtained after receiving help preparing for the interview. Clearly, these services will have provided him with important monetary benefits. The impact on the wider economy, however, may be zero if otherwise the job would have been filled by someone as competent as him (another interviewee for example). In such a case, the benefits of the intervention are strictly private. From a social perspective, they are equivalent to an income transfer between two identical individuals. This effect is <u>not</u> captured by the quasi-experimental methodology.

quite high and it suggests an employment return ratio of at least 60 per cent. In other words, clients captured as returning to employment would have recorded an employment income increase of just below $2,000 per year in British Columbia.

Thus in this report we adopt a lower bound of $2,000 per employment return in British Columbia for active EI claimants (who are two-thirds of AHRDA EI clients, and assumed to be two-thirds of Métis EI employment returns) and CRF clients (including youth), and no benefits for former EI claimants (one third of AHRDA EI clients, and assumed to be one third of Métis EI employment returns). For provinces other than BC, the ratio of median wages across provinces is used to obtain a lower-bound estimate of annual benefits.

For the 2007-2008 fiscal year activities, the direct annual impact of MHRDAs interventions on employment income ranges from $6.4 million to $44.4 million (Table 19). The estimated impact is much larger in Alberta ($2.1-$14.6 million) than in any of the other provinces, because of both its high level of employment returns and relatively higher median wage level. The province with the second largest impact on employment income is Manitoba ($1.3-$9.1 million), followed by British Columbia, Saskatchewan and Ontario.

Table 19: Estimated Impact of MHRDAs on Employment Income, 2007-2008 Fiscal Year

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Basic Data					
Median Employment Income	29,335	24,484	23,025	29,738	25,722	-
	Employment and Education Returns (EERs)					
Total EERs	349	747	581	984	687	3,348
EI EERs	65	169	185	208	177	804
Former Claimants (est.)	22	56	62	69	59	268
Active Claimant (est.)	43	113	123	139	118	536
CRF EERs	284	578	396	776	510	2,544
	Potential Annual Effect on Employment Income per EER (2006 dollars)					
Lower-Bound (Former EERs)	-	-	-	-	-	-
Lower-Bound (Active and CRF EERs)	2,281	1,904	1,790	2,312	2,000	-
Upper-Bound (All EERs)	14,668	12,242	11,513	14,869	12,861	-
	Potential Total Annual Effect on Employment Income (2006 dollars)					
Lower-Bound	746,623	1,314,850	929,761	2,114,949	1,256,000	6,362,183
Upper-Bound	5,118,958	9,144,774	6,688,763	14,631,096	8,835,507	44,419,097

Source: CSLS calculations based on Statistics Canada, 2006 Census for median wages, Table 17 for EERs and HRSDC (2004) for lower-bound assumptions.

3. Government revenues

To obtain a comprehensive estimate of the impact of additional employment income on government tax revenues, a macro approach is adopted. The methodology is similar to the one used in an earlier section to estimate the potential increase in tax revenues from increased education and labour market outcomes of Métis. In the upper-bound scenario, estimated

employment income is multiplied by the provincial average share of labour in GDP over the last ten years to obtain GDP. The GDP estimate thus obtained assumes that employment income flowing from MHRDA interventions is matched by capital assets through market mechanisms, i.e. workers who obtain MHRDA services "generate" activity that requires capital investments and generate additional profits. In the lower-bound scenario, it is assumed that only the additional employment income is reflected in GDP, with no additional activity being created as a result. In both cases, additional government revenue is obtained by multiplying the GDP estimate by the provincial average total government revenue-to-GDP ratio over the last ten years. Such a methodology has the advantage of capturing all types of taxes, including income taxes, sales taxes, corporate income taxes, municipal taxes, etc.

Table 20 demonstrates the potential increase in government revenue given our estimates of the economic impact of MHRDA activities. Of course, more tax revenues originate from provinces where the impacts on employment income are larger. In total, the estimated effect on consolidated government revenues varies from $2.4 million to $33.2 million. These are potentially non-negligible impacts on government revenue from MHRDA activities.

Table 20: Estimation of the Annual Increase in Government Revenue Related to MHRDA Activities, 2007-2008

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Basic Data					
Labour Share	0.56	0.53	0.44	0.47	0.55	-
Total Government Revenue-to-GDP ratio*	0.39	0.40	0.37	0.35	0.40	-
	Potential Total Annual Effect on Employment Income (2006 dollars)					
Lower-Bound	746,623	1,314,850	929,761	2,114,949	1,256,000	6,362,183
Upper-Bound	5,118,958	9,144,774	6,688,763	14,631,096	8,835,507	44,419,097
	Potential Total Annual Effect on GDP (2006 dollars)					
Lower-Bound	746,623	1,314,850	929,761	2,114,949	1,256,000	6,362,183
Upper-Bound	9,131,343	17,108,178	15,370,119	31,185,700	16,063,315	88,858,654
	Potential Total Annual Effect Increase in Tax Revenue (2006 dollars)					
Lower-Bound	287,990	522,928	346,799	731,232	496,245	2,385,194
Upper-Bound	3,522,174	6,804,079	5,733,020	10,782,292	6,346,604	33,188,169

Source: CSLS calculations based on Table 19 and Statistics Canada Table 383-0009 for labour compensation, Table 384-0001 for GDP and Table 384-0004 for government revenue.

4. Transfers benefits

The estimate of additional government revenue related to MHRDA activities is only one side of the coin. On the other side, there is the amount of expenditures made unnecessary due to increased employment and wages. In Canada, an important portion of the income transfer system is progressive, with large transfers going to lower-income families and vice-versa. As Table 21 shows, the progressivity varies significantly across provinces. In Alberta in 2006, economic families in the lowest income quintile received $13,600, or almost double what an economic from the middle quintile received ($7,200). In British Columbia, however,

the bottom and middle quintile received almost the same average amount in government transfers ($9,600 versus $8,700).

Table 21: Government transfers by after-tax income quintiles of economic families, 2006

	Canada	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
Lowest quintile	12,200	12,100	10,300	12,400	13,600	9,600
Second quintile	10,800	10,100	10,700	11,000	9,300	9,400
Third quintile	9,000	9,200	7,800	6,800	7,200	8,700
Fourth quintile	6,800	6,100	6,800	6,300	5,100	7,200
Highest quintile	4,700	5,100	3,500	2,500	4,100	4,600

Source: Statistics Canada, Table 202-0704

We use the data on government transfer by quintile to measure the potential impact of MHRDA activities on the magnitude of government transfers. Government transfers include EI benefits, worker's compensation benefits, social assistance, child tax benefits, Old Age Security (OAS), GST/HST returns, tax credits, benefits from the Canada Pension Plan (CPP), provincial tax credits and other government transfers. As our upper bound, we assume that on average individuals move from the lowest quintile to the middle quintile after successful MHRDA interventions, an assumption consistent with an increase in earnings of half the median wage. As a lower bound, we assume a change of a quarter of the difference between the lowest and the second quintile, again consistent with an average earnings increase of around $2,000 per successful intervention.

Table 22: Estimation of the Annual Decrease in Government Transfers Related to MHRDA Activities, 2007-2008

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Employment and Education Returns (EERs)					
Total EERs	349	747	581	984	687	3,348
	Potential Annual Effect on Government Transfers per EER (2006 dollars)					
Lower-Bound	500	-100	350	1,075	50	-
Upper-Bound	2,900	2,500	5,600	6,400	900	-
	Potential Total Annual Effect on Government Transfers (2006 dollars)					
Lower-Bound	174,500	-74,700	203,350	1,057,800	34,350	1,395,300
Upper-Bound	1,012,100	1,867,500	3,253,600	6,297,600	618,300	13,049,100

Source: CSLS calculations based on Table 17 for EERs and Table 21 for government transfers.

The decline in government is largest in Alberta. In the lower-bound estimate, Alberta ($1.05 million) accounts for more than three-quarters of the total decline ($1.40 million), mainly because of the high level of progressivity of Alberta's transfer system (Table 22). In total, transfers are estimated to decline between $1.4 and $13.0 million because of MHRDA

activities in 2007-2008. The lower-bound estimate – $1.4 million – is slightly lower than the estimated "unpaid benefits" measured by HRSDC from MHRDA administrative data ($1.7 million in 2007-2008, Table 17). This suggests that our range of estimates does indeed capture a realistic magnitude for the savings flowing from declines in government transfers.

5. Health benefits

The linkages between education and training, employment, income and health are well established in the literature. From a fiscal perspective, better health translates into lower health spending. Apart from expenditure on transfers, health spending is by far the largest government expenditure potentially affected by training and employment programs. In an earlier section, we established that Métis health status was in general lower than that of non-aboriginal. In this section, we first develop estimates of the difference in public health spending related to these different health statuses. We then make assumption about the potential impact of MHRDAs on this health spending gap to obtain estimates of the potential health fiscal savings related to MHRDA activities.

Table 23: Estimation of the Annual Decrease in Health Expenditure Related to MHRDA Activities, 2007-2008

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Basic Data					
Health Expenditure (in millions)	42,006	4,410	3,747	12,288	13,890	-
Population (in thousands)	12,929	1,208	1,016	3,585	4,382	-
Per capita health expenditure (in $)	3,249	3,651	3,688	3,428	3,170	-
Age-adjusted per capita gap (in %)	25.8	28.8	33.6	23.7	30.2	-
Age-adjusted per capita gap (in $)	840	1,053	1,237	813	956	-
	Employment and Education Returns (EERs)					
Total EERs	349	747	581	984	687	3,348
	Potential Annual Effect on Health Expenditure per EER (2006 dollars)					
Lower-Bound	105	132	155	102	120	-
Upper-Bound	420	526	619	406	478	-
	Potential Total Annual Effect on Health Expenditure (2006 dollars)					
Lower-Bound	36,636	98,285	89,862	99,940	82,101	406,823
Upper-Bound	146,543	393,141	359,447	399,758	328,403	1,627,292

Sources: CSLS calculations based on Statistics Canada, Cansim Table 385-0001 for health expenditures and Table 051-0001 for population estimates, Appendix Table 18 for age-adjusted expenditure gap, and Table 17 for EERs.

Healthcare expenditure includes all government outlays made to ensure the availability of health services. Statistics Canada divides health care expenditure into four categories: hospital care, medical care, preventive care and other health services. In total, consolidated government healthcare expenditure in Canada was $110 billion in 2007-08. According to the Royal Commission on Aboriginal People (RCAP) final report (INAC, 1996), the level of use of both public health services and insured health services is the same for Aboriginals and other Canadians. The RCAP finding is used in this report, where we assume that Métis and non-Aboriginal Canadians require a similar level of per-capita health care expenditure. It is

important to remember, however, that the age structure of these two populations is significantly different. As such, when specific age groups are compared, we expect Métis to require higher levels of health care expenditure (i.e. young Métis use more health care services than young non-Aboriginals).

Relative healthcare expenditure in eight age groups was used to adjust per capita health expenditures (Health Canada, 2001). Using this information, it was calculated that if the Canadian population had the age structure of the Métis population, health expenditure would fall about 27 per cent (Appendix Table 18). A similar exercise was conducted for each province. Using the per capita health expenditure in each province in 2007-2008, as well as the estimated percentage point gap in age-adjusted health expenditure, we established the age-adjusted per capita gap in health expenditure between Métis and the total population. Because of differences in population structures, the annual per-capita gap varies across provinces, from only $840 in Ontario to $1,237 in Saskatchewan (Table 23).

The assumptions about what portion of the gap would be closed given the increase in employment and income related to MHRDA activities must also take into account several considerations. First, the linkages between income, employment and health are indirect, and health depends in addition on a multitude of other factors which may include cultural habits, individual and community preferences, genetic differences, etc. Another consideration is that, to a certain degree, increases in employment income will be offset by a decline in transfers, i.e. the net effect on individual income will likely not be as large as that on employment income. As a result of these considerations, we adopted as an upper-bound assumption that half the expenditure gap could be closed by better employment and income conditions related to MHRDA activities. Given the small income effect assumed in the lower-bound estimates, our lower-bound assumes that only one-eighth of the per-capita expenditure gap closes when a MHRDA conducts a successful intervention.

The results flowing from these assumptions are presented in Table 23. The range of savings on health expenditure estimated to be related to MHRDA range between $0.4 and $1.6 million per year. Savings are distributed almost equally across the five provinces, with only Ontario reporting significantly lower savings due both to lower EERs and a smaller gap in health expenditure between Métis and the general population (as Métis tend to be older in Ontario than in other provinces).

6. Long-term fiscal benefits

In previous sections, we established the potential monetary benefits flowing to individuals from MHRDA interventions, as well as the potential impact on governments' fiscal position for a single year. This section consolidates our estimates of the impact of MHRDA on governments' fiscal position, as well as provides estimates of the number of years needed to recover the funding allocated to Métis agreements.

Table 24 provides a summary of the potential impact of MHRDA interventions in 2007-2008 on the revenue and expenditures of the federal, and the five provincial governments concerned. When increases in tax revenue, decreases in government transfers

and declines in health care expenditures are summed up, the total effect ranges from $4.2 million to $47.9 million. Relative to their respective level of funding, Alberta and British Columbia seem to be performing best, with the benefit-to-cost ratio ranging from 14.2 to 131.5 per cent for Alberta and from 9.6 to 114.9 per cent for British Columbia. As a whole, MHRDAs benefit-to-cost ratio ranges from 8.6 per cent to 98.5 per cent. If the upper bound indeed reflected reality, it would mean that MHRDAs can generate almost enough additional activity in a single year to cover their annual costs.

Table 24: Summary of the Potential Impact of MHRDA Activities on Governments' Fiscal Position, 2007-2008

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	Potential Total Annual Effect Increase in Tax Revenue (2006 dollars)					
Lower-Bound	287,990	522,928	346,799	731,232	496,245	2,385,194
Upper-Bound	3,522,174	6,804,079	5,733,020	10,782,292	6,346,604	33,188,169
	Potential Total Annual Effect on Government Transfers (2006 dollars)					
Lower-Bound	174,500	-74,700	203,350	1,057,800	34,350	1,395,300
Upper-Bound	1,012,100	1,867,500	3,253,600	6,297,600	618,300	13,049,100
	Potential Total Annual Effect on Health Expenditure (2006 dollars)					
Lower-Bound	36,636	98,285	89,862	99,940	82,101	406,823
Upper-Bound	146,543	393,141	359,447	399,758	328,403	1,627,292
	Potential Total Annual Effect on Fiscal Position (2006 dollars)					
Lower-Bound	499,126	546,513	640,010	1,888,972	612,695	4,187,317
Upper-Bound	4,680,817	9,064,720	9,346,066	17,479,650	7,293,307	47,864,561
	Benefits/Cost Ratio (per cent)					
Lower-Bound	10.6	4.4	5.4	14.2	9.6	8.6
Upper-Bound	99.1	73.6	78.4	131.5	114.9	98.5

Sources: CSLS calculations based on Table 20, Table 22 and Table 23.

While MHRDA activities do generate immediate benefits, a large part of the benefits are realized over time, through permanently higher incomes and consequently higher tax revenues, lower government transfers and better health outcomes. Future benefits, however, must be discounted to accurately reflect their current value. There is significant debate over the appropriate level of discounting, which revolves around issues such as intergenerational equity and concepts of equity in general, uncertainty, and the concept of individual time-preference (a dollar today is better than a dollar tomorrow).[36] For this report, and given the large degree of uncertainty embedded in our estimates, we simply choose three discount rates (two, six and ten per cent) to assess the sensitivity of our estimates.[37]

[36] See Sharpe, Arsenault, Murray and Qiao (2008) for a review of the debate on discounting in the context of natural resources and environmental damage valuation.

[37] The literature on social discounting generally recommends a discount rate of between 2 and 6 per cent, with rates around 3.5 and 4 per cent being used most regularly. In this report, we included a ten per cent discount rate based on guidance provided by the Treasury Board Secretariat (TBS, 1998) which relies on the weighted social opportunity cost of capital (WSOC) method. Interim guidelines from TBS (2007) now recommend a discount rate of 8 per cent, with sensitivity analysis with rates of 3 and 10 per cent.

Using these three discount rates, we provide estimates of benefits over 10, 20 and 30 years. The most appropriate period depends on a variety of variables: the age of clients, the number of years they will spend in the labour force, the number of years they will derive benefits specific to MHRDA interventions, etc. Given the young age of the Métis population and the large number of youth clients served by MHRDAs (more than 40 per cent of EERs in 2007-2008 were for clients between 15 and 30 years old), the number of years for which benefits will be derived is likely to be significant. Still, some clients may decide to completely leave the labour force (e.g. to take care of their children), or could obtain other education which might potentially overshadow the benefits obtained through MHRDA services. Table 25 provides a summary of the results.

Table 25: Present Value of Change in Fiscal Position related to 2007-2008 MHRDA Results, Million of $2006

		Lower-Bound Estimates	Upper-Bound Estimates
Discount Rate of 2 per cent	Benefits after 10 years	38.4	438.5
	Benefits after 20 years	69.8	798.3
	Benefits after 30 years	95.7	1,093.4
	Years for Cost-Recovery	14 years	1 year
Discount Rate of 6 per cent	Benefits after 10 years	32.7	373.4
	Benefits after 20 years	50.9	581.9
	Benefits after 30 years	61.1	698.4
	Years for Cost-Recovery	19 years	1 year
Discount Rate of 10 per cent	Benefits after 10 years	28.3	323.5
	Benefits after 20 years	39.2	448.2
	Benefits after 30 years	43.7	496.3
	Years for Cost-Recovery	Never	1 year

Source: CSLS calculations based on Table 24.

The results immediately raise an issue as to whether our upper-bound estimates are reasonable. In this scenario, benefits over 10 years, even when heavily discounted, represent almost seven times the annual MHRDA funding. If it were really the case, an increase in MHRDA funding would create immense benefits for the public coffers – an unlikely scenario. The lower-bound scenario appears to be much more reasonable, but likely underestimates the impact of MHRDA labour market programming. Using a two per cent or a six per cent rate, the costs of the program ($49 million in 2007-2008) are recovered after 14 and 19 years respectively. If a ten per cent discount rate is used, governments never fully recover their costs, with the shortfall being roughly $20 million based on a 10 years period, $8 million based on 20 years and $3 million based on 10 years.

7. Middle-Bound Estimate

The wide range of estimates raises an important question: What is the level at which the fiscal benefits of MHRDA most likely to stand? In this short section we provide a tentative response to this question. In our view, based on the data presented earlier, the benefit

from a singly MHRDA intervention is likely to provide employment income benefits about twice as large as those estimated in the BC LMDA review. This opinion is based not only on the vigour of the labour markets in the provinces covered by MHRDA, but also by differences in the mix of interventions and differences in the target population for the two programs outlined in previous sections.

Given that the lower-bound estimate is based on estimates obtained from the BC LMDA, we are of the opinion that an appropriate middle-bound estimate would roughly be twice as large as the lower-bound, with annual fiscal benefits totaling approximately $8.5 million. Using a discount rate of 6 per cent, our middle-bound estimate implies that the MHRDA program provide a full return on investment after 6 years. Based on a 20 years benefit period after the program and a 6 per cent discount rate, total lifetime benefits of one year of MHRDA programming are estimated at $103 million.

8. Unmeasured benefits

As was mentioned earlier, the benefits of education and long-term training programs go well beyond those captured in this report. Not only are some of the non-monetary benefits sizeable for individuals receiving the training, but they also help create an environment where future generations can break the cycle of poverty, obtain a better education, and make better long-term life choices, with all the benefits that ensue. The mechanisms through which training and education lead to better outcomes for current and future generations are many, and are for the most part hard to identify and capture empirically. Nonetheless, the mere difficulty of measuring these effects should not prevent us from considering them when, as a society, we make decisions about where to invest.

C. Benefits related to Other MHRDA activities

In the previous section, we focused on the fiscal impact of MHRDA activities. In this section, we briefly review other aspects of the work carried out by MHRDA holders which are harder to quantify but should form part of any assessment about their value to individual and community. The elements discussed in this section are generally separate from the results captured by the data on EERs. We briefly review the magnitude and scope of the Métis bursaries and awards made possible by MHRDA funding, the amount of resources leveraged through partnership by agreement holders, and the role they have in and the opportunities they provide for individual and community capacity building.

i. Bursaries and awards

Unique to the Métis agreements is the possibility for MHRDA holders to make contributions to endowment funds that distribute bursaries and awards. These funds are focused on post-secondary education. As was mentioned earlier, the Métis/non-Aboriginal educational attainment gap is largest at the university level, and the objective of these bursaries and awards is to contribute to closing that gap.

Of the five MHRDA holders, all but MNBC have created endowment funds using at least in part MHRDA funds. Only MNO records these awards and bursaries as interventions, with all other MHRDA holders receiving no formal credit for these funds. In all cases, the funds spent on endowment funds are matched, either by private companies, by educational institutions or by the provinces. The magnitude of the funds allocated to scholarship varies across provinces, but MMF and MNA, which each have endowment funds totaling around $8 million, are by far the two agreement holders who have made the most use of this unique clause in the MHRDAs. In Alberta, the MNA has distributed 50 scholarships in the first year of the funds operation, with awards ranging from $1,500 to $20,000. MMF's endowment funds have been established much earlier, and in 2007-2008 their main fund granted about 120 awards and bursaries, with amount averaging $1,500, for a total value of $172,500.

ii. Partnerships and leveraging

An aspect of the work of MHRDA holders which is only partially reflected in official results is the development of formal and informal public and private partnerships.[38] The most sophisticated MHRDAs developed and maintain a large number of these partnerships. Not only do partnerships generally translate into better employment results, they also generate additional resources for the MHRDA to enhance training and employment services. For example, MNBC estimates that its partnerships with industry (including EnCana, Enbridge, Safeway, CN Rail, etc.) generate approximately $1 million in direct income to MNBC and another $2 million in indirect benefits (i.e. supportive measures that result in additional government or private funding) per year. MNA estimates cash contributions from private-sector partnerships at $400,000 per year, with in-kind benefits totaling at least $100,000 per year.

iii. Community and individual capacity building

MHRDAs not only provide a multitude of meaningful volunteering opportunities to Métis people, they also employ a largely Métis workforce in their employment service offices. In addition, MHRDA offices play an important role in guiding clients toward other social services. In Ontario, for example, Métis employment offices provide referrals to Métis housing services, community wellness coordinators, programs on long term care and mental health, programs on economic development, child and family services and basic literacy programs. The provision of culturally-sensitive guidance services can be an important agent for improvement, both at the individual and community level.

[38] As was mentioned earlier, interventions conducted within a public sector partnership may be allocated to the partner rather than to the MHRDA in order to avoid double counting. For example, if an MHRDA contributes to an project under the Aboriginal Skills and Employment Partnership (ASEP) program, results may be allocated to HRSDC (ASEP ia a nationally managed program), rather than to individual MHRDA.

V. Summary of Evaluation and Way Forward

In 1999, federal Aboriginal labour force programming was devolved to the Aboriginal communities through the Aboriginal Human Resources Development Strategy (AHRDS). Since then, thousands of Métis have received training and found employment through services offered by Métis Human Resources Development Agreements (MHRDAs). The current agreements sunset on March 31, 2010, and the federal government is examining the possibility of extending or building on the current agreements going forward.

This paper examined the benefits flowing from the MHRDAs. We find that according to the preliminary findings from the ongoing HRSDC evaluation, AHRDAs as a whole seem to have produced better results than those of services provided through the BC LMDA. Moreover, we find that the composition of services offered by MHRDAs is skewed toward services which produce generally better results (i.e. skills development programs based on training purchases or project-based training), suggesting that MHRDAs are actually above-average in terms of results within the AHRDA program. We also found that a number of issues previously raised by stakeholders remain largely unaddressed: data completeness and accuracy, capacity building, and measurement of more relevant indicators of performance and accountability.

From the data available from HRSDC, we derived estimates of the potential impact of MHRDA activities on the fiscal position of the federal government and of governments in the five jurisdictions covered by MHRDAs: Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. In a single year, the MHRDA are estimated to improve to fiscal position of Canadian governments within a range of $4.2 to $47.9 million, with a higher probability associated to the lower-bound estimate than the upper-bound estimate. Our middle-bound estimate is $8.5 million. On a long-term basis, the discounted fiscal benefits of the MHRDA outweigh its costs in all cases except when a very high discount rate (ten per cent) is used alongside our most conservative estimate. Our middle-bound estimate of lifetime benefits is $103 million. Given that benefits from Métis training and employment encompass more than what is captured in this analysis, the return from the MHRDA to Canadian society appears to be well worth the investment.

Of course, there is still room for improvement to MHRDAs. Training and employment services tend, in general, to be focused on the supply side (on the client) rather than involving employer (demand) and prospective employee (supply). When labour is scarce, as was the case in Canada over the last few years, this shortcoming is fairly benign, as adjustment will tend to occur naturally and the market will accept slight mismatch. If labour shortages were to recede, however, the need for MHRDAs to get even more involved with industry will become critical to the success of their activities. On the other hand, the federal government must ensure that it works in partnership with Métis people in the development of the new AHRDAs for 2010. Issues concerning data integrity, which are caused in no small part by insufficient investments on the part of the federal government in appropriate software, should be addressed if a healthy and trustworthy dialogue is to be maintained going forward.

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Appendix 1: Performance Results Calculation Process

For accountability purposes MHRDA holders upload Métis client records to HRSDC through a web interface called the "Data Gateway". These records then go through a validation process at HRSDC to ensure that the records can be used to report on performance indicators. Records that do not meet validation standards are rejected, and the MHRDA holder can correct the information and upload the client records anew. The MHRDA holder is responsible to ensure that their client data is valid.

Once processed by the Data Gateway, the Accountability, Planning and Reporting Group (APRG) at HRSDC is responsible for converting the files to a SAS format and updating the cumulative Aboriginal Standard Data File. The Aboriginal Standard Data File is then ready to be used for the development of reports on performance measures.

Employment Results:

Métis Action Plans that contain at least one valid intervention over the reporting period are organized by month, where only the most recent action plan up to the end of the month being processed is monitored for results. Those action plan dates are matched to claims in the Employment Insurance file to determine the client status, i.e., if the client was an Active Claimant, a Former Claimant or a Non-insured Client at the time the action plan was established.

Active Claimants:

A client is deemed to be an "active claimant" if after matching a claim to the Employment Insurance file the following formula holds:

Beginning of the claim minus 4 weeks <= Action Plan Start Date <= End of the Benefit Period

There are two methods of determining the "employed" status for active claimants. Active claimants who return to work **before** the end of their benefit period are deemed "employed" where there have been 12 consecutive weeks of reduced EI benefits at 25 per cent or less of their weekly benefit, or reduced EI Benefits at 25 per cent or less of their weekly benefit rate for the remaining weeks of their benefit entitlement period.

Clients who return to work **after** the end of their benefit period require the case manager to record an employment result on their action and the employment result date must fall after the end of the benefit period. The "24-week rule" for the late documentation of results (implemented in 2004-2005) also requires that the case manager enter the "Employment Result" into the system within 24 weeks from the last intervention in the action plan. If the Employment Result has been entered too late, the client will not get counted.

Clients receiving targeted wage subsidies (TWS) are to be counted as employed only when the case manager determines that the client has secured employment as a result of the subsidy

and records "employed". The 12-week, or 25 per cent, rule does not apply to the Targeted Wage Subsidy employment benefit. However, the 24-week rule for the late documentation of results applies to TWS clients.

Only active claimants who meet the 12-week, 25 per cent rule, i.e. those who return to work before the end of their benefit period, can generate unpaid benefits. The formula to calculate unpaid benefits for regular active claimants and those who participate in a TWS intervention is as follows:

Unpaid benefits *= Number of weeks of entitlement minus the weeks paid multiplied by the benefit rate*

Former or Special Claimants:

Former Claimants are claimants with benefit periods that ended in the previous 36 months according to the action plan start date. Special Claimants – are claimants who were paid special benefits under section 22 or 23 of the EI ACT and had a benefit period established within the previous 60 months (five years) but withdrew from active participation in the labour force to care for newborn or adopted children.

The employment result must be recorded by the case manager and the result date must fall in the reporting period. The 24-week rule for the late documentation of results also applies for former claimants.

Non-insured clients (CRF):

When the action plan start date does not match according to the active and former claimant rules (as described above), then the client is determined to be "Non-Insured". The employment result must be recorded by the case manager and the result date must fall in the reporting period. The 24-week rule for the late documentation of results applies.

Repeat clients

The **rule for repeat clients** (i.e. clients who generate a result at different points in a reporting year in the same source of funding) is that one employed result is reported per fiscal year per client per source of funding. The result date must fall within the fiscal year. For example, in the case of a client who generates a result in one month (April) and a subsequent result in June, only the first result (April) is reported. And where a client generates a result from two action plans in the same calculation month, the most recent action plan/result is chosen (i.e. the second one).

Appendix 2: Key Components of the Governance Structure of MHRDA Holders

Points of service	Governance Structure
Métis Nation of Ontario	
9 regional employment and training centres and 27 additional community councils' sites that can be utilized as access points.	**Métis Nation of Ontario Training Initiatives** (MNOTI) is the branch of the Métis Nations of Ontario (MNO) that administers programs and services for the MNO Métis Human Resources Development Agreement (MHRDA). MNOTI remains accountable to the agreement holder through an arms' length relationship with the MNO secretariat. MNOTI has a distinct management infrastructure with its own funding approval processes, administration, reporting structure and financial systems. The MNO, through the **Provisional Council of the Métis Nation of Ontario** (PCMNO) sets the overarching policy and direction for MNOTI, ensures financial accountability within MNOTI, approves operational plans and negotiates and further the Métis Nation's labour market partnership with HRSDC. PCMNO is comprised of nine regional councilors, four senators, a women's representative, a youth representative, a post-secondary representative, and the executive director of MNO. While PCMNO provides oversight, it is not involved in the day to day operations or decision-making process of MNOTI. At the regional level, there are nine **Regional Advisory Committees** (RAC) linked to each of the nine regional employment and training centres who review requests. These RACs consists of a minimum of three Métis people and must fairly represent the geography of the region. They are recommended by regional councilors and appointed by PCMNO. They must not be employee of MNO, hold a position on the PCMNO or be an elected member of a Community Council. The **Métis Awards Committee** is also built on the same model. Finally, the **Provincial Review Committee** consists of five active RAC members of different regions.
Manitoba Métis Federation	
8 main employment offices and 5 offices run in partnerships with various local organizations which provide outreach and Service Needs Determination (SND) services.	The **Manitoba Métis Federation** (MMF) is the ultimate authority for the administration of the Métis Human Resource Agreements in Manitoba. The Government of Canada signed the existing and all the previous agreements with the MMF and the funding flows from Canada to the MMF. The MMF Board of Director has 23 members. The MMF has hired a **Director** responsible for the day to day management of the MHRDA. All staff employed within the MHRDA Department of MMF are staff of the federation and ultimately accountable to the MHRDA Director. The **Human Resource Development Committee** (HRDC) is a sub-committee of the MMF Board of Directors. All members of this Committee are members of the MMF Board. It was established by the MMF Board to streamline dealings with all MHRDA issues. All programs and policies must be approved by this committee and ratified by the MMF Board of Directors The delivery structure relies primarily on **Local Management Boards** (LMBs). The Local Management Boards (one for each of the seven regions) are volunteer "grassroots" boards established to make funding decisions for the program dollars allocated to their region. Each board has seven members: five are selected through ballot box at an annual regional meeting, one is appointed by Métis Women of Manitoba, and the last is appointed by the Manitoba Friendship Centre when one is located within the region.

	The **Provincial Management Board** (PMB) oversees the MHRD operations according to the guidelines created by the HRD Committee. This board is responsible for allocating program dollars for each LMB, along with establishing statistical targets. The PMB meet approximately six times a year to monitor LMB progress (financial and operational), develop or recommend process and policy amendments and share best practices. The PMB consists of one member from each of the seven local management boards and four ex-officio members appointed from the MMF Board of Director. MMF also delivers employment services through the **Provincial Recruitment Initiative** (PRI) and some of its Youth services through **regional youth workers**. The HRDC also oversees the activities of the PRI and the Youth departments.
Gabriel Dumont Institute Training & Employment Inc. (Saskatchewan)	
11 employment offices, as well as scheduled visits to smaller communities in partnership with local communities organizations.	The **Gabriel Dumont Institute (GDI)** is the official educational arm of the Metis Nation-Saskatchewan (MN-S) and is the Métis Human Resources Development Agreement (MHRDA) holder for Saskatchewan. GDI oversees a number of subsidiary incorporations including Dumont Training Institute (DTI), Community Training Residence, Saskatchewan Urban Native Teacher Education Program (SUNTEP), Gabriel Dumont College, and Gabriel Dumont Scholarship Foundation II. The Institute is governed by a 13-member Board. Twelve board members are chosen from each of the twelve regions defined by the Métis Nation of Saskatchewan (MN-S). The MN-S Minister of Education fills the role of Chairperson for the Board. The Saskatchewan Minister of Advanced Education and Employment has the responsibility of approving all GDI Board of Governors. This provincial approval provides a measure of transparency, accountability, and reassurance for funding partners as well as members of the Métis community. The GDI board developed a number of key policy documents to guide its operations, including a code of ethics, code of conduct, and conflict of interest guidelines. The GDI Board is a policy Board with the following roles: (i) to adopt policies for GDI's effective operation; (ii) to formulate a strategic plan and to oversee its implementation; (iii) to approve annual budgets, audits, and programs; (iv) to function as ambassadors for GDI and to encourage students and potential students in their study and career plans; (v) to represent GDI to all levels of government, to persons of Métis ancestry, and to the public generally; and (vi) to appoint a Chief Executive Officer to be directly responsible for implementation of policy and the day-to-day management and operations.
Métis Nation of Alberta	
14 Métis Employment Offices (MES) and a mobile unit which regularly visit areas more than 1 hour away from a MES .	The MHRDA program of the Métis Nation of Alberta (MNA) is governed by the **MNA's Provincial Council**. The Council consists of a provincially elected President and Vice-President and the Presidents and Vice-Presidents of the Six Regional Councils, positions elected in a region-wide election. The Provincial Council sets general strategic direction and creates a broad policy mandate which the **Ministry of Labour Market Development (LMD)** – through the Minister of Labour Market Development – is responsible for implementing through a decentralized service delivery structure and a centralized financial structure. All critical program changes and developments require Provincial Council approval before they are implemented. The LMD executive structure comprises a Director and an Associate Director. Below them there are four divisions: 1) Client Services, 2) Project Based Services, 3) Support Services 4) and Strategic Services. **Client Services** – responsible for MES services, client file management, reporting and follow-up. The team is comprised of a Team Leader, four Managers, two Assistant Managers and MES staff including employment counsellors, intake and assessment personnel and other client support staff.

	Project Based Services – responsible for developing training projects across Alberta. This team is comprised of a Team Leader, five PBS Managers and two Project Officers. **Support Services** – responsible for financial management, Human Resources officer, external and internal communications and IT support. The unit is comprised of a Finance Manager and two Finance Officers, a Human Resources generalist and a Communications Officer. In addition there are two IT people working on LMD connectivity issues, access certification to the database and related operational matters. **Strategic Services** – responsible for policy development and interaction with stakeholders, including provincial/federal relations. The unit is comprised of two individuals and includes expertise from other areas of LMD as needed. The MHRDA structure also includes the **Métis Education Foundation** (MEF), the LMD vehicle for bursary investment, and **KETO Inc** is responsible for LMD capacity building, development and marketing of the Keto Client Database.
Métis Nation British Columbia	
11 points of services, including one Employment and Training Services Office in each of the seven BC regions.	Each of the seven regions of the Métis Nation of British Columbia has a service centre. In each of these regions, each community selects a member to sit on the **Regional Employment and Training Committee** (RETC). In turn, each RETC selects a chairperson who also sits on the **Provincial Employment & Training Committee** (PETC). Regional Committees maintain communication channels to and from the community, provide advice on labour market conditions and funding targets, and act as jury over limit client files. They also hear client appeals to regional staff denials. The Provincial Committee's duties include guidance of provincial budgets and work plans, policy development, and coordinating and communicating regional initiatives and developments. Select committees are developed for provincial appeals and other needs from time to time.
Source: Aggregated by CSLS based on answers from individual agreement holders.	