

INCOME INEQUALITY

A CRISIS IN CANADA OR A POLITICAL PLOY?



What's Inside

Changing Health
Care in Canada

The Importance
of Profits and Losses

Celebrating National
Aboriginal Day



Editor: Lindsay Mitchell

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Canadian Student Review

1770 Burrard Street, 4th Floor

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Tel: (604) 688-0221 ext. 595

Fax: (604) 688-8539

E-mail: lindsay.mitchell@fraserinstitute.org

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Our mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being.

WELCOME!



Dear Readers,

In the summer edition of CSR, we are celebrating the launch of *The Essential Hayek* website (www.essentialhayek.org) and book, where the noted economist's top ideas are explained through a series of fun video clips, downloadable book chapters, and cartoons. Also featured is Hayek's famous quote on redistribution vs. opportunity, which lends itself to our cover story on income inequality. Are politicians perpetuating the problem for political gain?

Other articles look at the inefficiencies of Canada's health care system and the success story of the Whitecap Dakota First Nations community in Saskatchewan.

From a business standpoint, our book recommendation, *What America's Decline in Economic Freedom Means for Entrepreneurship and Prosperity*, examines the decline of the American entrepreneur while our feature student writer, Brennan Sorge, discusses the important role incentives play (in the form of profits and losses) in the marketplace.

I hope you are enjoying your summer. Once fall starts, don't forget to look online to see if one of our student policy seminars is being held in a location near you next school year (www.freestudentseminars.org)!

Best,

Lindsay Mitchell

Editor, *Canadian Student Review*



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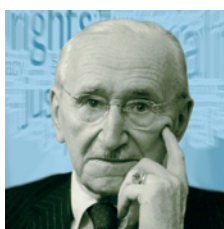


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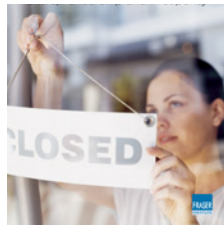


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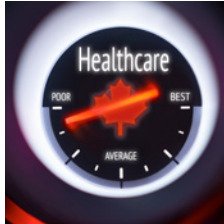


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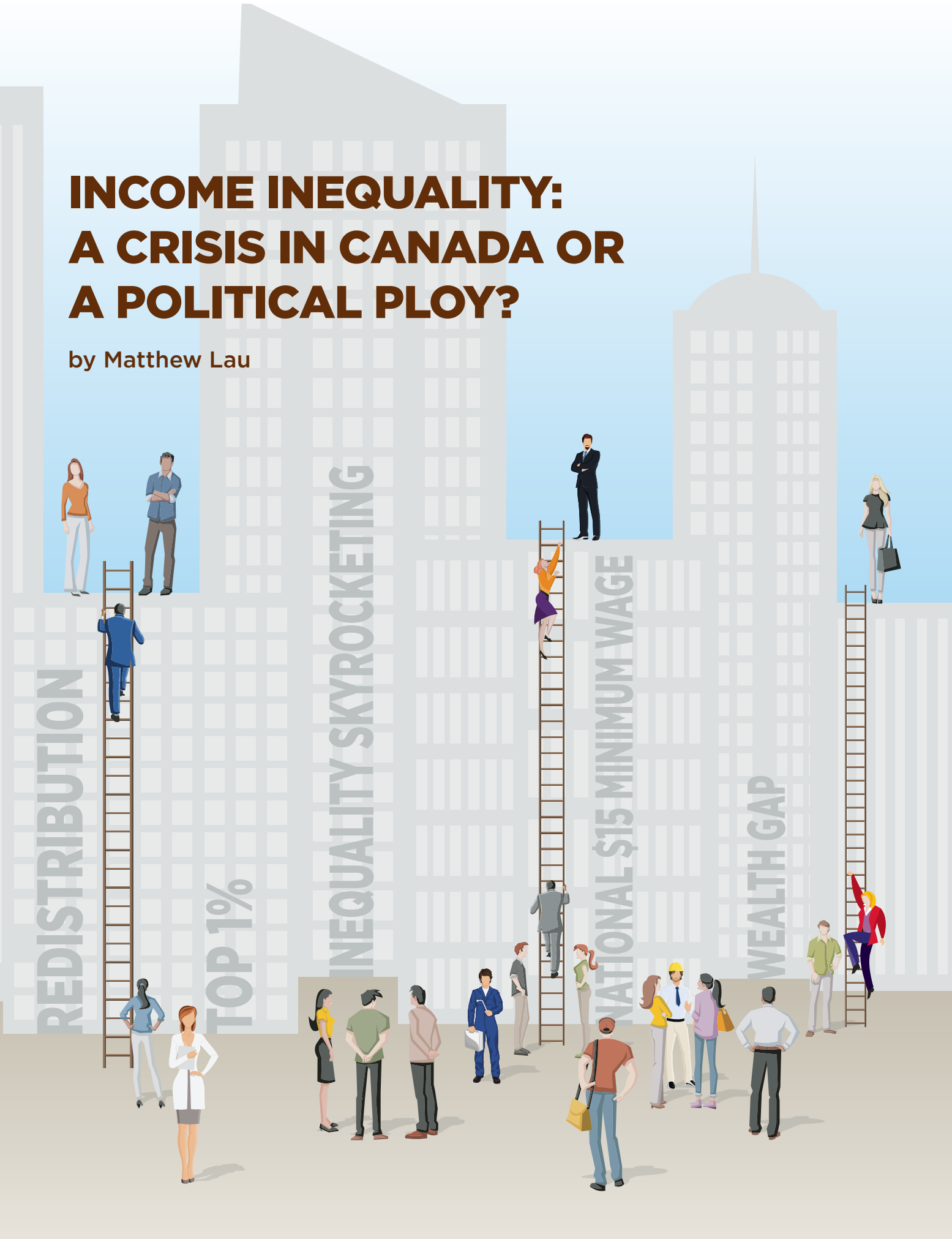
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INCOME INEQUALITY: A CRISIS IN CANADA OR A POLITICAL PLOY?

by Matthew Lau



In the months leading up to the federal election, there seems to be one issue that refuses to go away: income inequality. Misleading ads are airing on television, claiming that inequality is “skyrocketing” (Akin, 2015). Meanwhile, the opposition parties have made promises to tackle the apparent income inequality problem: the New Democrats want to impose a national \$15 minimum wage (Curry, 2014), while the Liberals have promised a more redistributive income tax system (Liberal Party of Canada, 2015).

There has been virtually no rise in income inequality since the turn of the century.

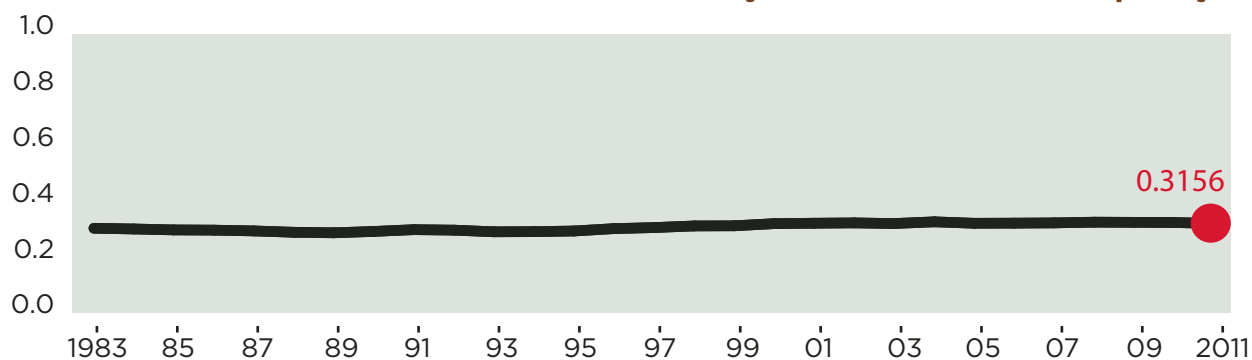
All of the attention surrounding income inequality masks the fact that there has been virtually no rise in income inequality since the turn of the century. A TD Economics report from last year, citing

Statistics Canada data, notes that inequality increased in the 1990s, but since 2000 “income inequality has been relatively flat” (Alexander and Fong, 2014).

Since 2000, Canada’s Gini coefficient—the most common measure of income inequality—has barely changed, according to the most recent data from the OECD. A country’s Gini coefficient is the fraction of national income that must be re-distributed to achieve total equality. The Gini coefficient is measured on a 0–1 scale; a Gini coefficient approaching 1 reflects more inequality, while a Gini approaching 0 reflects more equality.

In 2000, using income including government transfers and after taxes as the measure, Canada’s Gini coefficient was 0.3153. Since then, it has risen by a mere 0.0003 points to 0.3156 in 2011, the most recent year for which data is available. Before factoring in taxes and transfers, Canada’s Gini coefficient has dropped by 0.002 points, from 0.4399 to 0.4379.

Canada’s Gini Coefficient Measures the Country’s Rate of income inequality



Source: OECD (undated). OECD StatExtracts. <<http://stats.oecd.org/Index.aspx>>, as of May 9, 2015.

For the 17 OECD countries for which data were available in 2000, nine have seen their income inequality increase (a rise in their Gini coefficient using income post government transfers and after taxes as the measure), and eight have seen a decrease in income inequality (a drop in their Gini coefficients).

Special interest groups focus much of their political efforts on income and wealth inequality.

Although the numbers suggest that there is no inequality crisis in Canada, income inequality and wealth inequality are issues on which special interest groups tend to focus much of their political efforts. In December 2014, the Broadbent Institute published a report titled *The Wealth Gap: Perceptions and Misconceptions in Canada*, which claims that ideally,

the middle fifth of the population (quintile) would somehow control more wealth than the second-richest quintile. The report misses numerous important points.

First, even if the government hypothetically wanted all citizens to enjoy an equal standard of living, wealth inequality will still exist. For example, a young couple with a lower net worth than a couple about to retire is not the result of an unfair society, but rather the result of time. The older couple has simply spent more time accumulating wealth and the younger couple has more future opportunity to do so themselves. In other words, those with little wealth today are usually not the same individuals as those with little wealth in the future. Much depends on their stage of life.

What is true about wealth (net worth) is true also about incomes (annual cash intake). Most people who are at the bottom today will be

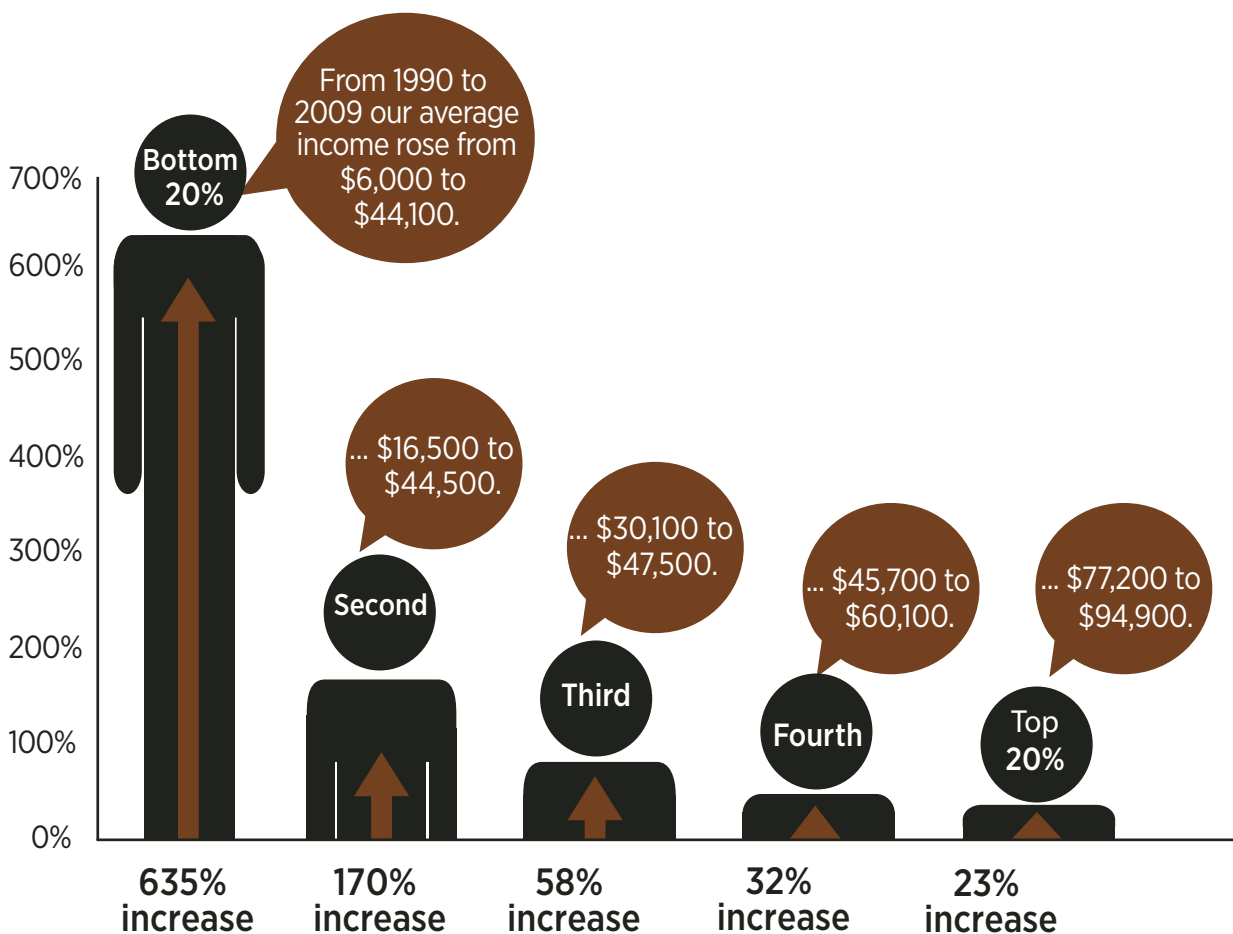


able to advance upwards. Income mobility in Canada is quite high; 87% of Canadians with earnings in the lowest quintile in 1990 had advanced to a higher income group by 2009 (Lammam, Karabegovic, and Veldhuis, 2012). Between 1990 and 2009, the average income of Canadians originally in the lowest quintile increased 635% (after adjusting for inflation). By contrast, the average income of Canadians originally in the highest quintile increased only 23% (Lammam, Karabegovic, and Veldhuis, 2012).

Income mobility - most people who are at the bottom today will be able to advance upwards.

Just as those with small amounts of wealth are often young people who are more likely to experience rapid income growth in the future, so are those earning the lowest incomes. When people at different stages of the life cycle are compared, their inequality, measured either as wealth or income, is overstated.

Average Income of the Same Group of People in 1990 and the Increase in Dollars and Percentage



Note: Income is measured by wages and salaries and adjusted for inflation

The Broadbent Institute’s prescribed solution to inequality—higher taxes and more income redistribution—is problematic. Taxes discourage wealth creation because “if incentives to work decline, the quantity of work—and thus the quantity of goods produced—will also diminish” (Kelly-Gagnon, 1999). Canada’s progressive tax system means those with higher earnings pay higher marginal tax rates. In other words, members of society who are more productive are disproportionately penalized.


Canada’s progressive tax system means members of society who are more productive are disproportionately penalized.

Not only do high tax rates discourage the employed from working more, high transfers to the unemployed discourage them from finding work. Munir Sheikh, formerly Canada’s Chief Statistician, noted in a recent study that “in Canada, many inappropriate tax-transfer policies have helped to condemn people to being trapped behind low-income and poverty walls and, rather than improving social mobility, may have worsened it” (Sheikh, 2015).

A similar paper by Philip Cross, former Chief Economic Analyst at Statistics Canada, concludes that those concerned about income inequality should not advocate for increasing taxes on high income earners. “A better approach is to adopt policies that encourage market incomes to grow, rather than focusing

on the tax and transfer system to redistribute and possibly stunt income growth” (Cross, 2015).

Philip Cross’s suggestion that Canadians, even those with low incomes, would be better served by policies that encourage growth as opposed to redistribution, is one that is backed up by the recent economic evidence. According to the Montreal Economic Institute, the average after-tax household income for the poorest quintile rose by only 4% in real terms (after controlling for household size) from 1976 to 1995; however, there was a 23% increase from 1995 to 2009, despite the fact that inequality was stable in the former time period and increased in the latter (Labrie, 2012). That the lowest income group prospered more despite a period of higher static inequality suggests that income inequality in Canada is, at the margin, benign.

In short, engaging in higher levels of wealth redistribution is the wrong policy response to an exaggerated problem. Politicians would do well to consider the facts about income inequality and the negative economic implications of increasing wealth redistribution, and reject misleading analyses. 



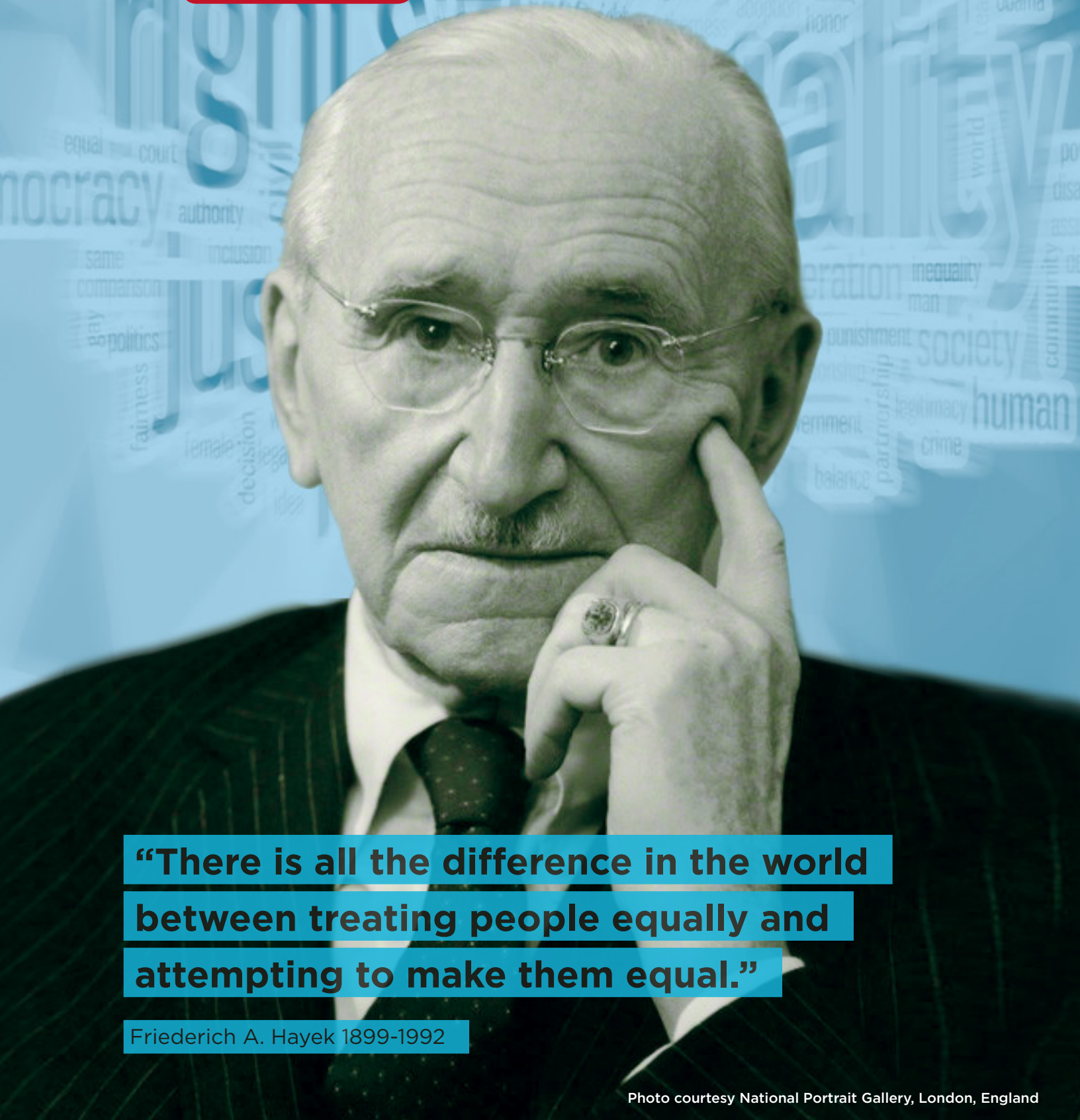
Matthew Lau is a finance and economics student at the University of Toronto. He will graduate in Spring 2016

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**QUOTE
WALL”**



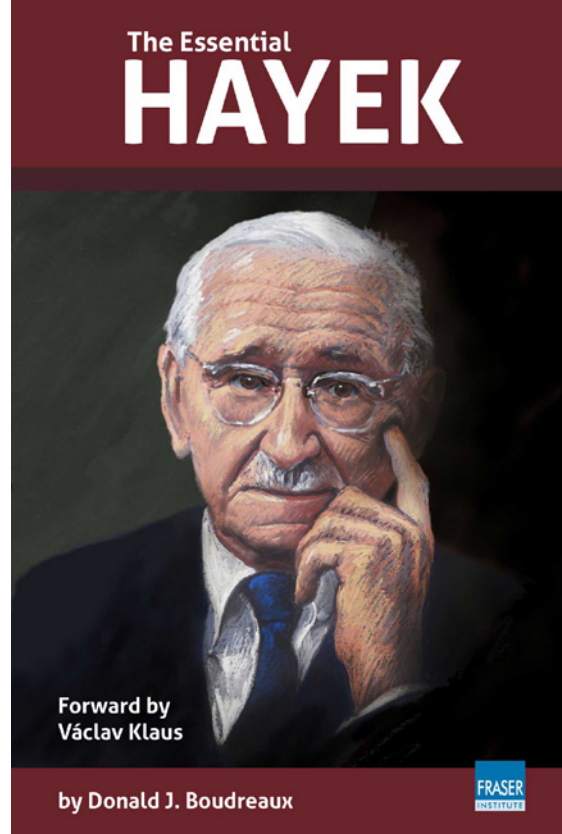
“There is all the difference in the world between treating people equally and attempting to make them equal.”

Friederich A. Hayek 1899-1992

Photo courtesy National Portrait Gallery, London, England

**... a great resource for all
who value liberty...
it is essential reading for all of
those who are unaware of the
many dangers that can befall
a society that ignores the
lessons of the past.**

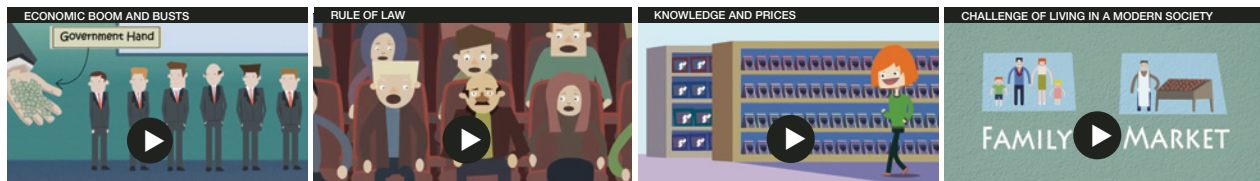
Václav Klaus
Former President of the Czech Republic
(2003–2013)



THE IMPORTANCE OF F. A. HAYEK

Long considered one of the most influential thinkers of the 20th century, Friedrich Hayek revolutionized economists' understanding of markets and then profoundly challenged the public's understanding of government.

Essential Hayek is a project of the Fraser Institute that includes the book, Essential Hayek, a website, and six videos all of which aim to explain Hayek's ideas in common, every-day language. Two decades after Hayek's death in 1992, his ideas are increasing relevant in an era where governments grow ever larger and increasingly interventionist.



Learn more visit: www.essentialhayek.org



Essential Hayek: Knowledge and Prices



KNOWLEDGE AND PRICES

Featured on our new website, *The Essential Hayek*, one of Hayek's best known ideas and perhaps his most profound insight is the role of prices in conveying information.

More videos available at www.essentialhayek.org >>



PROFITS, LOSSES, SUBSIDIES, AND GUARANTEES

Brennan Sorge,
Featured High School Contributor

There are two essential signals in a market economy: profits and losses. Both help the producer better meet the demands of the consumer. Both play an important role, and when they are active, they allow a market to function. Without one or the other, a market would no longer work. When government intervenes and changes these signals, it has the capacity to do great damage.

Without profits or losses, a market would no longer work.

Profits provide signals, or act as a kind of incentive. This is usually an incentive to create something new, or to improve something already in existence. More than that, it is an incentive to make things people want to buy. After all, no matter how motivated the business, companies will find it impossible to make money if no one wants to buy what they're selling. The profit incentive also plays a vital role in stimulating innovation. Unsurprisingly, there are few who will risk their time and effort to innovate out of mere altruism or a career driven passion. Instead, innovators work out of a desire to improve

their own financial well-being. These profit seekers will build the latest and best technology in order to “one up” their competitors. By improving the product they offer, or by making their product cheaper, they can sell more, and make a higher profit. When this happens, everyone benefits. Consumers get better, cheaper products to buy, businesses make more money, investors prosper, and our economy grows.

Losses are the flip side of profits. They punish those who are unable or unwilling to innovate. If companies were not punished by losses, they would steadily grow more out of touch with their consumers. Without the threat of losses, innovation would stagnate. If a business (actually, any organization) is secure in its position, with no threat of competition, it will be much less likely to innovate. Government often finds itself in this position, where it has no competition, no threat of losses, and its productivity stagnates.

Profits play a vital role in stimulating innovation.

Businesses that refuse to innovate will feel the mounting costs associated with the lack of new productivity, and will likely see their enterprises shrink as a result. Therefore, we don't want to encourage businesses that refuse to adapt, yet our tax dollars are often spent propping up various failed business models.

Government often has no competition or threat of losses, and its productivity stagnates.

Governments choose to prop up businesses for a number of reasons. Sometimes, the business has an

idea that reflects the will of those in power. Subsidies for green energy serve as an example: green energy fits a government agenda, and the promotion of green energy has good public relations value. However, for the sake good public relations, tax dollars will be sacrificed to prop up an entire industry that is not ready for the market place. Without these subsidies, most of that industry would not exist, as it is not yet efficient enough to survive independently. This is because the cost of producing electricity from renewable sources is so much higher than from other sources, it cannot compete without government intervention (US Energy Information Administration, 2015).



Another example has been government guarantees for banks. If a bank is “guaranteed,” it does not have to play by the normal rules of the marketplace. If money is lost in speculative lending, the taxpayer can easily be left to foot the bill. This policy can encourage reckless speculation, as there is no threat that the bank will face any major consequences for its risky behaviour. To guarantee a bank against failure is to send a gambler to the casino on your credit card. The bank can make risky loans and investments, as they are confident that they will not be the ones to pay for losses. Ultimately, when there is little threat of excessive losses, irresponsible decisions are the result. If a bank had to pay for all of its poor investments, it would be much more risk averse in its investment choices (Gropp, Gründl, and Güttler, 2010).

Ultimately, when there is little threat of excessive losses, irresponsible decisions result.

It all boils down to this: whenever the function of either profits or losses as incentives becomes corrupted, there are consequences to the marketplace. Consumers will suffer, the taxpayer will suffer, and in the end, when these distortions are corrected, those who have built businesses and made investments on that distortion will also suffer. Both government and business should look to quickly correct distortions in the system of profits and losses,

and avoid government policy that might perpetuate them. If we don't, we will all face the inexorable consequences. **C**

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Brennan Sorge is a grade 10 student at the Discovery Centre for Balanced Education in Sun Peaks. Having taken an interest in politics, and economic policy, he hopes to earn a degree in economics as well as law, and then continue into the political arena.

WHAT AMERICA'S DECLINE IN ECONOMIC FREEDOM MEANS FOR ENTREPRENEURSHIP AND PROSPERITY

Why did the U.S. economy recover so slowly from the 2008 recession? What lessons have economists learned that can encourage economic growth in the future?

A new book, *What America's Decline in Economic Freedom Means for Entrepreneurship and Prosperity*, jointly published by the Fraser Institute and the Mercatus Center at George Mason University, examines the role entrepreneurs and small businesses play in growing an economy. Can the United States decline in economic freedom explain its sluggish economic recovery?

"Entrepreneurship is a key building block for economic prosperity but it doesn't occur in a vacuum. Both the quality and quantity of entrepreneurship increase as economic freedom levels rise."

DONALD BOUDREAUX, EDITOR

"Entrepreneurship is a key building block for economic prosperity but it doesn't occur in a vacuum. Both the quality and quantity of entrepreneurship increase as economic freedom levels rise," writes Donald J. Boudreaux, the book's editor and a Fraser Institute senior fellow.



In a key chapter, Lawson (who is also co-author of the Fraser Institute's annual *Economic Freedom of the World* report) highlights how the U.S. has fallen to 12th in the global ranking of economic freedom in 2014 from being tied for second in 2000.

This decline is more than three times greater than the average decline of economic freedom among other OECD nations, Lawson notes. Why is economic freedom on the decline in the United States? Writes Lawson: "To a large degree, the United States has experienced a significant move away from rule of law and toward a highly regulated, politicized, and heavily policed state."

The result is that American entrepreneurs face additional regulations that erect barriers to product and service innovation. Risk taking is also discouraged by threats of litigation and fear of contracts not being upheld.

Small business start-ups are down, large corporations' cash hoards are up, and innovation is threatened.

While the book focuses on the American experience, it shows how all governments, including Canada's, should avoid implementing policies that reduce economic freedom. In particular, governments must carefully think through calls for additional levels of regulation or higher taxes that will make it more difficult for entrepreneurs to launch new business ventures. [C](#)

The book can be downloaded here. [»»](#)

A video explaining the book's main ideas is available on YouTube. [»»](#)



CALL FOR CHANGE IN CANADA'S HEALTH CARE

Jessica Cao

Canadians almost universally see health care as a source of national pride (Jedwab, 2012). Unfortunately, the idea that Canadian health care is among the best worldwide is a myth. Marred by low efficiency, Canada's system

ranks poorly compared to other developed countries (Davis et al., 2010). This is disconcerting as health care directly affects the wellbeing of every Canadian. An aging population will test the system beyond current limits. Structural changes to Canada's

health care system are needed to address the major issues of cost, access to care, and timeliness of care.

Canada's universal single-payer health care system (often referred to as Medicare) is governed by each province. Canadians enjoy physician and hospital services as well as immunization and screening programs without having to pay user fees. Hospitals are mostly publicly-funded, privately-owned non-profit organizations. The government also finances 45% of prescription drug spending (Canadian Institute for Health Information, 2013a).

The idea that Canadian health care is the among the best worldwide is a myth.

In 2010, the Commonwealth Fund compared health care in developed countries using factors such as access to care, care quality, and equity. Canada placed second-last, ranking only above the United States. Evidently, something needs to change.

For starters, current expenditure trends threaten long-term sustainability. Research by the Canadian Institute of Actuaries (2013) has indicated that the present system is economically unsustainable. Health care expenditures have increased every year since 1997. Adjusted for inflation, this reflects more than double the spending per capita in 1975 (Canadian Institute

for Health Information, 2013b). Health care spending is expected to increase significantly from 8.2% of GDP in 2012 to 12.7% in 2037 (Levert, 2013). Medicare is the single largest expense in all provinces and is expected to outpace economic growth in every province (Levert, 2013). If spending continues on its current course, funding for education, infrastructure, and social services will suffer.

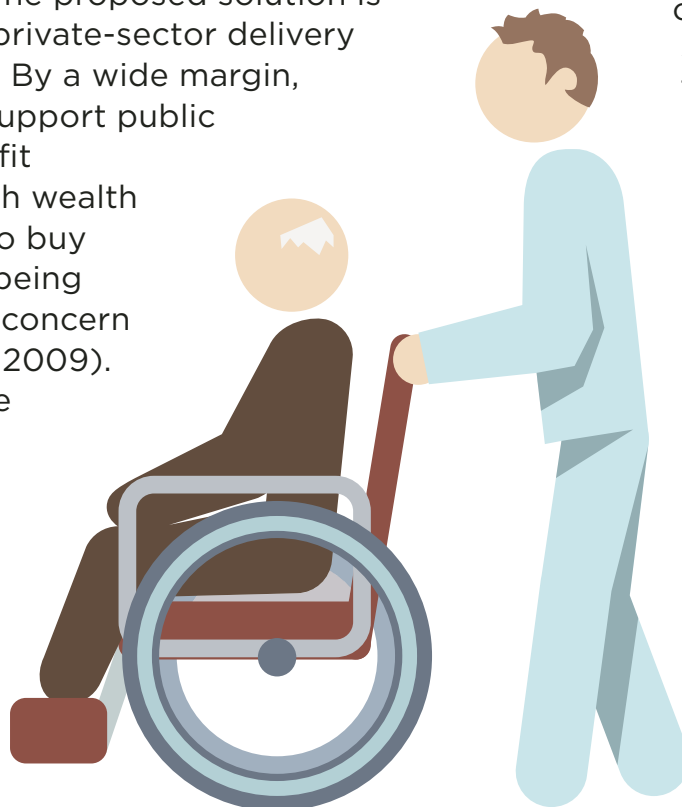


Patients also suffer lengthy wait times for surgery, specialist referrals, and emergency care. Waits for emergency department care far exceed the recommended times by the Canadian Association of Emergency Physicians (Canadian Institute for Health Information, 2012). The median wait between referral from a family physician to treatment is 18.2 weeks (Barua & Esmail, 2013). Compare this to the United Kingdom, where the median is

8.5 weeks and patients have the legal right to treatment within 18 weeks (National Health Service, 2013). The OECD (2013) reports that out of its 34 member countries, Canada has amongst the longest wait times despite ranking sixth in spending. This is not only tremendously frustrating, but dangerous to patients with underlying medical conditions.

Patients suffer lengthy wait times for surgery, special referrals, and emergency care.

Medicare trails in providing timely care despite high expenditures, suggesting that the issue is not lack of funding, but poor management of resources. One proposed solution is to increase private-sector delivery of Medicare. By a wide margin, Canadians support public over for-profit services, with wealth being able to buy better care being the primary concern (Ipsos Reid, 2009). However, the Commission on the Reform of Ontario's Public Services (2012)



recommended using more private clinics while retaining the public-payer system to ensure equal access. This method is used in Singapore, where citizens enjoy universal health care delivered largely through private facilities, while the government regulates quality and prices.

Canada has also seen success at improving service and decreasing costs through increasing the role of external clinics. In 2011, Saskatchewan launched the Saskatchewan Surgical Initiative. The province accepted proposals from private clinics to conduct specific surgeries in specific regions. The government regulated the cost, quantity, and the time frame for procedures. The clinics must follow hospital standards

and be certified by the

Saskatchewan College of Physicians and Surgeons. It was a tremendous success.

Costs were lower for all procedures, with average savings of 26% (MacKinnon, 2013). Wait times fell. Notably, the number of patients waiting more than six months has fallen 65% since the program's initiation (Saskatchewan Surgical Initiative, 2013). As patients are all waiting in the same queue, nobody can "jump

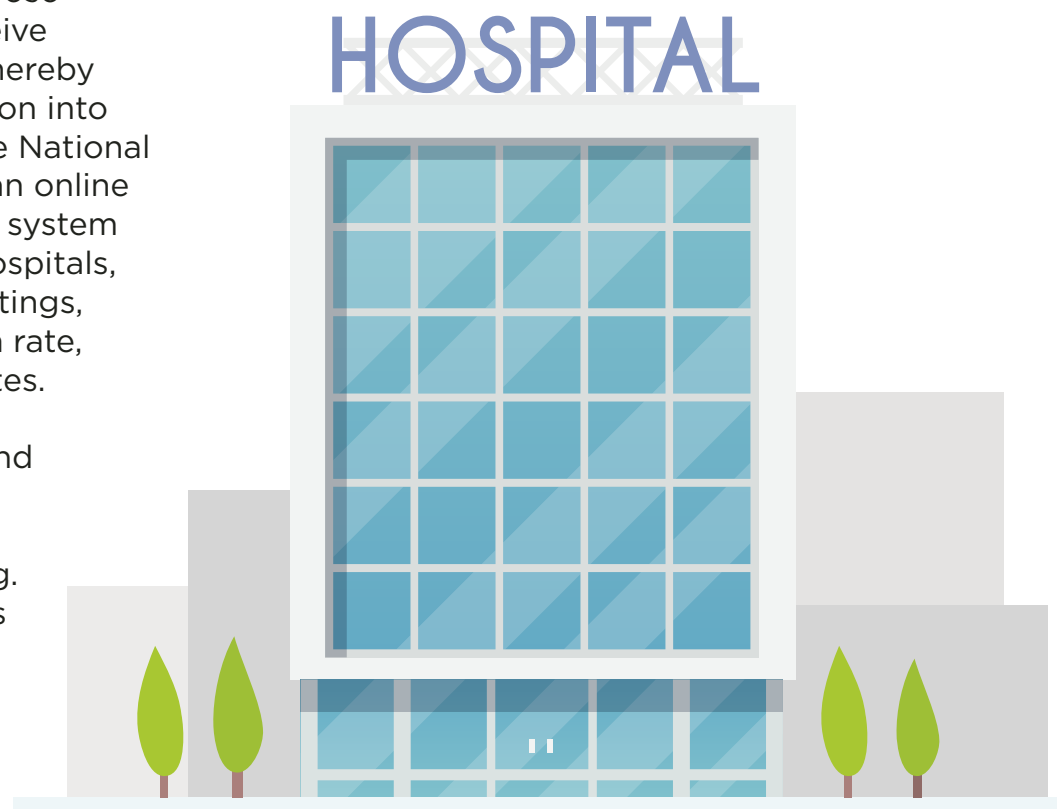
the line.” These results indicate that using contracted clinics can shorten waiting times and reduce costs without compromising patient outcomes. Other provinces can gradually implement similar systems. Performing surgeries in external centers increases efficiency through specialization, frees resources in overcrowded hospitals, and reduces the risk of hospital-acquired infections.

Demographic changes, namely Canada’s aging population, will place increasing strain on the system.

Since 2009, U.K. patients have been able to choose which hospital to receive their procedures at, thereby introducing competition into the public system. The National Health Service hosts an online appointment booking system for publicly-funded hospitals, complete with user ratings, staff recommendation rate, and even mortality rates. Hospitals with better patient experiences and outcomes attracted more patients and received more funding. Less popular hospitals work to improve. Overall, publicly funded hospitals have become more efficient, without

requiring additional funding (Cooper, Gibbons, Jones & McGuire, 2012). Canada needs a patient-centred focus that can be introduced with competition that emphasize the important aspects of good care.

Medicare must adapt. Demographic changes, namely Canada’s aging population, will place increasing strain on the system. There must be greater support for home care and long-term care. Patients with chronic conditions can thus receive more specialized services in long-term care facilities while hospital beds are freed for acute care patients. Ideally, Canada should focus more on primary health care, which considers not just hospitals and physicians, but



also dietitians, psychologists, and other health professionals as key components of an individual's complete care. Auxiliary services can continue to be funded with user fees, yet a uniform communication platform would allow authorized professionals to collaborate with each other. The ongoing gradual conversion to electronic health care records will also help to modernize the patient management system. Whether public or privately-funded, these health professionals can all build and refer to a patient's file in order to create a complete medical history with diagnoses, test results, and therapies taken. This creates a more integrated, holistic view of health by focusing not only on physical health, but also mental and emotional well-being. Canada should shift from a treatment-based care approach to one that is prevention-based. Life expectancy is high and chronic conditions, not acute disease or injury, are what consume the greatest resources (Mirolla, 2004).



The issue is not lack of funding, but poor management of resources.

The challenges in Canada's health care system require structural changes. Through using more external delivery of services, regulating quality, and emphasizing an integrated patient-centred care model, resources can be managed more efficiently to provide the best possible care to Canadians. The government and the public should be willing to embrace reform by not only setting ambitious goals, but by developing clear metrics to measure progress. People do not choose to get sick. When they do, they rely on a sound health care system to help them recover. Only with a sound system can future generations continue to live long, healthy lives. **C**



Jessica Cao is majoring in Biomedical Sciences and studying towards a Bachelor of Health Sciences at the University of Calgary. She is expecting to graduate in 2018.

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INFOGRAPHIC

2015

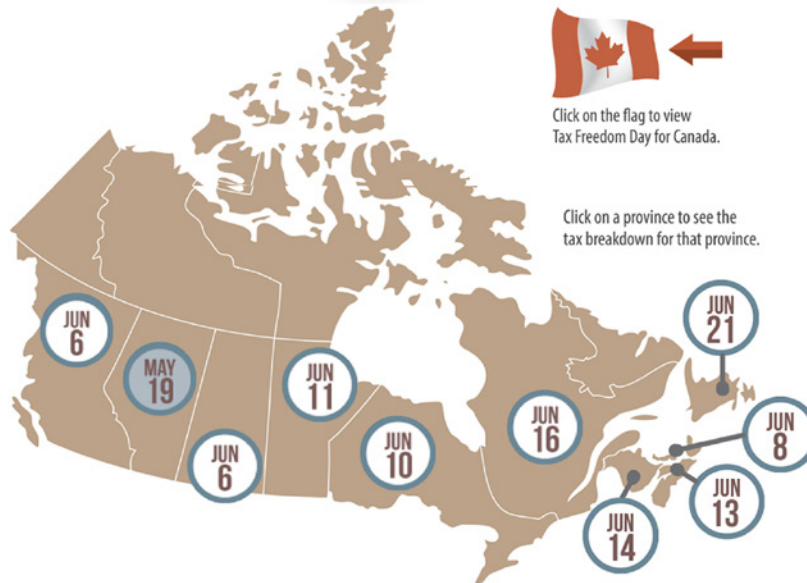
TAX FREEDOM DAY

Tax Freedom Day is the day in the year when the average family has earned enough money to pay Canadian federal, provincial and local taxes.

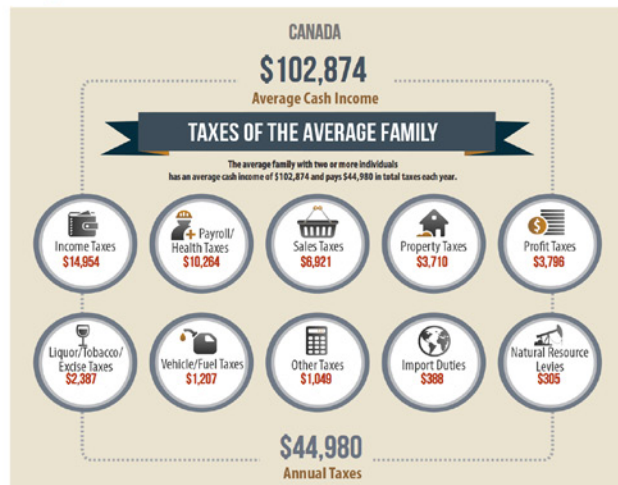
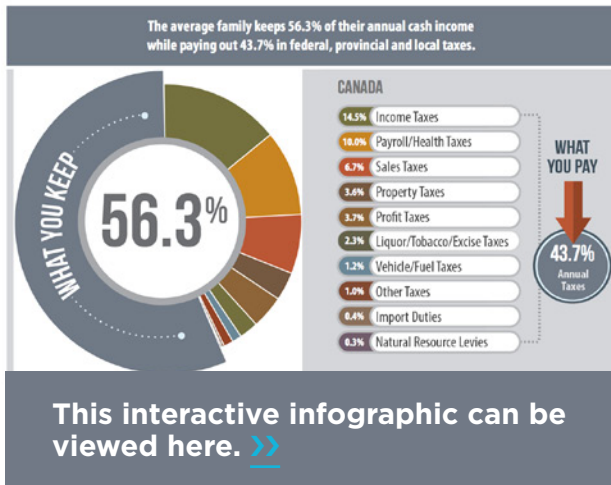
CANADA



Click on the flag to view Tax Freedom Day for Canada.



Click on a province to see the tax breakdown for that province.





THIS ARTICLE APPEARED IN
THE HUFFINGTON POST

A REASON TO CELEBRATE ON NATIONAL ABORIGINAL DAY

Ravina Bains

A small First Nations community called Whitecap Dakota, located just outside of Saskatoon, has a lot to celebrate on National Aboriginal Day. Whitecap Dakota describes itself as a modern and progressive First Nation with a

proud culture and a strong sense of community. It has 630 members, of whom 47 per cent live on reserve, and it is governed by one chief and only two councillors.

For the past 21 years the community has been led by Chief Darcy Bear,

who was first elected as chief at the age of 26. When he took office the unemployment rate on reserve was 70 per cent, the on-reserve education system was broken and the small community was running a deficit of \$350,000. With the support of his council and community, Chief Bear has brought the unemployment rate down to 5 per cent and has created business opportunities that have generated over \$6.7 million annually in own-source revenue. The community now has an education system on reserve that is so successful that non-First Nations parents in neighbouring Saskatoon want to send their children to his reserve school.

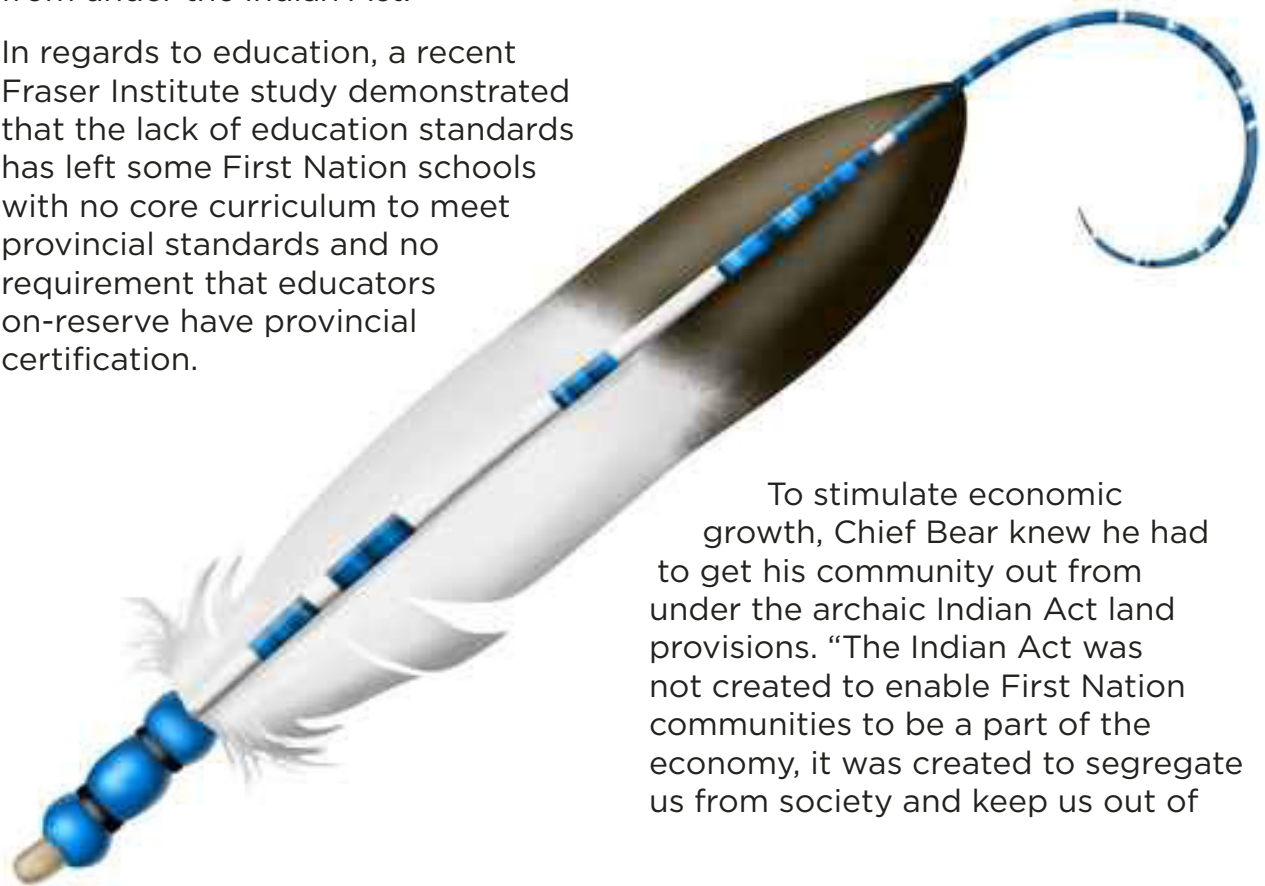
So what is the secret to Whitecap Dakota's success? Partnerships, openness to business and getting out from under the Indian Act.

In regards to education, a recent Fraser Institute study demonstrated that the lack of education standards has left some First Nation schools with no core curriculum to meet provincial standards and no requirement that educators on-reserve have provincial certification.

To address these issues, Chief Bear developed a partnership with the local Saskatoon Public School Division. "We created a joint governance committee, joint operations committee, all second level services are provided by the local school division and all teachers in our school are members of the Saskatchewan Teachers Federation," he said. These standards have increased graduation rates and created an exceptional education system at Whitecap Dakota.

"The Indian Act was not created to enable First Nation communities to be part of the economy, it was created to segregate us from society..."

**CHIEF DARCY BEAR,
WHITECAP DAKOTA FIRST NATIONS**



To stimulate economic growth, Chief Bear knew he had to get his community out from under the archaic Indian Act land provisions. "The Indian Act was not created to enable First Nation communities to be a part of the economy, it was created to segregate us from society and keep us out of

sight and out of mind,” he said. In fact, our research has shown that archaic land provisions and lack of property rights on reserve has made First Nations members wards of the state and unable to enjoy the same economic opportunities as all other Canadians. In 2013, Whitecap Dakota joined the First Nations Land Management regime, which eliminated land provisions under the Indian Act and allowed the community to create their own land laws and move at the speed of business without intervention from the federal government.


Whitecap Dakota has a 5 per cent unemployment rate.

Chief Bear also attracted private investment to his community by opening up the band’s financial books, making Whitecap Dakota’s audited financial statements public long before the First Nations Transparency Act, which requires the public disclosure of a band’s audited financial statements. Furthermore, the council’s salary and expenses are funded through the community’s own-source revenue—no taxpayer dollars go towards paying the chief or councillors salaries.

And it’s all paid dividends for the community. Today, Whitecap Dakota has approximately \$100 million of capital investment in their community from the private sector and a 5 per cent unemployment rate. “All these revenues enable us to move forward and build a sustainable community,” he said.

This prosperity has also benefited the city of Saskatoon. Whitecap Dakota now employs more than 500 people from Saskatoon and recently contributed \$2.7 million towards the construction of a new Saskatoon school where only 10 per cent of the student body will be from Whitecap Dakota.

There are many other communities like Whitecap Dakota who have silently achieved tremendous success across Canada, such as the Haisla Nation in British Columbia and Fort McKay in Alberta.

So while it is important to highlight communities who are struggling with high unemployment rates and substandard living conditions, let’s not forget to celebrate successful communities like Whitecap Dakota, and inspirational leaders like Chief Darcy Bear, during this year’s National Aboriginal Day. Because as Chief Bear said “when First Nations are successful the region is successful.” 



Ravina Bains is the Associate Director of the Centre for Aboriginal Policy Studies at the Fraser Institute.



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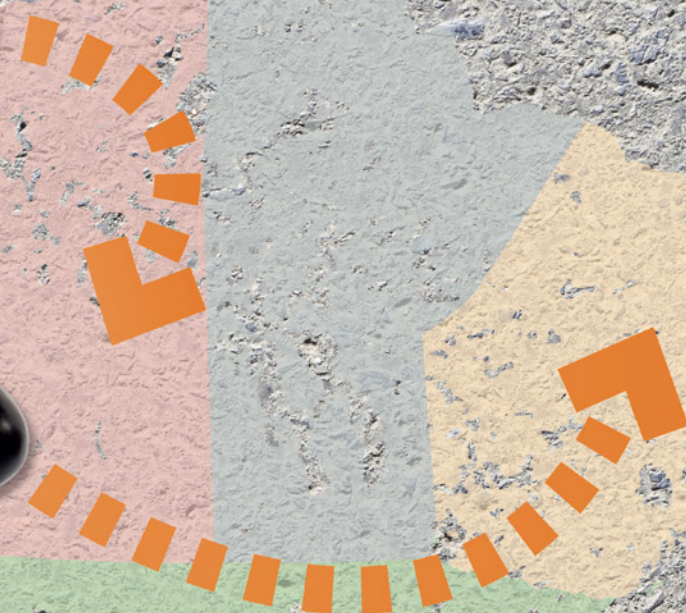
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What's New from
the Institute

**HOT
TOPICS**

ALBERTA'S NEW GOVERNMENT CAN LEARN LESSONS FROM OTHER NDP GOVERNMENTS






Faced with a faltering economy and a large budget deficit, Alberta’s recently-elected New Democratic government would be better off emulating the fiscal prudence of Roy Romanow’s NDP government in Saskatchewan—rather than the tax and spend policies implemented by Bob Rae’s NDP in Ontario.

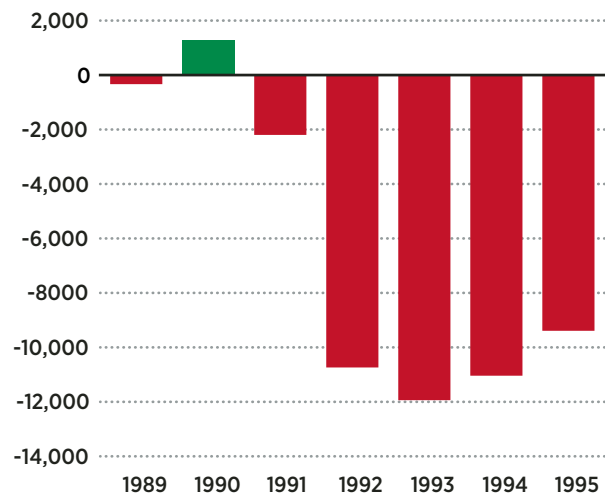
Will Alberta’s NDP emulate Saskatchewan’s or Ontario’s NDP policies?

“Canadians too often make the assumption that a new government’s approach to fiscal policy can accurately be predicted simply by looking at its political label. But historically, that hasn’t been the case,” said Ben Eisen, senior policy analyst with the Fraser Institute.

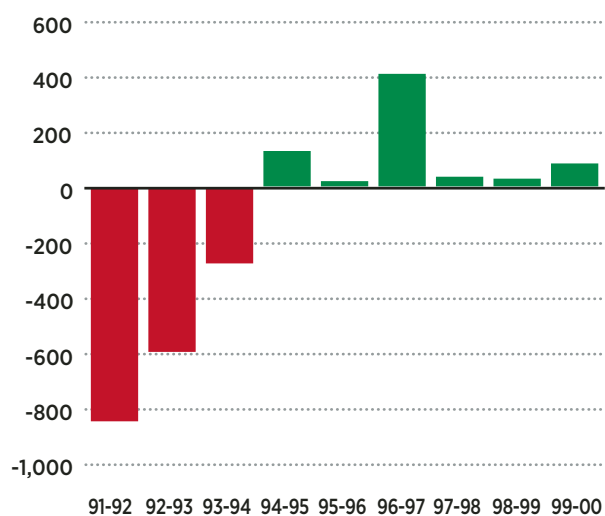
“There are numerous instances across the country of Progressive Conservative governments not acting in a fiscally responsible manner just as there are cases of NDP governments that managed provincial finances prudently.” 

Read the study here [»»](#)

Ontario Surplus/Deficit (\$ Millions)



Saskatchewan Deficit/Surplus (\$ Millions)





**HOT
TOPICS**

MORE CANADIAN PARENTS OPTING FOR HOME SCHOOLING THEIR CHILDREN

-2.5%

ENROLMENT DECLINE IN
GOVERNMENT SCHOOLS
AGGREGATED FOR CANADA



+29%

ENROLMENT GROWTH IN
HOME SCHOOL REGISTRATIONS
AGGREGATED FOR CANADA



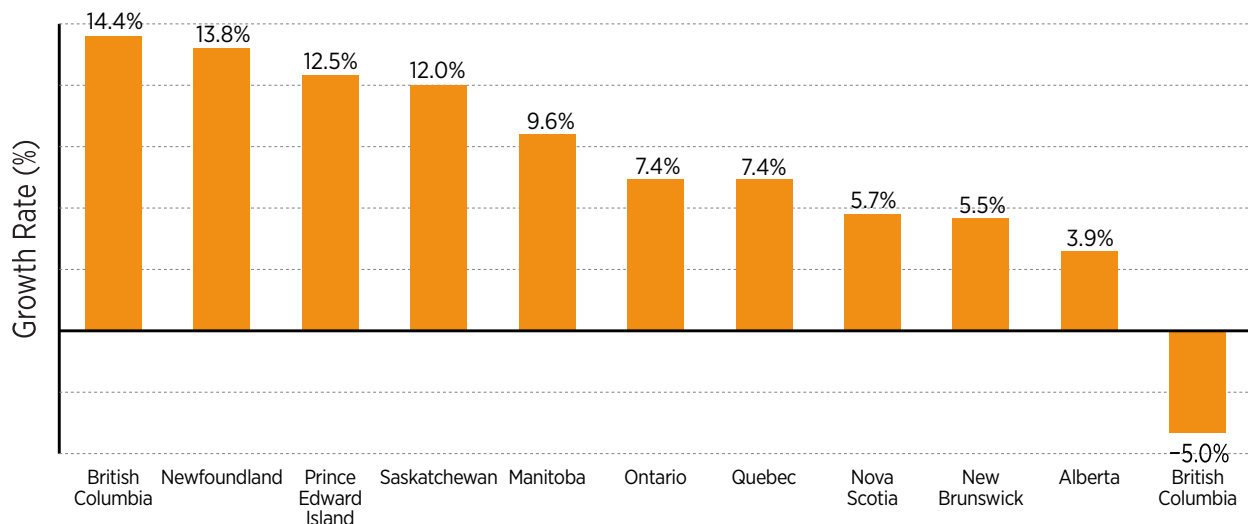
An increasing number of Canadian families are choosing to home school their children. In 2012, 21,662 Canadian children were registered as ‘home school students’ (with likely more not officially registered), an increase of 29 per cent over a five-year period.

“These figures point to a growing number of Canadians who, for a variety of reasons, feel that their child’s interests are best served by an education program that occurs largely outside of a traditional institutional setting.”

While decisions to homeschool in the past were ideologically or religiously driven, families are now choosing the option for more pragmatic reasons. For example, parents are choosing education-at-home because it corresponds with their personal circumstances such as having children involved in time-consuming extra-curricular activities; a child with a health or learning disability; or because the family lives in a remote location or travels extensively. [C](#)

Read the study here [»](#)

Enrolment in Home Schools, Average Annual Growth Rate, 2006/07–2011/12



Sources: enrolment in home schools from provincial ministries and departments of education; enrolment in government schools from Statistics Canada, 2013, 2014 (see “Government Sources”, pp. 52–57); calculations by author.

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