

SERVICE DEVOLUTION & FISCAL FEDERALISM

A Short History of Canada Actively Avoiding Responsibility

1947

Expansion of government social programs to First Nations

Head of the Welfare Section of Indian Affairs states, "It is the policy of the Branch to assist Indians to be self-supporting rather than issue direct relief. As a result, the scale of relief supplied to able-bodied Indians must err on the parsimonious rather than on the generous side."

By 1966

Special commissions are already suggesting exit strategies to the remediation efforts proposed earlier in the decade.

The Hawthorn Report advocates for new social programs and services to be provided by provinces until each First Nation individual is integrated into Canadian society.¹

1980's

"The Buffalo Jump"

Government document reveals plans to transfer most federal responsibilities towards First Nations to the provinces and communities; it recommends a bigger role for the private sector in on-reserve service delivery and user-pay programs; also devises plan to expedite reserve obsolescence or transform them into municipalities.

1995

"Bloodbath Budget"

2% funding cap on First Nations spending

Inherent Right Policy

The Government of Canada recognizes that Indigenous peoples have an inherent right to self-government (protected under section 35 of the Constitution Act, 1982), but that "financing self-government is a shared responsibility among federal, provincial and territorial governments, and Aboriginal governments and institutions."

2018

"A New Fiscal Relationship"

The Government of Canada with the Assembly of First Nations, initiates consultations to develop a new self-government and Indian Act fiscal policy framework

Treasury Board of Canada formalizes social assistance on reserves

A national survey shows that "the Indian Affairs Branch scale of food assistance is inadequate in over 150 communities throughout Canada."

1963

Rejection of the White Paper

The 1969 policy brief advocates for an end to all federal service delivery to reserves. Its rejection by First Nations leads to an increase in spending programs, but leads to little improvement. No rights to economic benefits from treaty and traditional lands are recognized, the focus is on social assistance rather than economic development.

1969-1970

Indian Affairs is granted authority by the Treasury Board to "devolve, over time, to the greatest extent possible...its programs and services to Indian people."

In response, funding arrangements change in the 1980s and Indian Affairs is restructured in the mold of a funding agency. Band councils become like local branches of Indian Affairs as DIAND moves from direct delivery of most services on reserves to a system of First Nations service delivery through new "devolved" contribution agreement funding to band councils.

1986

"Canada's Fiscal Approach for Self-Government Arrangements"

The Government of Canada establishes a new policy framework for federal transfer payments to self-governing Indigenous Nations, revising the "Own-Source Revenue" offset methodology, and detailing the protection of program transfers for health, education, and social development.

2015

¹ Judith Rae, "Program Delivery Devolution: A Stepping Stone or Quagmire for First Nations?" *Indigenous Law Journal* 7:2 (2009): 10-11