Demographic Trends and Socio-Economic Sustainability in Saskatchewan: Some Policy Considerations

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Background:
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Demographic Trends and Socio-Economic Sustainability in Saskatchewan: Some Policy Considerations

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Introduction: Demographics and Sustainability in Saskatchewan

Recent Census results and projected demographic trends for Saskatchewan are troubling. An aging non-Aboriginal population and a very young Aboriginal population are demographically polarizing the province, and related statistical trends indicate that Saskatchewan will experience arduous challenges as a result of its population features. Demographics in Saskatchewan are negatively affecting the condition of the workforce, health care system, education, and race relations, threatening long-term socio-economic sustainability in the province.¹ Less important in past years, demographics now have significant implications for Saskatchewan that require acute governmental action to avoid a crisis in the near future.

Demographic Profile of Saskatchewan

The population of Saskatchewan was recorded as slightly below 979,000 residents in the 2001 Census,² and is projected to remain fairly static over the next 20 years.³ Between 1996 and 2001, the province experienced a population decrease of 21,000 (−1.1 per cent). This decrease included a net loss of close to 25,000 residents through migration, continuing the trend of the previous five years’ loss of 20,000.⁴ The out-migration of younger people, many in search of employment, has had the effect of aging Saskatchewan’s population relative to the rest of the country.⁵

Figure 1 reveals the breakdown of different census populations by age group. At 15 per cent of the provincial population, the senior population (65+ age group) is the largest in Canada and considerably larger than the national average of 13 per cent.⁶ Between 1991 and 2001, the size of the 80+ age group alone increased 32 per cent, making it close to 5 per cent

¹Socio-economic sustainability is defined in this article as the capacity to maintain the social, economic, and cultural elements of a progressive society.
⁴Saskatchewan’s population is forecasted to not grow beyond 1.02 million over the next two decades.
of the Saskatchewan population, and Statistics Canada expects this age group to increase an additional 18 per cent by 2011, a 56 per cent increase over a 20-year period. The senior population in Saskatchewan is overwhelmingly (96 per cent) non-Aboriginal. At fewer than 4 per cent of the province’s senior population, the Aboriginal 65+ age group is considerably underrepresented given that the Aboriginal population constitutes 13.5 per cent of the provincial population. Further, seniors form 16 per cent of the non-Aboriginal population, but only 3 per cent of the Aboriginal population. The marked contrast in the size of the non-Aboriginal and Aboriginal senior populations is, in large part, explainable as the outcome of a much bigger Aboriginal youth population, but is also related to life span.

Figure 1: 2001 Census Populations, By Age Group

![Graph showing 2001 Census Populations, By Age Group](image)


Recent data indicates that life expectancy for registered First Nations people is 7.4 years less for men and 5.2 years less for women than national population figures. It has been suggested that the life expectancy of other Aboriginal groups is similar or worse in comparison to registered First Nations populations. However, as Aboriginal seniors experienced the largest increase (40 per cent) of all broad age groups at the national level

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7 *Ibid.*, “Saskatchewan: Record increase in median age.”
8 Calculated using Statistics Canada, “Aboriginal Identity (8), Age Groups (11B), and Sex (3) for Saskatchewan,” 2001 Census, Aboriginal peoples of Canada: A Demographic Profile (2003). Aboriginal and non-Aboriginal identity data is determined using long form results and is therefore based upon 20 per cent sample data.
10 *Ibid.*, “Aboriginal Identity (8), Age Groups (11B), and Sex (3) for Saskatchewan.”
between 1996 and 2001, it would be anticipated that life expectancy differences between the Aboriginal and non-Aboriginal populations will grow less pronounced over time.

Between 1996 and 2001 Saskatchewan experienced its biggest-ever increase in median age (the age at which half of the population is older and half is younger) from 32.6 to 36.7, demonstrating that the provincial population is aging at a must faster rate than in the past. Nevertheless, Saskatchewan’s median age is young relative to that of the rest of Canada (Figure 2). The 2001 Census revealed that Saskatoon was the youngest city of the nation’s 27 census metropolitan areas (CMAs) with a median age of 34.4. Alberta ranks as the youngest province with a median age of 35.0, while Saskatchewan’s median age of 36.7 yields the ranking of second youngest (national average of 37.6). Unlike Alberta, however, Saskatchewan’s low median age is attributable to a young Aboriginal population. The median age of the Aboriginal population in Saskatchewan is close to 19 years younger than the median age of the non-Aboriginal population. When the measure of the number of residents under the age of 20 is utilised to determine the youth of a population, Saskatchewan ranks as the youngest province with 29 per cent of residents in this age group. This ranking is also due to the youth of the Aboriginal population, as half (49.8 per cent) of the province’s Aboriginal population is under the age of 20, and nearly 25 per cent of all children in the province are Aboriginal.

Slightly more than 130,000 people in Saskatchewan identified as Aboriginal in the 2001 Census (another 5,000 persons indicated Aboriginal ethnicity but not identity). Although Aboriginal peoples composed the highest percentage of the overall population in

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13Census metropolitan areas are urban areas with populations of at least 100,000.
15Ibid., “Selected age distribution indexes, Canada, provinces, and territories, 2001.”
16Ibid., “East-West split in aging patterns.”
18Calculated using Statistics Canada, “Aboriginal Identity (8), Age Groups (11B), and Sex (3) for Saskatchewan,” 2001 Census, Aboriginal Peoples of Canada: A Demographic Profile (2003).
19Ibid., “Aboriginal population much younger than the non-Aboriginal population, but is aging.”
20The 2001 Census differentiates between ‘Aboriginal identity’ and ‘Aboriginal ethnicity’. Approximately 5,000 more individuals (for a total of 135,000 persons) claimed Aboriginal ‘ethnicity’ in Saskatchewan, but did not claim to ‘identify’ as Aboriginal persons. For the purposes of this paper, the Aboriginal identity figure has been chosen under the presumption that identity is a more determining factor relative to future policy decision-making than is ethnicity.
the three territories in 2001, of the provinces, Manitoba and Saskatchewan had the largest Aboriginal populations at 13.6 per cent and 13.5 per cent respectively, considerably larger than the Canadian average of 3.3 per cent (Figure 3).

Figure 2: Median Age, Canada and the Provinces, By Total, Aboriginal, and Non-Aboriginal Populations, 2001

<table>
<thead>
<tr>
<th>Province</th>
<th>Median Age (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>Aboriginal Population</td>
</tr>
<tr>
<td>Canada</td>
<td>37.6</td>
</tr>
<tr>
<td>British Columbia</td>
<td>38.4</td>
</tr>
<tr>
<td>Alberta</td>
<td>35.0</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>36.7</td>
</tr>
<tr>
<td>Manitoba</td>
<td>36.8</td>
</tr>
<tr>
<td>Ontario</td>
<td>37.2</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>38.8</td>
</tr>
</tbody>
</table>


The Aboriginal population in Saskatchewan increased 17 per cent between 1996 and 2001, and is expected to grow to be one-third of the provincial population by 2050. The large increase is due to the Aboriginal population’s birth rate, currently 1.5 times that of the non-Aboriginal population in Canada, as well as a growing tendency of persons to identify as Aboriginal, a trend that has been gaining momentum since the 1986 Census. The increased tendency of persons to identify as Aboriginal is attributable to a heightened awareness of issues affecting Aboriginal peoples, and also to a decrease in the number of

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21 Aboriginal peoples represent 85% of the population in Nunavut, 51% of the population in the Northwest Territories, and 23% of the population in the Yukon.
22 The 2001 Census results for Saskatchewan indicated that 8.7 per cent of the provincial population identified as North American Indian, 4.5 per cent identified as Metis, and 0.02 per cent identified as Inuit. See Statistics Canada, “Aboriginal Identity Population, Percentage Distribution, for Canada, Provinces and Territories,” 2001 Census, Aboriginal Peoples of Canada: A Demographic Profile (2003).
23 Ibid.
24 Ibid., “Aboriginal Identity Population, Percentage Change (1996-2001), for Canada, Provinces and Territories.” Saskatchewan experienced a 15 per cent increase in those identifying as North American Indian, a 21.9 per cent increase in residents identifying as Metis, and a 38.2 per cent increase in the very small Inuit population (235 residents in 2001) between 1996 and 2001.
26 The Aboriginal birth rate has declined dramatically from the 1960s when it was 4 times that of the non-Aboriginal population.
incompletely enumerated reserves.\textsuperscript{27} The non-Aboriginal population experienced the opposite trend, however, and underwent a 3.7 per cent decrease over the 5-year period.\textsuperscript{28}

**Figure 3: Aboriginal Identity Population as a Percentage of the Population**

![Bar chart showing Aboriginal Identity Population as a Percentage of the Population]


The growth in the Aboriginal population has also been accompanied by large-scale urbanization. The off-reserve population represented only 7 per cent of the national Aboriginal population in the early 1950s,\textsuperscript{29} but by 2001, 49 per cent of Aboriginal peoples lived in urban areas throughout Canada.\textsuperscript{30} Similarly, close to half of the Aboriginal population in Saskatchewan lived in urban centres of 4,000+ populations.\textsuperscript{31} Although Winnipeg had the largest number of Aboriginal residents of Canadian CMAs in the 2001 Census, the Saskatoon CMA had the highest concentration of Aboriginal peoples at 9 per cent of the population, and Prince Albert had the highest concentration of Aboriginal population of any Canadian municipality at 29 per cent.\textsuperscript{32}


Demographics and Workforce Considerations in Saskatchewan

Despite a growing young Aboriginal population, Saskatchewan had the oldest labour force in the country with an average worker age of 39.8 in 2001. The province’s 20 - 34 year-old participants in the labour force declined more than 22 per cent in the 1990s, a much sharper drop than the national average decline of 15 per cent. The result has been that this group’s share of the labour force was reduced from 38 to 29 per cent, and now occupies the smallest percentage of the labour force of all the provinces (Canada average of 31.2 per cent).33 In contrast, the 45 - 64 year-old workforce grew by 22 per cent over the last decade, and another increase of a similar magnitude is anticipated over the next decade.34 Additionally, Saskatchewan’s 55+ age group now occupies 15 per cent of the workforce in Saskatchewan, and is notably larger than the national average of just below 12 per cent.35

A growing elderly population and an aging labour force are common in the industrialized world. Global large-scale retirement will take place between 2011 and 2031, the period covering the retirement of the baby-boomer generation. The elderly dependency ratio (percentage of the population that is 65+ years compared to the 15 - 64 year-old working-aged population) is expected to increase, on average, in Organization for Economic and Co-operative Development (OECD) countries from 17 per cent in 1990 to 42 per cent in 2050. The Canadian working-age population is expected to stabilize by 2021, albeit with the 45 – 64 age group as a much greater percentage of the working population, increasing from 32 per cent in 1997 to 42 per cent by 2021.36 In Saskatchewan, the elderly dependency ratio is expected to nearly double by 2040, making it second only to the Atlantic region,37 and reaching the OECD average for 2050 ten years in advance (Figure 4).

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37 Ibid., p. 4.
Figure 4: Saskatchewan's Elderly Dependency Ratios,* 2001 and 2040

* Elderly dependency ratio is the ratio of seniors (65+ age group) to the working-aged population (15 – 64 age group).


Although pessimism is the prevalent reaction to elderly dependency issues and implications for the labour market, there are some mitigating factors and potential short-term advantages associated with workforce aging. Since highly educated employees tend to work longer, growing numbers of older educated employees will help fill what would otherwise be gaps in the labour supply38 (and there are already calls by some to reverse the trend toward early retirement by reforming the Canada Pension Plan and expanding ‘reduced hours for reduced pay’ policies).39 One positive outcome is that employers will be encouraged to increase investment in human capital until the working age population stabilizes. And, as baby-boomers draw-down on retirement savings, government tax revenues will increase, as these savings are currently tax-sheltered.40 Yet, regardless of the potential short-term positive features of population aging, the long-term implications of this occurrence for OECD countries are, decidedly, negative:

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40 Merette, 2002, pp. 7-12.
Population aging means those of working age have to support a growing proportion of inactive people, so a decline in public and private savings must be expected. This trend is exacerbated by the fact that people in industrialized countries are living longer and healthier lives, and they are also retiring earlier. Since the demographic change will be sizable, major adjustments on the fiscal side (higher taxes and/or debt) are inevitable.41

Higher taxes and/or debt tend to lead to a decrease in the savings rate, which then leads to increased public and private foreign borrowing, and eventually results in economic slowdown.42

The problems associated with an aging workforce in Saskatchewan are largely caused by the out-migration of younger residents. Between 1996 and 2001, of the 67,500 out-migrants from Saskatchewan, more than half (56 per cent) moved to Alberta, and more than 15,000 of the Alberta-bound were between the ages of 15 and 29. Overall, Saskatchewan lost over 12,000 more residents in this age category than it gained through net inter-provincial migration.43 Moreover, many of Saskatchewan’s out-migrants have a post-secondary education (current rate of 50 per cent), and many leave the province in search of employment or higher paying jobs.44 While often portrayed in defeatist terms, out-migration can be positive if it reduces the level of unemployment or underemployment that the province might otherwise experience. Although Saskatchewan is predicted to face labour shortages beginning around 2013 due to baby boomer retirement, until then, a shortage of employment opportunities is expected. Currently, for every person retiring or exiting the workforce in Saskatchewan, there are two people entering the labour market. By 2020, however, it is estimated that the provincial workforce will have a replacement rate of only 75 per cent.45

Saskatchewan has already experienced labour shortages in some sectors. The province has had to deal with the recent worldwide shortage in the nursing profession, and there is also a lack of skilled labour in construction and transportation.46 In the case of public-sector

41 Ibid., p. 5.
42 Ibid., p. 3.
employees, whose collective bargaining position is significantly strengthened during periods of labour shortages, government expenditures that could otherwise be used to increase the volume of government services and capital will likely be needed to address compensation issues. This happened in 1999 and again in 2002 when Saskatchewan nurses received double-digit pay increases over the term of 3-year collective bargaining agreements\(^47\) to keep pace with wages in neighbouring jurisdictions and keep nurses in the province.

Stemming out-migration, especially during periods of labour shortages, is a greater challenge for Saskatchewan than elsewhere because the province is geographically and demographically ill-equipped to compete globally for labour or business due to its low population density and distance from major markets. Bigger private corporations tend to locate headquarters and production facilities in larger centers, which results in fewer opportunities for employment in Saskatchewan and stimulates further out-migration. The out-migration of Saskatchewan’s young and educated working-aged population exacerbates the province’s low population density and makes attracting business more difficult, and results in generally higher taxes for larger non-manufacturing businesses than in many other provinces,\(^48\) especially in neighbouring Alberta. Higher personal income taxes also fuel the incentive for high-income earners in Saskatchewan to move. Between 1991 and 1996 Saskatchewan had the highest net inter-provincial outflow (-5.2 per cent) of individuals declaring annual incomes above $50,000 (as a share of total higher income earners).\(^49\)

The young Aboriginal population in Saskatchewan presents an opportunity for the province to counter the projected future labour shortages caused by an aging workforce and out-migration. Aboriginal representation in the province’s working-aged population will increase steadily over time due to the relative youth of this population and the high outward migration ratio of non-Aboriginal youth. However, the Saskatchewan Chamber of Commerce and Sask Trends Monitor note that labour force participation issues may work against the opportunity that the young Aboriginal population holds for the Saskatchewan workforce, as this “target population” is not making its way into the workforce at the same


\(^{48}\)Comparative business tax information provided by the Institute of Chartered Accountants of Saskatchewan.

rate as other entrants. The Aboriginal population’s labour force participation rate is 25 per cent below that of non-Aboriginals in the province. Increasing the workforce participation of the Aboriginal population would not only alleviate projected labour shortages, it would also be expected to have other positive effects such as improved living standards for Aboriginal peoples, maintenance of the provincial income tax base, and reductions in social spending requirements.

**Demographics and Health Care in Saskatchewan**

As seniors and Aboriginal peoples place considerable strains on the health care system, the presence of large percentages of these two populations in Saskatchewan suggests higher per capita demand for health services in the province, particularly in the future. National average per capita public and private health expenditures on the 65+ age group were almost four times the average of all age groups combined in 2000-01. However, there is also a large variance in average spending requirements within the senior population that increases with age. At close to $22,000 per annum, the average public health expenditures for the 85+ population is more than 4 times that of the 65 – 74 age group’s average expenditure of approximately $5,000. Comparatively, the 65 - 74 population’s average annual expenditure is only slightly more than 2 times that of the ‘all age group’ requirement of just over $2,000 (Figure 5). Clearly, there is a need to refine the categorization of the traditionally broad grouping of the 65+ population because of lengthened life expectancy. The marked growth of the 80+ population in recent years and associated increased social spending requirements, even in comparison to younger seniors, requires further investigation and breakdown of statistics related to seniors for informed government planning, especially in the area of health care.

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53 See the Demographic Profile of Saskatchewan section of the article for a discussion of the growth in the 80+ population.
54 Statistics Canada does provide a breakdown of the age of the population by 5-year groupings for every province, and also produces *A Portrait of Seniors in Canada*. Nevertheless, most cross-tabulated Statistics Canada and other demographic research results aggregate data about seniors into the 65+ age group. Also, institutional residents are excluded from long-form census enumeration, and because this includes many seniors, census data related to seniors is less comprehensive relative to other age groups.
Figure 5: National Average Annual Health Care per Capita Expenditure, by Age and Sector, 2000-01

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All age groups</td>
<td>$2,243.56</td>
<td>$930.69</td>
<td>$3,174.24</td>
</tr>
<tr>
<td>65+</td>
<td>$8,524.72</td>
<td>$2,309.30</td>
<td>$10,834.02</td>
</tr>
<tr>
<td>65-74</td>
<td>$4,975.16</td>
<td>$1,648.37</td>
<td>$6,623.53</td>
</tr>
<tr>
<td>75-84</td>
<td>$10,083.36</td>
<td>$2,451.91</td>
<td>$12,535.27</td>
</tr>
<tr>
<td>85+</td>
<td>$21,878.36</td>
<td>$5,256.59</td>
<td>$27,134.95</td>
</tr>
</tbody>
</table>


Like seniors, health care spending requirements for the Aboriginal population are also greater, but for different reasons. While access to health care and the health status of the Aboriginal population has improved considerably over the last 10 years, high rates of alcohol and drug addiction, diabetes, cardiac problems, HIV infection, and disabilities are among the leading causes of increased health care needs of the Aboriginal population.55 Yet, as the Final Report of the *Commission On The Future of Health Care in Canada* (Romanow Commission) noted, the fragmentation of funding between federal and provincial/territorial governments and Aboriginal organizations poses the largest problem in Aboriginal health care, not funding levels. Fragmentation of funding makes coordination of health care delivery and the maximization of benefits from health care dollars targeted to the Aboriginal population difficult to realize. Costs are borne by the provinces when Aboriginal peoples access hospital and other medical care that is not reimbursed by the federal government except under specific local agreements. In Saskatchewan and Manitoba, studies indicate that the combined provincial and federal per capita expenditure on First Nations individuals is twice that of other provincial residents.56

Despite having larger senior and Aboriginal populations with greater health care requirements relative to other provinces, public spending on health care in Saskatchewan is in line with national per capita expenditures at $2,150 per capita in 2001-02, just slightly below the national average of $2,190.57 The slightly less per capita expenditures suggest the possibilities of less need on the part of non-senior and non-Aboriginal residents; more

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56 Ibid., pp. 211-221.
efficient health care delivery; or a lower level of provision of health services for residents in
Saskatchewan than elsewhere in Canada. The latter possibility is the most likely, however,
as one recent national survey of physicians indicates that Saskatchewan residents experience
the longest total wait times of the provinces between referral to a general practitioner and
treatment, and between a specialist’s decision that treatment is required and actual
treatment.58 Relative to other national health care figures, Saskatchewan doctors made, on
average, $226,000 compared to the Canadian average of $219,000 in 2000-01. The larger
doctor pay has been attributed to a larger workload resulting from a relatively low ratio of
physicians to people in the province compared to other jurisdictions.59 Nevertheless, the
province had 80.8 nurses per 10,000 residents in the same year, more nurses per capita than
the national average of 74.3 per 10,000,60 and there have been efforts to increase the nursing
population in Saskatchewan since then. The need for more nurses per capita in the province
may be partially due to the large senior and Aboriginal populations’ heavier use of health
care than other residents,61 or may be related to nurses performing some of the services that
doctors provide elsewhere.

The large senior and Aboriginal populations in the province were cited by the
Saskatchewan Commission on Medicare, 2001 (Fyke Commission) as being related to, but
not determining, Saskatchewan’s heavier use of hospitals than elsewhere in Canada.
Adjusted for age and sex, hospital visits per 1,000 residents in Saskatchewan was 133.4 in
1998-99, significantly higher than the national average of 96.7 visits per 1,00062 (Figure 6).
As per capita health care spending is in line with national averages, greater hospital usage by
residents might suggest there is less provision of non-hospital services in Saskatchewan than
in other provinces. The Fyke Commission indicated that demographics and geographical
features provided only a partial explanation for the overuse, and concluded that “[s]ince data
shows that Saskatchewan people are at least as healthy as those in other provinces, the
implication is that Saskatchewan is using hospitals differently.”63 The Fyke Commission

58 Nadeem Esmail and Michael Walker, “Waiting Your Turn: Hospital Waiting Lists in Canada (13th
Edition),” The Fraser Institute, October 2003.
60 Saskatchewan Health, Annual Report, 2001-02, pp. 34-41.
62 Government of Saskatchewan, Saskatchewan Commission on Medicare, 2001, p. 27.
63 Ibid.
reported that there are instances where hospital stays are longer than national and international standards, and it was also questioned whether long-term care was used at times when home care might have been just as appropriate. Improving primary care and individuals’ life circumstances (poverty and lifestyle) were also cited as preventative measures that would reduce hospital use in the future.64

**Figure 6:** Hospital Visits per 1,000 Residents, 1998-99 (adjusted for age and sex)

<table>
<thead>
<tr>
<th>Province</th>
<th>Visits per 1,000 Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Average</td>
<td>96.7</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>134.4</td>
</tr>
<tr>
<td>Manitoba</td>
<td>122.8</td>
</tr>
<tr>
<td>Alberta</td>
<td>107.0</td>
</tr>
<tr>
<td>British Columbia</td>
<td>94.5</td>
</tr>
<tr>
<td>Ontario</td>
<td>87.5</td>
</tr>
</tbody>
</table>

Source: Government of Saskatchewan, Saskatchewan Commission on Medicare, 2001, p. 27.

Saskatchewan residents’ use of other health services such as medical testing is increasing over time and, like hospital use, is not solely determined by demographics. The Action Plan for Saskatchewan Health Care, Saskatchewan Health’s response to the Fyke Commission, identified increased consumption as a stand-alone determinant of demands on the health care system:

Per capita use of health services also goes up, year over year. The number of tests, prescriptions and services grows independent of other factors. The reasons for this are not entirely clear, but they may relate to standards of care going up. For instance, a physical assessment may be supplemented by a lab test that becomes available and is adopted into medical practice.65

While administrative efficiencies may permit funding to be redirected to front-line services, and preventative and other measures may improve the long-term health of residents, increased health or wellness expectations are variables that contribute to the large annual growth in health spending, but for which there is no way to plan for cost-effectiveness other than to dampen expectations.

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64 Ibid., pp. 27-36.
A significant part of the increase in health care spending in Saskatchewan and nationally has resulted from large wage settlements with public-sector unions. Labour shortages in the health care sector, combined with an aging population’s heightened demand for health care, put pressures on all provincial governments beginning in the late 1990s that have resulted in extremely high increases in negotiated salary and benefits packages. Former Quebec health minister Claude Forget claims that to “[g]ive the leaders of a union that enjoys a legal monopoly and operates in a context of labour scarcity a mandate to negotiate with the deepest-pocketed employer imaginable and you have a perfect opportunity for confrontations and outcomes against the public interest and for private gain.”66 Forget notes that the negotiating power of government health care workers and physicians has led to them becoming essentially “owners” of the health care system, where the system “has been privatized except that the shift has taken place without compensation.”67 The Saskatchewan government indicated that $74 million of the $184 million increase in the 2003-04 Health budget,68 or 40 per cent, was to support collective agreements for health professionals. The funding for collective agreements would have undoubtedly formed a larger percentage of the Health increase were it not for an infusion of $80 million in federal funding for targeted spending areas in 2003-04, with the possibility of an additional $64 million depending on the federal government’s financial position in early 2004.69 However, the proportion of the increase related to collective agreements in some of the regional health authorities is significantly larger than what is reflected in the total Health budget, as in the case of the Regina Qu’Appelle Regional Health Authority, where 79 per cent ($22.3 million) of the $28.2 million increase is directed to salaries and benefits.70 Combined with aging population factors, it is difficult to imagine how Saskatchewan, and all provinces for that matter, will cope with collective bargaining demands if labour scarcity in the health care sector continues.

67 Ibid.
69 For a description of the additional federal funding see Government of Saskatchewan, Department of Finance, Budget Summary, Building For the Future, 2003-04 Saskatchewan Provincial Budget, p. 44.
**Provincial Health Care Expenditure Trends**

Large annual increases in government health care spending in Saskatchewan over the last several years point to financial viability problems in the future that are significant even before factoring in the heightened impact of projected demographics. For example, between 1996-97 and 2001-02, Provincial Health Services expenditures grew by 131 per cent and Drug Plan expenditures increased 69 per cent (Figure 7). The provincial government’s own analysis of rising health care expenditures warns of crisis. Saskatchewan Health’s 2001-02 Annual Report notes that the steep rate of increase in provincial health care funding is “contributing to concerns about the long-term sustainability of health care costs.”71

**Figure 7: Saskatchewan Health Expenditure Trends**

<table>
<thead>
<tr>
<th>Health Programs</th>
<th>2001-02 ($000’s)</th>
<th>1 Year (%)</th>
<th>5 Year (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute care, rehabilitation and emergency response</td>
<td>820,446</td>
<td>8.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Long-term care</td>
<td>326,284</td>
<td>1.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Home-based &amp; community care</td>
<td>215,623</td>
<td>6.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Provincial health services (Prov. Lab., health research, SHIN, immunization, Cancer Agency, Canadian Blood Services)</td>
<td>126,177</td>
<td>20.0</td>
<td>131.0</td>
</tr>
<tr>
<td>Physician Services, medical education &amp; medical services (chiropractic, optometric, dental, out-of-province)</td>
<td>482,802</td>
<td>7.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Prescription drug plan &amp; other special assistance programs (family health benefits, SAIL, supplementary health, HIV assistance)</td>
<td>159,072</td>
<td>13.0</td>
<td>69.0</td>
</tr>
<tr>
<td>Capital &amp; other</td>
<td>69,549</td>
<td>65.0</td>
<td>-16.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,199,753</strong></td>
<td><strong>6.0</strong></td>
<td><strong>37.0</strong></td>
</tr>
</tbody>
</table>


The rate of increase in Saskatchewan Health expenditures as a percentage of the provincial budget and as a percentage of program spending over the last two decades raises further questions about the potential for long-term health care sustainability without significantly curtailing other government spending. Between 1981-82 and 2001-02, the Health budget increased from 26 per cent to 35 per cent of total provincial budget expenditure. Other program spending was scaled down from 72 per cent to 55 per cent of total expenditures. Meanwhile, debt servicing costs grew by 8 per cent, and partially explains the decrease in other program spending.72 However, when the cost of servicing the

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71 Ibid., p. 41.
debt is isolated and Health expenditure is examined as a percentage of only program spending. Health’s expenditures steeply increase by 12 percentage points over the twenty-year period, accounting for 38 per cent of program spending by 2001-02. Other program spending was seriously eroded from close to three-quarters to only 62 per cent of program spending during this period (Figures 8 – 11). If the same rate of growth as experienced between 1981-82 and 2001-02 continues, by 2021, Health will pre-empt 50 per cent of program spending. However, even this is too low an estimate because of the large and growing senior and Aboriginal populations in the province and higher health care usage by these groups. Because high elderly dependency ratios are projected well into the future in Saskatchewan, health care expenditures could easily consume 65 per cent of program spending by 2041. This would leave practically no room for other spending by government, force lower standards of health care, or require increases in taxation.

**Figures 8 and 9:** Saskatchewan Government Health Expenditure as a Percentage of Overall Expenditure, 1981-82 (Out of Total Expenditure of $2.4B), and 2001-02, (Out of Total Expenditure of $6.3B)

<table>
<thead>
<tr>
<th></th>
<th>1981-82</th>
<th>2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>26%</td>
<td>35%</td>
</tr>
<tr>
<td>Other Program Spending</td>
<td>72%</td>
<td>55%</td>
</tr>
<tr>
<td>Servicing the Public Debt</td>
<td>2%</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Figures 10 and 11:** Saskatchewan Government Health Expenditure as a Percentage of Program Expenditure, 1981-82 (Out of Program Expenditure of $2.36B) and 2001-02 (Out of Program Expenditure of $5.72B)

<table>
<thead>
<tr>
<th></th>
<th>1981-82</th>
<th>2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>26%</td>
<td>38%</td>
</tr>
<tr>
<td>Other Program Spending</td>
<td>74%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Another way of looking at the budgetary impact of health spending is to analyse it as a share of own source revenue. Projections are that health care as a percentage of own source revenue will grow rapidly in Saskatchewan and across Canada over the next 20 to 40 years. Under the assumptions that own-source revenue remains constant as a share of GDP and that health care spending by provincial governments rises as a percentage of GDP at the same rate as between 1980 and 2000, when combined with provincial demographic projections, Saskatchewan’s health care spending as a share of own-source revenue grows from just under 30 per cent in 1980 to close to 50 per cent by 2040. This figure is anticipated to be even higher when the larger per capita usage of the health care system by the Aboriginal population is factored into the projections. Higher usage by the Aboriginal population would, however, be expected to diminish as educational attainment and labour force participation rates improve over time for this segment of the population. Nonetheless, Saskatchewan fares better than most provinces and territories over the 40-year period, especially when compared to Newfoundland, where figures are projected skyrocket to 115 per cent by 2040\(^7\) (Figure 12).

![Figure 12: Provincial Health Care Spending as a Share of Own-Source Revenue](image-url)

Ironically, cuts to other program spending could drive up health care expenditures and further erode spending in other priority areas. The provision of quality education, housing, highways, and numerous other areas where governments have a funding presence have been well documented to effect good health outcomes. Cuts to spending on highways,

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\(^7\) William B.P. Robson, “Will the Baby Boomers Bust the Health Budget?,” C.D. Howe Institute Commentary no. 148 (February 2001), pp. 8-17.
for example, would be anticipated to lead to more highways accidents and hospital emergency use, and reductions in education spending have long-term quality of life implications for residents that increase health care costs. Whether residents will accept large annual increases in health spending to the continued detriment of other program spending remains to be seen.

_Federal Government Health Care Spending_

Faced with public sector wage pressures and growing demographic pressures in health care, the provinces have turned to the federal government for relief. The 2003-04 federal budget provided additional health revenues of $17.3 billion over three years ($34.8 billion over five years), an initiative that the federal government considers a “long-term funding framework”. Included in the new funding was $1.3 billion over a five-year period to address the “unacceptable gap in health status between Aboriginal and other Canadians.” The budget also expanded the employment insurance program to provide for compassionate care leave when looking after an ill relative at home. As the Canadian population ages, elder care and related employment issues will certainly become more dominant workplace issues.

The plan for health care set out in the 2003-04 federal budget contains considerable funding to address Aboriginal and senior populations’ health care issues. However, in the context of demographic projections, a five-year plan to increase health spending should be considered an interim rather than a long-term plan. The federal five-year plan will only bring health care planning up to the brink of the demographic crunch when the baby-boomer generation starts retiring and the really significant health care funding issues start to become manifest. This is particularly relevant in Saskatchewan because demographics dictate a larger retirement wave and higher use of health care relative to most other provinces.

Even the Final Report of the federal _Commission on the Future of Health Care in Canada, 2002_ acknowledged the issues of an aging population, a growing Aboriginal population, and increased public health care spending requirements in the future. However, the Final Report focused almost exclusively on increased public funding as the solution. Canadians’ commitment to public health care and their belief in the principles of the _Canada Health Act_ were put forward as the reasons for pursuing options only within the public

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system. Noting that Canadians sense the need for changes in their health care system and, at the same time, strongly support the *Canada Health Act*, the Final Report suggests that the ‘critical task’ is to modernize the Act.\textsuperscript{76}

Increased funding from the federal government temporarily addresses concerns faced by provincial governments, but will the federal government be able, in future, to keep up transfers at the rate of growth of all of the provinces’ elderly population health care requirements? Further, the current federal per capita-based funding formula does not recognise the increased funding requirements of provinces, such as Saskatchewan, with a higher percentage of elderly residents and a large Aboriginal population. Although good news for cashed-strapped provinces, to have a plan that requires continual increases in federal funding will result in lost opportunities to fund other federal government programming, pay down debt, or decrease (even maintain) taxation rates at the federal level.

**Demographics and Education in Saskatchewan**

It has been well documented that health status, labour participation and income, and other quality of life indicators are related to education levels.\textsuperscript{77} An educated labour force is crucial for future economic sustainability in Saskatchewan as it attracts business and job creation, battles forecasted labour shortages, and provides the tax base to finance health care and other social programming that demographic projections point to as requiring increased funding in the future. Results from the 2001 Census indicate both good and bad news for educational attainment in Saskatchewan. While educational levels improved between 1996 and 2001, the province generally lags national levels of attainment, and there is a marked disparity between the non-Aboriginal and Aboriginal attainment levels despite significant educational advances by the Aboriginal population.

New entrants to the 25+ age group in Saskatchewan showed some improvement in high school attainment levels between 1996 and 2001, but the number of younger residents without high school credentials is worrisome. The percentage of the total 25+ population without high school credentials decreased 4.3 per cent over the 5-year period to represent 36.5 per cent of this age group in 2001. While a lower high school attainment level for


\textsuperscript{77}See, for example, Statistics Canada, Jean-Marie Berthelot et. al., “Regional socio-economic context and health,” *Health reports – Supplement*, 2002.
seniors in the province does affect this average, the percentage of Saskatchewan residents in the 25 – 44 age group that had not completed high school was, nevertheless, high at 24 per cent in 2001, and had shown little improvement since 1996 (Figure 13). Having such a large percentage of the 25 - 44 age group without high school credentials does not bode well for the province’s participation in the knowledge economy as all members of this age group will continue to be of working-age for the next two decades. The 25+ population in Saskatchewan with only high school, or high school and some post-secondary training (no certificate or diploma) actually decreased from 26 to 20 per cent between 1996 and 2001, but this is likely explainable as many members of this age group having moved into a completed diploma or certificate category after 1996.

Post-secondary (college, trade, university) completion for the 25+ population in Saskatchewan increased at a rate of 32 per cent over the 5-year period, so that by 2001, 44 per cent of provincial residents in this age group had post-secondary credentials. Within the post-secondary categories of completion, there was a shift out of college/other non-university diploma completion and into trade certificate and university degree completion. Trade certification substantially increased at a rate of 297 per cent (Figure 14), and university completion grew at a rate of 44 per cent so that by 2001, 16 per cent of the 25+ age group held a university diploma.

Figure 13: Percentage of Saskatchewan Residents Aged 25 – 44 without High School Credentials

Source: Percentages are derived from Appendix 1.
Figure 14: Trade Certificate and College/Other Non-University Diploma Completion, 1996 and 2001 (Saskatchewan Residents)

Comparing Saskatchewan Educational Attainment Levels to National Levels

Results from the 2001 Census indicated that 29 per cent of Canadians 25+ had not completed high school, while 36.5 per cent of Saskatchewan residents in this age group were without a high school diploma, a significant lag behind the national average in this base educational attainment level. The Saskatchewan average in the category of residents without high school diplomas is closer to the national Aboriginal average than it is to the Canada average, and is not appreciably affected by the Saskatchewan Aboriginal population attainment level (Figure 15). In terms of higher education, whereas 20 per cent of adults in Canada aged 25+ had a university degree in 2001, Saskatchewan was 4 percentage points behind the national average. Close to one-half of the 25+ age group at the national level had attained post-secondary credentials (college, trades, and university) by 2001. Despite large increases in attainment between 1996 and 2001, Saskatchewan overall post-secondary completion was still below the national average in 2001 Census results (Figure 16).

Source: Percentages are derived from Appendix 1.

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Figure 15: Percentage of Residents Aged 25+ Without High School Credentials, Saskatchewan and Canada, 2001

Source: For national figures, see Statistics Canada, “Levels of educational attainment” 2001 Census, Education in Canada: Raising the standard (2003). The Canada Aboriginal figure does not include residents over the age of 64. Provincial percentages are derived from Appendix 1.

Figure 16: Percentage of Residents With Post-Secondary Education Credentials (Trades, College, University), Canada and Saskatchewan, 2001

Source: For national figures, see Statistics Canada, “Levels of educational attainment” 2001 Census, Education in Canada: Raising the standard (2003). The Canada Aboriginal figure does not include residents over the age of 64. Provincial percentages are derived from Appendix 1.

Comparing Educational Attainment Levels of the Non-Aboriginal and Aboriginal Populations

Although the Saskatchewan Aboriginal population’s educational attainment levels showed a marked improvement between 1996 and 2001, large discrepancies between the Aboriginal and non-Aboriginal populations still exist in many education categories. The
disparity in attainment between younger Aboriginals and non-Aboriginals signals continued quality of life differences between the populations in the future and no readily available solution to projected skilled labour force shortages without a significant increase in Aboriginal educational attainment from the current levels.

Census results from 1996 showed that the Aboriginal population aged 15 – 24 fell considerably behind the non-Aboriginal population in the same age group in Grade 9 attainment80 (Figure 17). First Nations on reserve had the lowest level of educational attainment of this age cohort among Aboriginal groups. However, in high school completion, the province’s Aboriginal population has experienced marked progress since 1996, with 2001 marking the first Census that more than half (55 per cent) of Saskatchewan’s Aboriginal population over age 25 had attained a high school diploma.81

Figure 17: Percentage of Saskatchewan Residents aged 15 – 24 Without Grade 9, 1996

![Percentage of Saskatchewan Residents aged 15 – 24 Without Grade 9, 1996](chart)

Source: Saskatchewan Education, Saskatchewan Education Indicators, 2000, p. 69.

Between 1996 and 2001, the non-Aboriginal population underwent a 44 per cent rate of increase in university completion, while the Aboriginal population rate of increase was an impressive 60 per cent. Nevertheless, the percentage of the Aboriginal population that completed university (8.5 per cent) was only about half that of the non-Aboriginal population (16.7 per cent) in 2001, approximately the same ratio as in 1996 (Figure 18).

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80 There are no comparable 2001 Census results.
81 See Appendix 1.
Figure 18: Percentage of Saskatchewan Residents Aged 25+ with a University Degree, 1996 and 2001

![Bar Chart]

Source: Percentages are derived from Appendix 1.

Figure 19 illustrates that although the non-Aboriginal and Aboriginal populations have approximately the same percentage of the 25 – 44 age group with high school and some post-secondary training, trades certificates, and other college/non-university attainment, the Aboriginal population in this age group and as a whole is significantly behind the non-Aboriginal population in high school completion and university degree completion. Another worrisome trend is that the percentage of the Aboriginal population in the 25 – 44 age group with university degrees is less than the 45 – 64 age group, a reversal in expectations for this younger cohort and a reversal of the trend in the non-Aboriginal population’s university attainment.

Figure 19: Levels of Educational Attainment of the Non-Aboriginal and Aboriginal Populations in Saskatchewan, by Age Group, 2001

<table>
<thead>
<tr>
<th></th>
<th>SK Non-Aboriginal Population</th>
<th>SK Aboriginal Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25-44 yrs (%)</td>
<td>45-64 yrs (%)</td>
</tr>
<tr>
<td>Less than high school</td>
<td>21.4</td>
<td>32.8</td>
</tr>
<tr>
<td>High school/some post-secondary</td>
<td>24.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Trades certificate</td>
<td>17.0</td>
<td>15.1</td>
</tr>
<tr>
<td>College/other non-university certificate</td>
<td>17.8</td>
<td>14.0</td>
</tr>
<tr>
<td>University degree</td>
<td>19.6</td>
<td>19.1</td>
</tr>
</tbody>
</table>

Source: Percentages are derived from Appendix 1.
While the 25+ Aboriginal population’s overall post-secondary attainment (trades, college, and university) showed considerable progress between 1996 and 2001, and even increased at a greater rate than non-Aboriginal attainment, these levels are still considerably below non-Aboriginal educational levels. Post-secondary attainment increased at a rate of 32 per cent for the non-Aboriginal population, bringing completion levels to 45 per cent in 2001. Meanwhile, the Aboriginal population experienced a 42 per cent rate of increase, so that by 2001, 34 per cent of 25+ Aboriginal residents in the province had post-secondary credentials.82

The ongoing improvement in Aboriginal educational attainment in most categories is evident in 2001 Census results, but given the disparity in Aboriginal and non-Aboriginal attainment levels, the need to further engage the Aboriginal population is also clear, as is the need to determine and eliminate systemic barriers to educational advancement. Schissel and Wotherspoon’s in-person interview study of Aboriginal students in Saskatchewan urban and rural schools (excluding reserves) that have substantial Aboriginal cultural and curricular components showed that there is a relationship between educational aspirations and the cultural context in which schooling occurs. At the high school level, 70 per cent of Aboriginal students in schools with Aboriginal cultural content aspired to a university level education, compared to 50 per cent of students who had never received Aboriginal cultural schooling.83 The study also demonstrated a lower dropout rate for students that had received instruction in an Aboriginal cultural setting. When asked to rank perceived barriers to learning, the plurality (37 per cent) viewed racism as the number one barrier.84

Economist John Richards advocates the establishment of an Aboriginal school system as a partial solution to the disparity in the Aboriginal and non-Aboriginal population’s high school completion rates:

Much of the explanation for Aboriginal education outcomes probably lies in social dynamics beyond the reach of any feasible education policy. To the extent that policy can improve matters, however, schools in communities with significant Aboriginal populations could better reflect that cultural reality and thereby augment parental interest in monitoring school performance. Certain inner-city schools are doing just that in an effort to help Aboriginal students complete their studies. We need more such experiments.85

Acknowledging that the establishment of Aboriginal school systems may lead to charges of segregation and may detract from a sense of shared citizenship, Richards argues that the element of choice of school system for parents is superior to multiple public school experiments. Engaging parents in the education of their children, Richards contends, may be just as important as engaging children in achieving better educational results.\footnote{Ibid., pp. 22-25.}

In early 2003, the federal government announced that it was considering the implementation of Aboriginal school boards. Local school officials in Saskatchewan were reported as “showing little enthusiasm” for this concept. However, the Province, the federal government, and the Federation of Saskatchewan Indian Nations (FSIN) agreed, in 2002, to implement a pilot program to develop First Nations and Metis education models in the public school system.\footnote{Veronica Rhodes, “Aboriginal boards getting little support,” \textit{Leader Post}, January 11, 2003, p. B3.} In March of 2003, the parties signed a memorandum of understanding to increase Aboriginal culture and history curriculum in schools across the province.\footnote{James Wood, “First Nations will have greater role,” \textit{Leader Post}, March 1, 2003, p. B2.}

Increasing Aboriginal curriculum in public schools in Saskatchewan will hopefully raise Aboriginal educational attainment levels and add to community development potential. The 2003 memorandum of understanding between the Province and the FSIN will build upon the provincial government’s Aboriginal Education Program that includes partnerships between Aboriginal organizations and school boards; Aboriginal courses of study and learning resources; and the Aboriginal Teacher Education Program. The Indian and Metis Education Development Program was also established to provide incentive grants for Aboriginal programs and activities for participating school divisions.\footnote{Saskatchewan Education, \textit{Saskatchewan Education Indicators, 2000}, pp. 70-72.}

Although the ability to choose an Aboriginal school system would be empowering for Aboriginal residents, the concept possesses elements of social exclusion. Commenting on Aboriginal education and social inclusion, Wotherspoon notes that “[o]ne of the major advantages of public schooling, relative to privatized and segmented alternatives, is that it is, ideally, an open, non-discriminatory agency, even if the reality has not always matched this objective.”\footnote{Terry Wotherspoon, “The Dynamics of Social Inclusion: Public Education and Aboriginal People in Canada,” \textit{Perspectives on Social Inclusion} working paper series, Laidlaw Foundation, 2002, p. 17.} The public school system option is also positioned to provide common experiences and understandings\footnote{Ibid., pp. 22-25.} that may affect future attainment. Wotherspoon also notes the importance of integrating other social programming such as food programs and family
services in community school settings to maximize the benefits of inclusive education.\textsuperscript{92} To this end, the provincial government has designated over 30 schools as community schools in urban centres in Saskatchewan with high poverty levels and where students come from families that frequently change residence.\textsuperscript{93} The recommendations of the \textit{Task Force and Public Dialogue on the Role of the School} in 2001 led the provincial government to adopt the SchoolPlus initiative to integrate human services with education in all schools. Eight government departments with responsibility for social policy programming are involved in implementing the initiative.\textsuperscript{94}

While attempts to create a level playing field for students through additional social programming in public schools may address some of the concerns related to Aboriginal education, success may require that these initiatives be accompanied by a greater infusion of Aboriginal culture in schools. Both the Aboriginal school system option and the increased Aboriginal curriculum in public schools option are in line with a worldwide body of literature that calls for the ‘decolonizing’ of civic relationships between Aboriginal and non-Aboriginal populations. The decolonization literature acknowledges that Aboriginal peoples have experienced ‘disconnects’ with society on many levels because institutions have served as extensions of colonialism. Providing a sense of ownership in institutions is essential for full and meaningful participation.\textsuperscript{95}

The provision of a sense of Aboriginal ownership in institutions is more readily apparent at the post-secondary level in Saskatchewan. Examples of Aboriginal-controlled institutions include the Metis-administered Gabriel Dumont Institute and the First Nations University of Canada (FNUC) (formerly the Saskatchewan Indian Federated College [SIFC]), which opened its doors in 2003 in a separate building on the University of Regina campus. The FNUC [then SIFC] grew from 7 students in 1977 to close to 2,000 students in 2003, and offers programs and services on 3 campuses (Regina, Saskatoon, and Prince

\textsuperscript{91} \textit{Ibid.}, pp. 16-18.
\textsuperscript{92} \textit{Ibid.}, p. 18.
\textsuperscript{93} Saskatchewan Education, \textit{Saskatchewan Education Indicators, 2000}, pp. 72-74.
Albert). The creation of the SIFC was a reflection of a growing sentiment, dating back to the early 1960s, within the First Nations population to take control of First Nations higher education in Saskatchewan. Earlier residential school experiences, as well as the practice of sending children off-reserve for schooling (still in place at the time), fuelled this debate. In 1972, the National Indian Brotherhood/Assembly of First Nations released the *Indian Control of Indian Education* policy paper, the results of which played a major role in the creation of the SIFC. In 1994, the SIFC became a member of the Association of Universities and Colleges of Canada, a significant benchmark in terms of certification. Although the FSIN appoints the Board of the First Nations University of Canada, students currently receive degrees from the University of Regina according to existing provincial legislation and the institution’s federated status. Administrators hope that the new First Nations University of Canada will someday be given the authority to grant degrees.  

Research indicates that once post-secondary training programs are completed, Aboriginal graduates fare very similarly to non-Aboriginal graduates in the workforce. A study performed in 1999 for the Saskatchewan Institute of Applied Science and Technology (SIAST), using data obtained from 1997 graduates, indicated that 88 per cent of Aboriginal graduates had obtained employment compared to 93 per cent of non-Aboriginal graduates. In both the Aboriginal and non-Aboriginal SIAST employed graduate population, 84 per cent indicated full-time employment. The average monthly salary was even slightly higher within two years of graduating for employed Aboriginal graduates ($1,788) than for non-Aboriginal graduates ($1,722), demonstrating the positive quality of life effects that education holds for the Aboriginal population.

**Demographics and Race Relations in Saskatchewan**

The rapid rate of urbanization of the Aboriginal population over the last half-century has resulted in half of the Aboriginal population now living in Saskatchewan urban areas. The potential for problematic race relations to develop in the province increases as the

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98 See the earlier section entitled Demographic Profile of Saskatchewan for a discussion of urban Aboriginal population statistics.
Aboriginal and non-Aboriginal populations come into greater contact. Public opinion surveying and recent incidents demonstrate that serious racial tensions in the province already exist.

In 1998, the FSIN commissioned Canwest Opinion Research to conduct a survey that revealed somewhat contradictory attitudes towards Aboriginal peoples. While a majority of respondents thought that Aboriginal educational and economic situations needed improvement, and that governments are the most capable of aiding in these situations, the survey also revealed negative stereotyping of Indian peoples. “When respondents were asked their “top-of-mind” response to the word Indian, about 40 per cent of the responses were negative….including describing Indian people as free loaders, cry babies, greedy, lazy, or bums.”

A 2002 survey commissioned by the Regina Leader Post and conducted by Sigma Analytics demonstrated that Aboriginal issues rank fairly high in the public consciousness. The survey found that 44 per cent of Saskatchewan respondents thought that the socio-economic gap between the Aboriginal and non-Aboriginal populations was widening. Of this percentage, a plurality (35.6 per cent) thought it was due to Aboriginal culture and lifestyle, while 34.3 per cent thought it was due to racist attitudes. Despite these somewhat negative results, another survey performed in 2002 for the City of Saskatoon indicated that 66 per cent of respondents thought that race relations in the city were ‘fair’, 24.8 per cent thought relations were ‘good’, and 3 per cent thought they were ‘very good’.

Although public opinion demonstrates that the majority of Saskatoon residents perceive race relations to be fair, other polling results reveal many residents believe there has been a growth in racist attitudes over time. A telephone survey in 2002 of 372 Saskatoon residents by the Saskatoon Star Phoenix and the University of Saskatchewan Social Research Unit showed that a plurality (43 per cent) of residents believed that racism has increased in the last 15 years. Commenting on the study, Professor Jim Miller noted that “while respondents agree[d] that Aboriginal people have faced – and still face – prejudice in the

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100 “Differences said to be growing,” Leader Post, October 23, 2002, p. D5.
101 “They’re still parallel universes but the worlds of aboriginals and whites are moving closer together,” Saskatoon Star Phoenix, November 30, 2002.
102 “Racism remains a significant issue,” Saskatoon Star Phoenix, November 30, 2002.
workplace, in housing and in social situations, they believe initiatives taken to address these problems are inherently wrong”.

Figure 20: Has Racism Increased, Decreased, or Remained the Same Over the Last 15 Years? (Saskatoon Residents, 2002)

Source: Percentages taken from “Racism remains a significant issue,” Saskatoon Star Phoenix, November 30, 2002.

The 2002 Star Phoenix and University of Saskatchewan survey revealed that there is a cleavage in attitudes towards Aboriginal peoples based upon age. The survey results suggested that younger people are more interested in addressing past injustices towards the Aboriginal population than are older people. Further, younger people blame past government policies for the plight of Aboriginal peoples, whereas older people are more likely to see the Aboriginal population as responsible for their own problems. The study revealed that older people more easily identify with past government policies than do younger people. This may in large part explain the greater unwillingness of older residents to address past issues and a greater willingness to place circumstantial blame with the individual.

In early 2003, a telephone survey of over 3,200 western Canadians conducted by the Canada West Foundation asked respondents to identify the reasons for lower Aboriginal employment levels. While 51 per cent believed Aboriginal employment levels were lower due to ‘not enough education and training’, 30 per cent responded that it is because the Aboriginal population is ‘not willing to work’. Close to 12 per cent identified discrimination as the cause of low employment levels among Aboriginal peoples. At the provincial level, the study revealed that British Columbia residents were more willing to identify education and training as solutions for Aboriginal employment levels, while Manitoba and

103 “They’re still parallel universes but the worlds of aboriginals and whites are moving closer together,” Saskatoon Star Phoenix, November 30, 2002.
104 “Racism remains a significant issue,” Saskatoon Star Phoenix, November 30, 2002.
Saskatchewan residents were more inclined to identify incentives for Aboriginal peoples to get off welfare.\textsuperscript{105}

Racial issues in Saskatchewan were heightened recently by highly publicised incidents. Although later cleared of violating Canada’s hate crime laws, then Saskatoon-Humboldt MP Jim Pankiw was investigated by the RCMP’s major crimes unit and public prosecutions department for a mail out to thousands of provincial residents of a pamphlet on “Indian Crime”.\textsuperscript{106} Ongoing controversy surrounding the suspicious deaths of Aboriginals in Saskatoon has put the Saskatoon Police Services conduct in question. As well, an incident in late 2002 that resulted in the RCMP investigation of FSIN Senator and Order of Canada member David Ahenakew for making public anti-Semitic remarks (and later apologizing to the Jewish community), sparked “furor” from both the Aboriginal and non-Aboriginal communities.\textsuperscript{107} While the focus of racism is typically on the majority’s attitude towards the minority, the latter incident raised awareness surrounding the ability of minorities to be the generators of racism, including racism directed at other minorities. Regardless, public opinion polling results suggest that racism is growing, and recently publicized allegations of racism support these findings. As a result of demographic change in Saskatchewan, the state of race relations is sure to figure prominently in determining social sustainability in the province for quite some time.

Conclusion

The demographic portrait of Saskatchewan that emerges from this review is rather disturbing. Saskatchewan has several interrelated demographic features that make it vulnerable in the long-term to socio-economic decline, although considerable health care and workforce pressures will be felt in as early as one decade. The province has the largest percentage of seniors and a large and growing Aboriginal population, both with greater health care and other social spending needs. Saskatchewan has an older workforce that will substantially increase the elderly-dependency ratio following the retirement of the baby-boomer generation and produce labour shortages. This retirement wave will increase demands on the already-strained health care system, leaving little room for other government

spending. The province is competitively disadvantaged in business attraction because of demographic characteristics that include low population density and provincial educational attainment rates that are below the national averages. The overall higher taxation of larger non-manufacturing businesses in Saskatchewan than in other provinces, especially Alberta, is also a significant detractor for businesses and one that has a strong relationship to demographics. There is also reason to be concerned about the possible development of antagonistic race relations between Aboriginals and non-Aboriginals, particularly in the province’s urban centers. The convergence of the negative and interrelated demographic trends explored in this paper lead to predictions for a gloomy future for Saskatchewan.

Opportunities exist, however, for the province to attempt to steer away from a demographic-engendered crisis. Raising educational attainment rates would be expected to enable the province to be more competitive in the knowledge economy. Especially in the case of the young Aboriginal population, raising educational levels would aid in workforce replacement following the baby-boomer generation retirement wave and avoid predicted labour shortages; assist in maintaining the tax base; reduce social spending requirements; temper racism; and increase quality of life indicators. Systemic barriers to Aboriginal educational attainment must be identified and removed, and, as younger residents appear more willing to confront systemic barriers than are older residents, a growing positive approach to these issues in the future should be expected. As well, the opportunity still exists to examine the approach to health care funding, both in terms of the percentage of program spending dedicated to health care and options for where the funding comes from, before health care captures nearly all provincial government spending capacity. Capitalizing on these opportunities presents formidable challenges to the status quo for residents and policy makers alike, but these challenges pale in comparison to the sustainability crisis that will inevitably result if demographic trends are not adequately addressed by governments through public policy mechanisms.
### Appendix 1: Highest Level of Educational Attainment of Saskatchewan Residents Aged 25+, By Age Group and Identity Populations, 1996 Census and 2001 Census

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2001</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25-44</td>
<td>45-64</td>
<td>65+</td>
</tr>
<tr>
<td>SK Population</td>
<td>284,710</td>
<td>187,080</td>
<td>135,145</td>
</tr>
<tr>
<td></td>
<td>25+</td>
<td>(by total population/identity population)</td>
<td>25+</td>
</tr>
<tr>
<td>SK Non-Aboriginal</td>
<td>255,190</td>
<td>175,800</td>
<td>131,570</td>
</tr>
<tr>
<td>SK Aboriginal</td>
<td>29,525</td>
<td>11,280</td>
<td>3,575</td>
</tr>
<tr>
<td>SK Population with less than high school diploma/certificate</td>
<td>75,395</td>
<td>77,930</td>
<td>94,175</td>
</tr>
<tr>
<td>SK Non-Aboriginal</td>
<td>62,420</td>
<td>42,235</td>
<td>19,495</td>
</tr>
<tr>
<td>SK Aboriginal</td>
<td>12,975</td>
<td>6,735</td>
<td>3,245</td>
</tr>
<tr>
<td>SK Population with high school/some post-secondary</td>
<td>83,105</td>
<td>42,235</td>
<td>19,495</td>
</tr>
<tr>
<td>SK Non-Aboriginal</td>
<td>14,975</td>
<td>6,735</td>
<td>3,245</td>
</tr>
<tr>
<td>SK Aboriginal</td>
<td>8,710</td>
<td>4,960</td>
<td>2,215</td>
</tr>
<tr>
<td>SK Population with college/other non-university certificate or diploma</td>
<td>68,180</td>
<td>34,235</td>
<td>11,610</td>
</tr>
<tr>
<td>SK Non-Aboriginal</td>
<td>63,290</td>
<td>32,825</td>
<td>11,485</td>
</tr>
<tr>
<td>SK Aboriginal</td>
<td>4,895</td>
<td>1,410</td>
<td>120</td>
</tr>
<tr>
<td>SK Population with university degree</td>
<td>40,605</td>
<td>22,230</td>
<td>4,775</td>
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<tr>
<td>SK Non-Aboriginal</td>
<td>38,890</td>
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<td>4,765</td>
</tr>
<tr>
<td>SK Aboriginal</td>
<td>1,720</td>
<td>625</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Categories compiled and figures calculated using data from Statistics Canada, 1996 Dimension Series and unpublished 2001 Census data. Some figures add to slightly more than 100% due to rounding of the 20% data set.
About the Author

Janice Stokes joined the Saskatchewan Institute of Public Policy as Senior Policy Analyst in October of 2002. Her past endeavours include teaching political science at the University of New Brunswick (Saint John) and employment with the Budget Analysis Division at Saskatchewan Finance. Her research interests include socio-economic policy in relation to Saskatchewan demographics and governmental administrative efficiencies.
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