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Policy Position

On Transforming the Psychology of
Poverty

DRAFT

Environmental Aspects of the Psychology of Poverty

Political Background to Understanding Poverty

Since first contact between Indigenous people and early settlers of Canada, there have been issues of the need for secure access to food, shelter, and protection from harm for both populations. Indigenous and Non-Indigenous people have built the state of Canada, perpetually in relation to each other.

Non-Indigenous people have commonly used concepts rooted in theories of economics to understand and find solutions to poverty. Indigenous peoples have had similar concepts, but concepts that were specific to each nation, and the relationships between tribes that made up the nation.

Historically, in the field of economic theory, there are three approaches to understanding the cause of poverty¹.

(1) Classical Economics

Classical economics asserts that on an individual level, “poor people make poor choices.”

Classical economics argues that on a structural level, “social welfare programs cause poverty.”

(2) Liberal and Neoliberal Economics

On an individual level the causes of poverty are a lack of skills and abilities.

On the structural level, the economy is underdeveloped

(3) Political Economics

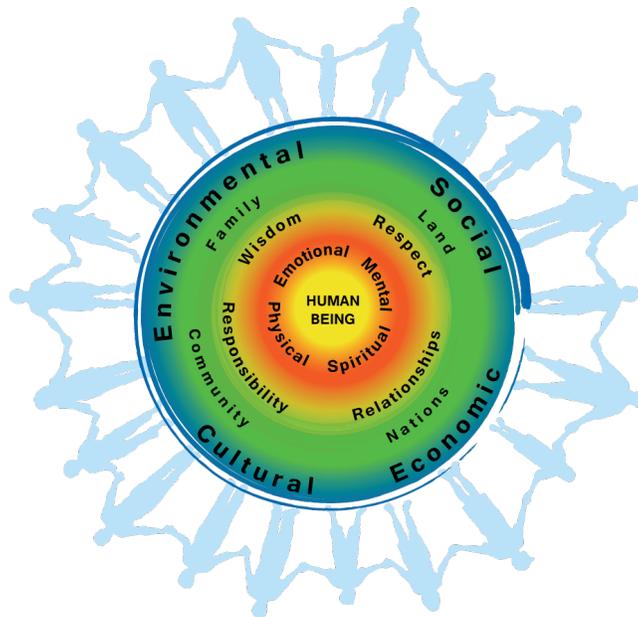
On an individual level the causes of poverty are rooted in social and political forces

On a structural level, simply, capitalism causes poverty

(4) Indigenous Nation and Tribal Specific Economies

Prior to the confederation of Canada, Indigenous nations and the tribes that made up these nations had economies specific to their traditional territory, material culture, kinship structure, legal systems, and relationships with neighbouring nations.

The First Nations Health Authority of British Columbia, when defining traditional healing, say “An integral focus of First Nations healing and wellness is through the balance and inter-relationships of the physical, mental, emotional, and spiritual aspects of a beingⁱⁱ.” The conceptualization is similar for Indigenous economies, because economics was and is not separable from; (1) Arts, Language, and Culture (2) Children, Youth, and Families (3) Education, Training, and Employment (4) Health & Wellness (5) Housing & Homelessness, and (6) Justice.



The Psychology of Poverty

The psychology of poverty is concerned with the relationship in poverty environments between; chronic stress; the negative affect of chronic stress on feeling, thinking, and economic decision making. The psychology of poverty asserts that people living in poverty are forced to make decisions that require resources beyond their psychological and material resources in order to secure immediate benefits over long-term larger benefits.

For example,

A person is given the choice between two scenarios, one with a guaranteed payoff and one without. In the guaranteed scenario, the person receives \$50. In the uncertain scenario, a coin is flipped to decide whether the person receives \$100. The expected payoff for both scenarios is \$50, meaning that an individual who was insensitive to risk would not care whether they took the guaranteed payment or the gambleⁱⁱⁱ.

People living in scarcity economic conditions will strive to eliminate uncertainty by choosing the more secure outcome, avoiding unnecessary taxation on their psychological and material resources. MVAEC would like to determine how choice is embedded in the desired outcomes provided by government, private sector, and urban Aboriginal organizations. Is there variance in choice that provides mobility across housing, health, education, and justice for the individual, family, and urban Aboriginal community?

For example, do individuals have the opportunity to live in Vancouver proper and attain equitable access to education, training, and employment? Or are urban Aboriginal people displaced due to inequities related to housing, education, training, and employment? What are the justice issues not being addressed in successful and unsuccessful scenarios of urban Aboriginal lives?

Queer Indigenous Critique of the Psychology of Poverty

The psychology of poverty is a colonial-settler defined theory. Within this limitation the psychology of poverty perpetuates colonial-settler/non-Aboriginal perspectives on what constitutes quality of life, citizenship, family structure, community, and government. However, due to the fact that Aboriginal populations live their lives out in urban centres accessing traditional Aboriginal and colonial-settler services, the concept can mediate the tension while designing and implementing policy solutions.

To decolonize the concept of the psychology of poverty, MVAEC needs to incorporate impacts of colonial history such as colonial-settler criteria for First Nations, Metis, and Inuit recognition; the on/off-reserve system, and divestment of authority from federal responsibility to provincial authority for transfer programs. This history informs MVAEC's perspective of how intergenerational well-being has unfolded for the urban Aboriginal population.

MVAEC has learned speaking with federal representatives that factors such as short-term one year funding models make it difficult for organizations across the country to retain employees. Disruption in employee retention negatively affect the continuity of services required when working with vulnerable populations. The deductive top-down approach of existing funding structures runs counter to traditional funding, economic, and community development structures.

For example, traditional Coast Salish naming ceremonies for youth coming of age would involve four years of intensive family and community planning, in addition to spiritual preparation. The ceremony can come with the price tag of \$12,000. Preparation involving material goods would be accumulated and distributed to the community along with spiritual-cultural ceremonies. There was no separation between economy, spirituality, and well-being.

Setting the Stage for MVAEC Engagement with the Psychology of Poverty

Structural Factor #1 of the Policy Problem: Transitioning Out of the Harper Government

There are three factors that affect the operation of MVAEC, the federal, provincial, and municipal governments of Canada. Aboriginal populations are integrated through each level of government. In addition, the Aboriginal population is highly mobile in urban centres across Canada. To a degree the policies of each government affect the choices that urban Aboriginal people are provided with when determining where to live, income, housing affordability, and education.

The Harper Government contributed the Truth & Reconciliation Commission to the Aboriginal population in Canada. Indian Residential School Survivors were compensated through the Common Experience Payment (CEP) and the Independent Assessment Process (IAP). The CEP was a compensation distributed to all Indian Residential School Survivors. The IAP was a separate process where Indian Residential School Survivors were able to share their stories of extreme physical and sexual abuse. Indian Residential School Survivors and the general population were able to share their experience of the Indian Residential School system publicly in local, regional, and national Truth & Reconciliation events.

The negative experience of the Canada Truth & Reconciliation Commission had to do with the time constraint of the Commission, which started to wrap-up in 2014 – 2015. Indian Residential School Survivors and community leaders believed that you can't redress one-hundred years of colonial policies in a short period of time. Survivors believed that the process opened up the wounds of the individual, family, and community, without implementing ongoing long-term reconciliation. Individuals and communities are left to their own devices to implement ongoing reconciliation.

The Harper Government operated within the concept of fiscal austerity. The budget for multiple Aboriginal services were reduced or eliminated. Environmental protections were removed from legislation: opening up natural resources for private ownership, extraction, and international trade. The focus on the natural resource industry was a contradiction to the process of reconciliation between the Crown of Canada and the rights and title of Aboriginal nations and tribes, creating a hostile and combative relationship between the two nations during the Harper years. This was in addition to the 2% funding cap on Aboriginal education implemented during the 1990s.

Factor #2 of the Policy Problem: Transitioning Into the Trudeau Government

The Trudeau Government has a vested interest in reconciling the relationship between the Aboriginal population and the Government of Canada. Trudeau seeks to reverse some of the policies of the Harper Government that were harmful to the Aboriginal population, like the funding cap on education, and increased investment in community infrastructure projects. Yet the Trudeau government want to implement other policies that run contradictory to Aboriginal rights and title, like the northern BC LNG project and the Tran Mountain pipeline in Vancouver.

With the Trudeau Government there is an increased awareness and mobilization to provide services to the Canada's Aboriginal youth population, especially in remote communities. In addition, the Inquiry into Murdered and Missing Indigenous Women and Girls has been launched. The country is currently waiting for the first interim report.

Enhances to program and service delivery for the urban Aboriginal population are vague. MVAEC has had discussions with a committee charged with investigating the revision of the Urban Aboriginal Strategy Program. The Liberal Budget for 2016 – 2017 states,

The \$51-million-per-year Urban Aboriginal Strategy seeks to connect Indigenous peoples in urban centres to services and programs that are tailored for their

particular needs. However, \$23.7 million of the program's funding is set to expire at the end of the 2015–16 fiscal year. Budget 2016 proposes to renew this funding for 2016–17. Over the course of the next year, the Government will work to identify ways to strengthen the program to more effectively meet the needs of urban Indigenous peoples.

The urban Aboriginal population disrupts the federal government's long history of defining Aboriginal issues as being only on-reserve. Urban Aboriginal administrations and community members experience marginalization in issues of equitable governance, program design, and delivery. Not only do urban Aboriginal administrations experience inequity with their Non-Aboriginal counterparts, in terms of income and staffing for program requirements, but also with their on-reserve counterparts.

The majority of funding for programs is still designated to on-reserve related administrations, yet, generally speaking 50+% of the Aboriginal population lives in urban centres. Inequitable funding creates adversarial relationships amongst urban Aboriginal administrations, and between on and off-reserve administrations, and individuals and families accessing services who have grown up in urban spaces or are from the traditional territory where disputes are occurring.

MVAEC and allies need to determine how to scale projects through collective strategies during periods of fiscal constraint and indeterminacy. With the BC provincial election months away, MVAEC faces yet another barrier for strategizing to improve the quality of life for the urban Aboriginal population within the provincial context of British Columbia. Keeping in mind that contributions to the Aboriginal population from the current provincial government have come close to an election period, and funds have been minimal, or not come from new sources.

Factor #3 of the Policy Problem: Municipal Solutions

Municipal governments do not have a fiscal responsibility to care for Aboriginal people, programs, and services. Yet, 65+% of the Aboriginal population in British Columbia live in urban centres. Vancouver is home to a population estimated to be between 50,000 to 70,000+ Aboriginal people.

Municipalities are then faced with the challenge of distributing resources to not only the fast growing urban Aboriginal population, but a surging general population as well.

Historical Impacts on the Design and Delivery of Services to the Urban Aboriginal

Since 2008 Canada and the world has struggled with transitioning out of recession. At the federal level austerity measures were imposed on budgets, shrinking the size of government, while increasing the size and benefits to the private sector. At the provincial level, the BC government has focused its attention on increasing the capacity of market driven solutions. Solutions focused on the natural resource industry, and the connected training and employment opportunities.

MVAEC is moving into collaborating with other urban Aboriginal administrations in urban centres across the country, who are interested in developing similar service structures as MVAEC. As such, MVAEC would benefit in designing specific methods of sharing best practices for delivering services during periods of austerity. Methods could include; communication strategies with administrations that have classical or neoliberal political beliefs; lobbying techniques for relationship development with all three levels of government; Strategies for not being complicit in our own ongoing colonization by maintaining Aboriginal rights, title, and sovereignty.

A more collective approach benefits the urban Aboriginal population and administrations, by fostering an environment of solidarity. This is not to say that urban Aboriginal administrations do not experience conflict, especially over financial resources. Developing an urban Aboriginal approach to coping with scarcity model funding could help urban Aboriginal populations and administrations foster a greater sense of community on a local, provincial, and national level. Solidarity amongst the urban Aboriginal population is needed for the government to unlearn centuries of on-reserve definitions of the Aboriginal experience.

Personal Aspects of the Psychology of Poverty

MVAEC Long-term Solutions: Understanding Risk Attitudes

Utilizing a psychology of poverty framework implies a desire to understand how risk attitudes related to economic behaviors influence quality of life decisions for the urban Aboriginal population. The rationale for MVAEC undertaking such a dynamic project is to understand the intersection between government and non-government program and service delivery with choices urban Aboriginal populations make. Furthermore, are the options available strong enough to provide momentum for Aboriginal people to transition out of poverty?

The following table provides a comparison of income between the urban Aboriginal populations in Metro Vancouver with the non-Aboriginal population.

| | # of Aboriginal People Off-Reserve | Average Income | # of Non-Aboriginal People | Average Income Same Profession |
|-----------------------------|------------------------------------|----------------|----------------------------|--------------------------------|
| All Occupations | 37,140 | \$39,086 | 1,352,950 | \$49,498 |
| Management | 3,305 | \$54,430 | 186,785 | \$72,111 |
| Professional | 3,935 | \$51,804 | 242,490 | \$67,026 |
| Technical & High Skills | 12,890 | \$40,229 | 433,470 | \$45,924 |
| Intermediate & Less Skilled | 17,010 | \$32,298 | 490,200 | \$35,372 |

The Huffington Post referencing Ratehub, says that in Vancouver, British Columbia, first time home buyers will need an income of \$154,000 to purchase a detached home^{iv}. Why look at the detached home sector of the real estate market? Why not? Why shouldn't Aboriginal people in Metro Vancouver be in a position to purchase a home? Why is it allowable to exclude Aboriginal people from this sector of the real estate market? Does this exclusion contribute to ongoing colonization by further displacing host First Nations from their territory, and visiting First Nations from choosing a neighborhood to live in? Do

we truly live in an era of reconciliation where our priorities are in increasing education, health, and housing outcomes for the urban Aboriginal population? What does it say about a society where interventions for Aboriginal people remain focused on homelessness?

ⁱ Yung, S.Y. (2006). *The Economics of Poverty: Explanatory Theories to Inform Practice*. In, *Understanding Poverty from Multiple Social Science Perspectives: A Learning Resource for Staff Development in Social Service Agencies*. Austin, M.J. (Ed.). University of California, Berkley.

ⁱⁱ <http://www.fnha.ca/what-we-do/traditional-healing>

ⁱⁱⁱ https://en.wikipedia.org/wiki/Risk_aversion

^{iv} http://www.huffingtonpost.ca/2016/11/21/house-prices-canada-new-mortgage-rules_n_13132952.html