THE NEW FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT The Base Upon Which Future Canadian Government Policies and Programs Are Being Built

Warren Weir NORDIK INSTITUTE AND ALGOMA UNIVERSITY

Robert Oppenheimer JOHN MOLSON SCHOOL OF BUSINESS, CONCORDIA UNIVERSITY

The Government of Canada has introduced a new Federal Framework for Aboriginal Economic Development (FFAED or Framework). The Framework provides the foundation upon which future Canadian policies and programs are being built. This paper examines the significance of this Framework and six related policies.

In his introductory message to the Government of Canada's Federal Framework for Aboriginal Economic Development, the Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development (Government of Canada, 2009) states that:

The approach that we are pursuing under the Framework recognizes the federal government cannot act alone, that we have to focus on priorities, and that money is only part of the solution. The Framework will focus the federal government's action on priority areas to unblock the full economic potential of Aboriginal Canadians, their communities, and their businesses by taking realistic steps to have a measurable impact on the lives of Aboriginal people. (p. 1) Embedded in his message, Minister Strahl also provides insight into the context and policy connections to the Framework:

The new Federal Framework for Aboriginal Economic Development builds on a number of recent federal actions to improve the participation of First Nations, Inuit and Métis people in the Canadian economy. These include an investment of \$200 million through Canada's Economic Action Plan for Aboriginal skills and training to improve labour market outcomes for Aboriginal peoples, amendments to the Indian Oil and Gas Act, investments to benefit all Canadians living in the North, including Aboriginal Canadians, and a commitment to establish a new regional economic development agency for the North ... acknowledging that members of the National Aboriginal Economic Development Board, and the Standing Senate Committee on Aboriginal Peoples whose 2007 Report, Sharing Canada's Prosperity -a Hand Up, Not a Handout, set the stage. (p. 1)

This paper reviews the five documents specified in Strahl's remarks (above), in addition to the one that is discussed in the body of the Framework — Advantage Canada: Building a Strong Economy for Canadians. The six areas to be covered are as follows:

- 1. Advantage Canada (2006)
- 2. Sharing Canada's Prosperity—a Hand Up, Not a Handout (2007)
- 3. Canada's Economic Action Plan (2009)
- 4. Amendments to the Indian Oil and Gas Act
- 5. The establishment of a new regional economic development agency for the North
- 6. The National Aboriginal Economic Development Board

We begin by providing an overview of the previous policy framework on Aboriginal economic development, namely the Canadian Aboriginal Economic Development Strategy (CAEDS). Then, after discussing the six policy connections listed above, we end with some observations on how the ideas evident in FFAED and its associated policies are also being replicated in other areas of Aboriginal economic development. Specifically we focus on the realm of Aboriginal human resources development, looking at the changes occurring with the Aboriginal Skills and Employment Training Strategy, originally the Aboriginal Human Resources Development Strategy, which expired March, 2010.

This update on the Framework follows our introduction of the FFAED in last year's Journal of Aboriginal Economic Development (JAED), Volume 6, Issue 2 (Fall 2009). As CANDO and the editors of JAED are interested in learning about your experience with the new Framework, we end with some open-ended questions about the potential and actual impacts of the FFAED. We hope that you, our readers, will respond with ideas and articles that we can share in the next JAED (7.2), scheduled to be published in the Fall of 2011.

CANADIAN ABORIGINAL ECONOMIC DEVELOPMENT STRATEGY (CAEDS)

When discussing the new Framework, the federal government acknowledges its genesis in previous

programs established under the 1989 CAEDS. By doing this they advance the idea that new policy efforts signify "that time, the conditions, needs opportunities and relationships associated with Aboriginal Canadians and economic development have changed significantly ... It is time to introduce a new federal framework for Aboriginal economic development that is targeted at opportunities, is responsive to new and changing conditions, leverages partnerships and is focused on results" (p. 2).

According to a Human Resources Development Canada (HRDC) report (1998),

CAEDS started ... as a joint responsibility of the Department of Indian Affairs and Northern Development (DIAND), Employment and Immigration (EI) and Industry Science and Technology (IST). Its purpose was "to address economic disparities between Aboriginal peoples and other Canadians." ... DIAND took the lead for community economic and resource development; EIC focused on skills development; and IST concentrated on business development. Outcomes expected from CAEDS programs included increased employment for Aboriginal people, a wider business base, enhanced entrepreneurial skills, decreased dependency on social welfare, and increased capacity for Aboriginal communities to manage their own affairs. (p. 42)

The report ends its section on CAEDS with a brief evaluation of the results of this strategy:

One result from CAEDS is that the Industry Canada component appears to have been relatively more successful than the other initiatives. The focus on business development and the financing of new ventures seems to have had important benefits for selected Aboriginal communities. However, this apparent success may be the result of a few communities effectively using the business-development programming. The objectives for the DIAND and HRDC components of CAEDS are longer-term, more diffuse, and do not show relatively quick returns. (p. 45)

This evaluation suggests that perhaps the strategy failed, and the CAEDS was ultimately replaced by FFAED due to a lack of concrete and measurable outcomes in relation to the

aforementioned list of expectations. The strategy's lack of ability to measure its own impacts is alluded to earlier in the HRDC report:

Evaluations of CAEDS noted a range of structural improvements such as increased involvement by Aboriginal organizations and increases in their capacity to deliver programs. However, data deficiencies precluded measuring impacts on employability, actual employment impacts or social-welfare dependency. (p. 43)

These, and other, deficiencies were previously reflected in the findings of The 1993 Report of the Auditor General of Canada (Chapter 11):

11.3 Visible leadership for implementing the Strategy as a whole needs to be better established.

11.4 The three departments responsible for implementing the CAED Strategy could not demonstrate that the variety of funding methods and amounts provided under the Strategy were appropriate in the circumstances. In addition, despite some positive examples of aboriginal economic development, they could not demonstrate that, after spending at least \$900 million from the beginning of its implementation in 1989 to early 1993, they were meeting the Strategy's objectives.

11.5 The lack of appropriate performance and evaluation information impedes the necessary accountability within the aboriginal communities and between the government and Parliament.

In a 1995 November Report of the Auditor General of Canada, an assessment of the previous 1993 concerns was tabled. Many of the concerns outlined in 11.3 through 11.5 (above) were judged to be not adequately addressed, in the judgment of the Auditor General's office (1995). These concerns were reviewed via consultation with First Nations and a number of CAEDs evaluation reports were reviewed. The implication was that change to the Government of Canada's approach to Aboriginal economic development was on the horizon.

It appears that, although there were concerns about the strategy at this point in time, it took another 14 years to see the move from CAEDS to FFAED. This was despite the con-

cerns about the limited results and the difficulty in evaluating the outcomes of CAEDS. It is probably the new Conservative government's desire to apply its "approach" to Aboriginal programming, emphasizing results, accountability and market driven initiatives that caused the demise of CAEDS.

ADVANTAGE CANADA (2006)

The Department of Indian Affairs and Northern Development (DIAND) began to plan a new strategy for Aboriginal economic development in Canada. This movement corresponded to a change in Government, when the Conservative Party, under Stephen Harper, assumed power in 2004. From this point onward, Prime Minister Harper has been in the process of developing a clear stance on Canada's economic strategy. This began in earnest with the 2006 release of the Government of Canada's Advantage Canada: Building a Strong Economy for Canadians (under the cover page heading—"Canada's New Government").

According to the FFAED, Advantage Canada is "a strategic, long-term economic plan designed to improve Canada's economic prosperity today and in the future". It continues, stating that "Advantage Canada is focused on helping people and business strive for excellence, and recognizes that the Government has an important role to play in creating the right conditions for Canadians — and Canadian businesses and organizations — to thrive" (p. 2). Here we see a focus on business, and the facilitation of prosperity through Government policy. This is reflected in the new Framework.

The new Framework aligns with the Conservative government's stance on strategic and long-term economic planning designed to improve Canada's current and future economic prosperity, which was outlined in the government's 2006 report *Advantage Canada: Building a Strong Economy for Canadians*. The FFAED is consistent with Advantage Canada in the following ways:

 roles and responsibilities are aligned to maximize economic outcomes for Aboriginal Canadians;

- supporting *skills and training* that will create new opportunities and choices for Aboriginal peoples;
- leveraging investment and promoting partnerships with the private sector to produce sustainable growth for Aboriginal peoples; and
- acting to *free businesses to grow and succeed by* removing barriers to Aboriginal entrepreneurship and leveraging access to commercial capital. (p. 2, italics in original)

In relation to Advantage Canada, the expected outcomes of the FFAED—to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income and wealth creation as other Canadians—are threefold:

- Opportunity-ready Aboriginal communities
 that have stable, efficient and predictable investment climates attractive to business and investors
- Viable Aboriginal businesses that can compete in today's marketplace, and
- A skilled Aboriginal workforce that is able to take advantage of employment opportunities across the economy (p. 20, bold in original)

Advantage Canada (Department of Finance Canada: 2006) focuses on five Canadian advantages:

- Tax Advantage: Canada's *Tax Advantage* will reduce taxes for all Canadians and establish the lowest tax rate on new business investment in the G7.
- **Fiscal Advantage:** Canada's *Fiscal Advantage* will eliminate Canada's total government net debt in less than a generation, creating a strong foundation on which to build sustainable prosperity.
- Entrepreneurial Advantage: Canada's Entrepreneurial Advantage will reduce unnecessary regulation and red tape and lower taxes to unlock business investment. By building a more competitive business environment, consumers will get goods at lower prices and Canadian businesses will be better equipped for global success.
- Knowledge Advantage: Canada's Knowledge Advantage will create the best-educated, most-skilled and most flexible workforce in the world.

• Infrastructure Advantage: Canada's Infrastructure Advantage will create modern, world-class infrastructure to ensure the seamless flow of people, goods and services across our roads and bridges, through our ports and gateways, and via our public transit. (pp. 10–11)

As well, *Advantage Canada* is based on four core principles:

- Focusing government. Government will be focused on what it does best. It will be responsible in its spending, efficient in its operations, effective in its results and accountable to taxpayers.
- Creating new opportunities and choices for people. Government will create incentives for people to excel-right here at home. We will reduce taxes and invest in education, training and transition to work opportunities so Canadians can achieve their potential and have the choices they want.
- Investing for sustainable growth. Government will invest and seek partnerships with the provinces and the private sector in strategic areas that contribute to strong economies-including primary scientific research, a clean environment and modern infrastructure.
- Freeing businesses to grow and succeed. Government will create the right economic conditions to encourage firms to invest and flourish. (pp. 11–12) For the purpose of our discussion, it is important to note that *Advantage Canada* (Department of Finance Canada: 2006) describes itself as "optimistic, but realistic. It is visionary, but pragmatic and *results-oriented*. It is ambitious, but grounded in the realities of world markets, and of Canada's existing economic and social realities" (p. 9, bold italics added).

SHARING CANADA'S PROSPERITY— A HAND UP, NOT A HANDOUT: THE STANDING SENATE COMMITTEE ON ABORIGINAL PEOPLES REPORT (2007)

According to its website, the Standing Senate Committee on Aboriginal Peoples was first created in December 1989, and has a mandate to examine legislation and matters relating to the Aboriginal Peoples of Canada. One of its major accomplishments was the publication of its 2007 report, *Sharing Canada's Prosperity*—a Hand Up, Not a Handout. According to the preface, the report is based on research and consultations that started three years prior to its publication.

In November 2004, the Standing Senate Committee on Aboriginal Peoples agreed to undertake a study examining issues concerning Aboriginal economic development. In particular, the Committee sought to understand what accounts for the economic success of some Aboriginal communities, while others have not achieved success despite advantages of resources and location ... Over the two-year course of the study, the Committee held 31 meetings and heard from 155 witnesses (p. viii).

Although the report was not addressed in the main text of the Framework, it is apparent that the report, and the recommendations made by the Standing Senate Committee on Aboriginal Peoples, was instrumental in the finalization of the Framework. In the Indian and Northern Affairs Backgrounder (2009), it is stated that the Framework "benefited from the advice" of the committee and their report. It is important to note that the Senate report is a valuable and intriguing reference, and should be read by those interested in a broader understanding of Aboriginal economic development, including those who would like to know more about the range of options open to the redress of Aboriginal conditions in Canada.

CANADA'S ECONOMIC ACTION PLAN (2009)

Following in the footsteps of *Advantage Canada*, and taking into account the Standing Senate Committee report, the Conservative Government committed to the development of a new federal framework for Aboriginal economic development that would be opportunity driven, results focused and partnership-based (FFAED: p. 8). After certain measures and stakeholder consultations were put in place, the Framework came into being in 2009.

Around the same time, the Canadian Government (Department of Finance Canada: 2009)

announced Canada's Economic Action Plan in its 2009 Federal Budget. Generally, the Plan focuses on four, key, and targeted activities, including (i) Further reducing the tax burden on Canadian individuals, families and businesses, (ii) Engaging in smart stimulus spending that creates jobs, (iii) Helping Canadians who are hardest hit by the recession, and (iv) Strengthening the financial system and improving access to credit.

The Government of Canada (2009) through its Department of Finance Canada, supported Aboriginal economic development, and by extension the new Framework, by investing \$200 million for Aboriginal skills and training to improve labour market outcomes for Aboriginal peoples (pp. 104–105).

AMENDMENTS TO THE INDIAN OIL AND GAS ACT

According to the INAC website,

The Indian Oil and Gas Act is the legislative tool for the federal government to manage and administer the exploration and production of oil and gas resources on reserve lands ... The proposed changes provide solutions to two specific problem areas. First, they respond to immediate needs related to the day-to-day management of First Nation oil and gas resources by modernizing the current regime. Second, enhancements to Governor-in-Council regulation-making powers would facilitate the continuous improvement of the regime in response to industry and technology advances. The core areas for change addressed in the proposed amendments to the Act are regulation-making powers, audit powers, limitation period for actions to collect amounts owing, determination of royalty payments, a comprehensive enforcement system comprised of fines and penalties, a remedy for trespass, environmental protection, and authority to issue replacement leases for lands added to reserve. (see http://www.ainc-inac.gc.ca/ai/ mr/nr/s-d2008/bk000000138-eng.asp>)

The site concludes by stating that "a key policy objective for the Government of Canada is to modernize the legislative frameworks that support First Nations programs, services and governance."

THE ESTABLISHMENT OF A NEW REGIONAL ECONOMIC DEVELOPMENT AGENCY FOR THE NORTH

Canada continued its advance of its claims to Northern sovereignty by provided funding to its newly developed Northern Strategy: an attempt to help the North realize its true potential as a healthy, prosperous and secure region within a strong and sovereign Canada (see http://www.northernstrategy.ca/index-eng.asp). To broaden the strategy, a number of initiatives and activities were earmarked for funding in its 2009 Economic Action Plan.

Through the 2009 budget, the government promised to invest \$50 million per year for five years (2009–2014) to create and sustain the Canadian Northern Economic Development Agency, or CanNor:

The Agency's primary focus is the provision of integrated business services north of 60. In particular, CanNor will:

- oversee the \$90 million Strategic Investments in Northern Development Program;
- manage the \$11.8 million in annual funding supporting economic development in Northern Aboriginal communities and Aboriginal businesses and entrepreneurs in the North;
- manage investments made in the North through the Municipal-Rural Infrastructure Fund, the Canada Strategic Infrastructure Fund and Recreational Infrastructure Canada; and
- oversee the \$33 million allotment for the territories contained in the Community Adjustment Fund — the new, twoyear program that helps Northern communities create job opportunities and adjust to changing economic and market conditions. (see <http://www.north. gc.ca/fcs-eng.asp>)

THE NATIONAL ABORIGINAL ECONOMIC DEVELOPMENT BOARD

Finally, the FFAED is provided advisory assistance from a group of Aboriginal leaders and business people, on the National Aboriginal Economic Development Board. The board was established in 1990.

The National Aboriginal Economic Development Board is an advisory body to the Minister of Indian Affairs and Northern Development. It provides advice to government on strategic approaches and programs aimed at promoting greater economic development for Canada's Aboriginal people whether of First Nations, Inuit or Métis heritage.

The Board was established through Order in Council in 1990 and is comprised of up to 20 members including a Chair and up to three Vice-Chairs. All members are appointed by the Governor in Council.

ABORIGINAL SKILLS AND EMPLOYMENT TRAINING STRATEGY (ASETS): AN EXAMPLE OF THE EXTENSION OF THE FFAED

In January (2010), Human Resources and Skills Development Canada (HRSDC) presented their Aboriginal Skills and Employment Training Strategy (ASETS), *Strategic Business Planning Process for Recipients*. In the report, HRSDC announced the replacement of the previous Aboriginal Human Resources Development Strategy (AHRDS) labour market strategy with the ASETS. Exhibit 1 summarizes the key changes.

On closer examination, this larger policy approach promoted by Prime Minister Stephen Harper and the Federal Conservative Government of Canada is reflected in other programs and policies being established and re-established across the country, in Aboriginal and non-Aboriginal communities and organizations funded and supported by federal monies.

The policy statements in FFAED relate directly and are relevant to changes that are occurring to local/regional Aboriginal Human Resources Development Agreements (AHRDA) directing training and labour-force development via ASETS. For example, there are four strategic priorities listed in the FFAED, including (i) strengthening Aboriginal entrepreneurship, (ii) developing Aboriginal human capital, (iii) enhancing the value of Aboriginal assets, and (iv) forging new and effective partnerships (p. 12). In terms of human capital development, the FFAED report states that the Government of Canada is committed to the following actions:

EXHIBIT 1 Key Changes Proposed for the Aboriginal Skills and Employment Training Strategy (ASETS) From AHRDS To ASETS Training was individual-focused Demand-driven approaches, linked to employers and reinforced through rigorous business plan in nature and incentive investments More systematic, strategic partnering (with Training delivery approach individualistic and short-term business, PTs, OGDs, and other Aboriginal service providers), reinforced through business plans and incentives Overlap and duplication in some Realization of efficiencies and economies of scale among service providers, respecting capacity areas needs and cultural imperatives of client base Limited employer service Invest in capacity building; providing incentives for more outreach and initiative, and adjust sercapacity vice delivery networks Inconsistent reporting and Annual performance reports and improved performance information reporting using realistic performance indicators Accountability through sub-Regular monitoring of Aboriginal Human agreements not standardized Resources Development Agreements/subagreements/points of service More expansive HRSDC role, focused on HRSDC role focused primarily on management and oversight brokering, stewardship, capacity building, and promotion of best practices

- Support labour market programming that increases skills development and employability to help Aboriginal people secure long-term jobs
- Foster linkages across initiatives supporting labour market participation, skills development, apprenticeship and training, as well as education and income assistance (and)
- Collaborate with industry, educators and the voluntary sector to better match learning and training with job opportunities in the labour market. (p. 14)

To build on the policy directives introduced and described in the *Advantage Canada* and FFAED documents, it is worthwhile addressing some of the points listed and discussed in the recent Aboriginal Skills and Employment Training Strategy (ASETS) document, *Strategic Busi-*

ness Planning Process for Recipients. This is important as it is clear that this ASETS approach "is complementary to the proposed new framework on Aboriginal economic development, [and that related] organizations will also be expected to make links to federal economic development programming" (p. 7, bold added for emphasis).

The transition from AHRDS to ASETS is based on three strategic priorities: (i) demand driven skills development, (ii) partnership with the private sector and across the whole-of-government; and (iii) accountability for improved results (p. 4). These are a reflection of the other policy statements and documents presented by the federal government via Advantage Canada and the new Federal Framework for Aboriginal Economic Development. Market demand will determine programming needs, and it will

require everyone working together to attempt to meet these needs. If a labour market demand need is tackled, the approach will need to be backed by long-term business plans and shortterm operational plans that can be monitored, evaluated and assessed.

CONCLUSION

The Federal Framework for Aboriginal Economic Development and the related documents discussed in this article describes the Canadian Government's policies and future direction. It is the base upon which forthcoming programs will be built. It is seeking to focus on market-driven, results-oriented strategies.

The questions for which we are seeking your answers to relate to what your experiences are regarding the policies and programs resulting from the Framework and how you are addressing these issues.

- Since skill development in the ASETS will be demand-driven and linked with employers,

 - ¤ if you are seeking opportunities, how will you identify partners to work with in the private sector or throughout the government?
- How will you measure the results?
- How will you determine who will be held accountable for achieving what results?
- What does it mean to you to be held accountable; what are the rewards or consequences of such accountability?

The questions that were raised in the initial discussion of the Framework in the 2009 JAED article still warrant consideration:

- What are the implications of moving from "untargeted" to "economic opportunities for Aboriginal resources"?
- Funding for economic opportunities in the new Framework is proposal-based while the current Community Economic Development Program (CEDP) is a core funding process allowing decision making at the community level. The proposal based programs appear to

- be subject to a decision making process controlled by the government, away from the Aboriginal authorities.
- What are the funding implications for the employment of economic development staff under community-based institutions?
- How will a community be able to implement this?
- What happens with communities that have limited access to economic opportunities because of their small population, remoteness or limited access to the resources which the mainstream economy is looking for?
- What kind of structure does INAC need to deliver services and programs?
- What kind of economic development structures are needed for Aboriginal economic development at the local, regional and national levels?
- What are the potential costs and benefits of the inclusion of all Aboriginal people's eligibility to funding, notwithstanding their place of residence whether on reserve or elsewhere? This may double the potential Aboriginal clientele.
- What are the implications of this on the actual financial resources available for economic development?

There and other questions that may be raised are those for which answers will be needed. Our objective is to identify issues that should be considered and for which strategies for addressing them should be shared. Ultimately, we are seeking your inputs, your experience and your solutions for utilizing the policies and programs that build upon the Federal Framework for Aboriginal Economic Development. Submissions may be forwarded to the Editor of the Journal of Aboriginal Economic Development, c/o Svitlana Konoval, Council for the Advancement of Native Development Officers at the following address:

9635 — 45th Avenue Edmonton, AB T6E 5Z8 E-mail: Svitlana.Konoval@edo.ca

Phone: 1-800-463-9300 Fax: 1-780-429-7487

Your input may be profiled in next issue of the CANDO Journal (7.2). Submissions by e-mail are preferred.

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