Creating Indigenous Economies

A Nation Building Model

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In history as well as in mythology, the Tahltan Indian people have always been acknowledged as the original inhabitants of the Stikine River watershed in northern British Columbia. Even though our people have lost the monopoly position of business in our own country, we are still active on many business fronts. Our present tribal objective is to increase our participation in all business that develops within the borders of our tribal territory so that we can again enjoy a self-sustaining, healthy and enterprising economy.

I. THE TAHLTAN NATION AND CREATING ECONOMY FROM A WAY OF LIFE

Made up of the Crow (Tsesk'iya) and the Wolf (Ch'ioyone) clans, The Tahltan Nation is a First Nations people in the interior of British Colombia, Canada. Comprised of 3 communities, 1,150 Tahltan's live on traditional Tahltan Lands in Dease Lake, Telegraph Creek and Iskut, more than 500 kilometers from the nearest city. The Tahltan's history is born from the Crow creation story that inspires determination, generosity and resourcefulness among its members.

Archaeological evidence has determined that the Tahltan people have continuously occupied this area for thousands of years, perhaps as many as 10,000 years. This is what is often referred to in poetic terms as "since time immemorial". The first white person to come into Tahltan country was Samuel Black who arrived in 1821 exploring for the Northwest

Trading Company. The Tahltan people never met Black and so it wasn't until 1838 when the second white person, Robert Campbell of the Hudson Bay Company, entered Tahltan territory that European contact with Tahltan people was first made. Tahltans had an elaborate trading economy already established when the H.B. Co. first encountered the Tahltan tribe. Although the H.B. Co. was very interested in immediately setting up a competing trading operation in Tahltan country, the Tahltan people blocked them for forty years so as to protect their own established trading economy. At that time Tahltans had an active commercial network based on their position as middleman between the coastal trade and the tribes living north and east of the Stikine country. They also traded their own fish and furs and other natural resources such as obsidian to all peoples who came into their country.

Tahltan people are very proud of their tradition of commercial enterprise and equally proud that they were able to protect their interests against the mighty H.B. Co. empire for those many years. It wasn't until the 1870s Cassiar gold rush, that the H.B. Co. was able to open its first trading post in Tahltan traditional territory.

While the history of the Tahltan People was one of trading and being entrepreneurs in North-Western BC, over time with the changes in traditional living and the cumulative effects of European settlement, families moved from supporting themselves through trapping and fishing to the wage economy. Low levels of education, skill development and economic opportunities resulted in poverty and a host of social problems from drug and alcohol addiction to high rates of suicide. By 1985 the Tahltan community on reserves were experiencing nearly 98% unemployment in the winter, and 65% unemployment in the summer, and almost 80% of Tahltan people were on welfare.

From 98% unemployment to 0%

To address the profound challenges facing the Tahltan Nation in the mid 1980's, the Tahltan Nation Development Corporation (TNDC) was formed in 1985 with the goal of driving widespread social and economic change.

This development corporation flourished into an incredibly successful business that today boasts:

- 8 divisions including aviation, construction and power lines, communication and IT, camp services and exploration, transportation and fuel, drilling and blasting, engineering
- 29 Joint Venture Partnerships
- $35 million worth of equipment
- Office complex worth $2 million
- $15 million worth of securities
- $23.7 million in revenue annually (2014–15 Fiscal Year)
- $13 million in paid wages (2014–2015 Fiscal Year)

What started out as an idea is now a corporation worth more than $50 million.

How did Tahltan's newly formed development corporation create such a strong economy that respects Tahltan culture, heritage, and traditions and does not pose irreparable damage to the environment? Jerry Asp, founder of the Tahltan Nation Development Corporation, outlines four key ingredients required for turning potential projects into sustainable long-term ventures:

(i) Vision — a long-term vision of where you want to go
(ii) Strategy — a long-term plan of how you will get there
(iii) Vehicle — an organizational structure to take you there
(iv) Champion — a strong leader to lead the way

With this in mind and committed to a vision of a prosperous future, the TNDC asked itself two foundational questions:

(i) How can our community accept natural resource development in a way that respects our priorities around the environment and culture?
(ii) How can any partnership create long-term economic opportunity that improves the quality of life across the community?

With the Government planning a project on Tahltan lands, the TNDC began to negotiate for a Tahltan workforce for the project. This opportunity to take on work and have contracts was then leveraged to develop training programs, which further led to a skilled workforce. In 1987, the Tahltan Resource Development Policy was formed which was an important strategic document developed to prioritize employment and contracts and equity participation for Tahltans in any agreement. It required that before any resource development project could commence the Tahltan Tribal Council and developer had to into a project participation agreement that encompasses the following elements and basic principles:

1. Assurance that the development will not pose a threat of irreparable environmental damage;
2. Assurance that the development will not jeopardize, prejudice, or otherwise compromise the outstanding Tahltan aboriginal rights claim;
3. Assurance that the project will provide more positive than negative social impacts on Tahltan people;
4. Provision for the widest possible opportunity for education and direct employment-related training for Tahltan people in connection with the project;
5. Provision for the widest possible employment opportunities for Tahltan people with respect to all phases of the development;
6. Provision for substantial equity participation by Tahltan in the total project;
7. Provision for the widest possible development of Tahltan business opportunities over which the developer may have control or influence; and
8. Provision for the developer to assist the Tahltans to accomplish the objectives stated above by providing financial and managerial assistance and advice where deemed necessary.

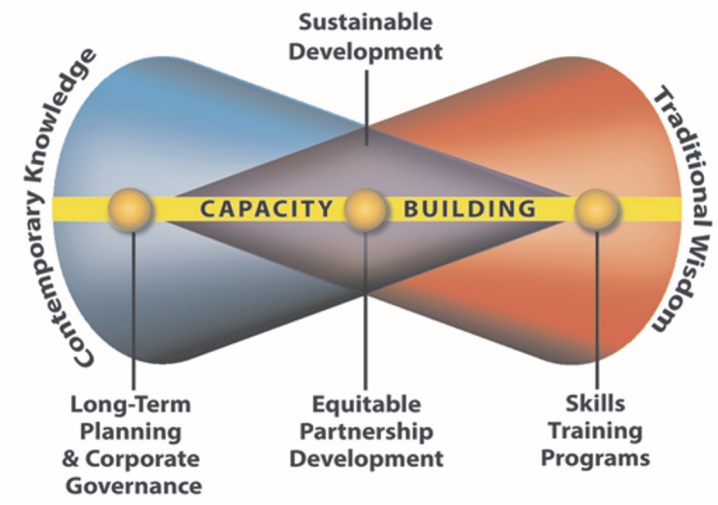
With a vision to eradicate unemployment in Tahltan territory, the TNDC created a strategy to achieve economic development in line with their expectations for environmental and cultural protection. The strategy was to negotiate agreements with mining companies. The economic development corporation was the vehicle for change. Through thick and thin, Jerry was the champion of a new way of doing business for First Nation's communities and the private sector. These projects were the first of their kind in Canada at the time and paved the way for equitable partnerships with industry in the mining and energy sectors, and long-term sustainable economic development.

II. A NATION BUILDING MODEL FOR SUSTAINABLE INDIGENOUS LED ECONOMIC GROWTH

What makes modern Aboriginal economies such as the Tahltan Nation successful? Leadership is one key factor. The second is that they did not replace the old with the new, but rather created a third model of development — one that engages in ethically-driven public and private partnerships to support equality in economic development, while still preserving the values, heritage, and traditional governance mechanisms inherent to their communities. This model respects the traditions and heritage of the people and the environment and, at the same time, embraces modern technology and development.

Global Indigenous Development Trust (GIDT) Aboriginal leaders have applied these lessons learned and best practices to the indigenous development context around the world creating a new way of building sustainable indigenous economies outside of Canada, using Canadian best practices and experiences garnered over the past 40 years. Figure 1 represents GIDT's model for sustainable development in which both traditional wisdom and contemporary knowledge represent the two balanced poles that inform and invigorate each stage of the development process as it is implemented. The process begins with long-term planning and governance in the first stage; establishment of equitable partnerships in the second ongoing stage; in the third stage, Indigenous Peoples participate in on-the-job training opportunities and local product procurement possibilities created by the new equitable partnerships of stage two. Indigenous Trust's established capacity-building workshops and seminars underpin all three stages of economic development.

FIGURE 1
The Model for Sustainable Development



Source: Model developed by Indigenous Trust.

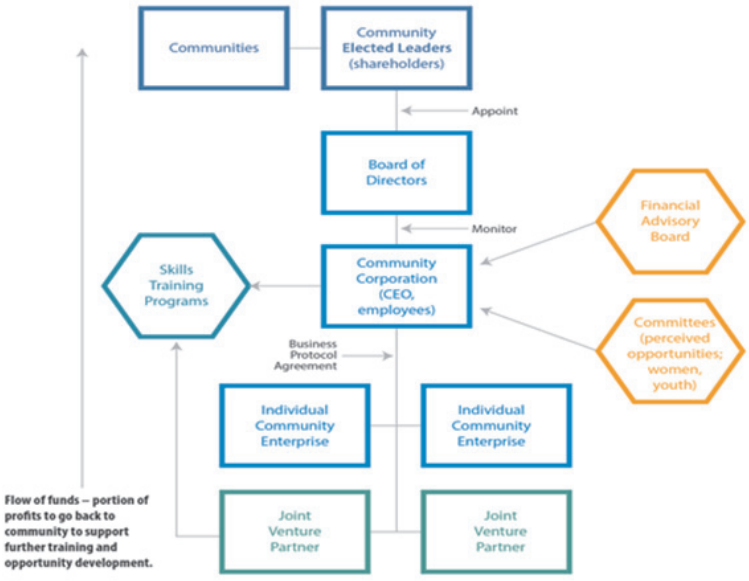
What makes this model so successful and what are the key defining factors of a sustainable pro-indigenous model for economic development?

1. Community Economic Governance Structures
2. Equitable Partnerships
3. Respect for Environment & Heritage underlying all projects

1. Community Economic Governance Structures

Indigenous communities typically have very established and successful traditional governance models that have helped them survive for centuries, work well together and preserve their cultures and traditions. Yet, many communities' traditional governance systems lack an economic arm that can develop business opportunities, enter into contracts and partnerships and create a cash-based economy to supplement their traditional way of life. Indigenous Trust co-Founder P. Jerry Asp studied Aboriginal economic governance structures across Canada and looked at the main reasons why some succeeded and some failed. Conclusive evidence suggested that 97% of Canadian Aboriginal economic entities, which did not succeed, failed because they did not separate the political and economic arms of the community. Corruption and inefficiencies were the most prevalent reasons for downfalls. A separate entity solely responsible for economic activity that remains true to traditional values and norms was found to be the key to success.

FIGURE 2
The Model of Governance



Source: Model developed by Indigenous Trust.

These Economic Development Corporation structures that are run for and by the community, have been widely seen as successful in Canada and are beginning to be applied across the world.

2. Equitable Partnerships: Joint Ventures and Other Strategic Alliances

Partnerships between corporations and community economic development corporations or other community enterprises are intended to assist communities develop capacity, skills and generate revenue for long-term socio-economic independence. A typical alliance may include the following aspects set out in the graph below.

While all partnerships may include some or all of these components, our experience has shown that there are two similar yet distinct streams of partnerships that communities can look to negotiate.

Business Partnerships (Revenue Sharing)

The main purpose of these strategic alliances is to assist the community enterprise in developing its expertise in a particular area in order to grow its Economic base. Alliances must be structured to bring value to both parties and strategically align interests and support corresponding weaknesses. Training is a major component of this partnership, to ensure that the community enterprise can build its own capacity in the given sector. As any other business arrangement, both parties earn a profit and take on risks and responsibilities of the busi-

FIGURE 3
The Model of Equitable Partnership

Source: Model developed by Tahltan Nation Development Corporation

ness and/or supply contract. Many times, the community enterprise will reinvest some of its profits into developing further training programs with its private sector partner for job advancement and management experience.

Partnerships for Skills-Training

The main purposes of these partnerships are for hands-on skills training and capacity-building experience. The best training is gained through real work experience. These partnerships are typically with corporations, cooperatives or associations, governments, and can range from on-the-job training and work experience to mentorship to internships. We work with local and international corporations to deliver the most beneficial and equitable opportunities for communities we work with, that often times can lead to employment after the training period is completed. We also work with academic institutions such as Canadian Colleges to develop training programs with our private sector partners that can best leverage existing and future opportunities in the marketplace.

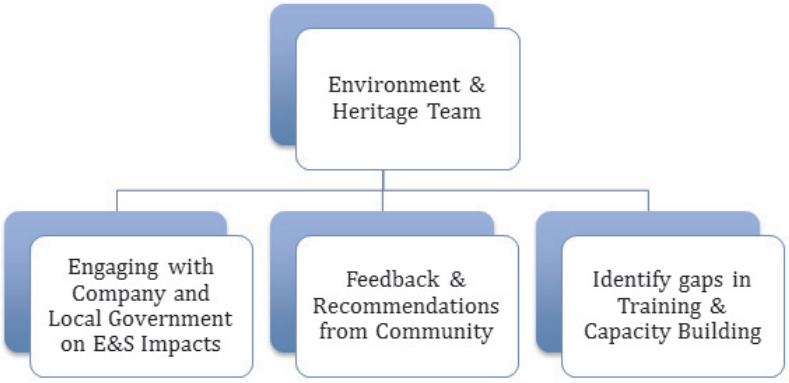
3. Respect for Environment and Heritage underlying All Projects

In order to ensure that new projects respect and engage with traditional knowledge, heritage, culture and the environment, an environment and heritage team will help community decision makers ensure that the physical environment and cultural heritage of the community remain uncompromised throughout all stages of a project. Depending on the kind of development the community would like to see on their land, the team should consist of individuals that have knowledge and experience in some or all of the following fields:

- Metal Leaching/Acid Rock Drainage
- Wildlife and Ecosystem Mapping
- Fish and Navigable Waters
- Water Quality and Management
- Access Road
- Mining Planning, Operations and Closure, Power Transmission Corridor
- Social and Culture
- Legal
- Heritage
- Economic
- Cumulative Impacts
- Administrative
- Training
- Writer

Where a particular expertise is required, but deficient in the community, consultants are contracted. However, the team also contributes to training and capacity building programs, in order to develop the skill sets of community members as well as ensure that future projects and employment opportunities can benefit from local expertise.

FIGURE 4
The Model of Environment & Heritage Team



Source: Model developed by Tahltan Nation Development Corporation.

The environment and heritage team can organize itself into working groups in order to effectively manage the various aspects of any project. The three basic responsibilities of the team are (i) to interact with the company and government (federal and provincial) representatives on various resource or other projects through an assessment process in to understand and mitigate social and environmental impacts; (ii) to keep the community informed of its findings and gather feedback and recommendations through public participation meetings, workshops, and newsletters; and (iii) to contribute to identifying gaps in training and expertise and in this way contribute to the development of training and capacity opportunities. In this way, a team focused on protection of the environment and heritage will carefully consider all environmental and social effects so that the region and its traditions can be maintained for all future generations.

III. THE WAY FORWARD

Indigenous Peoples across the globe are unable to realize their full potential: They are the poorest and most marginalized group on the planet, and the gap is widening. They are losing their way of life at rapid rates. This problem is so widespread that each of the 17 United Nations Sustainable Development Goals affects Indigenous peoples profoundly, from poverty to climate change to inequality. Extreme inequality has detrimental effects on local economies, costing in the billions of dollars. The global collective, too, suffers from lost Indigenous knowledge and innovation. Marginalization also creates potential for massive conflict, particularly around the natural resource sector. There are currently more than 400 reported conflicts across Latin America between mining companies and communities, and over USD$25 billion in stalled mining projects around the world. Indigenous Peoples are not

necessarily against development, but they must have a seat at the decision-making table and be active participants in the development of their own lands.

Over 40 years of experience in Canada has demonstrated that two major barriers to sustainable socio-economic development exist and they are unique to the Indigenous context due to 500 years of marginalization, racism, and inequality: Indigenous peoples do not see what is possible and others do not believe what Indigenous peoples are capable of. The stereotype that casts the Indigenous as people who can only carve totem poles and create elaborate beadwork is still very much in existence. This is why empowerment and equality are the necessary ingredients to create deep-rooted transformational change.

GIDT's approach is thus based on the now widely accepted premise that communities are the experts on their own development. This methodology has been adopted from Aboriginal communities across Canada in which economic growth is holistic in character and is based on process-driven governance structures. The model thus represents a community-led process that is based on a common vision — a vision that encompasses the interconnectedness of the community and allows members to incorporate their own traditions and values. Through this process, communities are empowered to complete each phase of development themselves and Canadian Aboriginal mentors and advisors who have created transformational economic change based on their own communities' way of life and that of other communities around the world support them throughout. Culture and traditions are difficult to maintain and strengthen when communities are in abject poverty. However, as Aboriginal economies are growing, we are seeing more and more examples of cultures and traditions being strengthened and integrated into Aboriginal community economic models, and are in this way beginning to influence how external stakeholders view these issues, for instance in environmental or social impact assessments. A healthy and economically sustainable community will be able to better take care of its members, create opportunities for its youth as well as better preserve its heritage, cultural traditions and beliefs. This model provides the way forward for struggling Indigenous communities around the world who are caught between wanting to raise their standard of living but not lose their unique cultural heritage and way of life.