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Volume 3, Number 2



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CANDO



*Journal of
Aboriginal Economic Development*

VOLUME 3, NUMBER 2



Captus Press

The Journal of Aboriginal Economic Development is the first journal devoted exclusively to issues and practices in the field of economic development and Aboriginal peoples' communities. The journal, published jointly by Captus Press and CANDO (Council for the Advancement of Native Development Officers), offers articles that are of interest to those who teach and those who work in the field.

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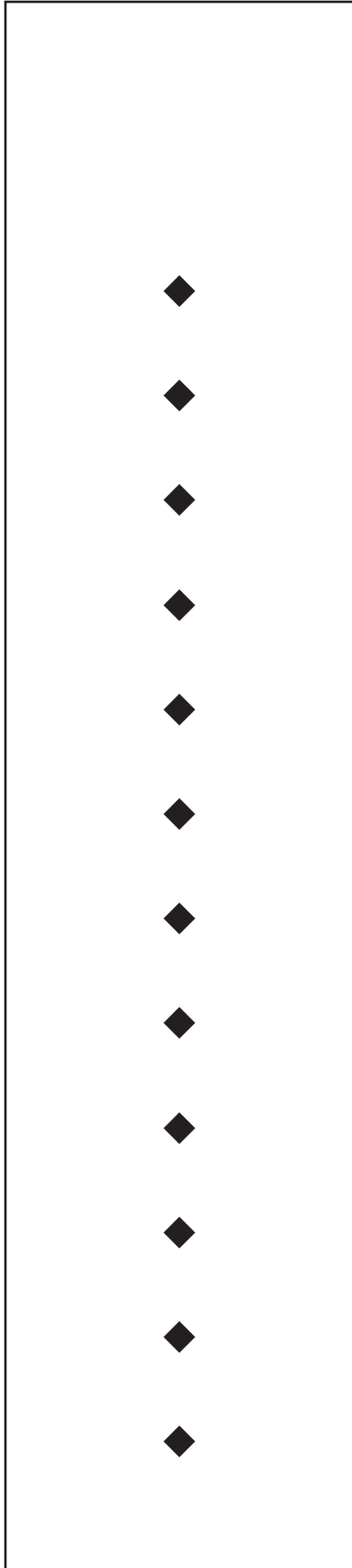
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The Artist and Joint Connections Co-operative

The artist of the painting that appears on the cover of this issue is Sydney Appleby, a member of the Little Grand Rapids First Nation, Manitoba. He was born in 1947. His mother, Bella Keeper, was Saulteaux (Ojibway) from Little Grand Rapids. His father, Sydney Richard Appleby was British. Sydney has a Journeyman Arc Welding Ticket and a B.A. degree in Psychology from the University of Manitoba.

Sydney is currently serving a life sentence for second degree murder, which he received in 1977. In prison, he continues to paint “for tranquillity reasons”. He painted this picture while serving time in Prince Albert’s medium security Saskatchewan Penitentiary. While at the SaskPen, he also joined a group of other men serving life sentences, called the “Lifers Group”. A number of the members of the Lifers Group are in the process of starting an Arts and Craft co-operative, called “Joint Connections.” It is an excellent example of Aboriginal community economic development in practice, which the members hope will provide an example for Indigenous artists in other institutions located across Canada. In an interview, one of the members proclaimed that “this project will provide a sense of direction and allow our members to bring out their talents, build confidence and improve the community inside and out.”

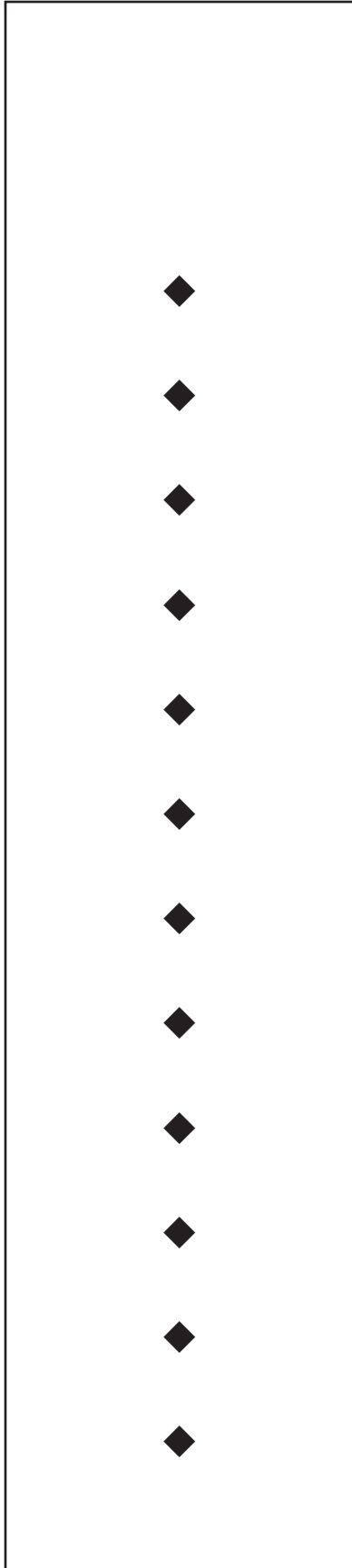
The motto of the Joint Connections Co-operative is “Helping Others Help Themselves.” Their Mission Statement states:

The purpose of Joint Connections Co-operative is to provide a global resource network for financial, social and educational support to the incarcerated lifer to successfully reintegrate into the community.

Joint Connections Co-operative believes that the social and cultural strings that unite and define Canadians can and will be enhanced through artistic pursuits and commercial endeavours. We believe that the integrity of an incarcerated person can be restored through learning and teaching positive social skills.

Joint Connections Co-operative shall remain a producer co-operative based on multicultural influence and input, while using a variety of media applications. The co-operative shall remain a support resource for the lifer, the incarcerated and the reintegrated.

Joint Connections Co-operative shall be based on the brotherhood of man and the common belief in the “good of all uniting for the good of one.”



Editors' Comments

This is the 6th issue of the *Journal of Aboriginal Economic Development*. The Journal continues to develop and evolve. For this issue, we have added a new recurring section called Toolkits. What we hope to do is bring to your attention items of practical interest to economic developers. Our first offering focuses on the internet and its vast resources. The net has rapidly become an important source of education and training materials as well as an excellent resource for building community and business plans. We hope that you find it useful.

Our goal is to try to achieve a balance between the needs of practitioners and the needs of academics (researchers and teachers). Our Learning from Experience section contains articles on the CANDO Economic Developers of the Year for 2002, Chief Sophie Pierre of St. Mary's Reserve in British Columbia and Ray Gerow of the Aboriginal Business Development Centre in Prince George, British Columbia as well as entrepreneurial training to youth in Kanawake, Quebec and the development of an aboriginal tourism industry in Mistissini. Our Lessons from Research section deals primarily with international developments and aboriginal peoples. David McNab's article on trade in the Bkewanong Territory in Ontario provides an important historical perspective. We also bring

you review of Laurie Meijer Drees's *The Indian Association of Alberta: A History of Political Action* that helps to understand the context within which we are working. The issue of urban aboriginal economic development and poverty is critical as many of us now live in cities and we hope to devote an entire future issue to this topic. The history of the Indian Association of Alberta helps to link us to the work that those who came before undertook in preparing a good foundation for us.

Enjoy!

David Newhouse
on behalf of the Editorial Board

LESSONS FROM
EXPERIENCE



Editors' Introduction

Wanda Wuttunee and Warren Weir

It is an exciting time for those of us involved in Aboriginal community economic development in Canada. It is clear that we are seeing real progress taking place in Aboriginal community economic development, especially in ways that many people want for their communities. This section provides a continuing message of positive change that includes capacity building, the development and maintenance of partnerships, increased education and experience, and the internally community-based analysis of economic activities and practice in Aboriginal communities.

The first paper showcases the CANDO 2002 Economic Developer of the Year Awards. In their article Cheryl Cardinal and Nicole (Migizikwe) Hetu profile Chief Sophie Pierre and the Aboriginal Business Development Centre, located in Prince George, British Columbia. Chief Pierre, Administrator of the Ktunaxa Kinbasket Tribal Council and Chief of the St. Mary's Indian Reserve located in southern British Columbia, has worked tirelessly with her community to transpose a negative past experience from residential schools

into a more positive reality for the community's future. The authors also profile the Aboriginal Business Development Centre which provides support for business initiatives undertaken by its community members.

The second piece by Robert J. Oppenheimer and Thomas O'Connell called "Providing Entrepreneurial Training to Native Youth" offers insight into how youth can be supported as they build their entrepreneurial expertise and style. In their case study, the authors highlight a training initiative at the Kahnawake Survival School, where 20 students were coached on entrepreneurship as a career option. The paper ends with a number of useful recommendations on the development of entrepreneurs in Aboriginal high schools.

Finally, the section offers two papers that complete the circle by highlighting community-based evaluations of community initiatives. In this special publication, professional designates Robin McGinley and Alice Corbiere share the papers they completed as a final requirement of their ACED program with CANDO. This is the first time CANDO professional Aboriginal Economic Development Officers have published their work in JAED, and we are happy and honoured that they have chosen to share their experiences with us. Robin has given a lot of thought to how her community of Mistissini will make tourism a sustainable enterprise, while Alice offers an in-depth look into the development of tri-government projects based on the involvement and acceptance of the First Nation community of Garden River, located near Sault Ste Marie, Ontario.

We hope you enjoy these articles and stories on capacity building, partnerships, entrepreneurial training, and community-based analyses. If you have a story to tell, please send it to our editorial board for review.

CANDO ECONOMIC DEVELOPER OF THE YEAR AWARDS 2002

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Cheryl Cardinal and Nicole (Migizikwe) Hetu

Introduction

The 2002 CANDO Economic Developer of the Year Awards were presented in Edmonton at the CANDO National Conference. Both award recipients demonstrated a commitment to exceptional leadership in Aboriginal economic and community development. Chief Sophie Pierre, the Administrator of the Ktunaxa Kinbasket Tribal Council and Chief of the St. Mary's Indian Reserve, BC was the recipient of the 2002 CANDO Individual Economic Developer of The Year. **Ray Gerow**, accepted the 2002 CANDO Business/Community Economic Developer of the Year on behalf of the Aboriginal Business Development Centre (ABDC), located in Prince George, British Columbia. Mr. Gerow is the manager of ABDC. In the following we are provided with a brief glimpse of their economic development views, ideas and stories.

Chief Sophie Pierre

2002 CANDO INDIVIDUAL ECONOMIC DEVELOPER OF THE YEAR

Under the leadership of Chief Sophie Pierre, the Ktunaxa Kinbasket Tribal Council has supported the completion of a number of successful eco-

economic projects. The St. Eugene Mission Project turned an old residential school into a first class resort in 2002 with a 125-room hotel, 18-hole golf course, casino, fitness centre with numerous nature activities. The resort is located on St. Mary's Reserve near Cranbrook, British Columbia. The building housed a residential school from 1878 to 1971 that stood as a symbol of oppression and assimilative policies. This community has transformed the image of this building to a symbol of economic growth and healing. Chief Pierre notes, "We still have some members of our communities that want it erased. . . . that part of our history. They would have preferred us to knock down the building and start from scratch. But, this sends a powerful message to the students of residential school and their families." Chief Pierre also ensured that the Ktunaxa heritage is honoured and kept sacred through teepee camp and artisan cooperation in community projects. Here are Chief Pierre's thoughts:

*How do you maintain balance between
family life and your professional career?*

That is the most difficult thing to do—
for anyone in a political position—we have to
make a conscientious effort to maintain balance

Learning Advisors, CANDO.

This article was based on preliminary interviews conducted by Kelly Many Guns, CANDO communications staff person, with each of the award winners. These initial interviews were reproduced in the CANDO newspaper, *N-Side News*. January/February 2003, Issue three.

between family life and a professional career. I always talk in seminars about the importance of taking time for yourself and your family. But it is really easy to say but much harder to do. You need to say to yourself, "No I am not going to go to that meeting, I am going to spend this time with my family or I am going to get that massage". As leaders, we need to make that conscious decision to stay with family and to spend time with them. Take time for yourself and for your family.

What were the challenges that you faced as a result of taking on the St. Eugene Mission Resort Project on your reserve? How did you address these challenges?

First, to get the agreement, support from the communities and the communities to believe that they could do something like this. There is little evidence of economic development on the reserve. With the added challenge of taking a residential school and turning it into something positive. We still have some members of our communities that want that it erased and that part of our history. They would have preferred us to knock down the building and start from scratch. But, this sends a powerful message to the students of residential school and their families. This is a beautiful old building that we turned into a hotel.

Second, to conduct five referendums. The five bands have ownership in common. If during the referendum, one band had turned down this project, it would have killed the project. We need a lot of internal work to ensure that this project was going to get the support. This project needed to get really good support from all the communities. And we did, one community voted 100% support behind the project.

Third, to raise financing for such a big project. We need \$40 million total in assets. Difficult to raise such financing. We had to use public sectors, so government both federal and provincial, private from the hotel and casino companies and we had to develop partnerships for investments purposes only. This is important because we wanted five bands to retain the ownership of the property. The investors could only get return on their investments but had no ownership of the property. This made it difficult to raise the financing for the project. Providing security to commercial banks is a challenge.

We need to come up with innovative ways to generate revenue, Otherwise, we will continue

to see third world conditions and poverty in Aboriginal Canada. Maintaining poverty is more expensive for the federal government than assisting First Nations in developing economy. This has been proven through the Harvard Study of Economic Development. This study has proven that self-determination through economic self-reliance works to reduce poverty. Continued poverty is going to cost government billions of dollars. The federal government is spending their money on social programs, not to assist First Nations in economic development ventures. The important thing to realize is to keep poverty in Aboriginal Canada is expensive.

What is the level of focus of economic development in your community?

I will speak in terms of the five bands. We have concentrated our efforts on the St. Eugene Mission. Now, economic development within our communities is more of a conscious focus of the five chiefs and councils. Having built the resort, it's more in your face. Economic development is easier, more acceptable, and not such a challenge in our own communities when you can see the result from the resort.

Has CANDO served a role in the enhancement of economic development within your life and in your organization? If so, how?

The recognition for development was a shot in the arm. It creates a spin-off and recognition of others. CANDO recognizes accomplishment. We made a success in building and now we have to make a success in operations. We have been recognized in the accomplishment of building this. With the awards, it gets the word out there and creates a buzz in Aboriginal communities. These awards are vital for creating further economic development accomplishments.

What are your plans for future projects or endeavours?

Economic development in our communities will focus on spin offs from the resort. So we will offer trail rides, cross-country ski trails, or boating companies for things such fly-fishing. People need to do something when they come to the resort. Gas stations and corner stores for buying bread because otherwise our people have to go into town for these things. I would like to see more small businesses on the reserves. For

myself, I am interested in pursuing a business venture. So we will need to have someone in my position to look after our investment on behalf of the five bands. We cannot assume that other companies will do it. We need to make sure that we have someone always looking after the best interests of the five bands in regards to the resort.

What would you suggest to other communities who want to take on big economic development projects like the St. Eugene Mission Project?

It starts with an idea. Just pursue the idea. There is always going to be someone saying you can't do it. Believe in what you are doing and know that you are in for the long run. Just go for it. There are so many opportunities for us. There is always going to be someone there saying we can't do it. We will be more of a failure if we don't even try.

The Aboriginal Business Development Centre

2002 CANDO BUSINESS/COMMUNITY ECONOMIC DEVELOPER OF THE YEAR

The Aboriginal Business Development Centre (ABDC), located in Prince George, BC, was the CANDO 2002 Business/Community Economic Developer of the Year. ABDC provides entrepreneurial services to Aboriginal clients by Aboriginal staff persons since 1997. The mandate of the organization is to provide research, assistance in business start-up skills, budget forecasts, planning and general developmental supports to Aboriginal persons in northern British Columbia. ABDC provides competent business start-up advice and suggestions, as well as practical step-by-step business plan formats and small business analyses. It also provides general advocacy to serve any needs that their clients may have. A strong contributor to ABDC's success is that it was created and designed in response to the needs of Aboriginal entrepreneurs. The following questions were addressed by Mr. Ray Gerow, Manager of ABDC.

How do you maintain balance between family life and a full professional career?

You have to have a balanced productive family life before you can have a balanced

career life. When you are dealing with clients who have this opportunity, often this being their one and only time that they will have this opportunity to start a business — it is a very important moment in life. If you are “not all there” emotionally and mentally then you are not going to be able to assist the client. We treat our office as our home and you need to have a good balance to be able to do a good job!

There are a lot of demands placed on an EDO. You balance this by letting the family life have priority over your work life — most of the time. As the manager here I try to do things like, on some Friday afternoons, I will let the staff go home early to be with their families. Our staff get PTO (personal time off) days so that they can attend family events, school events etc. without affecting their holiday entitlements. Events like funerals, gatherings, etc. I always encourage staff to participate; there is always this type of support given by the office. Another example is that on National Aboriginal Day, June 21st the ABDC office will be working with the Friendship Centre and a few other Aboriginal organizations to coordinate this day in Prince George. We are also involved in community events such as hockey and baseball tournaments as an organization.

It is an un-written rule that when it is time to go home at the end of the day — you go home. At 4:30 you simply leave — you do not stay longer. There is an understanding that your family life is more important than your work life. I have been in organizations where people stay an extra hour each day but this begins to increase, as does your workload. You simply need to go home at the end of the day and make sure that this un-written rule is maintained.

What are some of the challenges that you have encountered with any of your development endeavours? What are your recommendations to overcome these challenges?

It is good to have challenges and hurdles ahead of you because it forces you and your clients to overcome those challenges before starting up a business. It is a proven fact that Aboriginal businesses have a higher success rate. There is a perception out there that it is because of all of the “free” money that we get to start up businesses. That is simply not true! It is because we are forced to come up with a good solid busi-

ness plan before funding is allowed for the business proposal. The situation for non-Natives is that it is often easier for them to maintain or secure funding for different reasons (i.e. off-reserve capabilities or legalities), and this can often lead to starting a business without properly addressing all of the important issues. These are often the issues that Native peoples face at the beginning of their business development process, whereas non-Aboriginal peoples face these similar issues later on. A good example of this would be having a solid cash flow in place. This is a critical part of any business plan as it allows you to plan for times when you need extra cash. A lot of businesses that go under are actually viable businesses, but they had poor cash management principles in place.

Another challenge is that client's needs have to be answered in an appropriate manner. For example, anytime we are forced into dealing with the political issues that are out there we need to isolate them from our client. As an Aboriginal organization the whole reason for us being here is to ensure the needs for our clients are met. We need to identify the Aboriginal political issues—and if the political issues are not met and if the client does not have the political support from the community, or for example the needed support from the Chief and Council, then this might be a challenge. It is not our job to work out the political problems with a client's business. We ensure that the client is aware of the need to try to get political and community support for their venture, but if they choose to ignore this or to start up in face of opposition, than it is our job to still support the client. My job as Manager is to keep these political issues away from the staff and the ABDC organization.

Is economic development a priority for the Aboriginal Business Development Centre, and if so what is the level of focus?

Economic development is not a priority for ABDC because ABDC is not out there to stir up the economy and attract businesses. The goal of ABDC is to assist their clients' business developments needs by assistance with feasibility studies, accessing financing, business plans etc. At times general advocacy for your clients, but we are not mandated to promote economic development for any specific community—an example would be a band or community run economic

development office that is there to attract investment into their community. We do not do that. We work with our clients, but they usually generate their own ideas. We can act as a clearinghouse for opportunities, matching up clients with viable ideas, but we do not actively solicit or advertise to do this. We will assist communities in their economic development planning, and we will assist clients to find opportunities matching their skill sets, but we are not out their chasing down the opportunities.

What role has CANDO served in the enhancement of economic development for you or specifically for the Aboriginal Business Development Centre? Second, you mentioned the importance of young Aboriginal persons entering the field of economic development—can you elaborate on this point?

CANDO has offered the networking opportunity and also their research materials are very useful. In a holistic way of looking at things—CANDO is providing a support mechanism for the EDO. The training and support that CANDO provides makes it easier to attract and retain EDO's.

It is important that Ec/Dev is introduced at a grade school level—planting that seed with our youth at that age so that by the time they are in high school they should be taking entrepreneur courses and business. Economic Development Officers are very important right now, and will be for a long time as business will be a way of life for our people. At that age group you are not targeting students to become EDO's, but if a student is aware of that certain knowledge then they can consider becoming an Economic Development Officer as well as considering being a doctor, lawyer or Indian chief. An Economic Development Officer becomes a viable career option beginning first as a seed in their grade school and then more advanced in high school. Most EDOs for different reasons may not have gone through high school and university saying that they want to be an eco/dev officer when they finish college or university. Often this position gets taken on because it is a role that they might inherit as a Band Councillor that usually is open or that they fill simply because it is a vacant position within an organization, and they start by filling the job as a secondary duty.

You mentioned that ABDC is strictly a small business developer. Do you intend to eventually have a lending capacity?

No! I am a strong believer in keeping these roles separate. You cannot effectively work with a client on development of their idea, their business plan, and then turn around and be the one responsible for adjudicating it. I have worked in an organization where I had to do it, and it was not effective. I would like to see a dedicated loan fund established for the northern interior and northeastern parts of BC, but that fund would need to be overseen by a separate governing structure.

What are future goals that we can anticipate from the Aboriginal Business Development Centre?

There are no major future goals other than what we are presently doing. It is something that we do well, and changing for the sake of change can be dangerous. The future aspirations are that we do not change; that we can continue doing what we do well. It is often tempting to change in order to keep the funding coming into the office, but that is also a dangerous road to go down.

What makes ABDC unique is that we are a dedicated business service provider. The infrastructure like ours is usually attached to something else such as a band office, a tribal council or a lending institution. This type of relationship makes you open to the political interference that we are all aware of, as well as the perception of favouritism. For us (as ABDC) being a stand alone non-profit organization we are somewhat insulated from that type of thing (be it perceived or real) which allows us to focus on meeting our clients needs rather than keeping Chief and Council happy (for example) or whomever else—we focus on the client. We are probably one of a few organizations of this kind in Canada—

there is now an organization like ours in Cranbrook. It is similar to our office and actually we were involved in establishing it. Our office was also instrumental in establishing an office in Fort St. John, called the Northeast Aboriginal Business Centre Society.

Summary

Both of these leaders honour balance and family. In Ray Gerow's case, he personally and professionally accommodates staff family events and community life, reflecting positive community values in an Aboriginal organization. The award winners take different approaches to economic development ventures in their communities. The importance of economic development is that it leads to greater sustainability within Aboriginal communities whether rural or urban.

Securing funds for economic activity is a common obstacle. Ray Gerow welcomes challenges, and views hurdles as opportunities enabling persons or organizations to be better positioned to handle future obstacles. Chief Pierre is an integral part of the St. Eugene Mission Project success that is linked to uniting the five bands within the Ktunaxa Kinbasket Tribal Council. These bands needed to be in complete agreement and supportive of the project because the five bands own the St. Eugene Mission in common. Through their support, Chief Pierre was able to secure a \$40 million total in funds through the public and private sectors and through building partnerships. They overcame traditional funding scarcity through creative partnering.

The future looks bright for these leaders and the communities they serve. Ray Gerow is cautious and thorough and will not encourage change without due consideration. Chief Pierre reminds us that we must focus on capacity-building so that we can manage change within our own communities and not rely on others.

PROVIDING ENTREPRENEURIAL TRAINING TO NATIVE YOUTH

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Robert J. Oppenheimer and Thomas O'Connell

Overview

This initiative originated from a survey done at the Kahnawake Survival School (KSS) and a study at the National Aboriginal Career Symposium (NACS) commissioned by Aboriginal Human Resource Development Council of Canada (AHRDCC) in 2001.

The objective of the study was to get a perspective on the career aspirations and expectations of Native High School youth so as to develop better career tools for the benefit of the youth.

One of the significant findings was that entrepreneurship was a career choice selected by many of the youth. This was particularly interesting when taken in the context that Native entrepreneurship (per capita) is lower than for those in the rest of North America. Another finding was that Native High Schools provide little, if any, entrepreneurial training or exposure to entrepreneurship as a career choice. The importance of entrepreneurship in self-determination and the desire of many Native youth to pursue this career option led to our seeking an opportunity to do a pilot project with Native High School youth on entrepreneurship orientation.

At the same time, Angela Deer, a loan officer with Small Business Services, at Tewatoh-

nih'saktha (the Economic Development Office) in Kahnawake, Quebec had a similar vision for entrepreneurial training for Native youth. She was instrumental in arranging, through the National Aboriginal Capital Corporation Association (NACCA), a pilot project for entrepreneurial training at KSS in the spring of 2003.

Working closely with Tewenhni'tatshon, the school principal, it was decided to provide the training for the graduating class of seniors. The training was scheduled to take place in three sessions of two hours each, spread over a four-week period. The objective was to develop awareness for entrepreneurship as a career choice and to provide an understanding on the requirements needed for being a successful entrepreneur.

The training was given as an introduction to entrepreneurship and was attended by the 20 senior graduating students. It was an overview of entrepreneurship as a career. Examples and coaching were provided, which were built upon the ideas presented by the youth.

Methodology

The orientation was developed in three stages, each being two hours. The first stage was focused on **“generating the idea”**, the second on **“taking the dream toward reality”** and the third was **“from sandbox to launch”**.

Generating the Idea

The first stage began with an overview of the importance of entrepreneurship for sustainable development and self-determination. An explanation of the need for Native entrepreneurs and the requirements for entrepreneurial success were provided. Some examples of Native youth entrepreneurship were provided as a source of inspiration.

The orientation then went to explain the process of becoming an entrepreneur. The importance of being able to identify business opportunities by being sensitive to people's needs was emphasized. The idea of whether the idea was relevant for those within a particular community or had broader implications was also discussed. The overall process for starting a business, from the initial inspiration to visioning to feasibility to sandboxing and then to business planning was explained.

To enable the students to more clearly identify with entrepreneurship, a background of the community's business history, from fur and agriculture to the present day golf courses, Internet initiatives and small-business start-ups, was discussed. Finally, the process of getting a business idea was reviewed. At the conclusion of the session the students were challenged to come up with a business idea for the next session, which was the following week.

Taking the Dream Toward Reality

At the beginning of the second session, the students were asked about any business ideas they may have found. One male student came up with an idea for an automotive audio facility where he would sell and install automotive audio equipment. As this was the only idea presented, a coaching session with the group was initiated whereby we began a "sandboxing" exercise and ultimately conducted a verbal feasibility study.

The concept of "sandboxing" is based on the child's playground where models can be built, destroyed, redesigned and rebuilt quickly and without cost or damage. The entrepreneurial application is to play with the business idea, using scenario (what if?) building in order to reconfigure the business model to avoid evident weaknesses. This was well received by those interested in the business idea of installing audio equipment into cars.

A feasibility study precedes a business plan. Prior to the commitment and expense of a business plan, a feasibility study is done to assess the viability of this specific business. Its entry into the economic balance of the industry and the impact (positive and negative) of this new entry on the community in general and the existing businesses in particular were examined. The feasibility study also assessed the capacity of the audio installation business to sustain itself.

The female students were disinterested in the project so we generated a new business idea centred on the concept of providing Internet training to elders. The idea was to help the elders so they wouldn't be so lonely and could interact (by e-mail) with family, friends and groups on-line. We did the sandboxing and feasibility analysis exercise as a group.

The process of business modelling and re-design was addressed and the students were encouraged to overcome the barriers of fear and failure. The realization that many businesses fail and that the key is to learn from those failures was both surprising and reassuring to the students.

From Sandbox to Launch

The final session emphasized the importance of establishing credibility, incubating the business model and seeking the easiest entry point into the chosen industry to reduce risk and establish the "proof of concept" pilot launch.

Incubating the business model is a concept similar to the incubation of fragile children, at birth, which need protection from the harsh environment until capable of sustaining themselves. Incubating the business model requires constant attention to every aspect, particularly while the business is fragile. The objective is to intervene quickly when revisions are needed to sustain the survivability of the venture. The analogy of the new business with that of a fragile child at birth made sense to the students.

The idea of the "proof of concept", which implies that the new business should initially seek the opportunity to launch in a test market situation, was another interesting concept for the students. In this situation a limited investment is made until the business model concept has been proven to be successful. It was pointed out that this would usually occur after the needed fine-tuning interventions were made. It is at that

point that a total commitment and investment can be given to the proven model.

This session worked with the elements of the business plan. The terms of reference from Aboriginal Business Canada were used and adapted to the comprehension level of the students. The importance of each element of the terms of reference and the required data was explained.

The auto audio installation and the elder Internet training were used as specific examples to explain the terms of reference used by Aboriginal Business Canada. An additional example, which appealed to the youth, was also presented. A desktop recording studio was discussed as an inexpensive business opportunity with low risk and potentially high gain in terms of skill development and profitability.

A Significant Positive Outcome

One student was obviously a natural born entrepreneur. Inquisitive from the start, he arrived early to discuss his business idea, was focused on his business vision and sought practical action steps to take him closer to his business goal. We used coaching methods to work with this student, before and after the class, to provide practical action steps for his specific opportunity. We were also able to find him an on-line mentor who successfully implemented the same business idea and who was in another province. This meant that there would be no direct competition, and the mentor agreed to provide information, pricing and even source codes for the development of the student's web site. This was very successful due to the drive and focus of the student — we were able to do a successful coaching intervention which moved him much closer to his vision.

Findings and Recommendations

Was this initiative successful and what recommendations may be drawn from it? The success of a venture is based upon one's expectations and how success is defined. One person came out of this training experience with the desire, understanding and tools to transform his idea into a viable business. Others obtained the basic understanding of what is needed in order to start a business. For some, seeds may have been planted that after a number of years may germinate into an interest in starting a business. How-

ever, others perceived this as an academic exercise, which at best might be described as "an interesting experience".

What may we conclude? We believe that it was a worthwhile undertaking and that there are a number of useful recommendations that we may make as a result of this experience.

Recommendation: Offer an introduction to entrepreneurship as a two-hour session on a sign-up basis rather than requiring everyone to attend. Provide the small percentage of natural entrepreneurs access to a coach, in real time and space, to work with them, individually, to provide help to get them closer to a workable business model.

The remaining students were at varying stages of interest in the topic of entrepreneurship. This is not surprising since, for most, this was their first exposure to an overview of the topic. Most had not caught the "entrepreneurial fever" which typically occurs when students have been trained to seek an entrepreneurial inspiration and vision. Without the entrepreneurial "fever" the training becomes an academic exercise in techniques and is rooted in a logical, rational approach to starting a business.

Recommendation: Provide follow-up sessions with skills based on entrepreneurial talents rather than an overview of entrepreneurship. Short seminars on creativity, visioning, inspiration, networking and opportunity identification would be valuable prior to entrepreneurial training. The students need to develop the entrepreneurial mindset before getting the roadmap to developing a business. In this way the students would be inspired to get the practical training to move their idea closer to implementation. This would be similar to the process that the natural entrepreneur went through.

It was apparent that the perceived scope of entrepreneurship was beyond the capacity of the students to feel they have the knowledge and self-confidence needed to be successful entrepreneurs. Most Native entrepreneurs start after they have been out of school for awhile and have acquired some working experience as well as the confidence to start their own business. The feel-

ing is that the students do not perceive themselves as capable of being an entrepreneur in the short term—they lack the confidence and business experience necessary (except for the natural entrepreneur who was focused on acquiring the skills necessary and was already adept at networking skills).

Recommendation: De-mystify the entrepreneurship process. Give the students practical opportunities to experience entrepreneurship and build their confidence, ideally in group projects to lessen the risk and fear of failure. Project related experiences such as fund raising opportunities, summer entrepreneurship projects, concerts, plays and other instances where they could experience the process of developing a marketing, operations and financial plan would be particularly beneficial.

There are some caveats to this:

- The project must be initiated by the students and managed by the students. The concept of ownership is critical—students will not be motivated to implement ideas developed by teachers. Teachers would be important as advisors but the accountability should remain with the students.
- The scope of the project should be at a level where it is challenging but attainable. A process needs to be instituted where the students research the project feasibility and the students gather the information.
- Paperwork should be kept to a minimum. Too many agencies expect business plans from

students that are overly detailed and cause frustration rather than excitement. Templates would be ideal and an emphasis should be placed on critical but minimal information. Implementation and re-positioning are the most vital aspects of entrepreneurship.

Summary

For communities seeking to facilitate entrepreneurial development with their youth the following conclusions may be taken from this initiative.

- Develop a process to identify natural entrepreneurs and provide them access to individual coaching.
- Provide training to those with an interest in possibly starting a business in the future. Start with developing skill sets related to an entrepreneurial mindset (networking, creativity, problem solving, inspiration, visioning, and opportunity identification).
- Provide opportunities for limited scope entrepreneurial projects to develop practical skills and confidence.

Native youth would definitely benefit from developing entrepreneurial skills even if they do not pursue an entrepreneurial career path. Based on their expressed desire for entrepreneurship and the need to develop a strong entrepreneurial base, further initiatives targeted to Native youth are highly recommended. Findings from similar initiatives with Native youth should be compiled to establish hybrid techniques that facilitate the development of entrepreneurial skills and confidence for Native youth.

BEST PRACTICES

A Planned Approach to Developing a Sustainable Aboriginal Tourism Industry in Mistissini

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Robin McGinley

Interest in Aboriginal tourism is growing. As developments based on natural resource extraction such as mining, forestry and hydro-electricity continue to destroy the land and threaten the traditional way of life, communities are looking for alternative economic development opportunities to diversify their economies, create employment for their members and improve the overall community situation. In Mistissini, tourism development is viewed as one such opportunity. One researcher suggests that "The development of tourism appears to represent one of the more promising strategies which northern people can use to achieve their economic, socio-cultural and environmental goals in a sustainable context" (Hinch, 1995).

The Cree Nation of Mistissini (CNM) is one of the largest Cree communities in Eeyou Istchee, the traditional territory of the James Bay Cree situated in northern Quebec. The community is located on the southern tip of Mistassini Lake, the largest, natural, freshwater lake in the province. Its territory is adjacent to the Assinica and Albanel, Mistassini and Waconichi Lakes wildlife reserve managed by the Société de l'environnement du plein air de Québec (SEPAQ). Accessible by road, air, water and snowmobile,

Mistissini's natural environment and central location create a significant opportunity for tourism development. The CNM administration recognizes this opportunity and has been committed to developing a sustainable tourism industry for several years. As a result, it has become a leader in the industry.

Mistissini, although involved to some degree in tourism since the 1950s, began a planned approach in 1994 that has resulted in significant growth and development in the recent years. Therefore, the purpose of this paper is to highlight the Tourism Sector of the Cree Nation of Mistissini (CNM) and to examine the key strategies used to achieve the current level of success, such as the use of a strategic approach to development and the use of co-operative marketing initiatives. The specific objectives of this paper are to provide: an overview of the organizational structure and operations of Mistissini's Tourism Sector; a discussion about the implementation of the recommendations presented in the tourism planning literature; and the identification of key initiatives and actions that have helped Mistissini achieve its tourism goals. The research is based on a literature review of tourism planning theory and informal interviews with

the staff of the Economic Development Department and the Tourism Sector of the Cree Nation of Mistissini to determine the actions and subsequent outcomes that have contributed to growth of the local tourism industry. The different elements of the research combined with work experience were integrated to identify and explain the key activities.

This paper is written from the community perspective, the author is a member of the Cree Nation of Mistissini; and it is this perspective that has helped the author integrate the theory with the community reality. The reality is that members of the community must be able to determine the type and the appropriate level of tourism development prior to any development initiative. A quote taken from the research recognizes the importance of local community involvement—an approach that Mistissini has clearly demonstrated.

Northern Native people are the best mediators between southern visitors and their homeland—not as a last frontier, not as an untouched wilderness, but as a homeland which has shaped and sustained their communities, their culture, and their economy (Notzke, 1999).

It is hoped that this paper will provide insights and concrete tools for communities interested in exploring the opportunities available in the Aboriginal tourism industry and that it will highlight the importance of a planned, community-driven approach to tourism development.

The information presented in the initial section of this paper is drawn from the tourism literature and is aimed at providing an overview of the current thinking surrounding Aboriginal tourism development and planning. The second section is designed to focus the discussion on a particular community context, the Cree Nation of Mistissini (CNM) and more specifically on the *Mistissini Tourism Working Document (MTWD)*. The third section examines the on-going implementation process and aims to provide concrete examples for the reader. The paper concludes with a summary of the key actions and opportunities for future development.

Although there is a limited amount of literature that takes an in-depth look at Aboriginal tourism planning, interest in this area is increasing. For example, one volume of the *Journal Téoros*, published by the University of Quebec focused exclusively on Aboriginal tourism, pri-

marily in Quebec. Different authors presented case studies from around the province (Bedard and Comtois, 1998; Noel, 1998; Girouard, 1998), the role of the Société Touristique des Autochtones du Québec was discussed (Gill, 1998) and other issues relating to Aboriginal tourism such as sustainable cultural tourism planning were included (Jamieson and Galloway-Cosijn, 1998). However, while a few articles are written by community members, a significant gap exists because the majority of the articles are written from an external, non-native perspective and while they recommend what communities ought to do, they lack a community perspective that understands the day-to-day reality. Certain authors acknowledge and support the need for a Native perspective (Hinch & Butler, 1996; Getz, Jamieson, Cosijn and Zorilla, 1999). It is hoped that the following discussions will begin to broaden the reader's understanding of the issues by relating them to the Mistissini context and discussing them from a community perspective.

Native tourism has been viewed by supporters as an opportunity to develop local economies and by critics as a commodification of culture. Different communities and even members within a community, such as Mistissini, have different opinions about how tourism should be developed in their community. These opinions must be considered because an Aboriginal tourism product relies on and impacts the whole community. A community's culture, a community-owned land base and a positive community experience are important factors affecting the success of any tourism project. Therefore, the community ought to be involved in the planning process to determine the appropriate level of tourism development for their community. According to researchers "Planning is the basic tool by which a community can best assess needs and available resources and determine its own course of action to reach these goals" (Johnson and Thompson, 1984 in Wolfe, 1988). One result of this planning process in terms of tourism is the development of a community tourism plan that includes a process to facilitate community participation (Murphy, 1985 in Hinch 1995; INAC, 1993). Community participation is crucial because it helps to close the gap between traditional mainstream practices and traditional Native decision-making processes (Wolfe, 1988).

Tourism depends on both community assets and the market demand. The importance of these two factors is constantly being compared

and juggled in the planning process in order to balance economic, social, cultural and environmental impacts. The literature best summarizes the relationship as follows:

The challenge of community-level planning is to work out with and find ways to direct powerful sets of outside interests, which include the tourism industry and government economic development staff, and to work not only with local interests which benefit economically but also with those which suffer from its impacts (Wolfe-Keddie, 1993).

Wolfe-Keddie recognizes the players and the potential power struggle that is created by tourism development not only between the external and internal environment but also between the various community stakeholders. It is these community stakeholders that must be involved in the planning and development of tourism if it is to be a success. Some of the reasons for opposition are discussed below to highlight the various community views that must be considered.

When a community does not have the power to control tourism development it is at risk of upsetting the balance and becoming exploited by outside interests looking for an economic opportunity. This has been the experience of some communities as described in the following statement. "Aboriginal and traditional cultures have often been exploited through tourism development, and until the early 1990s there were few examples of aboriginal people acting as entrepreneurs or owners of tourism enterprises" (Getz and Jamieson, 1997). As a result, "Many indigenous peoples have come to view tourism as a new form of exploitation by external forces" (Hinch and Butler, 1996). The external forces include companies such as "tour operators, travel agents and airlines, who control and benefit from tourist expenditures through their direct dealings with clients" (Grekin and Milne, 1996). Consequently, this negative view of tourism that is based on experience is very difficult to change. It may make community leaders wary of tourism as a means to develop the local economy and subsequently ignore an opportunity to create benefits such as employment and cultural awareness. Or in the worst case scenario; "A negative experience with non-native or external tourism operators may prompt a community to deny an opportunity to one of their own (interview with the Chairman of the Inuvik Hunter's and Trapper's Committee)" (Notzke, 1995).

In more recent times, planning practice has evolved to include Aboriginal community members in the process. The following United Nations statement exemplifies this: "[It is] important to involve indigenous peoples in the planning, implementation and evaluation of projects affecting them" (United Nations 1992:17 in Sofield and Birtles, 1996). Hinch takes the notion of community involvement one step further by saying "Tourism development is not something that happens to communities but rather it is something that happens within them" (Hinch, 1995). Finally, this statement begins to imply local control and it is the key factor that has enabled the Cree Nation of Mistissini to focus its resources, involve the community and develop a sustainable tourism industry.

Eeyou Istchee, the traditional homeland of the Cree, is located in the James Bay region of northern Quebec. Since 1975, when the James Bay and Northern Quebec Agreement (JBNQA) was signed, tourism has been recognized as a key economic opportunity. Section 28.6 made it clear that tourism and outfitting were viewed as key components of the emerging economy. This section defines the creation of the Cree Outfitting and Tourism Association (COTA) in the same section as the Cree Trapper's Association and the Cree Arts and Crafts Association and guarantees Cree participation. Since 1975, both Cree and non-Cree governments and organizations have recognized the untapped tourism potential of Eeyou Istchee. The Cree, Quebec and Federal governments have since published several reports (Enviroscope, 1995; Desy, 1992; CTC, 1996) to name a few, outlining the tourism goals and potential of the region. The Grand Council of the Cree of Eeyou Istchee (GCCEI) and the Cree Regional Authority (CRA) have committed a significant amount of resources to establish a viable tourism industry in Eeyou Istchee. One example is the incorporation of COTA in December of 2000.

As a result of the JBNQA, the Cree are able to exert a certain amount of control over the tourism development process. Some of the communities have developed their tourism industry faster than other communities, and those that have involved the community and taken a planned approach have been quite successful. Mistissini is one such community and its participatory approach to tourism development has led to the current success and acceptance of tourism in Mistissini. The earliest Mistissini Cree

involvement in the tourism industry began during the 1950s when Cree guides worked at various fishing camps in the surrounding region. The Cree Nation of Mistissini (CNM) became actively involved in the operations aspect in 1980 when the fishing camps on Mistassini Lake were transferred to the CNM as per the JBNQA. Then in 1993, the CNM underwent a strategic planning exercise to determine the direction of the local tourism industry. The result was the preparation of the *Mistissini Tourism Working Document (MTWD)* and the creation of a local Tourism Sector within the Economic Development Department. It was these two key steps and the investment and commitment of resources that laid the foundation for the current success.

As stated earlier, many documents recommend developing a community tourism plan as an initial step in the tourism development process (Hinch, 1994; Jamieson, 1997, INAC 1993). The definition used in this context is as follows:

A tourism action plan defines the who, what, where, when and how of making tourism happen. It provides a framework for businesses, local government and other organizations to analyze tourism resources and concerns, and to encourage development and promotion within your community (INAC, 1993).

When a community tourism plan, such as the *Mistissini Tourism Working Document*, is developed by the community, and approved by

the members, it becomes a powerful tool to assist with the implementation of community goals. It is designed to establish a clear direction and to focus local resources. It provides guidelines for developing both community projects and individual projects. It also helps to prioritize any proposed actions. The discussion of Mistissini's plan will highlight in more detail the key factors and considerations.

Mistissini has committed a lot of time, energy and resources to strategic planning, within the Economic Development Department and more specifically within the Tourism Sector. *The Mistissini Tourism Working Document (1994)* is an excellent example of sustainable tourism development at the community level; it provides a clear framework for product development and evaluation. A participatory process involving the various stakeholders was used to prepare the document. The Mistissini Tourism Steering Committee was established to guide the development of the plan and was comprised of representatives from the CNM administration, local operators, environmental organizations, the Cree Trapper's Association (CTA), and other interested community members. The final document received approval by resolution from the Council of the CNM and the public at the Local Annual General Assembly. The document is a planning tool that establishes the essential goals and guides the activities ensuring respect for not only "development" but also "sustainability"; see Figure 1. The

FIGURE 1
Mistissini's Tourism Goals (MTWD, 1994)

Mission Statement

"To provide social and environmental tourism at a profit through sustainable tourism."

Where sustainable tourism development is envisaged as leading to proper management of all resources in such a way that we can fulfill economic, social, and aesthetic needs and demands while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems for future generations.

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- Goal # 1 Plan and Implement Sustainable Economic Development
 - Goal # 2 Encourage Community and Regional Participation and Involvement
 - Goal # 3 Preserve Sustainable Livelihoods
 - Goal # 4 Promote Appropriate Tourism Activities to Enhance Community Identity
 - Goal # 5 Reflect the Respect for the Full Values of the Environment
 - Goal # 6 Improve the Quality of Life in the Host Community

experience gained from this process is an organizational/planning capacity that can be applied to other areas of development as well as to future tourism projects.

It is important to note that the success of the MTWD is linked to the fact that the Tourism Sector was given the mandate from the Council of the CNM to write the plan with the guidance of the Tourism Steering Committee that was made up of the various stakeholders. As a result of the first-hand experience, the document is user-friendly and is referred to often in the day-to-day work at the Tourism Sector. This may not have been the case if an outside firm was hired to simply prepare a generic Tourism Plan for the Cree Nation of Mistissini. These plans are often costly and remain on the shelf once completed because those who must implement the plan were not actively involved. This has been the experience for not only tourism plans but also for numerous community-planning initiatives as described by Wolfe:

Plans were prepared by Department officials or consultants. Community understanding of and commitment to the resulting plans was non-existent, and the planning efforts made had little impact on the economic and social problems of the communities (Wolfe, 1988).

Therefore, it is hoped that Mistissini's positive experience will encourage other communities to not only include their members in the development of tourism plans but to control and participate in the entire process.

Although the MTWD laid the necessary foundation for tourism development in Mistissini, the real work began with the implementation of the proposed actions. From the beginning, one of the key factors in the implementation of the plan was the support from the local administration. This support takes a variety of forms including financial support for the operations of the Tourism Sector, an organizational structure that reflects the role of tourism, the allocation of resources to sponsor special projects proposed by the Sector, technical support and advice from the Economic Development Department, and support for the re-opening of the local tourism association. It is the continued support that enables the Tourism Sector to continue its operations and pursue a strategic direction.

The importance of tourism to overall community development is apparent in the organiza-

tional structure of the CNM's administration. The Tourism Sector is nested in the Economic Development Department that falls under the control of the Director of Community Development. This structure highlights the direct relationship between the three departments/sectors and supports the inclusion of broad community development goals in the implementation of tourism projects. It also illustrates the important role that tourism development plays with regards to the expansion and diversification of the local economy. This link to local economic development can also be seen in the MTWD.

Although noted earlier, the MTWD established a clear mandate for the Tourism Sector. The general goals were identified and enabled the Tourism Sector to develop more specific activities. These include the following:

- Planning and researching the local tourism industry in order to distribute the information to the Council of the Cree Nation of Mistissini and to the present and future local tourism related companies and businesses;
- Implementing or helping to implement marketing strategy, tourism products, and infrastructure that are needed for the local tourism industry and tourism related companies and businesses;
- Controlling (in the sense of monitoring and regulating) the implementation of marketing strategy, tourism products, and infrastructure for their feasibility or objective;
- Evaluating the implementation of marketing strategy, tourism products, and infrastructure every six months by updating the Mistissini Tourism Working Document in order to transfer this information to the Mistissini Band Council and the present & future local tourism related companies and businesses; and
- Hosting tourists for Mistissini when local tour operators can not or are not responsible to do so.

These activities were the first step towards implementing the plan. The following paragraphs will briefly outline several projects that Mistissini has or is currently undertaking to illustrate the practical implications of the planning process and the MTWD.

Because tourism relies on outside markets, the marketing aspect becomes an integral factor affecting the success of the industry. Furthermore, marketing can be very costly, particularly for small independent operators. Therefore, the

Tourism Sector has been actively promoting the local operators by using a co-operative marketing strategy that maximizes the local resources. This strategy includes a variety of tools such as a community pamphlet, a tourism booth, a website, and the identification of additional marketing initiatives that will position and promote the entire community.

For example, the Tourism Sector produces a community pamphlet that can easily accommodate the needs of the community and individual operators. It is a high quality, glossy four-page pocket folder that provides general information about the community via text and images, including a map. It includes two interior pockets that can accommodate 8.5×11 sheets with additional information or pamphlets from specific operators. There are also two slots designed for business cards. These multi-purpose pamphlets are an ideal means to present a variety of companies to a variety of users. The information included can be modified or updated as required by simply changing the inserts. Most significantly they help to reduce the overall marketing costs of the operators by pooling community resources allocated to tourism development.

A second initiative that the Tourism Sector undertook was the purchase of a multi-purpose booth to be used to promote Mistissini and its local operators. The booth consists of five panels joined together, each approximately 10 feet high. The booth can be set up in a variety of formats and therefore, can be used for numerous occasions including trade shows, local assemblies, community displays and much more. The information is simply laminated and affixed to the carpeted panels with velcro. This further increases the number of uses for the booth. Often the booth is brought to trade shows and each operator is given the uses of one panel and the centre one is used to provide community information. By sharing the booth, exhibiting costs are reduced and because the operators often travel together, travel costs are shared. This reduction in costs allows the independent operators to attend many more shows than would be possible on their own. This increases the effectiveness of the marketing initiative because the owner is ultimately the best spokesperson for the tourism experience offered by their company.

A third aspect of the co-operative marketing strategy was the development of a website (<http://www.nation.mistissini.qc.ca>). The Tourism

Sector took the lead in developing a website that includes not only a tourism section but also general community information such as geography, culture and history, nature, and the Council. The tourism section includes information about each operator and provides links to individual sites once they are developed. Interested parties are able to request information on-line using the pamphlet request form. Each request is either answered directly by the staff or forwarded to individual operators. The website has proved to be an effective marketing tool and several operators have noted the increase in the number of clients as a result of the site.

The three examples above illustrate how creativity and a co-operative approach to tourism development, in particular marketing, can yield positive results. The following project illustrates how the Tourism Sector is applying the sustainable development principles outlined in the MTWD. The Tourism Sector is actively involved in researching and monitoring the impacts of the principle tourism activity—fishing camps—by partnering with Laval University and the Cree Regional Authority. The result is the Mistissini Lake Fish Project.

The goal of the project is “to develop a management plan for the ‘sportsfish’ species in Mistissini Lake to ensure the conservation of this resource for future generations”. The first stage of the project consists of a genetic survey of brook trout in Mistissini Lake to determine the movement patterns, health of the stocks and other key information. The study is aimed at increasing the level of support for sustainable practices and conservation of the existing stocks. A combination of ecological and biological knowledge is designed to complement the existing traditional knowledge of the Mistissini Cree. Future plans involve similar studies with regard to lake trout, walleye and northern pike. The success of the project is due in part to the large scale, collaborative effort of the parties involved. This project is directly related to the goals of the Tourism Sector and is a concrete example of how a community can undertake projects and implement their tourism plans.

Finally, there is one future co-operative initiative planned that warrants noting. Space has been allocated in the design of the new Tourism lodge to house a tourist information centre and a local tourism association. These offices will be located on the mezzanine level of the new Tourism Lodge expected to be built during the sum-

mer of 2002. This initiative will provide local operators with shared office space and office services. Their resources will be pooled to purchase the necessary office equipment, develop marketing programs and hire a secretary / tourism agent to manage information requests. The Association will improve the capacity of local businesses to meet the needs of outside visitors while at the same time cutting down on their overhead costs. It will also provide a professional business environment in which to operate. In the future, a representative from the Association could represent local Mistissini operators at the regional level by participating in the activities of the Cree Outfitting and Tourism Association (COTA).

In conclusion, the main points are that a community must determine if it wishes to participate in tourism development, and once it decides to pursue tourism as part of a diversified economy it ought to proceed in a planned and systematic fashion. A community's culture and heritage needs to be respected and sustainable development principles ought to be included to ensure that future generations will benefit from the community's tourism assets. By applying a long-term, participatory planning approach controlled and developed by the local community, the probability of establishing a sustainable tourism industry increases. The primary example in this report is the MTWD that clearly identifies Mistissini's tourism mission and objectives. Sustainable development principles appear in the plan and are also apparent in practice.

By working together with local operators, a community tourism sector can facilitate key co-operative activities such as marketing and research that will enhance the overall tourism industry and local economic development. It can create an environment that will help new tourism businesses develop.

Potential actions in the future may include an evaluation mechanism that would begin to measure the effectiveness of the co-operative marketing efforts and other community tourism initiatives. This system would include the collection and analysis of visitor statistics and the development of a tourism database to store the information. By measuring the impact of marketing initiatives given certain established benchmarks, the Sector would be able to allocate the necessary resources in the appropriate areas and modify its approach where required. The information could be used to determine the

overall growth of the local tourism industry and its impact on the local economy. This would lead to additional strategies to increase the overall benefit to community members.

With regards to Aboriginal tourism research, there are many resources currently available that explain the early steps in the tourism planning process; there is however, a need to further the literature surrounding product development and plan implementation. Hinch (1994) also noted this need in his research, when Native communities in Alberta identified product development as their top priority. For example, a community could have the most comprehensive tourism plan, detailing the opportunities available, but if it lacks the support programs to help local businesses provide the tourism services, the plan will not bring the intended results. This brings to light the fact that a plan is only a small part of the process and that it must be integrated with other aspects of community development. It is hoped that the few concrete examples presented in this case study may trigger other communities to develop tourism plans focused on implementation and concrete action. The plan provides the roadmap for the actions necessary to make sustainable tourism a reality in the community; however, it will only materialize if the community is able to take ownership of the plan and use it as one tool to develop their local economy. Meegwetch.

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COMMUNITY INVOLVEMENT AND ACCEPTANCE

Garden River First Nations Highway and Land Agreements

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Alice Corbiere

The Shke-Sahkehjewaosa Community Centre on August 12, 1994, was the gathering place for a celebration of the ratification of land and highway issues, and for the official signing ceremonies of four separate agreements. After some twenty years of sporadic discussions, the Garden River First Nation (GRFN) ratified four tri-party agreements that included transfer of lands, compensation packages, highway design and construction and a highway maintenance service. The political will of the GRFN government, the Ontario government and the Federal government was finally conducive to creating an atmosphere for consensus. Bud Wildman, Ontario Member of Parliament and Minister responsible for Native Affairs was present along with Ron Irwin, Federal Member of Parliament and Minister for Indian and Northern Affairs Canada (INAC) to endorse the documents with Dennis Jones, Chief of Garden River First Nation.

The agreement package included seven million dollars in compensation, additions of lands totalling over twenty four thousand acres, a forty million dollar highway construction contract, the sale of sand and gravel for construction purposes, and a maintenance contract for the existing and the proposed highway. Chief Jones

stated "These agreements address economic issues as well as land issues that are important to our people. Employment opportunities will be available within our own lands, as well as the opportunity to acquire new and valuable skills. We are very pleased that after years of continued negotiations and hard work by all our previous Chiefs and Councillors, the elements of the agreements were ratified by Garden River First Nation Members through Band Custom." GRFN Agenda Aug 12, 1994.

Garden River and the Ministry of Transportation (MTO) held various discussions, since 1973, on the development of a four-lane roadway. The meetings always ended in stalemates and disagreements. Continuation of the dialogue was always prompted by increased traffic flow and the safety of the general public. A public report titled "*Highway 17 Feasibility Study — Sault Ste Marie to Desbarats*" completed in March 1975 recommended a new alignment and also a four-lane artery. Since this 1975 study Highway 17, to the east and west of Garden River, has been widened to four lanes. This results in a funnel effect for the traffic entering Garden River and the eastern town of Echo Bay. The volume of traffic through the Garden River and Echo Bay

communities highly increased the danger to the people of these two communities resulting in a number of fatalities and accidents.

In 1988 newly elected Chief Jones obtained a directive from his Council to initiate discussions for renewed negotiations after approaching the local MPP, a member of the New Democratic Party that formed the Ontario Government. The Federal Liberal MP of Sault Ste Marie, Garden River's neighbouring city, was the Minister for INAC. Jones obtained a confirmation from MP Irwin and with MPP Wildman of their respective governments' commitment to interact in meaningful meetings and activities to reach an agreeable and respectful solution on the highway and land issues relating to GRFN.

To form a GRFN negotiating team Jones solicited commitments from seven individual members who represented the main family groupings within the community. The team included two members of Council (Arnold Solomon and Jim Lewis), a former Chief (Noel Jones), an elder (Wallace Belleau) and a university student (Candice Zack). The Chief and Council gave the team a mandate to handle the required discussions for a proposed new highway corridor, land issues, right-of-way permits and also to communicate activities and results with community members. A coordinator (Alice Corbiere) was hired and a lawyer from Sudbury (Stephen O'Neil) was retained which resulted in nine people on the negotiating team. This team was the main driver in coordinating the required complex discussions that resulted in the GRFN community members accepting the four tri-party agreements by referendum on June 30, 1994. Over 76 percent of the votes cast were in favour of the agreements.

The negotiating team opened all meetings to the general membership. An office trailer was established next to the Garden River Band Office as a headquarters for communicating to GRFN membership the negotiating activities. Residents were welcomed to visit or phone in order to discuss issues with the staff and team members or to review documents and share information. News bulletins were delivered to each home and mailed to off reserve members. Visits to individuals in their homes were undertaken as requested. The proposed agreements were summarized in a *Lands and Highway Negotiations Information Kit* composed by the negotiating team and distributed to all members of GRFN. Four formal membership information sessions addressing the draft agreements were

held at different times over two days at the Community Centre in order to accommodate members' work or family schedules.

The negotiating process included working with officials from the INAC Federal and Provincial Land Departments and the Ministry of Natural Resources (MNR). All sections and parcels of land designated to GRFN in the 1850 Robinson-Huron Treaty and the subsequent 1859 Pennefather Treaty were identified and researched. This included lands and beds of water within the existing Garden River Reserve and within its original boundaries that include what is now known as the Townships of Kehoe, MacDonald, Meredith, and Laird in the district of Algoma. Lists and colour-coded maps were prepared showing crown lands, unsold surrendered lands, permits and third party interests that were on continuous display in Council Chambers.

The GRFN community position over the years was to deal with historical land issues before proceeding to the release of any further right-of-way through their diminishing land base. There were several grievances concerning past loss of lands or of land use permits dealing with right-of-ways. The Ministry of Transportation Ontario's (MTO) initial position was that these past dealings were not within their departments mandate. Garden River was firm and maintained that they were dealing with the Crown as the government regardless of whether or not the issues were labelled under various departments or corporations of Canada or Ontario.

GRFN's position was that its unsold surrendered lands be returned. These lands, including beds of water, had been surrendered for sale in 1859 to Canada and remained unsold. In short GRFN wanted to take their lands off the market. A 1924 federal and provincial Lands Agreement, implemented without input from First Nations, gave the power of sale over these lands from Canada to Ontario. To enable return of unsold surrendered lands to Reserve Status, the Indian Lands Agreement, enacted in 1986, became the vehicle whereby First Nations, Ontario, and Canada could enter into specific agreements for return of lands that had been put up for sale and remained unsold.

Another issue included a gravel pit located in the centre of the Garden River community that had been taken by the Canadian Pacific Railway for granular resources to build the railway line through the GRFN. The methods used by the CPR and INAC in taking possession of

these lands were viewed as an historical injustice by Garden River members. The First Nation demanded ownership of this land before an agreement could be settled for a new highway. The Garden River team convinced the CPR to return some 71 acres to Canada who, through INAC's Addition to Reserves Policy, would add these lands to GRFN Reserve status.

The firm of Centra Gas Ontario Inc. had built their natural gas line, in 1985, through Garden River with a permit drafted by INAC but not approved by GRFN. Centra Gas was paying annual payments to INAC that INAC held in a suspense account for Garden River. INAC would not release these finances without a permit approval by GRFN. For highway construction purposes parts of this natural gas line required rerouting. The Garden River negotiating team became involved with Centra Gas, INAC and the GRFN council in negotiating an acceptable permit that included increased compensation, and the construction of infrastructure gas lines to service the community along with employment considerations for Garden River members. As municipalities collect taxes from companies with right-of-ways, the concept of a payment in lieu of taxes was negotiated with the gas company for GRFN.

A similar issue existed over the Great Lakes Power Company's three transmission lines that crossed through Garden River. Permits existed that were approved by INAC. Discussions at subsequent meetings resulted in a new permit that compensated for past use and occupation, increased the annual rent, and also included an annual grant in lieu of taxes with a five-year renewal process. The team's negotiations with the Shaw Cable Co. resulted in the acceptance of a new permit. Research also revealed that Bell Canada's lines traversed through the existing MTO corridor that was for highway purposes only. A land use appraiser was contracted to assist in discussions for a permit with Bell Canada and GRFN.

Verbal information and paper trails indicated that Ontario sold lands without due regard to right-of-way allowances resulting in some cottages and homes built on road and shore allowance lands in which GRFN held interest. Cottage owners along Echo Lake in the Kehoe Township did not have clear title to their lands. Ontario and Canada officials were very concerned about these third party interests. To address these matters Garden River Chief and the negotiating

team invited members of the Echo Lake Cottage Association to a community meeting. Approximately 75% of the 130 members filled the GRFN community centre to listen and to ask questions. Garden River team members, including elders, gave a presentation that included the history of treaties and land dealings with Canadian and Ontario governments. Some initial questions from the floor were heated, however after meaningful dialogue, an unexpected outcome occurred. The Association passed a motion to support the GRFN position in the land negotiations with Canada and Ontario including a request to the MTO and the Ontario Native Affairs Secretariat for a speedy conclusion. An objective was to clear the land titles and for Ontario to grant GRFN specific crown lands as compensation. Due to the sensitivity of the negotiations extreme caution was shown. Contact with the media was planned only when a satisfactory agreement was reached.

Due to the complexity of the issues Ontario, Canada and the First Nation agreed to divide the tri-party agreements into four manageable documents. The first agreement, the *Phase I Specific Lands Agreement*, July 25, 1994, spoke to the 14,400 acres of unsold surrendered land within Kehoe Township be returned by Ontario to Canada for the purpose of being added to Garden River Reserve #14. The *Phase II Specific Land Agreement* included the financial compensation paid by MTO for the highway right of way lands, five highway crossings within Garden River, and the transfer of some 8,700 acres of Crown Lands within Chesley and Anderson Townships to Garden River. The *Design and Construction Framework Agreement* set out the process for the establishment of a construction firm owned by GRFN to build the new 4-lane highway including the sale of sand and gravel from Garden River pits for construction purpose. The fourth agreement, *Highway Maintenance Services*, included the provisions of MTO to train up to six members in the conduct of maintenance equipment and operations. Following training MTO will contract with the First Nation for maintenance services for the existing highway and for the new highway once open to traffic.

As negotiations proceeded on the details of the highway design and construction requirements a sub committee was formed called the Highway Contract Working Group that included additional community members along with Joe

Corbiere, a representative from the North Shore Tribal Council. This group was mandated to work with MTO on the details and particulars of the highway alignment and granular material pricing. The working group was also responsible for the selection and the agreement of a joint venture partnership for the formation of a Garden River Construction Company required for the highway contracts with MTO.

In reviewing the negotiation process one has to acknowledge that Chief Jones recognized the unique opportunity to reach a settlement with the Federal Minister of Indian Affairs living in the city of Sault Ste Marie, that touches the GRFN western border, and the Ontario Minister responsible for Native Affairs living in the eastern border community of Echo Bay. A key to a satisfactory outcome was inviting members of the various family groups to become negotiating team players for Garden River. This team's dedication and contribution of communication to community members and back to the team was a principal factor in the successful outcome.

A highlight of the negotiation was the community meeting with the Echo Lake Cottage Association. Their consensus to support the Garden River position assisted in the resolutions of Ontario's concerns about third party land interests. The one area that may have been improved was communicating the length of time to complete land surveys, and the highway align-

ment and design activities as GRFN community members had high expectations for immediate employment opportunities. Overall, communication and inclusion of the community and its members were the critical factors in successful negotiations and community acceptance, by referendum, of long outstanding issues affecting a whole community.

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LESSONS FROM
RESEARCH



Editor's Introduction

David Newhouse

It has become commonplace and a bit trite to say that we live in an interconnected world. Yet we continue to ignore this fundamental reality. Indigenous peoples are now part of nation states around the world, for better and for worse. Development of indigenous peoples now occurs within the context of national policies, goals, and priorities and theories and frameworks that have often ignored indigenous knowledge or have used ideas and knowledge without intellectual attribution. Developing a sustained and sustainable indigenous presence within international development efforts will take much effort.

This section contains four articles that focus on aboriginal development initiatives in the international community: Don Fuller, Myles Howard and Eileen Cummings explores the development challenges facing small indigenous enterprises in the Ngukurr community of South-Eastern Arnhem Land in Northern Australia, Terrence Loomis reports on the findings from the initial phase of the Maori Sustainable Development Project, started in 1998 and Grant Isaac and William Kerr

examine issues surrounding the use of traditional knowledge in economic development strategies. They focus on the intellectual property right aspects of the debate about biopiracy and bioprospecting. Stephen Cornell and Joseph Kalt argue for the need to assess the links between American Indian economic development and local areas of control that represents the opportunity for nation-building. Reflecting on their study of U.S. Indian reservation economies, Cornell and Kalt argue that until nation-building occurs economic development is likely to remain a frustratingly elusive dream.

Wes Darou and Peter Croal examine what indigenous people might bring to the international development table and what contribution indigenous knowledge can make to improving development. David McNab reminds us of that trade and trading are important aspects of aboriginal sovereignty, both historically and in the contemporary period. He argues that much of aboriginal trade was international trade and that there is long history of international trade among and with aboriginal peoples that has been ignored. Reconnecting with this aspect of aboriginal history is an important aspect to understanding and facilitating aboriginal economic development.

CANADIAN FIRST NATIONS CONTRIBUTIONS TO INTERNATIONAL DEVELOPMENT

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Wes Darou and Peter Croal

The link between First Nations and development co-operation overseas is not obvious. To some First Nations' leaders, development efforts have ignored their concerns while favouring distant countries. To some in the international development community, First Nations appear to show little interest in developing countries, and the cultural dynamics seem perplexing. Nonetheless, the Cree of Quebec were major per capita contributors during the Ethiopian famine. The political impact of internationalism is evident. In 1989, Amazonian Indians protested in front of Canada's embassy in Washington regarding low-level military flights over the Innu hunting territories in Labrador.

First Nations provide a unique pool of experience to be used by international development organizations. The 630 First Nations communities in Canada are an untapped resource that combines to offer a unique pool of experience. They share many of the challenges faced by developing countries: rural life, urbanism, health, education, women's participation, private sector involvement, infrastructure, good governance, poverty reduction, and the environment.

It must be noted that Canadian society is not uniformly open to First Nations issues. We experienced the Oka crisis. There are those who share the following views from a letter to the editor of *Time* (1992) magazine:

I really do not like what is happening these days with the Indians. They seem to have forgotten that we conquered this land centuries ago. The fight was not easy, but they lost and we won. Period. I do not see why we should give them what they are asking for. We civilized this place and they are enjoying the comforts of that civilization. The Canadian government should firmly stop all their claims and cancel all their tax advantages. These people should be punished in a court of law for any unlawful actions they undertake, just like any regular citizen.

Historically, Canada's approach to First Nations has been one of paternalism and assimilation. It has compromised their autonomy and reduced them to poverty (Mercredi, 1999). Before contact, between 500,000 and 2 million people lived here; after contact their numbers fell to 200,000. One nation, the Beothuk of New-

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Note: The opinions expressed here are those of the authors and do not necessarily reflect policy of the Canadian International Development Agency.

foundland was brutally extinguished; several other nations across Canada and the U. S. were also lost (Dickason, 1993; Larsen, 2000). In the 18th century, First Nations became the first recorded victims of what was in effect germ warfare when they were given smallpox-infected blankets.

Of the 56 Native languages that were spoken in Canada at first contact, seven have died and another 44 will likely vanish (York, 1992). Language is key to the application of indigenous knowledge, links to the land and thus survival.

The wealth of Canada, the U. S. and much of Europe stemmed from the knowledge provided to early explorers by the Indigenous People of North America. Without the help of the First Nations of Canada, the vast wealth that was created through timber and furs would not have been possible.

Relevant Historical Precedents of First Nations

History

It is impossible here to summarize a history that is covered by five hundred page books (e.g., Dickason, 1993). However, a brief account of one group, the Métis of Manitoba, may help in seeing international development from a Native perspective.

Until recently, mainstream Euro-Canadian school textbooks presented a clearly biased image of First Nations history. The Métis uprising of 1869 and the North West Rebellion of 1885 were described as follows. The Métis of Manitoba resisted the legitimate colonization efforts of the newly formed Canada. They were an unsophisticated people who were taken in by a charismatic, insane Louis Riel. In 1869 the French-speaking Riel executed an innocent English-speaking settler. Troops were sent in to restore order and Riel fled to the United States. He returned to lead the North West Rebellion of 1885. He lost to superior British troops and was hanged for treason.

The Métis viewpoint is very different (Sealey & Lussier, 1975). The Métis lived a yearly cycle where they would plant crops in Manitoba and then move west to hunt buffalo and to dry meat for sale to fur traders. This pattern was destroyed when Canada decided to open the area to settlers. The Canadians disregarded land ownership and issued title. When the Métis returned to spend the winter and harvest their

crops, they discovered that the new settlers who had deeds to the Métis land had destroyed them.

In 1969, the Métis established the First Provisional Government. They later tried and convicted a violent, racist immigrant and finally had to hang him. Riel, their elected leader, tried to persuade the court not to execute the settler. The (English) Canadian government sent in troops to occupy the legitimate Métis nation. Riel fled Montana.

In 1885, after the Canadians had destroyed the buffalo as an intentional act of genocide, Métis leaders went to Montana and asked Riel to return. The Canadian government refused to recognize duly elected Métis members of parliament in Ottawa. When the Natives, Métis and others resisted, the government sent an Army. The Métis under the military leadership of Gabriel Dumont lost to the Canadians only because of the acts of clemency of Riel and the Cree chiefs, in refusing to massacre defeated enemy troops. Riel was later arrested, wrongfully accused, and hanged as a traitor in 1885.

According to Dickason (1993), "The Red River crisis and the subsequent question of amnesty were the first serious racial controversies to be faced by Canada. Although the English-French confrontation took centre stage, the underlying Amerindian — Métis — White division had been the major factor" (p. 272).

Thus, experience with Europeans may cause First Nations to take a dim view of development programs that exploit natural resources unsustainably or involve colonialization, assimilation or exploitation. Because of the long history on their ancestral territories, First Nations could be expected to have a profound level of identification with the land and legitimate interest in private sector development.

Residential Schools

The British, French and Canadian educational systems have not been kind to First Nations. Indian residential schools began in 1620 and ended in 1976, a 350 year history of violence, hunger, loneliness and abuse. The objectives were at first to Christianize and educate the students, and by the 19th century, elders actively tried obtain schools for their children. By the 1950s a malicious sense of driving out their Indianness had set in. The children were beaten, underfed, and forced to work more than they studied to maintain the underfunded institutions (Miller, 1996).

Chrisjohn and Young (1997) maintain the results of the system can still be found in contemporary education. For example, they recommend a moratorium on intelligence testing with First Nations students. They are equally sceptical about treating the victims of abuse in the residential schools, claiming that there has developed a residential-school syndrome treatment industry. In general, these authors are very sceptical of any schools run by non-Natives for the education of Natives.

It can be expected that with such a negative 350-year experience with education, First Nations may not be the first people to get on board classical European educational programs in developing countries. However, they may be more interested in indigenous education movements, particularly in higher education.

Women in Development

Women have a special importance in international development. For example, raising education of women by 5% raises the GIP by 0.5%. It is thus important to mention their place in First Nations culture. In general we could state that the First Nations were historically more egalitarian across gender than were European cultures, and that the status of women varied according to culture. In Iroquoian cultures for example, women had a level of control of their lives that would have been unheard of in Europe (Viau, 2000). According to Clarkson, Morrissette and Regallet (1992), "The status of Indigenous women has been dramatically altered as a result of assimilating education, government policies, introduction of production for exchange and loss of traditional lands, and as a result of the marginalization of Indigenous communities and men. Their knowledge, political influence, role of producer and caretaker have been systematically devaluated, with the consequence that they have nowadays to fight against both the wider society, and the male-dominated political structures for their survival.... Colonialism, the early integration into the global economic system, and the ongoing application of inappropriate development strategies have eroded the strength of traditional societies and radically transformed the indigenous way of life. (p vii)." Several historical documents cite the role of women in community decision making, a fact found curious by first contact White explorers and missionaries (Dickason, 1993).

Today, the most contentious issue around gender issues concerns *An Act to Amend the Indian Act*, Bill C-31 (1985). As a result, 105,000 people regained their status, including their fair share of First Nations assets (Forest & Rodon, 1995; INAC, 2000). The result is on one hand, some hostility to newly "statused" women, but on the other hand an important enriching of human capital, particularly in the areas of educational resources. In terms of international development, First Nations women have important skills to share on the political scene, but communities may hesitate to carry their struggles from Canada to foreign countries.

First Nations Reticence about International Development Assistance

An international presence for First Nations began perhaps in 1974 when George Manuel had the National Indian Brotherhood recognized as an official non-governmental organization at the UN. Today, international activities are grouped in four categories: (1) participation in classical organizations like the UN, (2) participation in international indigenous organizations, (3) relations between First Nations and foreign governments, and (4) relations with foreign indigenous communities. Some of these activities, such as the Inuit circumpolar relations, put into doubt the very logic of territorial integrity.

The *Constitution Act of 1982* and the *Constitutional Amendment Proclamation of 1983* dealing with Aboriginal rights, better protected the rights of First Nations, but the essential distribution of power was left unchanged from the time of confederation. Despite such activities as the Mohawk gaining recognition of their own passports in 17 countries, based on the *1664 Two-row Wampum Treaty*, the various First Nations remain sceptical about protection of their rights by constitutional powers.

From the observations that First Nations have a history of exploitation and colonization, that they have strong sense of identity based on their own lands, and that they would accept development only to the degree that it is sustainable, it may be expected that Canadian Native people would show limited interest in international development. Exceptions to this statement would be when the work is with other Indigenous Peoples, when it is in a mutually helpful situation, or when it is an expression of solidarity to people that are experiencing problems they

themselves have survived. In fact, Forest and Rodon (1995) make the argument that, although Canada's First Nations have developed a distinct international image and have consistently reached out to the international community, they may have little sympathy for various international development activities

There are however benefits to international engagement. From their experience of over a century, First Nations can give help to others seeking various administrative powers. They can work mutually for territorial rights and environmental protection. There is international work for political identity and recognition. There are more radical and ideological movements towards a return to traditional forms of government. Band economic development has led to some businesses tapping international markets. In all, through international contact, First Nations look toward resolving various international problems that touch them all the closest.

There are several examples of First Nations engaged in international development activities. But from the above, it becomes clear how they chose areas, in which to act that will be described below.

Indigenous Peoples and International Development

Around the world, Indigenous Peoples of course are deeply involved in development. In Costa Rica and Belize indigenous groups provide interpretative tours of their culture (Pleumarom, 1999). In Guyana, the Macusi Amerindian communities benefit from a nature reserve and eco-tourism on their traditional lands (Shackley, 1998). Indigenous communities are working toward regional autonomy in and self-government in eastern Nicaragua despite intentionally restrictive laws. The Kuna and the Miskitu fought for and attained a higher degree of autonomy (Sherrer, 1994). The Wichi, Toba and Chorote or northern Argentina have successfully made agreements in the areas of environmental restoration and control over natural resources (Hanson, 1996).

There are also many problems for Indigenous People regarding development of the countries in which they live. The Masai were evicted from their traditional lands in the 1950s to encourage ecotourism (de Chavez, 1999). Even today, their pastoral life style is discouraged. Resource development can produce inequality in

otherwise egalitarian societies (O'Faircheallaigh, 1998). In Madagascar, eco-tourism has marginalized Indigenous Peoples from their tribal lands by way of the concept of private property (Mulligan, 1999). It has been a source of ethnic conflict in Central America as indigenous groups see their land bases dwindle (Van Cott, 1996).

First Nations Principles of Development

In Panama, in 1984, the World Council of Indigenous Peoples ratified a *Declaration of Principles* as an acknowledgement of their rights (Anderson, 1999). The principles include:

1. All human rights of Indigenous People must be respected.
2. All Indigenous Peoples have the right to self-determination.
3. Every nation-state within which Indigenous Peoples live shall recognize the population, territory and institutions belonging to said people.
4. The culture of Indigenous Peoples is part of mankind's cultural patrimony.
5. The customs of the Indigenous Peoples must be respected as legitimate sources of rights.
- ...
7. All Indigenous Peoples have the right to determine the form, structure and jurisdictions of their own institutions.
- ...
10. Indigenous Peoples have inalienable rights over their traditional lands and resources.
- ...
15. All Indigenous Peoples have the right to be educated in their own language and to establish their own education institutions.

These principles concur with various expressions of First Nations' ideas of development; they could come into conflict with certain development activities. The Canadian International Development Agency's mandate concentrates on six priorities: basic human needs, women in development, infrastructure services, good governance, private sector development and the environment. The Organization for Economic Co-operation and Development supports three major goals: economic well-being, social development (including education, infant mortality and health services), and environmental sustainability.

If the customs alluded to in principle 5 are a strict but benevolent patriarchy, these could

conflict with the demands of women in development. Some of these principles even seem to be written to protect the Indigenous Peoples from certain aspects of (indigenously poorly conceived) development. It is evident that exploiting forest resources will conflict with principle 10, regarding traditional lands, unless the Indigenous Peoples living there are deeply involved in developing the forest management plan and its implementation. Even the declaration of national parks intended to protect the environment can run foul of the principles, such as principle 7 which states that Indigenous Peoples have the right to determine jurisdictions.

But they are saying that there must be respect for the cultural values behind their knowledge and that their rights to maintain these values must be acknowledged and protected in the development process.

Indigenous Peoples also recognize that western and indigenous knowledge systems may compliment each other with respect to providing goods and services that a community has defined as appropriate for itself.

Economists see indigenous knowledge as social capital because it represents generations of learning about how to organize productivity. It is one of the most valuable forms of capital any people possess with which they can form their development goals. The key problem for indigenous peoples has been their lack of control of how the knowledge is accessed and used outside their communities. It is ironic that the poorest and often dispossessed peoples on the planet are suddenly being recognized as holders of knowledge that is critically important to global human well-being, sustainable development and environmental conservation.

In North America, the Four Worlds International Institute for Human and Community Development (2000) has built its foundation on a consultation with elders from forty different North American First Nations. The Institute was born out of the intense deliberations and prayers at a gathering of native elders and community leaders held on the Sitsika First Nation on the high plains of Alberta in December 1982. Distinguished representatives of the tribes involved met to search for a solution to the social devastation brought on by alcohol, poverty and an increasing sense of powerlessness sweeping across tribal communities. The Institute is involved in training, health issues, and funding international

humanitarian work. Its four strategic foundation principles are:

1. Development comes from within: others may help and assist, but the driving force for change, healing, learning, growth and progress must come from within the communities themselves.
2. No vision, no development: the people need to be able to visualize health and well being for themselves in order to be able to create it in their world.
3. Individual and community transformations must go hand in hand: the healing, learning and growth of individuals, and the transformations of community relationships and conditions are mutually interdependent.
4. Holistic learning is the key to deep and lasting change: ... Learning is at the heart of sustainable change processes. Human beings are multi-dimensional learning beings, physically, emotionally, intellectually, spiritually and volitionally.

The elders in their worldview believe that:

1. The spiritual and material aspects of life are inseparable and interdependent.
2. That indeed everything is related to everything in this universe.
3. That healing ourselves, our communities, our nations and mother earth depends on our capacity to understand our own selves.
4. That human beings have within them as a gift of the Creator, the power to transform and heal the world.

These principles reflect themes such as a global conception of creation, a search for vision, generosity and a preference for introspection. Clarkson, Morrisette and Regallet (1992) point out several further aspects of First Nations thoughts about development. In Algonkian thought, all actions must take into account consequences for seven generations, an excellent base for sustainability. They state that there is a sacred aspect to their relationship with the earth: "We are placed on the earth, our mother, to be caretakers of all that is here" (p. 4). Their key principles for development include:

1. Respect for the earth and all creation,
2. To relearn history from an Indigenous Peoples' perspective. "Western people must realize that by defending Indigenous Peoples

and their lands, they are working to secure their own future as well" (p. 65),

3. The expansionist/materialist western society will eventually collapse under its own weight.
4. Traditional forms of social, economic and political organization have a great deal to contribute to understanding the requirement of socially sustainable societies,
5. First Nations societies are built on the foundations of true democracy. The American constitution only incompletely replicated the true democracy of the Iroquois Confederacy.

The Meadow Lake Tribal Council in Saskatchewan is an example of the new approach to economic development emerging among First Nations, where they create profitable businesses competing in the world market. Development activities include, forestry and transportation. These very successful economic development activities of the Meadow Lake Tribal Council are based on the following principles (Anderson & Bone, 1999):

1. A collective approach serving three purposes:
 - improvement of socio-economic circumstances,
 - attainment of economic self-sufficiency, and
 - preservation and strengthening of traditional culture, values and languages.
2. An assertively pragmatic approach encompassing the following principles from the Tahltan Tribal Council:
 - assurance that development will not pose a threat of irreparable environmental damage,
 - assurance that development will not jeopardize outstanding land claims,
 - assurance that a project will have more positive than negative social impacts on the First Nations people,
 - provision for the widest possible opportunity for education and training,
 - provision for the widest possible employment opportunities for the people,
 - provision for substantial equity participation,
 - provision for the widest possible development of First Nations business opportunities.

Experience in the North West Territories has resulted in the following advice (Myers, 1999):

1. Earlier approaches tried to assimilate northerners into the mainstream Canadian economy,
2. Evidence proves the viability of modern development based on traditional resources, skills and values,
3. Earlier approaches were short lived and drew people away from traditional land-based livelihoods leaving them unemployed and unskilled when projects closed down,
4. The traditional, land-based Native economy is not viable. Harvesters in the NWT earned on average \$10–15,000 in food and fuel in 1988 (by comparison, the family income of the James Bay Crees included the equivalent of \$40,000 per year from hunting, Darou, 1989).
5. Out of 473 projects that developed locally based commercial enterprises, the success rate in terms of two-year survival was 73%, comparable to southern businesses.
6. Success factors included use of traditional resources and skills, use of traditional and innovative approaches together, management structures that suit Indigenous culture, use of small and seasonal projects, focus on local markets, and including all resource users in the resource management.

Regarding development, Billy Diamond, the first Grand Council Chief of the Crees has taken the vision issue as central (Diamond, 2000). He argues that the priority of all Aboriginal leaders should be to ensure that the human, physical, and financial resources available to their people are used wisely. There must be continued benefit to future generations. He believes that Canadian society has failed the people by assuring a welfare culture and frowning on indigenous economic activities. "The situation was compounded by the pervasive problems of racism, remoteness, lack of adequate infrastructure to support business and generate jobs, and the serious lack of adequate training and relevant education" (p. 4). Diamond believes that politicians should be kept away from economic development projects, and suggests that young people receive culturally relevant business education, in the face of the "flourishing business of aboriginal training" (p. 6)

First Nations International Involvement

Realizing that they were not listened to by their nation-states Indigenous Peoples have sought to make their voices heard at the international level for hundreds of years. For example, in the past, Canadian First Nations made representations to the Queen who sent them back to their respective colonial governments. To regain basic economic and political rights they founded associations. They explored the possibility of League of Nations support for their grievances. Deskaheh, a representative of the Iroquois Confederacy travelled to Geneva in 1923, where he succeeded in having a resolution introduced in the forum, but failed to have it debated and submitted for voting.

In the late 1960s, the National Indian Brotherhood was established. During the next decade the association took shape and began to be seen as an organization that could exercise pressure on the federal government for early settlement of land titles and treaty issues. The Chairman of the Indian Brotherhood, Chief George Manuel, travelled extensively. He visited New Zealand and Australia in 1971. In 1972, he was an advisor with the Canadian delegation to the United Nations Conference in Stockholm. Following the Stockholm conference, he visited the International Labour Organization's International Working Group for Indigenous Affairs in Copenhagen. There, he announced his plan for a world conference of indigenous peoples (Guy Breault, personal communication, Nov. 2000). He was committed to the principle that Indigenous Peoples must organize and control the conference themselves. The international conference was held in Port Alberni, British Columbia in 1975. Two hundred sixty persons participated. The programme included drafting a charter for the creation of a World Indigenous Council. Chief Manuel achieved his goal when the World Council of Indigenous Peoples came into existence. The Council became a registered non-governmental organization and has received a total of \$4.9 million in funding from Canadian International Development Agency since 1976. Its development activities are concentrated in Central and South America where it co-ordinates and supports projects of local indigenous organizations and communities (Forest & Rodon, 1995; Guy Breault, personal communication, September 2000).

The Saskatchewan Indian Federated College has provided development education resources to the Saskatoon community through a resource centre and bookstore. Apikan Indigenous Network engaged in networking and advocacy activities.

The experience of First Nations people of outside-imposed development and domination make them active partners to peoples elsewhere suffering from similar imposed programmes as they have aroused sympathy for their protests borne of bitter personal events.

The Assembly of First Nations undertook a demarcation project in Venezuela to establish the boundaries of the ancestral territory of the Ye'kuana people. It works in partnership with Otro Futuro, a Venezuelan NGO which provides technical support and legal counsel to indigenous communities of Venezuela. Mamo Atoskewin Atikamokw Association, which promotes the use of traditional aboriginal knowledge, works in collaboration with Resources Kitaskino XXI Inc. — an aboriginal company specializing in geomatics and environment. These two organizations undertook a technical assistance project in partnership with indigenous communities in Northern Thailand.

In 1998, the 86-year-old William Commanda, an elder from Kitigan-Zipi First Nation near Maniwaki in Quebec, also organized *Elders without Borders*, a gathering of elders and spiritual leaders from North and South America and Thailand. The organization brings together elders to share information and strategies with the ultimate objective of "saving the earth."

The Turtle Island Earth Stewards, a Canadian Indigenous Peoples group, held an international youth camp entitled *Listening to the Voice of the Elders*, bringing together indigenous youth from around the world.

The Meadow Lake Tribal Council, through its company MLDC Investment Company has a joint venture project with Corporacion Indigena Para El Desarrollo Economica S.A. (CIDESA), a Miskito Indian company, for a small-scale logging operation. They have recently moved ahead to health and education activities. Seaku Fisheries, a Canadian indigenous company responsible for the development and management of commercial fishing in the Nunavik region of northern Quebec, also has a joint venture project with CIDESA for the creation of a company which will produce commercial fishing products.

The Centre canadien d'étude et de coopération internationale (CECI) [Canadian Centre for International Studies and Co-operation] has organized several exchanges between the Innu of Maniuténam in Northern Quebec and the Quéchua and Aymara of Bolivia beginning in 1992. One of the outcomes of this project was an agreement for exchanges with the Société de Communication Attikamech-Montagnais [The Attikamech-Montagnais Communications Corporation]. It also involved youth exchanges and discussion of hunting and wild life management issues. The Innu report that the greatest mutual benefits were contact with a different group facing the same challenges and exchanges of information between the elders on issues of cultural values and well-being. They have established a Committee for Quebec-Bolivian Solidarity.

The Anishinabek Educational Institute (AEI), part of the Union of Ontario Indians, is involved in several international activities. For example, the AEI has connections with indigenous peoples of Panama. They are involved in the delivery of accredited educational programmes with the Kuna, which involve training courses in aboriginal small business, early childhood education, and English as a second language. In addition, they are helping the Kuna with curriculum development for other courses, and are supporting the transfer of skills so that the Kuna can ultimately do the work themselves. The advantage of this programme for the Anishinabek is that it helps them build capacity and supports international relationships. The Kuna have chosen to co-operate with the Anishinabek because they felt they would be sensitive to their legitimate concerns about being exploited. Through several visits, both parties gradually developed a relationship based on trust and mutual sympathy.

What First Nations Have to Contribute to Majority Culture Development: The Other View

Today, even hard-nosed business is recognizing the importance of and responding to indigenous approaches. Take for example the comment of Voisey's Bay Nickel Company President, Dr. Stewart Gendron: "In today's mining industry having access to traditional knowledge is so important because it allows companies to put in place more successful mitigation strategies to

address the environmental and socio-economic impacts of mining operations.

The use of indigenous knowledge by Europeans in North America has a history of hundreds of years. The first medical prescription from Canada involved Vitamin C from spruce needles given to European explorers as treatment for scurvy. There is also Aspirin, the canoe, lacrosse and several agricultural practices, to name a few of the one thousand named by Côté, Tardivel, and Vaugeois (1992). The U.S. system of government is even based on the Iroquois system of confederacy.

Douglas Cardinal, the architect who designed the award-winning Canadian Museum of Civilization in Hull, Quebec, has written about what First Nations can offer White society. In the development of First Nations' culture, he foresees a salvation of all peoples, not just First Nations. Cardinal (1990) refers to the individualistic Euro-American culture as *ego society* and maintains that it cannot teach balance because it is based on an obsession with power. Cultural balance comes from efforts of Indigenous Peoples to retain their identities. European knowledge must be communicated in the Indigenous way so that Indigenous People can assimilate it as appropriate to their own cultural tradition. After his global vision, Cardinal urges that First Nations not to restrict themselves to being Canadian or American citizens.

Alternative collective wisdom is needed for a number of reasons:

- some green revolution technology is associated with ecological degradation and poorer diets,
- some development concepts have not proven appropriate or sustainable,
- rapid growth of the life industries such as medical research and biotechnology.
- local people tend to abandon technical interventions that have come from the outside,
- top down planning fails to promote effective natural resource management at the local level,
- communities that receive much aid may become less able to handle their own affairs.

Dr. Thomas Alcoze, a Navajo biologist from Arizona, USA, puts it this way: "The environmental crisis must be addressed at the practical, functional and scientific level. However, a major aspect of the new environmental relationships between human society and the earth must incorporate ethics. That is one of the most fun-

damental and important aspects of what Native traditions and values can provide our global society. Credibility needs to be given to those teachings” And he adds, “Science is not just a White man’s thing” (Greer, 1992).

Compared with many modern technologies, traditional techniques have been tried and tested, are effective, inexpensive, and locally available and in many cases based on preserving and building on the patterns and processes of nature. Traditional approaches usually examine problems in their entirety, as opposed to the western way of looking for individual solutions to discrete problems. For example, in Canada, the health industry is just now starting to realize that good health is a mix of physical, spiritual and psychological well-being, and not just good blood chemistry. Indigenous healers have known this for countless years. Sometimes there is a practical reason for favouring traditional knowledge. In the north of Canada dog teams are becoming popular again, because if you are lost, they know the way home, unlike a snowmobile.

What First Nations Might Find Interesting in International Development

It is clear that Canadian First Nations people report conflicting feelings about development. On one hand, they are suspicious of development because they see themselves as its victims, as marginalized by it even today. In addition, they may see themselves as being in no position to help others because they are too needy themselves. On the other hand, when they have the resources, involvement in development gives First Nations an opportunity to share the experiences of their own struggles, affording them an opportunity to build their own and others capacity. It may also offer First Nations invaluable international political links. Many times, as we have seen, their motivation is altruistic; when First Nations become aware of a problem, they generally wish to help.

It is clear why First Nations may be suspicious of, or disinterested in international development activities. But, some projects exist, indicating there is interest in some aspects. Those wishing to involve First Nations in international development might consider the following possible directions:

- social exchanges that allow First Nations to share a common cause such as threats to territorial integrity,
- an opportunity to help others who are facing problems First Nations have dealt with,
- opportunities to share surplus resources with other Indigenous People in need, and thereby expressing the *give away* ethic, and devise poverty reduction strategies (e.g., the Crees of Quebec do not use a welfare system),
- sharing of collective knowledge that may be poorly understood by the majority Canadian culture,
- businesses built on other cultural foundations,
- ecotourism, teaching respect for nature and sharing of indigenous knowledge about the land or resources,
- ecological interventions meant to “heal the earth”,
- indigenous education, and
- activities resisting assimilation or colonialization.

We need a long-term approach to build capacity. It is important to focus on respectful partnerships and not just on development activity or on factual indigenous knowledge. Participatory approaches have been shown to be more effective than the old donor/recipient mentality. Many Native leaders seem to look at development in the way a hunter kills prey with compassion, and yet fears offending the animal’s spiritual essence. Six elements of such a partnership might be:

1. Indigenous Peoples, Canadian and otherwise, identify what is important and why.
2. reach a consensus to identify objectives of development.
3. developers and Indigenous Peoples work together to respect each others needs.
4. Indigenous Peoples have a key role in project monitoring and follow-up.
5. allow scope in project planning to use indigenous knowledge to specify aims and benefits of projects.
6. allow Indigenous Peoples to practice their indigenous knowledge rather than simply talk about it. The richness of indigenous knowledge is in the doing and not the telling.

We close with two questions:

1. How can First Nations, who hold the indigenous knowledge and experience, communicate effectively with governments and

industry who are seldom properly trained to conceptualize human development the way Indigenous People do?

2. How can Indigenous Peoples be effective in international development if the process itself in Canada is managed and controlled by Non-Native North Americans?

In conclusion, the development community can benefit from First Nations involvement in several ways. First Nations have a wealth of experience of successful (and less successful) development activities, often analysed in detail and published in professional journals such as the present one. Also, because of common experiences discussed here, First Nations have been able to develop trust relationships with aid recipients that would be difficult for other development workers to achieve. The North American aid community could exploit this resource more effectively, and with the full involvement of the First Nations. Finally, such a strategy would allow institutions to conduct very effective double-edged development. The resulting projects could generate highly effective multi-faceted development, increasing capacity of First Nations, while at the same time helping international development organizations, NGO's, and international indigenous people build capacity — in concrete, achievable ways.

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INDIGENOUS SMALL ENTERPRISE DEVELOPMENT

The Case of Ngukurr, Northern Australia

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Don Fuller, Myles Howard and Eileen Cummings

ABSTRACT

Within Australia, the destruction of the previously productive Indigenous economic system has, since the 1970s in particular, been characterized by a dependence on government services and programs. A number of researchers, commentators and practitioners however, have begun to question the implications of such dependence for the economic and social well being of Indigenous Australians.

It is a central argument of this paper that it is necessary to achieve an increased degree of economic equality before many of the social inequalities which also confront Indigenous Australians can be addressed. It is further argued that small business development provides the most promising avenue for the achievement of economic development leading to an increased degree of Indigenous control over resources.

An Indigenous owned and operated small enterprise in the Ngukurr community of South-Eastern Arnhem Land in Northern Australia has been examined. Based upon a number of such case studies of small enterprise within Indigenous communities, the following conclusions are drawn. First, it is possible to establish and maintain profit-making Indigenous owned and operated small enterprises in remote parts of Australia, in spite of the constraints such enterprises operate under. Second, skills that are vital to the success of small enterprise are scarce amongst potential managers and employees of Indigenous owned and operated small enterprise. Third, considerable investment in both human and physical capital is often required to enable profitable enterprise within such remote environments. Finally, it is apparent that the Federal government's Indigenous employment

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and business program has the potential to play an important role in supporting the commercial viability of Indigenous owned and operated small enterprises in Indigenous communities.

Introduction

A wide range of data relating to social and economic indicators demonstrate that, compared with other Australians, Indigenous people within Australia suffer from poorer health, are likely to live far shorter lives, lack education and training and are not able to participate anywhere near as much in the mainstream economy through employment or by operating and managing their own businesses. Their incomes are significantly lower (two thirds of the national average) than other Australians (Reeves 1998).

The destruction of the previously productive Indigenous economic system and the scarcity of opportunities to participate in the mainstream economy have contributed to the creation of high levels of welfare dependency among Indigenous people and associated social problems (Miller 1985, Royal Commission into Aboriginal Deaths in Custody 1991, Reeves 1998, Pearson 2000). It is a central premise of this paper that it is necessary to achieve an increased degree of economic equality for Indigenous Australians before many of the social inequalities which also confront Indigenous Australians can be addressed. It is argued in the following section that correctly carried out, the promotion of Indigenous-owned and operated small and medium-sized enterprises (SMEs) can play an important role in the amelioration of the economic and social problems faced by Indigenous individuals and communities.

In this context, it is important to appreciate that questions of economic development are inextricably linked with social and cultural factors. Indigenous economic systems differ significantly from the abstract models of market allocation, exchange and distribution favoured by neo-classical economists. It is likely for example, that culture can be expected to influence the objectives and choices of Indigenous owner managers of a small enterprise (McKinley 1998). The conventional goal of maximising profit to the exclusion of other important objectives, may come into question. Culture may be expected, *a priori*, to affect an objective such as maximising

efficiency in the production and consumption of goods and services. In some societies for example, extensive consultation and negotiation may be seen as more important than reducing the amount of time involved in a production process. Alternatively, spiritual and religious concerns may be given increased priority in ways that lead to the interruption of production schedules. Both social and business objectives therefore, become important in the Indigenous management of small enterprise. Some elements of the neo-classical approach, such as the conditions required for an efficient allocation of resources, are likely to remain important. However, an over reliance upon this approach to measure development and explain underdevelopment is likely to prove insufficient in any attempt to understand the complex interrelationships which characterise these questions.

Whereas the significance of factors like savings and capital formation is generally stressed in discussions of economic development, the nature of the enterprises which create the environment for such phenomena, and the role of entrepreneurship which guides such organisations, has not received adequate attention (Magee 1997).

This paper presents some of the results of research concerned with the establishment of Indigenous owned and operated small enterprises in the Ngukurr community of south-eastern Arnhem Land in the north of Australia (Fuller, Antella, Cummings and Simon 2000). In addition to a general examination of the potential benefits associated with the development of Indigenous small business enterprises and the constraints under which they operate, the paper also presents the results of a case study of an Indigenous-owned small enterprise in the Ngukurr community.

The following section discusses the importance of Indigenous owned and managed small enterprises to the process of economic development. The background and socio-demographic characteristics of the Indigenous community of Ngukurr are then examined. The next section outlines the methodologies employed in the study that inform the investigation reported in this paper. The social, physical and economic factors that affect the commercial viability of Indigenous business are then presented as a result of the case study investigation. Finally, the main conclusions and their implications for government policy formulation are discussed.

Increasing Economic Opportunity through Small Enterprise

There are a number of important ways in which economic independence for Indigenous Australians can be enhanced and the economic development of their communities promoted. These include paid employment as wage and salary earners, deriving income from capital, such as land and other assets, and in the provision of community services, especially in remote communities. However, an important avenue will also lie in the establishment of small to medium sized business enterprises (Aboriginal and Torres Strait Islander Commission 1998).

The Royal Commission into Aboriginal Deaths in Custody (RCIADC 1991) made valuable proposals about the means by which policies (and programs) might be structured to maximize the opportunities for improving the economic situation of Indigenous people. Many of these proposals, as with much in the field of Indigenous economic policy development in Australia, have remained dormant. Johnston (RCIADC 1991) suggested the need to consider the question of economic development in the wider context of the social, as well as the economic, aspirations of Indigenous people rather than, as has been the preference of some agencies, to attempt to artificially separate these two aspects of development and change. He pointed to the importance of maximizing (1) Indigenous participation in the setting of policy and in the design, implementation, evaluation and review of programs. He also considered the need for such programs to be (2) responsive to local needs.

Empirical research conducted in a number of Indigenous development settings has demonstrated that policies which promote sustainable economic and human development are most likely to be successful when:

- the idea of development is of local, or endogenous, rather than of an exogenous construction (Blunt 1995),
- means or strategies for attaining development goals are the product of deliberations by Indigenous communities themselves; and
- the delivery of technical assistance from outside the local community is through, or in collaboration with, Indigenous organisations, and makes use of Indigenous knowledge (Blunt and Warren 1996).

For example, evidence in relation to rural development in the Transkei (McAllister 1996), Indigenous strip weaving organisations among the Yoruba of Nigeria (Wolff and Wahab 1996), community management in Ghana (Cosway and Anankum 1996), financial institutions in rural India (Shah and Johnson 1996), and Indigenous community economic development in Australia (RCIADC 1991, Reeves 1998) has demonstrated the validity of these propositions.

In addition, the need for programs to be responsive to local needs is important, given the substantial regional differences that have been found to exist with regard to Indigenous Australians. These include substantial apparent differences in physical and human resource endowments, population size, growth and structure and the stability and flexibility of political institutions (RCIADC 1991, Reeves 1998).

Johnston detailed a number of economic sectors which he saw as providing potential for Indigenous economic development. These included areas such as:

- Pastoral enterprise,
- Tourism,
- Arts and crafts, and
- Land management and rehabilitation.

However, important constraints to Indigenous small enterprise, particularly in the fields of arts and crafts and tourism, lie in the limited market size and associated lack of economies of scale, due to relatively low population levels in many Indigenous communities (Taylor and Roach 1998).

A higher level of Indigenous participation in the small business sector can be expected to have important effects upon the level of aggregate Indigenous employment (Miller 1985). This is not only because of the direct employment of owner-operators but, perhaps even more importantly, because of the potential for increased Aboriginal and Torres Strait Islander employment in Indigenous owned and managed businesses. The importance of such businesses as role models, enabling a wider understanding and appreciation of the demands inherent in a market-based society, also needs to be emphasized.

In addition, while care needs to be exercised in comparisons with Indigenous communities in Australia, a number of potential benefits have been cited with respect to ethnic small businesses. These include the provision of confidence, leadership and role modelling, increased

interaction between different groups leading to social harmony, greater social stability derived from feelings of commitment and belonging to society, a reduction of the role of illegal business as an occupation of last resort and decreased reliance on social welfare (Stanger 1992: 17).

Within Australia, ninety six per cent of total non-agricultural private sector businesses were classified as small in 1998–99 (Australian Bureau of Statistics, 1999, Cat. No. 1321). Small businesses were defined for such purposes as non-manufacturing businesses employing less than 20 people and manufacturing businesses employing less than 100. Such businesses employed nearly fifty per cent of the total non-agricultural private sector workforce and are estimated to have contributed around 30 per cent of gross national product. They are therefore of substantial importance in terms of employment and wealth generation (McMahon et al. 1993).

As an important indicator of Indigenous involvement in small enterprise in Australia, Fuller et al. (1999) have examined the incidence of Indigenous self-employed, based upon data from the 1996 Population Census. They found that the level of Indigenous involvement in self-employment in Australia is low in comparison to the involvement of the Non-Indigenous population. In 1996, 2.5 per cent of Indigenous males classified to be in the work-force, and 2.1 per cent of Indigenous females, were self-employed. This level of self-employment was less than half that of the Non-Indigenous population. In comparison, 8.6 per cent of Non-Indigenous males and 5.7 per cent of Non-Indigenous females were recorded in the Census as being self-employed.

The viability of Indigenous small enterprise in northern Australia is affected by problems similar to those faced by a number of businesses in remote areas, including remoteness from key suppliers, distance from markets, access to management skills and skilled labour, and harsh climate and physical conditions (Young 1988). However, these problems are exacerbated by additional constraints. These include problems stemming from customary behaviour and attributes culturally specific to Indigenous Australians living in remote regions of the Northern Territory. Other problems are of a historical nature and largely the result of decisions taken by Non-Indigenous people.

However, while the number of Indigenous Australians currently involved in the provision of goods and services to their remote communities

and surrounding regions is currently relatively low, the costs associated with either importing or travelling to a regional centre to acquire such goods are high. In addition, research and field work undertaken within remote communities in the north of Australia (Fuller, Antella, Cummings and Simon 2000, Fuller and Jones 1999) indicates that Indigenous people living within such communities clearly prefer to deal with businesses owned and operated by Indigenous people from their communities. This is supported by research undertaken within Native American communities in the USA (Duffy and Stubben 1998).

While suffering economic disadvantage on both the supply and demand sides, Indigenous businesses are to a degree protected from competition by their relative remoteness, as well as the clearly established preferences of consumers. There are in addition, a range of essential services that need to be provided to Indigenous communities that are currently provided by Non-Indigenous businesses. Field research by Fuller et al. (2001) has shown that Indigenous people have ambitions to establish a range of small enterprises. These include retail outlets for food, second-hand furniture, and vehicle parts as well as eco-tourism and pastoral enterprises. The key challenges facing such Indigenous businesses lie in the need for adequate training and management support as well as access to adequate sources of finance at a reasonable level of cost.

An ability to create wealth is likely to rest primarily upon the application of systematic methods of thinking promoted by education and training and entrepreneurial abilities, to questions associated with the production of goods and services (Singer 1964). It may be of concern that a small enterprise model for development could lead to the perpetuation of relatively lower skills and educational levels within the employed work force of an Indigenous community. In the short run there may be attempts to deal with educational disadvantage in Indigenous communities by the employment of external experts associated with larger scale enterprises. In addition, complex large-scale technologies may be imported into communities.

However, both such measures are likely to perpetuate economic and social disadvantage by preventing Indigenous communities from developing means of production and associated organizational arrangements appropriate to resource endowments. It also inhibits the ability of Indige-

nous Australians to participate in the process of learning vital to economic and human development (Goulet 1971, Freire 1972, Miller 1985, Todaro 1994). Ngukurr is an example of a remote Indigenous community in northern Australia where Indigenous entrepreneurs are currently attempting to face the challenges of enterprise development. The following section presents socio-demographic information from the 1996 population census relating to the community of Ngukurr to establish an understanding of the context in which Indigenous small enterprises are required to operate in the north of Australia.

Ngukurr — Background and Socio-Demographic Characteristics

The community of Ngukurr is located on the Roper River in south-eastern Arnhem Land, 280 kilometres east of the Northern Territory regional centre of Katherine. The geographical location of Ngukurr can be seen in Diagram 1. According to census data (Australian Bureau of

Statistics, 1998, Cat. No. 2020.0), the total population was 901 persons as at the 30 June 1996. Ninety three percent of the population identified as in Indigenous Australians. An Anglican mission was established on the lands of the Ngalakan people in 1901. Indigenous peoples from other clans were encouraged to move from their clan estates to the community. Seven main clans are now located in the community (Wolfe-Keddie 1996).

Compared to the Non-Indigenous population at Ngukurr, as well as the Non-Indigenous population of the Northern Territory (Australian Bureau of Statistics, 1998, Cat. No. 2020.0), a far higher proportion of Indigenous Australians were located in the younger age range of 0–14. Forty two per cent of the Indigenous population within Ngukurr could be found in this age range. This compared with 22 per cent of the Non-Indigenous population living within the Northern Territory. The life expectancy of the Indigenous population living in Ngukurr is low relative to that of the Non-Indigenous population. No males were recorded as surviving to the age of 65

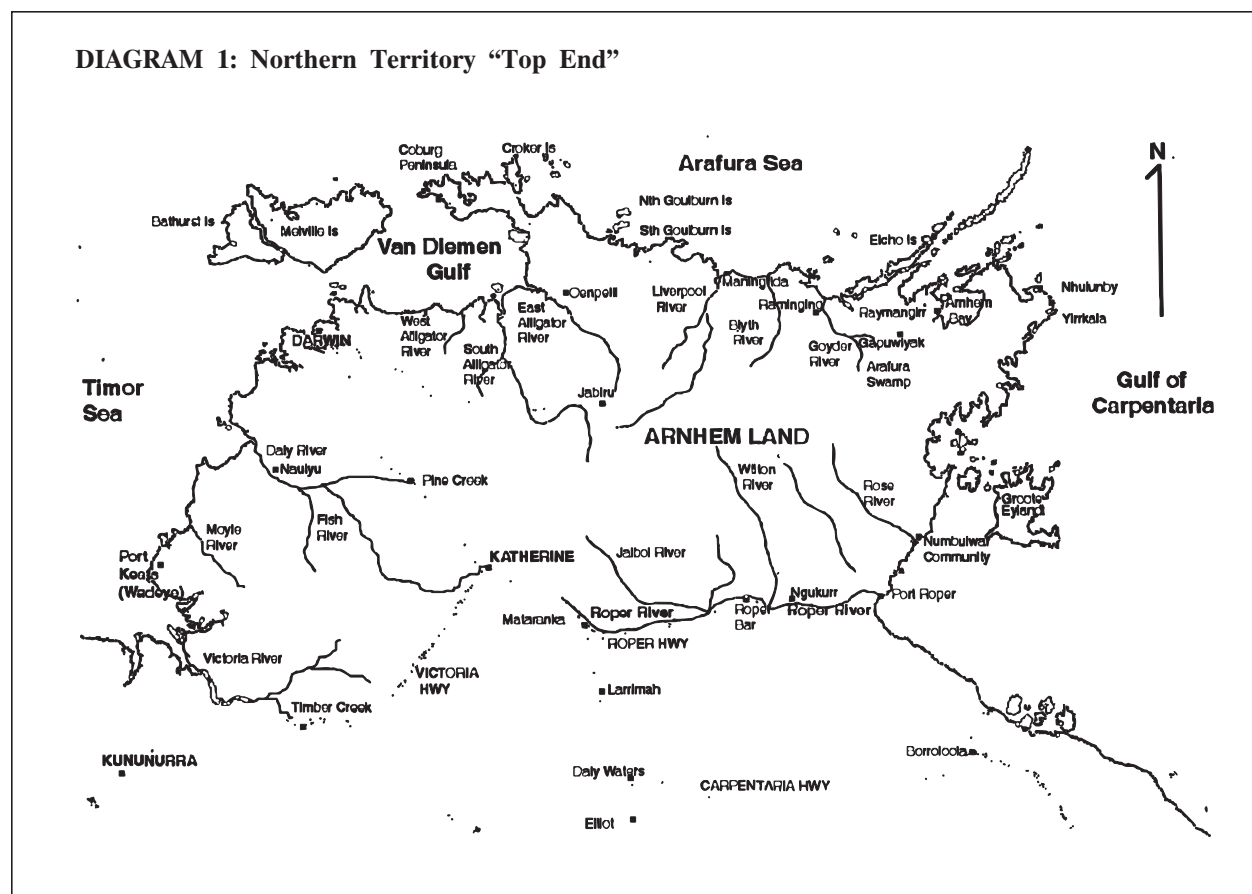


TABLE 1
Selected Person Characteristics by Indigenous Origin By Gender — Ngukurr and Northern Territory

	NGUKURR												NORTHERN TERRITORY																																																																																																																																			
	INDIGENOUS						NON-INDIGENOUS						INDIGENOUS						NON-INDIGENOUS																																																																																																																													
	Male	Fem.	Pers.	Male	Fem.	Pers.	Male	Fem.	Pers.	Male	Fem.	Pers.	Male	Fem.	Pers.	Male	Fem.	Pers.	Male	Fem.	Pers.																																																																																																																											
<i>All persons (excluding overseas visitors)</i>	<i>TOTAL^a</i>																																																																																																																																															
Total Persons	178	172	350	5	5	10	183	180	363	8963	8454	17417	14751	14079	28830	24662	23464	48126	237	237	474	18	12	30	267	524	13281	14321	27602	51355	45786	97141	69075	62887	131962	0	11	11	0	0	0	3	11	14	549	709	1258	3949	3503	7452	4782	4495	17	19	18	38	32	36	19	19	19	19	21	20	32	31	31	29	28	29	283	292	575	3	0	3	286	292	578	12583	13131	25714	116	67	183	12718	13218	25936																																																								
<i>Language aged 5+ in the labour force:</i>																																																																																																																																																
Employed: CDEP ^b	137	65	202	0	0	0	137	65	202	2420	1629	4049	0	0	0	2423	1629	4052	6	12	18	16	9	25	22	43	2803	2698	5501	41427	31439	72866	44568	34355	78923	13	5	18	0	0	0	13	5	18	1217	827	2044	2704	1833	4537	3950	2677	6627	156	82	238	16	9	25	172	91	263	6440	5154	11594	44131	33272	77403	50941	38661	89602	80	163	244	31	3	6	86	167	253	6659	9183	158422	10641	15568	26209	17696	25253	42949	8.3%	6.1%	7.4%	0%	0%	0%	7.6%	5.5%	6.8%	19%	16%	18%	6%	6%	6%	6%	8%	7%	7%	66%	33%	49%	89%	75%	83%	67%	34%	51%	49%	36%	42%	81%	68%	75%	74%	60%	68%	\$140	\$149	\$144	\$608	\$524	\$571	\$143	\$151	\$146	\$164	\$172	\$169	\$543	\$344	\$447	\$458	\$270	\$358
<i>Education:</i>																																																																																																																																																
Left school by age 15	27%	28%	27%	45%	45%	45%	27%	28%	27%	37%	35%	36%	32%	29%	30%	31%	29%	30%	38%	42%	40%	70%	73%	71%	39%	42%	40%	56%	55%	54%	51%	52%	51%	50%	50%	78%	80%	79%	35%	50%	41%	71%	76%	74%	83%	84%	84%	49%	62%	58%	52%	64%	57%	21%	17%	19%	0%	25%	10%	24%	20%	22%	11%	11%	11%	8%	8%	8%	14%	12%	13%	415	420	835	24	18	42	453	448	901	22793	23484	46277	70055	63368	133423	98519	90846	189365																																																							

Source: Australian Bureau of Statistics 1996 Census of Population and Housing

Notes

^a Includes 'Not Stated'.

^b Stated to be employed under the Community Development Employment Projects (CDEP) scheme. CDEP data were collected in the Census for the first time in 1996.

^c Number of unemployed persons expressed as a percentage of the labour force.

^d Number of persons in the labour force expressed as a percentage of the population aged 15 years and over.

years and above within the community of Ngukurr, and only 3 per cent of females were found to have reached this age range.

Sixty-nine per cent of the Indigenous community spoke an Indigenous dialect. This provides an important insight into the continuing importance of traditional language as a means of communication within the community. In addition, Kriol remains an important form of communication through the adaptation and integration of the traditional language with English. The importance of these methods of communication have important implications for the ease with which Indigenous people from Ngukurr can discuss business and commercial concepts with the mainstream commercial community.

The great bulk of the employed population were dependent on the Federal Government's Community Development Employment Projects Scheme (CDEP). The CDEP scheme

allows unemployed Indigenous people to forgo the unemployment benefit that they would otherwise be entitled to, in exchange for the payment of a wage in return for work in their community. Usually, CDEP participants carry out relatively unskilled community development tasks such as rubbish collection or building maintenance. CDEP employment is usually part-time and participants do not earn wages that exceed the equivalent of their unemployment benefit unless the CDEP organization in which they work can generate additional income through commercial activity (Fuller and Howard 2000).

CDEP is also a key program with regard to the promotion of Indigenous owned and operated small businesses. The scheme can contribute substantially to the potential profitability of small enterprise by paying the wages of CDEP participants who work within an approved enterprise. In addition, the CDEP scheme makes available

TABLE 2
Occupation and Industry By Indigenous Origin By Gender
— Ngukurr and Northern Territory

<i>Employed persons</i>	<i>NGUKURR</i>					
	<i>INDIGENOUS</i>			<i>TOTAL^a</i>		
	<i>Males</i>	<i>Females</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>
<i>Industry</i>						
Government administration and defence	130	67	197	136	72	208
<i>Occupation</i>						
Intermediate production/transport workers	18	0	18	21	3	24
Elementary clerical/sales/service workers	8	6	14	8	6	14
Labourers and related workers	103	56	159	103	56	159
Total ^b	144	74	218	162	85	247
<i>NORTHERN TERRITORY</i>						
<i>Industry</i>						
Government administration and defence	2068	1523	3591	7442	5062	12504
<i>Occupation</i>						
Intermediate production/transport workers	530	50	580	5326	631	5957
Elementary clerical/sales/service workers	216	396	612	2151	4208	6359
Labourers and related workers	2414	1257	3671	5824	3422	9246
Total ^b	5223	4328	9551	46991	35985	82976

Source: Australian Bureau of Statistics 1996 Census of Population and Housing

Notes

^a Includes 'Non-Indigenous' and 'Not Stated'.

^b Includes 'Non-Classifiable' and 'Not Stated'.

funding for capital and operational expenditure for Indigenous owned and operated enterprises. Due principally to the prominence of CDEP in employment arrangements, the Indigenous male unemployment rate was 8.3 per cent and the female rate 6.1 per cent. The overall labour force participation rate was a relatively low 51 per cent. This compares with an Indigenous rate of 42 per cent and a Non-Indigenous rate of 75 per cent, for the Northern Territory as a whole.

The Indigenous Australian median individual income of \$144 was substantially below the \$571 of Non-Indigenous persons. For the Northern Territory as a whole, the median income of Non-Indigenous persons was \$543 for males and \$344 for females.

With respect to educational qualifications, 27 per cent of Indigenous people at Ngukurr had left school by the age of 15, and a high 40 per cent by the age of 16 years. In addition, 79 per cent of Indigenous people reported that they held no qualifications. A further 19 per cent did not respond to the question. Such relatively low skill levels have major implications for the achievement of commercial business outcomes within the community, and suggests that the provision of vocationally based training would be a good investment of government funds

Reflecting the current relatively low level of Indigenous business development within Ngukurr, and the high level of dependence on CDEP, 90 per cent of individuals were employed within the industry classification, government administration and defence. Seventy three per cent of males and females were employed in the occupational group labourers and related workers. A further 18 per cent of males, and 8 per cent of females, worked as intermediate production and transport workers or in elementary clerical, sales and service.

Inductive Field Research Methodology

The small enterprise studied in this paper is a butcher shop with an associated vertically integrated, small-scale pastoral operation used for agistment and cattle fattening purposes. As Ellana et al. (1988) have argued, involvement in organizations concerned with the production of goods and services has been of most interest to Indigenous Australians where the underlying methods of production have remained relatively similar between production for subsistence and production for market exchange or cash. Partly

for this reason, Indigenous Australians have demonstrated a high level of interest in becoming commercially engaged in this sector of the economy (RCIADC 1991). In addition, pastoral and associated activities have represented a significant element of Indigenous involvement with the mainstream economy since the colonization of Australia (RCIADC 1991). Indigenous Australians have also demonstrated an ability to master the skills associated with some pastoral activities (Stevens 1974). To an important extent therefore, the chosen case study is judged to be indicative of Indigenous business and entrepreneurial aspirations. Principally for these reasons, it has been thought important to investigate the opportunities and constraints to the development and growth of this type of Indigenous enterprise.

Selection of and entrée to the case study are greatly facilitated by the researcher's pre-existent linkages to and familiarity with the site and setting of the case study. Since case selection is a matter of obtaining access to an organizational type that represents the particular category of organisation, operation and issue being studied, purposeful selection is the order of the day. The more the researcher has fore-knowledge of a particular case setting, the more appropriate it may be as a subject of study—offering easier site access and affording the researchers' greater familiarity with an organization's history and the cultural context (Jorgensen 1989, Silverman 2000).

In the case of the Ngukurr, Don Fuller has had long term personal associations with senior members of the Ngukurr community. Eileen Cummings is a senior member of the Ngalakan clan, the traditional owners of the land on which the community of Ngukurr has been established. Such past connections were crucial to accessing and understanding the cultural context of the enterprise, given that for access by any researcher, an invitation must be extended by senior Indigenous members of a community.

Following Dodd (1993) and Stafford-Smith et al. (1994), information concerning the small enterprise examined here, was initially gathered using a structured interview schedule to ascertain fundamental descriptive logistical and financial information, through both closed and open ended questions. Further interviews were conducted using a semi-structured approach in order to penetrate interviewees' perceptions, understandings and to elicit in particular, cultural and social issues, activities and influences. Interviews

were conducted with the assistance of a senior traditional owner familiar both with the local dialect and culture as well as English and mainstream culture.

From an ethnographic perspective, the researchers endeavoured to understand the enterprise and its functions from the interviewees' perspective, drawing on their prior and current knowledge of cultural and social factors, Indigenous context, characteristics and perceptions. The process involved the conduct of an analysis of the respective strengths, weaknesses (i.e., the enterprise's internal environment), opportunities and threats (i.e., the external environment of the enterprise)—termed 'SWOT' analysis (Flavel and Williams 1996, Wheelen and Hunger 2000). In the light of that SWOT analysis, key commercial and social objectives were developed. This then led to the development of strategies aimed at facilitating the achievement of those objectives. This analyses formed the basis of a business plan for the enterprise. A financial plan was prepared as an integral component of this business plan. This plan was prepared in accordance with the methodology recommended by the Aboriginal and Torres Strait Islander Commission (2000) and is outlined in the section dealing with the main findings from the case study.

The SWOT analysis involves an interpretation of the organization's current strategic status by the planning process participants. It draws together a complex mix of industry, market, political, community, cultural and social factors and attempts to juxtapose them as a basis for further planning that incorporates a vision grounded in an appreciation of both possibilities and limitations faced by the enterprise (Wheelen and Hunger 2000).

The case has been investigated by means of inductive field research and therefore is presented as a field-based case study. This is a methodology in the involved research tradition whereby the researchers involve themselves directly in the research site, immersing themselves in the world of the actors (the organizational participants), seeking to understand their context, activities, behaviours, attitudes and processes. Field research aims to inductively identify and explain concepts, variables and their relationships as they emerge from observations on site in the field, rather than deductively pre-determining them from literature or prior published studies (Parker 1994, Patton 1980). The

methodology is inherently multimethod in that it typically employs observations, semi-structured interviews, and document analysis. It does not follow a predetermined script as per a traditional positivist study, instead being flexible in the application of changing methods and procedures according to the data sources identified and findings gradually made on site (Atkinson and Shaffir 1998).

This field study of the enterprise at Ngukurr has employed multiple methods—physical site inspection, interviews and archival document analysis—all conducted at various points in time over a longitudinal period. In the qualitative research tradition this affords the opportunity for more extensive data access and collection of information. This is expected to enhance the validity and reliability of findings (McKinnon 1988, Atkinson and Shaffir 1998, Creswell 1998, Silverman 2000).

A Case Study of Indigenous Small Enterprise

The two owners of the enterprise intend to source funding to improve the building to ensure that the butcher shop conforms with government health regulations. While the slaughtering of animals had occurred in the field adjacent to the butcher shop, health regulations require the construction of facilities and the use of processing equipment designed to minimize the chance of human infection caused by eating contaminated meat products. The owners also intend to expand the small herd that is carried by the associated pastoral property. According to the owners, a main goal is to provide improved economic returns to benefit, in particular, the next generation. An increased degree of financial independence from government was also seen to be an important objective. It is expected that the expansion of the business will benefit the community by providing meat that is of higher nutritional quality than the products presently available. In addition, the meat can be cut in a manner preferred by Indigenous people living at Ngukurr.

During the interview phase of the investigation, the owners of the enterprise expressed interest in a relatively large-scale expansion of the pastoral activities undertaken in association with the butcher shop. However, both the findings of the authors and the available literature (Dodd 1993, Stafford-Smith et al. 1994) suggest

that a rapid increase in cattle numbers aimed at establishing a larger-scale pastoral enterprise is likely to involve higher levels of capital investment and associated higher levels of risk compared with a small scale pastoral activity designed to supply cattle to the butcher shop.

The effective management of a large-scale pastoral enterprise necessitates the adoption of a trading strategy. A trader approach attempts to match stocking rates with available resources, with little active buying. Stock numbers are allowed to increase in good years, but are reduced rapidly through sales in poor years to avoid damage to pasture, and to maximize returns from sales before animals lose condition. A trader approach requires ready and efficient access to markets and marketing skills and an ability to undertake investment strategies in other sectors of the economy, which can be accessed to supplement cash flows in periods when sales are relatively low.

The SWOT analysis found that among the enterprise's weaknesses were a lack of skills in business management, financial management and control and marketing. Other weaknesses included a restricted access to cattle supplies and lack of an established network for the sale of cattle. The underdeveloped state of the property's infrastructure is also a significant weakness as far as the management of a large herd is concerned. In addition, the high level of competition that a larger-scale Indigenous pastoral enterprise would face from established Non-Indigenous large-scale pastoral enterprises represents an external threat to viability. It was therefore concluded that the enterprise was not well suited to the establishment of a larger-scale pastoral property involving high cattle numbers and a trading strategy, at this time.

The financial plan prepared for the enterprise presented in the following section, indicates that the operation of the butcher shop has the potential to generate considerable revenue in the short to medium term. It is therefore likely that the operation of the butcher shop, supported by a small killer herd, as a small enterprise, will be more consistent with the economic and financial aspirations of the enterprise's owners, compared with an expanded larger-scale pastoral enterprise.

At present, the enterprise is operated as a non-incorporated partnership. The owners plan to establish the enterprise as a Proprietary Company, with a board of Directors comprising the senior traditional owners of the land on which

the property operates. The SWOT indicated that an important internal strength of a small-scale pastoral enterprise and associated butcher shop rested on the fact that the owners of the enterprise were also the senior traditional owners of the land on which the pastoral enterprise and butcher shop is based. Cultural factors in the form of existing land and kinship arrangements were also found to be important potential strengths in relation to established methods of profit distribution. It is intended that profit be distributed through the company to members of the land-owning clan. This arrangement reflects the importance of strong kinship relationships, as well as spiritual and cultural connections to the land, for the nature and structure of the enterprise. It is interesting to note in this context, that the concept of a limited liability company is seen by Indigenous owners to be a relevant and useful instrument which can be utilized as a vehicle to promote Indigenous business and economic development.

An assessment of the skills available to the enterprise suggests that there is a severe shortage of individuals, either within the land owning clan or the wider Ngukurr community, who possess financial and business management skills. The significance of this constraint is heightened by the fact that there are no formal vocational training programs or facilities available in Ngukurr.

Main Findings from Case Study

The enterprise, through the operation of the butcher shop, has an established record as an earner of relatively substantial amounts of revenue and profit. However, the future development of the enterprise is constrained by the need to access finance to undertake the necessary improvements to capital and infrastructure required for the facility to conform with health regulations.

Livestock had been purchased from the nearby Indigenous-owned Elsey station at a cost of \$350 per head. These were transported to Ngukurr at a cost of \$50 per head. The animals were then butchered and sold to members of the Ngukurr community. It is estimated that the sale of processed meat generated \$800 in revenue for each animal slaughtered. The meat sold in the main store at Ngukurr is imported to the community, and of relatively poor quality. Because meat originates from outside the community, the meat is cut and prepared in a manner not pre-

ferred by Indigenous people. Conversely, the meat prepared and sold by the butcher shop discussed here, is both fresh and cut according to local taste. Consequently, the demand for the products has been relatively high. Within the first six months of the period surveyed in this study, an average of five animals per week were slaughtered to meet this demand. The number then rose to eight beasts per week in the second half of the period. Given such slaughtering rates, the enterprise is projected to earn gross revenue of \$270,400 per annum.

However, costs are also relatively high. The total fixed costs of the enterprise are estimated to be \$103,149. Included within this category, following the methodology outlined by ATSI (2000), are total business running costs, interest and repayments generated by start-up costs including building costs to meet health regulations, the opportunity cost of the owners' labour and a return of 15 per cent on the owners' investment. The opportunity cost of each owners' labour is assumed to be \$25,000 per annum. As there are two partners as owner-managers, the total amount allocated is \$50 000. This amount was determined following comparisons with similar operations undertaken elsewhere in Northern Australia. For most Indigenous members of the work-force dependent upon the CDEP program however, the opportunity cost of labour remains equivalent to welfare payments. Business running costs are defined to include rent, telephone and postage bills, licences, promotion, management and accounting services, insurance and the depreciation of plant and equipment.

Variable costs are defined by ATSI as expenses directly related to the rate of production (ATSI, 2000:77). In this case, the most important of these are the purchase of cattle for \$350 per head and transport at \$50 per head. Also included are fuel for the operation of plant and equipment, maintenance, light and power, and consumables. Labour is paid by the Federal government Indigenous employment and business formation program (CDEP). Variable costs are estimated at \$146,400. Using these definitions, the estimated variable and fixed costs of the enterprise, including the opportunity cost of the owners' labour, are estimated to total \$249,549 per annum. It is therefore projected under this methodology that the enterprise has the potential to generate a profit of \$20,851 per annum. The potential profitability of the enterprise is enhanced because the labour costs of the busi-

ness are initially paid by the CDEP scheme. However, while the CDEP scheme may initially result in enhanced profitability for the enterprise, the manner in which the scheme is administered has severely constrained the development of the enterprise over time, by restricting access to funds necessary to re-invest in enterprise growth and infrastructure development.

The nominal responsibility for the allocation of CDEP funding to business small enterprises at Ngukurr lies with the Yugal Mangi Community Government Council, composed of the leaders of each of the community clans. Information collected through discussions with clan members within the community however, suggests that meetings between clan leaders are held infrequently. Consequently, control over CDEP funds has effectively been passed to Non-Indigenous officials of the Community Government Council. It is likely that such institutional dysfunction may be attributed in large part to the imposition of a form of democratic collective organisation, foreign to Indigenous elders and which conflicts with Indigenous organizational arrangements and systems of law (Trudgen 2000).

Under these arrangements, the owners have been required to remit revenue streams earned from business operations directly to the Local Government authority. This prevents business operators from retaining such earnings to reinvest in business growth. The details of these revenue streams have not been made available to the relevant ATSI regional office. Without such information, ATSI cannot, within its own guidelines, approve business loan funding to the enterprise, even though it has shown the ability to earn substantial revenue flows. It seems highly unlikely that any other lending body, whether public or private, would approve a loan to the enterprise in the absence of this information. The lack of transparency and accountability in the administration of CDEP has therefore constrained the development of an enterprise that has the potential to deliver considerable economic social benefits to both the owners of the enterprise and the wider community at Ngukurr.

Conclusions and Implications for Policy

The business and financial plan undertaken for an Indigenous small business serve to illustrate the opportunities and constraints common to many Indigenous small businesses within

Indigenous communities in northern Australia. The conclusions reached in this particular case study are supported by other research into Indigenous small enterprise in remote communities of northern Australia (Fuller et al. 2001, Fuller and Parker 2002).

First, and most importantly, the case study, suggests that in spite of the obstacles, there is potential for Indigenous owned and operated small enterprises to be established and achieve commercial viability in remote Indigenous communities such as Ngukurr. There are however, likely to be important problems specific to Indigenous enterprise including culturally specific behaviours, as well as factors such as reciprocal obligations, which are found more generally within Indigenous communities. There are also problems largely of a historical nature and largely occurring as a result of decisions taken by Non-Indigenous people. However, it would appear that with careful planning and sufficient mentoring support, there is the potential for profitable Indigenous businesses, able to yield substantial economic and social benefits for their owners, employees and the wider community.

A second important conclusion of this study is that business and financial skills are in short supply in Ngukurr, as they are in other remote Indigenous communities. In particular, many of the Indigenous people who wish to establish small businesses lack the formal education and training required in order to effectively manage a small enterprise. Such individuals require training in business and strategic planning, financial management and control and marketing, as well as technical skills that specifically relate to the sector in which an enterprise will operate. Similarly, people with trade and other vocational skills that could be employed within local enterprises are in short supply.

An important constraint relates to the underdeveloped state of the infrastructure. In order to establish a viable business it is often necessary to invest considerable sums in the improvement of facilities such as staff accommodation and essential services.

Prospective enterprises in Ngukurr and other remote Indigenous communities also need to source funds that are usually not available through normal commercial channels. Indigenous people face difficulties accessing such institutions, due to a number of factors including lower levels of acquired assets, perceived higher levels of risk, lack of familiarity with financial institu-

tions and an inability to prepare formal business, financial and marketing plans required by mainstream commercial lenders.

A possible solution to this problem could be the formation of an Indigenous financial intermediary drawing upon the substantial financial resources currently divided between a number of Indigenous institutions concerned with purchase of land, investments in commercial assets, housing and infrastructure developments and business programs.

Finally, an important aspect apparent from this case study is the central role played by the Community Development Employment Projects (CDEP) scheme. The scheme has the potential to contribute significantly to the commercial viability of Indigenous small enterprises by initially paying the wages of CDEP participants who work within an approved enterprise. In addition, the CDEP scheme makes funding for capital and operating expenditure available for Indigenous owned and operated small enterprises.

The financial resources that the CDEP scheme brings into the community play an important role in indirectly supporting Indigenous owned and operated small enterprises. In the financial year 1999–2000 the Ngukurr CDEP program expended around \$2.7 million in the form of payments for wages and a further \$830,000 for capital and recurrent expenditure purposes directed at potential small business operations. Such levels of expenditure serve to stimulate demand for the goods and services available from a range of Indigenous small enterprises.

However, as noted above, in the absence of procedures to enforce accountability for the administration of the scheme, the program can be detrimental to the formation and growth of Indigenous enterprise. A lack of accountability and transparency in the administration of the program serves to confuse the funding processes to the extent that Indigenous clients become increasingly unsure of the relevant criteria upon which funding decisions for business development purposes are to be made. This in turn, acts as an important disincentive to Indigenous people who may be considering attempting to establish their own small business.

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SOVEREIGNTY, TREATIES AND TRADE IN THE BKEJWANONG TERRITORY

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David T. McNab

INTRODUCTION

Aboriginal cultures and economies are highly diversified and unique to their lands and resources which has enabled them to resist and survive for thousands of years. In spite of this fact being obscured and effaced in the written records of European visitors to North America, Aboriginal trade and their diversified economies continue to exist as a radical alternative to globalization. In 1987 the Bruntland Report pointed this out succinctly:

Tribal and indigenous peoples will need special attention as the forces of economic development disrupt their traditional life-styles — life-styles that can offer modern societies many lessons in the management of resources in complex forest, mountain, and dryland ecosystems. Some are threatened with virtual extinction by insensitive development over which they have no control. Their traditional rights should be recognized and they should be given a decisive voice formulating policies about resource development in their areas.¹

Aboriginal peoples have alternate diversified economies based on trade and trading and they have always offered the Europeans valuable lessons in economic development.

Aboriginal oral traditions in northeastern North America recall through their stories the significance of sovereignty and trade in the history of the place we know as Canada. Early in the twentieth century the hereditary Chief Peterwegeschick recalled that, in the 1820s, the citizens of the Bkejwanong First Nation (also known as the Walpole Island First Nation) participated in extensive trading activities, among other places, at Detroit and that his father “went there to trade when he was very small. He told me [Chief Peterwegeschick] that the St. Clair was often black with canoes in their journeying to the trading post at Detroit.² Trade, and Aboriginal trading patterns and their networks, has been one of the most important gifts to the European newcomers. Trade and trading, being intimately connected to the land, as well as the complex networks that trade and trading had long secured, was one of the principal means by which Aboriginal autonomy and sovereignty have long been secured.³

In terms of trade and trading for hundreds of years, the primary scientific gift of Aboriginal people to it was the birchbark canoe. The significance of the canoe in Aboriginal oral traditions and history cannot be overemphasized. It is central to the creation stories, to the culture, providing a balance practically and spiritually as a

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means — an instrument — of understanding the natural world and providing a means of working within it.⁴

GUS WEN TAH, THE COVENANT CHAIN OF SILVER

The Covenant Chain of Silver was embodied in the historical process of relationships among the Aboriginal Nations and the European empires. Its bases included the Aboriginal gifts of diplomacy and trade which were inseparable. An extension of the Great Law of Peace, the Chain is represented in the various wampum belts that have existed at least since the Treaty of Albany in 1664, if not long before that time, in other forms. One of these wampum belts is the Two Row wampum. The Two Row Wampum has been defined as a “bed of white wampum shell beads symbolizing the sacredness and purity of the treaty agreement between the two sides”:

Two parallel rows of purple wampum beads that extend down the length of the belt represent the separate paths traveled by the two sides on the same river. Each side travels in its own vessel: the Indians in a birch bark canoe, representing their laws, customs, and ways, and the whites in a ship, representing their laws, customs, and ways. In presenting the Gus-Wen-Tah to solemnize their treaties with the Western colonial powers, the Iroquois would explain its basic underlying vision of law and peace between different peoples as follows: “We shall each travel the river together, side by side, but in our own boat. Neither of us will steer the other’s vessel.”⁵

The English Crown, the Haudenosaunee and the Anishinabe continually renewed the Covenant Chain. Later other Aboriginal Nations entered into the Covenant Chain as well.⁶ For example, Sir William Johnson,⁷ the Superintendent General of Indian Affairs for the Northern Department (stationed near Albany on the banks of the Mohawk River), observed its history and significance in 1748 when he met in Council with the Iroquois Confederacy:

... our first Friendship Commenced at the Arrival of the first great Canoe or Vessel at Albany, at which time you were much surprized but finding what it contained pleased you much, being Things for your Purpose, ...

After this was agreed on and done you made an offer to the Governor to enter into a Bond of Friendship with him and his People which he was so pleased at that he told you he would find a strong Silver Chain which would never break, slip or Rust, to bind you and him in Brotherhood together, ...⁸

For the Iroquoian and Algonkian-speaking Aboriginal Nations as well as the European Nations, the Chain continued to be an important fixture of international diplomacy, war and trade throughout the shifting conflicts and realignments wrought by the European incursions in the seventeenth and eighteenth centuries. Above all, the Chain showed the continuing sovereignty and independence of Aboriginal Nations in an international context. The backbone of the Aboriginal trade and trading and with it sovereignty was the birchbark canoe. But things began to fall apart in the late eighteenth century. With the erosion of Aboriginal trade and trading, came a loss of recognition of sovereignty.⁹

THE TREATIES OF BKEJWANONG (THE PLACE WHERE THE WATER DIVIDES)

The red and white wampum belt in part, characterizes the oral tradition of the Walpole Island First Nation. The belt includes Bkejwanong Treaties with the French, and then the English, imperial governments. It is also encapsulated in speeches which have found their way into written documents which are today preserved by the citizens of the Walpole Island First Nation. These written records are in addition to the living memory of their traditions and their Treaties.¹⁰ One of these documents is currently in the custody of the Miskokomon family at Bkejwanong.¹¹ This document outlines, in part, the history of the oral tradition in writing of the Walpole Island First Nation, as follows:

In 1629 the English attempted to occupy the Valley of the St. Lawrence, but were opposed and driven out by the French, in cooperation with the Iroquois. Not until 1745 did the English again appear. At this time English traders from Pennsylvania established a trading station at old Fort Sandowski [Sandusky], and there made a treaty with the three tribes, concerning trade. Here the English remained until driven out by the French in 1753.

In 1670 the French concluded a friendly treaty with the Three Tribes covering trading regulations between them. The principal French Trading Station in this region at that time was located on the left bank of the Detroit River, at the place now called Sandwich. All of the supplies for these Trading Stations came through Montreal.

Then followed the French and English war which ended in 1759, and a short time later a treaty of peace was concluded at Montreal [the Murray Treaty of 1760?]. This treaty provided for the French occupancy of the Province of Quebec, and the English occupancy of the occupancy of Ontario, reserving to the Three Tribes a strip of ground, 66 ft. wide on each side of all rivers, 16 ft. wide on each side of all creeks and 99 feet wide along the shores of all lakes and around all lands entirely surrounded by water, also the use of all lands not fit for cultivation, and the right to hunt and sell timber in any forest, and to fish in any waters, also reserving to the Indians all stone, precious stones, and minerals. These strips of land were intended as a permanent inheritance to the Three Tribes, where they could camp and abide while fishing and trapping and cultivating the soil.

In 1818 Envoys representing England and the United States met the Three Tribes at Andarding or (Amherstburg) [the Treaty of Amherstburg of 1818] in conference on the subject of the protection of game for the Indian, at which time it was agreed that only those whites holding licenses would be permitted to hunt and fish and that the fees accruing should all be paid over to the Indians. Since 1822 when these first licenses were issued, there has been no distribution of the funds thus accrued and at this time (1929) the aggregate amount of the hunting and fishing licenses fees collected by the Provinces and by the several states should doubtless and does represent a very large amount of money, all of which belongs to the Indians as per the treaty.

In Jay's Treaty of 1794 between England and the United States, the right of all Indians to free passage across the border by land or water for all times was officially recognized by both nations. These rights were confirmed in an explanatory article the two Governments concluded at Philadelphia, May 4th, 1796.¹²

The Walpole Island First Nation has, since 1929 as they did before, continued to regard these Treaties as "sacred and inviolate".

THE TREATY OF MONTREAL OF 1760

Aboriginal oral traditions speak to the Treaty of Montreal that was entered into on September 6, 1760. This Treaty, which has been recorded and remembered in wampum belts, focuses on the waters of the territories of the Anishinabe Nations. Its purpose was to establish peace and friendship between the Anishinabe Nations and the English and French Empires after the defeat of France near the end of the Seven Years War. It was regarded by Aboriginal people as one the founding documents in Canada's constitutional history in that it set out the relationship among the three founding Peoples to the new country of Canada.¹³

THE ANISHINABE RESISTANCE MOVEMENT OF 1763

The Anishinabe (Western or Lakes Confederacy) resistance movement, which began in May of 1763 led by Pontiac, was fought by the Anishinabe Nations of northeastern North America against the English imperial government in the Great Lakes area to protect their traditional territories and cultures from the new and harsh regime of Jeffrey Amherst. Amherst wished to end the expensive present giving, the sale of arms and ammunition and confine the lucrative Indian trade to the army posts.¹⁴ There was also a long-standing resistance as well to the "frauds and abuses" committed against Aboriginal citizens by the non-Aboriginal settlers in northeastern North America.¹⁵ This resistance movement should be distinguished from the parallel resistance movement led by the Senecas and which involved the Iroquois Confederacy.¹⁶ The resistance was triggered when the English commander in chief Amherst ordered that the presents, extremely valuable commodities, given annually to the Aboriginal Nations (both the Western and the Iroquois Confederacies) to maintain the diplomatic and military alliance system under the Covenant Chain, were no longer to be issued as of 1762. Much Aboriginal discontent followed intensified by a further edict to cut off all ammunition. Fighting broke out in the spring of 1763.¹⁷

Two of the key battles fought in this war included Anishinabe victories against the English at Michilimackinac and at the siege of Detroit. In June more than 400 warriors had come by birchbark canoe to Michilimackinac. There, using the ruse of a game of baggawataway (lacrosse), the warriors were able to capture this English fort and trading station killing seventy out of the ninety English troops and capturing the remainder. So successful was this victory that the word of this battle reached Detroit and then another English fort soon thereafter. Again using their canoes, a number of the warriors were able to come from the northern lakes to lay siege to Detroit later that same summer. Although the fort did not fall, the Anishinabe Nations initiated peace negotiations under the Covenant Chain of Silver and the resistance movement ended, successfully achieving its objectives. In this resistance movement the Anishinabe Nations were not conquered.¹⁸ Even after the War, Sir William Johnson indicated that the English imperial government feared the military power of the Western Confederacy of Nations and wished to come to terms with them in a Treaty.¹⁹

THE ROYAL PROCLAMATION OF 1763

King George III promulgated the Royal Proclamation of 1763 after the Seven Years War, partly in response to the Anishinabe resistance movement. The Royal Proclamation was an English imperial document, among other things, that established the administrative framework for the new English colonies in Quebec, and in the rest of North America. It also recognized and reaffirmed the “Indian territory.” It established English imperial rules regarding the treaty-making process under the Covenant Chain as well as for Aboriginal trade with non-Aboriginal people. This Proclamation also recognized the significance of the Aboriginal trading system:

And we do, by the Advice of our Privy Council, declare and enjoin, that the Trade with the said Indians shall be free and open to all our Subjects whatever, provided that every Person who may incline to Trade with the said Indians do take out a Licence for carrying on such Trade from the governor or Commander in Chief of any of our Colonies respectively where such Person shall reside, and also give Security to observe such Regula-

tions as We shall at any Time think fit, by ourselves or by our Commissaries to be appointed for this Purpose, to direct and appoint for the Benefit of the said Trade....²⁰

The Proclamation reaffirmed that the “Indian Territory” as well as the uses of that Territory by the First Nations and their citizens was to be their “absolute property.” They retained control of their trading networks and their trade.²¹ These diplomatic initiatives came from the Aboriginal Nations under the Covenant Chain of Silver—the Two Row Wampum symbolized by water and the canoe. It would be reaffirmed one year later in a grand council of Nations at Niagara in 1764.

THE TREATY OF NIAGARA OF 1764

The Treaty of Niagara is significant in that it reaffirmed the Covenant Chain of Silver with the Aboriginal Nations of the Great Lakes. In July 1764 at the Treaty of Niagara, held at the “crooked place” on the Niagara River, the Aboriginal Nations met with Johnson, the Northern Superintendent General of Indian Affairs, and other officials of the Crown. This action formally confirmed peace, through a Treaty, after Pontiac’s resistance movement of 1763.²² Furthermore, at the Treaty negotiations, Johnson made it clear that the major issues were trade as well as water, land under the water and its uses. The next month, at the Treaty of Niagara, Johnson spoke (on July 31, 1764) at a “General Meeting with all the Western Indians in their Camp” and presented them with “...the great Covenant Chain [Belt], 23 Rows broad, & the Year 1764 worked upon it.” An Ojibwa Chief stated he was “...of Opinion that it is best to keep the Belt of the Covenant Chain at Michilimackinac, as it is the Centre, where all our People may see it. I exhort you to hold fast by it, to remember what has been said, and to abide by your Engagements.” Michilimackinac was an important northern trading post and military station located at a strategic isthmus on Mackinac Island.²³ This wampum belt was only with the Western Confederacy. It re-affirmed the relationship under the Covenant Chain with the Western Confederacy, including, among other things, that their Territories, lands and resources, were their “absolute property” and well as a recognition of Aboriginal sovereignty.

Another wampum belt was also presented at the treaty of Niagara to all the twenty-four Nations, including the Haudenosaunee and the Western Confederacy and this belt signified the sovereignty of the Aboriginal Nations and re-affirmed the annual provisions and presents as well as the Covenant Chain. The Aboriginal Nations still know it as the "Niagara Treaty Conference Twenty Four Nations Wampum Belt." The following are the First Nations' perspectives on the significance and the meaning of the Treaty:

While the treaties are like stones marking a spot in time, the relationship between the Nations is like two equals, respecting each of their differences but supporting each other for a common position on peace, order and justice for all. The brotherhood created by the Twenty Four Nations Belt represents a relationship of both sharing and respect. The sharing is reciprocal: as the First Nations shared land and the knowledge in the past, now that situation is reversed, the generosity of spirit and action is expected to continue. The respect is also reciprocal: respect for each other's rights, existence, laws and vision of the future.²⁴

The twenty-four Aboriginal Nations who were parties to the Niagara Treaty, reaffirming the Covenant Chain, were basically the Aboriginal peoples who lived in the wide belt all centred in the St. Lawrence valley and Great Lakes waterway system and who continued to trade in it.²⁵

THE TREATY OF DETROIT OF 1765

On August 27 to September 4, 1765, an Ancient Council Fire was lit at Detroit. Over the course of the next week, a Treaty was negotiated between the Crown represented by Colonel George Croghan, Deputy Superintendent for Indian Affairs, representing Sir William Johnson and the Western Nations, which included the Ojibwa identified then as the Chippawas, the Ottawas, the Potawatomi and the Hurons, who were represented by Chief Pontiac.²⁶ Along with the King George III medals, which Sir William Johnson had specially made for this purpose, all of these actions of Sir William Johnson at the Treaty of Detroit confirmed both the Royal Proclamation and protected both Aboriginal trade and the "Indian Territory". These actions of

the Crown, in 1764 and 1765, constitute treaties between the Crown and the Walpole Island First Nation which, among other things, affirmed Bkejwanong, the Walpole Island Territory. Many of these solemn promises would be re-affirmed in the St. Anne Island Treaty of 1796.

In July 1765, Sir William Johnson's Deputy Superintendent, George Croghan met with the Western Confederacy representatives at Ouitanon (also spelled Ouitatenon), a village on the Wabash River, located southwest of Detroit. The focus of Croghan's efforts were to ratify peace with the Ottawa Chief Pontiac [b. c. 1712–1725, d. April 20, 1769] and the Western Confederacy after the Anishinabe Resistance movement of 1763 and to confirm the Royal Proclamation of 1763, especially the provision of the "Indian Territory" and the Indian trade.²⁷ The primary considerations of this as well as other Treaties, then and now are land, Aboriginal title and land rights and the Aboriginal trade within "their Country".

There was no doubt whatsoever that these Council Meetings were Treaties. Wampum belts were exchanged; records of the Treaties were kept. In his letter to the Lords of Trade in London, from Johnson Hall on September 28, 1765, Johnson spoke of the Treaty of Detroit in the following terms:

On Mr Croghan's arrival at Detroit he had a Treaty with all the Western League, who were assembled before his arrival, and by the Light in which he placed affairs effectually settled their minds & dissolved the Legue [League] lately formed by the French with the *Eighteen Nations*, and he is now on his way to this place, after whose arrival I shall be enabled to transmit your Lordships the whole of his Transactions and the present state of Indian Affairs in that Country.²⁸

The solemn promises of the Treaty of Detroit were re-affirmed and reiterated the following year when Sir William Johnson met with Chief Pontiac and the representatives of the Western Confederacy of Nations at Lake Ontario (Fort Ontario near present-day Oswego, New York).

THE TREATY OF LAKE ONTARIO OF 1766

On July 22 to 30, 1766, at a Bower on the shores of Lake Ontario, near the Fort of the same name, (present-day Oswego, New York), a

Council Fire was lit and over the course of the next week, a Treaty was negotiated between the Crown represented by Sir William Johnson and the Western Nations which included the Ojibwa identified then as the Chippawas, the Ottawas, the Potawatomi and the Hurons, all of whom were represented by Chief Pontiac. This Treaty re-affirmed Gus Wen Tah, the Covenant Chain specifically with the Western Confederacy of Nations as well as the Treaty of Detroit of 1765. In addition, the Treaty also re-affirmed all that had been solemnly promised two years previously at the Treaty of Niagara, including, among other matters, items relating to the Covenant Chain, Peace and Friendship, the lands of the Indian territory protected under the Royal Proclamation of 1763, their Aboriginal rights to their hunting grounds as well as free trade and the regulation of white Traders, outlined in the Royal Proclamation of 1763 and the provision of blacksmiths to assist in the repair of arms and implements.²⁹

The Treaty of Lake Ontario of 1766 is described in the document as the Proceedings at a Congress with Pontiac [spelled Pondiac throughout the Treaty] and the Chiefs of the Ottawas, the Chiefs of the Potawatomi, Hurons and Chippewa, which began on Tuesday, July 22, 1766 and ended on July 30, 1766. The following is a summary of the solemn promises made by the Crown's representative, Sir William Johnson, the Superintendent [Superintendent] General of Indian Affairs at this Treaty as they pertained to sovereignty and trade:

1. Sir William Johnson promised that the Crown would respect the sovereignty and the inherent right of Aboriginal governance of the Western Confederacy and he addresses them as sovereign, independent Nations with their own political organization (the Western Confederacy of Nations) and possessing their own Customs, Laws and institutions.
2. Johnson confirmed and ratified the provisional agreement with respect to peace, protection of the Aboriginal Territories and their trade, signed between his Deputy (Colonel George Croghan) and Chief Pontiac, generally representing the Western Confederacy, negotiated at Ouatanon in July, 1765 and ratified at the Treaty of Detroit in 1765.
3. Johnson made the solemn promise to provide the Western Confederacy of Nations

with the Crown's official representatives to reside within the Aboriginal Nation's Territories. These representatives were to be instructed to act honourably and honestly with them with respect to the following matters: "... to reside at the Posts, to prevent abuses in Trade, to hear your Complaints, & such of them as they cannot redress they are to lay before me...."

4. Johnson promised that the Crown would provide Blacksmiths for the following uses: "... to repair your Arms & Implements...."
5. Johnson promised that the Crown would respect their customs and laws and would ensure justice to the Western Confederacy of Nations regarding non-Aboriginal offenders. The Crown would respect the sovereign authority of the Western Confederacy to control and manage its own justice system over its own citizens.
6. Johnson promised that the Crown would respect the right of the Western Confederacy of Nations to their trade and to free trade with other Nations.
7. Johnson promised that the Crown would provide regulations and regulators to protect the Indian Trade including the restriction of white traders to the trading posts to provide protection for the Indian Territories, their lands and waters, protection from the "frauds and abuses of the white traders" and the provision of regulations to prevent white traders from entering the Indian villages.

For its part, the Western Confederacy of Nations promised that it would never again go to war against the English as it had done in 1763. The Confederacy would provide in the future the English Crown with peace and friendship in times of both peace and war. In the case of the latter, the Western Confederacy would provide military assistance, if required. These promises were not inconsequential at a time when the English imperial foothold on the North American continent was at best precarious. But Johnson died in 1774, eight years after the Treaty of Lake Ontario was signed.³⁰ After that, things started to fall apart. The Treaties of Detroit and Lake Ontario were lost and then forgotten by the Indian Department by the 1790s. By the early nineteenth century the so-called second English Empire had embarked on an imperial

strategy based on colonization rather than trade.³¹

Although fighting ceased in the American War of Independence in 1781, the Treaty of Paris of 1783 ended the War of the American Revolution. Article II of that Treaty provided, in part, that the international boundary would be placed “through the middle of said Lake [Ontario] until it strikes the communication by water between that Lake and Lake Erie; thence along the middle of said communication into Lake Erie; through the middle of said Lake until it arrives at the water-communication between that Lake and Lake Huron.” The main diplomatic focus was on the waterways where aboriginal peoples dominated the transportation and communication and with it Aboriginal trade and trading.³²

One of the Aboriginal objectives intended to mitigate this “disaster” and enable them to survive into the twentieth century and beyond was to try to dovetail their situation with English imperial strategies of trade, land and emigration policies and ultimately white colonization. This they tried to do by entering into a renewed treaty-making process, which would safeguard their hunting territories, their waters and their economies. For example, treaties were entered into in the 1780s and 1790s to lease or share certain areas with settlers while retaining Anishinabe sovereignty and water rights.³³ For example, the Gun Shot Treaty of 1792 was one of the Treaties between the Western Confederacy, among other Aboriginal Nations, and the English imperial government. Lieutenant Governor John Graves Simcoe, Sir John Johnson and the First Nations at the Bay of Quinte entered it into in 1792.³⁴ Specifically, it reaffirmed the Treaty entered into at Montreal in 1760.³⁵ The oral tradition asserts that the Gun Shot Treaty of 1792 was more than a sharing of the use of land:

The Gov'r [Lieutenant Governor, Simcoe] stated although the Gov't wanted the land it was not intended that the fish and game rights be excluded or that they were to be deprived of their privileges of hunting, trapping and fishing as it was a source of their living and sustenance. These provisions were to hold good as long as the grass grows and water runs, and as long as the British Gov't is in existence. According to the ruling of the Gun Shot Treaty, the Indians to have first rights to all creeks, rivers and lakes, 16 feet on both sides of the said creek, 66 feet on both sides of all

rivers and 99 feet around all lakes and island[s] on said lakes. This land mentioned is their inheritance where they can camp and abide while pursuing their occupation of fishing and trapping and while occupying said land [,] no white men can order them off.³⁶

Similarly Treaties respecting the centrality of the Aboriginal trade, free trade and the necessity of border crossings along all the Great Lakes and the St. Lawrence River followed.³⁷

The rights to the Aboriginal trade and free trade were significant. These Aboriginal rights were intended by English imperial policy to protect the Aboriginal Nations, at a time when Britain was relinquishing its western posts (1796). They were also to be safeguarded in the Treaty-making process. The primary motivating factor was the real English fear that, if these rights were not reaffirmed, then there would be an “Indian war” in the Great Lakes that would have, so they thought, resulted in the loss of Upper Canada for the English imperial government. These Treaties are still at issue today and the subject of major litigious battles in Canada's courts.³⁸

THE JAY TREATY OF NOVEMBER 19, 1794

The Treaty of Amity, Commerce and Navigation of 1794 was named after the American negotiator of that Treaty, John Jay (1745–1829). Formerly the governor of the State of New York, John Jay was more than familiar with issues of First Nation Treaties, having negotiated some of them himself in his tenure as governor.³⁹ In 1794, Jay was Chief Justice of the United States. Lord Grenville (1759–1834), then the English Foreign Secretary, was the English negotiator.⁴⁰ In this Treaty, made between the English and American governments, the English government gave up its posts in what became known as the American Midwest and, in doing so, abandoned its allies, the Aboriginal Nations, including the Western Confederacy in July of 1796.⁴¹

On November 19, 1794, the English and the American governments signed the Jay Treaty. The English government did not notify or consult with the Aboriginal Nations. The Treaty was ratified by the American and the English imperial governments and was proclaimed on February 29, 1796. The terms of the Jay Treaty included matters concerning amity or peace, priv-

ileges of settlers, commerce, survey and boundaries, indemnities, land tenures, private debts, navigation, trade and shipping, rules in time of war, extradition and ratification. Article III is entitled “Commerce and navigation; duties,” addressing matters that specifically concerned the Aboriginal Nations:

It is agreed that it shall at all times be free to His Majesty’s subjects, and to the citizens of the United States, and also to the Indians dwelling on either side of the boundary line, freely to pass and repass by land or inland navigation, into the respective territories and countries of the two parties, on the continent of America, (the country within the limits of the Hudson’s Bay Company only excepted), and to navigate all the lakes, rivers and waters thereof, and freely to carry on trade and commerce with each other ... No duty of entry shall ever be levied by either party on peltries brought by land or inland navigation into the said territories respectively, nor shall the Indians passing or repassing with their own proper goods and effects of whatever nature, pay for the same any impost or duty whatever.⁴²

By the Jay Treaty the English imperial government also relinquished its trading posts and forts, including Detroit and Fort Ontario.⁴³

“WE WERE LASHED TOGETHER STRONGLY”: THE ST. ANNE ISLAND TREATY OF 1796

The St. Anne Island Treaty was entered into by the English imperial government for military purposes—specifically to establish an Anishinabe buffer state against any future wars with the United States on the western frontier of the Great Lakes. From this perspective, Upper Canada was to be defended by First Nation warriors in canoes in conjunction with the Royal Navy on the Great Lakes.⁴⁴ In the summer of 1796 the situation of the First Nations was not diminished. Although the Americans “took possession of the forts at Detroit and Michilimackinac,” Cleland wrote that this American presence was “...however, a very tenuous occupation at best.” There was not then a great disruption, “much less a disaster,” in the summer of 1796 created by the take-over of the posts by the Americans. In fact, the effect was to increase the economic and political power of the First Nations

through “competitive gift-giving” as well as military power.⁴⁵

The St. Anne Island Treaty of 1796 occurred at a Council Fire at which a Council Meeting was held, at the edge of the forest near the Ottawa village, on St. Anne Island on the northerly side of the Chenail Ecarte River [adjacent to, and across the river from present-day Wallaceburg] on August 30, 1796.⁴⁶ According to Bkejwanong oral tradition, the English Crown’s representation (Alexander McKee), “finding that our Fathers were growing poor and wretched in the vicinity of the Long Knife brought them up to the Island [St. Anne Island] on which you now find us; he left from his Canoe with a lighted Brand in his hand and after having kindled the first Council Fire which had ever shone upon it, he gave it to them forever.” On August 30, 1796, McKee addressed the “Chiefs Chippawa & Ottawa Nations”:

The change I allude to is the delivery of the Posts to the United States: these people have at last fulfilled the Treaty of [Paris] 1783 and the Justice of the King towards all the world, would not suffer him to withhold the rights of another, after a compliance with the terms stipulated in that Treaty: But he has notwithstanding taken the greatest care of the rights and independence of all the Indian Nations who by the last Treaty with America, are to be perfectly free and unmolested in their Trade and hunting grounds and to pass and repass freely and undisturbed to trade with whom they please.⁴⁷

The solemn commitments of the Crown made at this Council Meeting of August 30, 1796 regarding sovereignty and trade constitute promises which were made by Alexander McKee on behalf of the Crown. The Chenail Ecarte Reserve was also discussed at this Council meeting and also was established as an Indian Reserve.⁴⁸ It is clear from the oral tradition of the Walpole Island First Nation that the St. Anne Island was a significant Treaty with the English Crown for the matters discussed at the Council meeting on August 30, 1796.⁴⁹ Once again it reaffirmed that diplomatic device of the Two Row Wampum and the pivotal symbol, and the reality that the Anishinabe and the European Nations had been “lashed together strongly” This diplomatic practice continued.⁵⁰ The Anishinabe trade would remain strong right into the late nineteenth century.⁵¹

ABORIGINAL TRADE AND TRADING

Aboriginal trade, out of Montreal and into the Great Lakes, Laurentian Shield and the Ohio valley, was carried on by Aboriginal and Metis in conjunction with many Scottish and Irish traders, like Peter Pond and John Askin, (1738–1815), Senior,⁵² of Detroit, in the eighteenth and early nineteenth centuries. It spanned all parts of the northeastern North America, a vast geographical area. And it lasted for more than four hundred years.⁵³ Askin was one of the most prominent local traders at Detroit with extensive Anishinabe and European trading connections that stretched from Europe through the St. Lawrence to Montreal, Detroit and southerly deep into the Ohio and Mississippi valleys and north into the Canadian shield. The linkages between the trade and the military remained extremely close. The traders like Askin were the primary suppliers to the military establishments at the key points of the English empire in the St. Lawrence Valley and along the Great Lakes waterway system. Military posts like Mackinac, Niagara and Amherstburg (Fort Malden) and Detroit were not only the key places to guard the military frontier and safeguard the English colonies, they were also centres of trade. Although Askin used some larger sailing vessels on the Great Lakes, he also relied on large canoes with sails to carry large quantities of freight.

Detroit had long been an important entrepot for Aboriginal trade and then for the Indian trade which was between the Aboriginal Nations and the European traders. It owed its location to the presence of the Aboriginal Nations in the area of the Detroit River, Lake St. Clair and the connecting waterways. Anishinabe villages, located along the waterways, ringed Bkejwanong — the “place where the waters divide” — part of the Walpole Island First Nation Territory in the Lake St. Clair area. In the 1760s, for example, there were Aboriginal villages — Wyandot, Ojibwa and Ottawa on the east side of the Detroit River — and a Potawatomi village on the west side. Waterways and the birchbark canoe linked all of these places.

The scope, extent and value of the Indian trade until the 1820s was extremely large. But the trade, although it included furs of all kinds, was not restricted to furs.⁵⁴ It included large quantities of foodstuffs, including corn and other vegetal products, among many other items. The

articles traded were themselves wide-ranging and extensive. They included, at least in part, the following: 1. Indian corn; 2. food supplies, such as wheat, flour, tobacco, potatoes, Spanish beans, pumpkins, garden seeds; 3. wild rice; 4. fowl, especially wild ducks, and other wild game birds; 5. hay; 6. lye hominy [potash]; 7. Maple and black walnut sugar; 8. wood and wood products, timber for ships and ship-building, especially firewood, tree gum and bark, wataw, which is a root of the spruce or fir tree used for making thread, string; 9. grease from animal fats; 10. lime; 11. sub-surface resources, including minerals such as gold, silver, copper, and other metals, flint and salt, or other minerals, oil from oil springs used for making and bartering liniments for medicinal purposes; 12. furs, including all kinds — deer, beaver, bear, raccoon, lynx, bob and wild cat, fox, otter, musquash [muskrat?], pichoux [red lynx]; 13. boats and canoes, for example, petiagers [a “petiager (variously spelled) was a boat made from a tree trunk, hollowed out, which was often provided with a plank bottom, the trunk being split in halves, each of which was made to serve as one side of the boat.”]; 14. fish of all kinds, including: sturgeon, muskellunge, whitefish, pickerel, bass, perch, salmon, trout; 15. Wild berries and fruits of all kinds. Two-pronged, this trade was mutual and an integral part of the local European economies.⁵⁵ It had been so for many years. And it would remain so well into the nineteenth century.

The trade and its infrastructure continued to be also of strategic importance. In times of war, the trading as well as the Royal Navy’s vessels and Aboriginal canoes were commandeered for use in transporting the Aboriginal warriors as well as English troops. In times of peace and war, the Aboriginal Nations were an integral component in the defence of the English empire.

The Indian trade was big business linked as it was to large independent trading companies like the North West Company which was based in Montreal. While the relatively small traders may have found it difficult to make ends meet, this was not true for the McGillivrays,⁵⁶ McTavishes⁵⁷ and Frobishers⁵⁸ and Alexander Mackenzie⁵⁹ of Montreal. For instance, Askin wrote to Benjamin Frobisher in 1778:

I will attempt writing to you by these Indians but cant say I will get through, having three Vessells to fit off now, your Canoes & my Public employment.

St Cir [a North West Company guide] arrived last night. I have delivered him the Canoes, all your Corn, Sugar, Gum, Bark & Watap [spruce or fir root] now remaining here shall be delivered him to Day, all the rum coming up in the Canoes he shall also have (I expect they will arrive to day).⁶⁰

And these businesses continued to be aware of the impact of diplomacy on the trade. For example, Askin was aware of the long-term consequences of the Jay Treaty on matters of free trade across the international boundary.⁶¹

Aboriginal trade and trading also had a deeply political side; a side that was always present at Treaty negotiations between European Empires and the Aboriginal Nations. All the parties arrived for these negotiations using canoes well into the nineteenth century.⁶² This was later expanded to include the diplomatic and military relations between the English Empire and the American government in Washington. Trade could not be divorced from Aboriginal Lands and Territories. In short, the First Nations had to remain, as Askin told his son, the “sole Masters of their Lands.”⁶³ Aboriginal traders continued to be a significant part of the colonial economy until the mid-nineteenth century.⁶⁴ Thereafter, to protect themselves, Aboriginal traders continued to attempt to control both the supply of the trading items as well as the credit system.⁶⁵

The trade in Indian corn was particularly large and competitive. In one season, in 1799, one Anishinabe group alone had harvested 500 bushels of corn and traded them to the merchants at Detroit. The trade in maple sugar was also significant considering the fact there was no processed sugar manufactured locally and that was available cheaply. The Indian trade was so valuable that white settlers were complaining about it to their governments by the end of the eighteenth century. It was the Aboriginal Nations which felt the effects. The Indian trade was a significant part of the economy of the Aboriginal Nations which enhanced its diversity, creating richness and bounty.⁶⁶

Even before the War of 1812 there was another threat to the Indian trade. Large American fur trading companies moved into the area to take advantage of it.⁶⁷ Nevertheless the Anishinabe trade remained strong well into the nineteenth century and beyond. It was greatly augmented by the increase in the trade of the commercial fishery on the Great Lakes early

in the nineteenth century. The American, Major Joseph Delafield, in his participation in the survey of the international Canadian-American boundary in the Great Lakes, noted about the trade at Manitoulin Island which was still considerable even in 1820:

... It is in the Autumn that the Indians come in to trade their articles and receive their presents. In some seasons they collect here 1,500 & 2,000 strong. Each Indian draws two days' rations besides his presents. They are principally Chippewas and Ottawas [Ottawa]. Formerly other Nations came here from the Mississippi, but they are now taken care of at more neighbouring Posts. In truth the American have brought the Indians within our Territories to trade more generally with us than they did a few years back.

... The Sault Ste. Marie is the great fishing ground. Fish have not been taken there yet this season. The Indians have a mode of taking white fish in the rapids of the Sault with what we call a scoop net. They take several at a time. The whites have not the skill. The white fish do not take the hook, are caught in gill nets and seines. The salmon trout & pike take the hook trowing [trolling]. The Indians take them all with the spear....

Shortly after my return, our old Indian messenger, who bro't [brought] the mail comes alongside in his canoe with a fine mess of fish, white fish and trout. He sold us a large white fish that weighed after it was cleaned 7 lb. 11 oz. (it would weigh 10 lbs. before cleaning) for 25 cents.⁶⁸

All of this diplomacy, fishing, mail delivery was still being done by the birchbark canoe in 1820.

The significance of the Anishinabe Nations and their presence on the waters of the Great Lakes in canoes of all kinds was vividly captured by Anna Brownell [Jameson] Murphy, in her classic work *Winter Studies and Summer Rambles*. In July 1836 Jameson lyrically described the waters of Lake St. Clair, part of Bkejwanong: “The bateaux of the Canadians, or the canoes of the Indians, were perpetually seen gliding among these winding channels, or shooting across the river from side to side, as if playing at hide-and-seek-among the leafy recesses.”⁶⁹ Later, on this same tour, she had an exhilarating ride in an Anishinabe birchbark canoe over the St. Mary's Rapids at Sault Ste. Marie.⁷⁰

THE WAR OF 1812–1814 AND ITS AFTERMATH

During the War of 1812–1814, along with the famous role played by Tecumseh, Anishinabe warriors defended the “Indian territory” against another American invasion, assisting in the defence of Upper Canada and thereby the maintenance of it as a colony within the English empire for their English allies. At first the Six Nations tried to remain neutral for the first few months of this War, causing much anxiety among the English military establishment. But they participated in the battle of Queenston Heights and later the battle of Chippewa (where ironically there were Iroquois fighting on the American side).⁷¹ Further west, the Three Fires Confederacy once again rose to the occasion and inflicted early and overwhelming defeats on the Americans using the tried and true methods of the speed of forest warfare.⁷²

Fighting alone when the disgraced General Procter failed him, the great Shawnee Chief Tecumseh was defeated at the Battle of the Longwoods (on the banks of Thames River downstream from present-day London) in 1814.⁷³ His body was taken by his head soldier, Oshwawana (John Nahdee) to Bkejwanong. A monument in his honour and to all Aboriginal people who fought in these and other wars—still stands overlooking the St. Clair river and the international border between Canada and the United States which reminds all visitors of the significant Aboriginal role in this War.

Yet the War of 1812–1814, a “turntable in Canada’s history,”⁷⁴ changed fundamentally the military balance of power in northeastern North America and with it spelled the gradual decline of the golden age of Aboriginal trade and trading. From the perspective of the English imperial government, the Aboriginal Nations were no longer required as military allies. The “new” local Indian Department policy of “civilization” which had actually begun before the War of 1812–1814, became a primary factor in the removal, centralization and “land loss treaties” of the nineteenth century. Simply put, after fighting, yet again, for the English imperial government in that War against the Americans, the Aboriginal warriors received medals for their efforts while the white settlers ironically received gratis a considerable part of Aboriginal Territories.⁷⁵

For a number of years after the War of 1812–1814 the international boundary remained

unsurveyed. The Treaty of Ghent, ratified in 1815, provided a process for the exact determination of the international boundary. After the Treaty of Ghent was ratified in 1815, the Aboriginal Nations gathered at Burlington Heights⁷⁶ for a Council Fire.⁷⁷ This freedom and independence clearly included free trade as had always been the case as well as border crossing rights.⁷⁸ But the English did not keep their promises in these treaties. After an arduous process, the survey of the boundary through the Great Lakes was not approved until 1822. But thereafter was never ratified by executive authority of the English imperial or the American governments. Yet, the Aboriginal Nations—largely thanks to their indomitable spiritual values have survived and undergone a renaissance by the early twenty-first century. The indomitable spirit of Tecumseh remains to this day personifying the will of the Aboriginal Nations to resist and survive in the modern world.

RETROSPECT: MEETING GROUNDS OF TRADE AND PLACES OF FIRE

More than a decade ago, in his study of the “middle ground”, Richard White posited a new way of examining the relationship between Aboriginal peoples and the European newcomers. While his study was largely confined to the “pays d’en haut”, the geographical area of the Great Lakes in the seventeenth and eighteenth centuries, White emphasized that the “middle ground” was the “... place in between: in between cultures, people, and in between empires and the nonstate world of villages”. He went on to define this concept as a place where “diverse peoples adjust their differences through what amounts to a process of creative, and often expedient, misunderstandings. People try to persuade others who are different from themselves by appealing to what they perceive to be the values and practices of those others. They often misinterpret and distort both the values and practices of those they deal with, but from these misunderstandings arise new meanings and new practices—the shared meanings and practices of the middle ground.”⁷⁹ However, in defining the “middle ground” as an abstract, but general geographical, space, White has missed the real significance of the physical space and the Aboriginal peoples special understanding of place as meeting grounds.⁸⁰ It is here that Aboriginal

trade and trading occurred with ubiquity and also where sovereignty continued to reside. In this context, from the perspective of Aboriginal people and their oral traditions,⁸¹ the historiographical concept of the “middle ground” in the end distorts the “periphery” and reflects the written record of the European new-comers to Turtle Island and not the Aboriginal oral traditions. These oral traditions are independent of the European traditions of history transplanted to Turtle Island. Turtle Island was given by the Creator to the Aboriginal peoples to protect.

Trade and the art and the science of trading has always been a significant legacy bequeathed by Aboriginal people to the European newcomers as visitors to Turtle Island.⁸² It has been said accurately that a “cultural characteristic may be rendered nebulous by its very ubiquity.”⁸³ Along with hunting, Aboriginal trade and trading are two one of these cultural characteristics that have been rendered nebulous by the European new-comers to Turtle Island. Trade and trading are a part of Aboriginal sovereignty, the Treaty-making process as well as control over Aboriginal trade and trading which was implicit in that process.⁸⁴ So it is in this way that the Aboriginal gift of trade and trading remains to this day as integral to, and inseparable from, Aboriginal sovereignty.

NOTES

1. *Our Common Future, World Commission on Environment and Development* (p. 12). Oxford: Oxford University Press, 1987.
2. Nin.Da.Waab.Jig Files, Sarnia “Canadian-Observer”, Saturday (July 18, 1925) p. 14.
3. Peter S. Schmalz, *The Ojibwa of Southern Ontario* (p. 15). Toronto: University of Toronto Press, 1991.
4. Olive Dickason, “Art and Amerindian Worldviews” in *Earth, Water, Air and Fire, Studies in Canadian Ethnohistory* (p. 21). Waterloo: WLU Press, 1998.
5. Robert A. Williams, Jr., *Linking Arms Together, American Indian Treaty Visions of Law and Peace, 1600–1800* (p. 4). New York: Oxford University Press, 1997.
6. “Anishnabek News”, Nipissing First Nation (May–June, 1995).
7. Julian Gwyn, “Sir William Johnson”, *Dictionary of Canadian Biography*, Volume IV (pp. 394–398). Toronto: University of Toronto Press, 1979.
8. Hamilton, *Sir William Johnson*, 158; National Archives of Canada (NAC), Record Group 10, Volume 1822, 35. See also Ian K. Steele, *Warpaths Invasions of North America* (especially

Chapter 4, 59–79). New York: Oxford University Press, 1994; Colin G. Calloway, *Crown and Calumet, British-Indian Relations, 1783–1815*. Norman: University of Oklahoma Press, 1987; *The American Revolution in Indian Country, Crisis and Diversity in Native American Communities*. Cambridge: Cambridge University Press, 1995.

9. See the author’s sections in his article (with Bruce H. Hodgins and S. Dale Standen), “Black with Canoes’, Aboriginal Resistance and the Canoe: Diplomacy, Trade and Warfare in the Meeting Grounds of Northeastern North America, 1600–1820” in George Raudzens (ed.), *Technology, Disease and Colonial Conquests, Sixteenth to Eighteenth Centuries: Essays Reappraising the Guns and Germs Theories* (pp. 237–292). Leiden: Brill Academic Publishers, 2001.
10. See, for example, McNab, “A Little Piece of Flesh’: Some Reflections on Oral Tradition and Historical Research”, paper presented at the National Research Director’s Conference, Vancouver, British Columbia, February 23, 1994.
11. In the late 1920s the Miskokomon family at Bkejwanong, (likely in response to the charges against Fred Ermatinger for selling muskrat pelts), prepared a paper on their Aboriginal and Treaty rights in relation to International Treaties, their free trade and border-crossing rights and their Territories. This paper, dated March 24, 1927, includes references to a Treaty in 1765, likely the Treaty of Detroit in August–September of that year, the Gun Shot Treaty of 1792 made by Lieutenant Governor, John Graves Simcoe at the Bay of Quinte on Lake Ontario, the Jay or Jay’s Treaty of 1794, the Washington Treaty of 1812, the Treaty of Ghent of 1814 and the Webster-Ashburton Treaty of 1842. It should be noted that some of the information referred to in the Miskokomon paper is not contained in the written record of the government of Canada. Thus, it warrants close scrutiny as it may well be a product of the oral tradition of the First Nations. Additional research may result in the finding of hitherto seemingly “lost” documents.
12. I would like to thank Elder Norman Miskokomon, Walpole Island First Nation Heritage Committee for sharing this paper with me in the Fall of 1994.
13. Nin.Da.Waab.Jig Files, Norman Miskokomon Paper, 1929. This oral tradition has been described in writing: “Then followed the French and English war which ended in 1759, and a short time later a treaty of peace was concluded at Montreal [the Treaty of Montreal of 1760]. This treaty provided for the French[-speaking] occupancy of [what became in 1867] the Province of Quebec, and the English occupancy of [what became in 1867] Ontario, reserving to the Three Tribes [the Ojibwa, Ottawa and the Potawatomi] a strip of ground, 66 ft. wide on each side of all

- rivers, 16 ft. wide on each side of all creeks and 99 feet wide along the shores of all lakes and around all lands entirely surrounded by water, also the use of all lands not fit for cultivation, and the right to hunt and sell timber in any forest, and to fish in any waters, also reserving to the Indians all stone, precious stones, and minerals. These strips of land were intended as a permanent inheritance to the Three Tribes, where they could camp and abide while fishing and trapping and cultivating the soil.”
14. Daniel K. Richter, “Native Peoples of North America and the Eighteenth-Century British Empire” in P.J. Marshall (ed.), *The Eighteenth Century*, Volume II, *Oxford History of the British Empire* (pp. 363–365). Oxford: Oxford University Press, 1998.
 15. Steele, *Warpaths*, 246–247; Louis Chevette, “Pontiac”, *Dictionary of Canadian Biography*, Volume III, 525–531.
 16. Paul Williams, “The Senecas did it!”. Paper presented at the American Society for Ethnohistory Conference, London, Ontario, October 20, 2000.
 17. Steele, *Warpaths*, 246–247. While some historians have named this resistance movement after him, Pontiac’s role in it has been much exaggerated. Other leaders of the Western Confederacy had prominent roles as well such as Chief Wasson, Sekahos and Wabbicomicot, a Mississauga chief residing on the north shores of Lake Ontario (the Carrying Place, the modern-day Toronto area).
 18. Steele, *Warpaths*, 246–247. He reaches the following conclusion regarding Pontiac’s resistance movement of 1763: “A diverse group of tribes, without the coherence of the successful Six Nations, Cherokee, or Creek confederations, had not been conquered, however, Amerindians had inflicted as many as two thousand casualties without any effective retaliation, a coup reminiscent of earlier massacres. The British army could not hope to conquer the Amerindians, given fiscal restraints and a peacetime army of only seventy-five hundred men. In the peace settlement, Amerindians appeared to recover the world they had lost; their presents were resumed, their lands were protected by the [Royal] proclamation of [1763]....”
 19. Hamilton, *Sir William Johnson*, Vol. XI, 13, 134–135, 152, 155.
 20. October 7, 1763, Royal Proclamation of 1763, *As Long as the Sun Shines and the Water Flows*, *A Reader in Canadian Native Studies*, edited by Ian A.L. Getty and Antoine S. Lussier (pp. 29–37). Vancouver: University of British Columbia Press, 1983.
 21. “Plan for the Future Management of Indian Affairs, referred to in the Thirty-Second Article of the Foregoing Instructions”, *Constitutional Documents*, Sessional Papers, No. 18, 614–619.
 22. Hamilton, *Sir William Johnson*, 162–164.
 23. Hamilton, *Sir William Johnson*, 221–222, 262–327.
 24. Nin.Da.Waab.Jig Files, Treaty of Niagara of 1764.
 25. Calloway, *American Revolution*, 282–283.
 26. For the Treaty of Detroit see August 27–September 4, 1765 in E.B. O’Callaghan (ed.), *Documents Relative to the Colonial History of the State of New York*, Vol. VII (pp. 775–788) (Albany: Weed, Parsons and Company, Printers, 1856): Letter, “Sir William Johnson to the Lords of Trade. [Plantations General, XXV., (K. 7.)], Johnson Hall 16th Novbr [November] 1765.” The enclosure containing the Treaty of Detroit is with this letter, “Journal of Colonel Croghan’s Transactions with the Western Indians. [Plantations General Papers, XXV.], “Journal & Transactions of George Croghan Esqr Deputy Agent for Indian Affairs with the several Indian Nations on his Journey to the Illinois as delivered by him to Sir William Johnson Baronet on his return.” The Treaty is on pages 782–784. See also Julian Gwyn, “Sir William Johnson”, *Dictionary of Canadian Biography*, Volume IV (pp. 394–398). Toronto: University of Toronto Press, 1979.
 27. Louis Chevette, “Pontiac”, *Dictionary of Canadian Biography*, Volume III (pp. 525–531). Toronto: University of Toronto Press, 1974. See also Helen Hornbeck Tanner (ed.), *Atlas of Great Lakes Indian History* (p. 52). Norman: University of Oklahoma Press, 1987.
 28. See *Documents Relative to the Colonial History of the State of New York*, edited by E.B. O’Callaghan, Vol. VII (pp. 765–767). Albany: Weed, Parsons and Company, Printers, 1856: Letter, “Sir William Johnson to the Lords of Trade. [Plantations General, XXV., (K. 6.)], Johnson Hall Septbr 28th 1765.”
 29. Chevette, “Pontiac”, 525–531.
 30. Gwyn, “Sir William Johnson”, 394–398.
 31. RG 8, “C” Series, British Military and Naval Records, National Archives of Canada, Ottawa, Manuscripts Division, Microfilm Reel #C-2848, Volume 248, 151–152; 155–156.
 32. James White, “Boundary Disputes and Treaties” in Adam Shortt and Arthur G. Doughty (eds.), *Canada and its Provinces, A History of the Canadian People and their Institutions by One Hundred Associates*, Volume VIII (pp. 751–753). Toronto: Glasgow, Brook & Company, 1914.
 33. Horsman, “Alexander McKee”, *Dictionary of Canadian Biography*, Volume IV (1771–1800) (pp. 499–500). Toronto: University of Toronto Press, 1979.
 34. McNab, ““The Promise That He Gave To My Grand Father was Very Sweet’: The Gun Shot Treaty of 1792 at the Bay of Quinte”, Research Note, *The Canadian Journal of Native Studies*, 16(2): 293–314.
 35. A copy of the Gun Shot Treaty of 1792 was deposited in the Provincial Archives of Ontario in a manuscript collection, A.E. Williams/United

- Indian Bands of Chippewas and Mississaugas Papers, F 4337, Microfilm Reels MS 2604–2607. The Gun Shot Treaty of 1792 is in F 4337-11-0-8.
36. Nin.Da.Waab.Jig. Files, Miskokomon Paper, “Treaties between the Whites and Indians, of Chippewa, Ottawa, and Pottawatomie Tribes”, 1929.
 37. McNab, *Circles of Time*, 1999, 147–86 and “Water is Her Lifeblood: The Waters of Bkejwanong and the Treaty-Making Process”, in *Earth, Water, Air and Fire*, 35–63. For example, in the Fall of 1794 Simcoe visited the Bkejwanong First Nation’s Territory to make a Treaty, on behalf of the Crown, with their representatives. He met with the Walpole Island First Nation’s representatives on October 10–13, 1794 regarding free trade. The Simcoe Treaty of 1794 at Brownstown was concluded while the negotiation of the Jay Treaty between the English government and the United States was being undertaken.
 38. The most recent case that has been decided by the Supreme Court of Canada was the Mike Mitchell case which was handed down by the Supreme Court of Canada in 2001 and which judgment ruled against the Mohawks of Akwesasne.
 39. NAC, RG 8, C Series, Volume 248, Microfilm Reel #C-2848, 263–264.
 40. David Crystal (ed.), *The Cambridge Biographical Encyclopedia* (pp. 397, 490–491). Cambridge: Cambridge University Press.
 41. Calloway, *Crown and Calumet; The American Revolution in Indian Country*.
 42. Jay or Jay’s Treaty, identified as “The Treaty of Amity, Commerce and Navigation, November 19, 1794”.
 43. Nin.Da.Waab.Jig. Files, Norman Miskokomon, “Treaties between the Whites and Indians, of Chippewa, Ottawa, and Pottawatomie Tribes”, 1929.
 44. E.A. Cruikshank (ed.), *The Correspondence of Lieutenant Governor John Graves Simcoe*, Vol. IV (p. 160). Toronto: The Ontario Historical Society, 1932.
 45. Charles E. Cleland, *Rites of Conquest, The History and Culture of Michigan’s Native Americans* (p. 159). Ann Arbor: University of Michigan Press, 1992.
 46. At least four partial copies of the proceedings of this Council Meeting, from the Indian Department’s perspective, have survived in the Peter Russell Papers (one copy) and in the records of the Department of Indian Affairs (two copies) and one copy in the Samuel Peters Jarvis Papers in the Metropolitan Reference Library in Toronto. August 30, 1796, St. Anne Island Treaty, NAC, RG 10, Volume 39, 21652–21656. Another copy of the same document is in RG 10, Volume 785, 181477–181480.
 47. Samuel Peters Jarvis Papers, Metropolitan Toronto Public Library, Baldwin Room, Toronto, S 125, Volume B 56, 29–36.
 48. September 2, 1796, “Return of Indians Present at Treaty of Purchase” in Chenail Ecarte, E.A. Cruikshank (eds.), *The Peter Russell Papers*, Volume I (1796–1797) (p. 37). Toronto: Published by the [Ontario Historical] Society, 1932.
 49. NAC, Record Group 10, (RG 10), Indian Affairs Records, Volume 58, 59778–59781.
 50. Nin.Da.Waab.Jig., *Walpole Island, The Soul of Indian Territory*, Nin.Da.Waab.Jig., 1987, Bkejwanong, Chapter 3, “Enaaknigewinke geeshoog Treaty Making 1790–1827”, 17–26.
 51. Today, the citizens of Bkejwanong, on the southern most unceded Reserve in Canada still hunt muskrats and their pelts for food and trade them across the international border.
 52. David Farrell, “John Askin (Erskine)”, *Dictionary of Canadian Biography*, Volume V (1801–1820) (pp. 37–39). Toronto: University of Toronto Press, 1983.
 53. Cleland, *Rites*, 108.
 54. Milo M. Quaife (ed.), *The John Askin Papers*, 2 Volumes (pp. 1–6, 8–15, 46–47, 73–78). Published by the Detroit Library Commission, 1928, 1931.
 55. In Collaboration with Carol Whitfield, “Alexander Grant”, *Dictionary of Canadian Biography*, Volume V (1801–1820) (pp. 363–367). Toronto: University of Toronto Press, 1983; *John Askin Papers*, 365.75–78, 98–104.
 56. Sylvia Van Kirk and Jennifer S.H. Brown, “Duncan McGillivray”, *Dictionary of Canadian Biography*, Volume V (1801–1802) (pp. 530–532). Toronto: University of Toronto Press, 1983; Jennifer S.H. Brown, *Strangers in Blood: Fur Trade Company Families in Indian Country*. Vancouver: University of British Columbia Press, 1980; Sylvia Van Kirk, “Many tender ties”: *Women in Fur Trade Society in Western Canada, 1670–1870*. Winnipeg: Watson and Dwyer, 1980.
 57. Fernand Ouellet, “Simon McTavish”, *Dictionary of Canadian Biography*, Volume V (1801–1820) (pp. 560–567). Toronto: University of Toronto Press, 1981.
 58. Fernand Ouellet, “Benjamin Frobisher”, *Dictionary of Canadian Biography*, Volume IV (1771–1800) (pp. 276–278). Toronto: University of Toronto Press, 1979.
 59. Barry M. Gough, *First Across the Continent: Sir Alexander Mackenzie*. Norman: University of Oklahoma Press, 1997; and Barry M. Gough (ed.), *The Journal of Alexander Henry the Younger*, 2 Vols. Toronto: The Champlain Society, 1988, 1992.
 60. *John Askin Papers*, 108–109.
 61. J.I. Cooper, “James McGill”, *Dictionary of Canadian Biography*, Volume V (1801–1820) (527–530). Toronto: University of Toronto Press, 1983; *John Askin Papers*, 505–509; Daniel J. Brock, “William

- Robertson", *Dictionary of Canadian Biography*, Volume V (1801–1820) (pp. 718–719).
62. McNab, "Black with Canoes".
 63. *Askin Papers*, Vol. 1, 550–552.
 64. *Askin Papers*, Vol. 1, 134–135; Cleland, *Rites*, 158–159.
 65. *Askin Papers*, Volume 1, 153–154, 158–159, 165–166, 335–337.
 66. *Askin Papers*, Volume 2, 206–207; 577–578.
 67. David A. Armour, "Alexander Henry", *Dictionary of Canadian Biography*, Volume VI (1821–1835) (Toronto: University of Toronto Press, 1987), 316–319; *Askin Papers*, Volume 2 (pp. 653–654).
 68. The Unfortified Boundary, A Diary of the first survey of the Canadian Boundary Line from St. Regis to the Lake of the Woods by Major Joseph Delafield American Agent under Articles VI and VII of the Treaty of Ghent, edited by Robert McElroy and Thomas Riggs, privately printed in New York, 1943 (pp. 319–320); Cleland, *Rites*, 180–181. John Clarke, "The Role of Political Position and family and Economic Linkage in Land Speculation in the Western District of Upper Canada, 1788–1815", *Canadian Geographer*, Vol. 19 (1975), 18–34.
 69. Anna Jameson, *Winter Studies and Summer Rambles in Canada*. First published by Saunders and Otley, Conduit Street, London, 1838. Reprinted in Coles Canadiana Collection (Toronto: Coles Publishing Company, 1970, 1972), Volume 3, 5–6.
 70. Calloway, *The American Revolution in Indian Country*, 15.
 71. Carl Benn, *The Iroquois in the War of 1812*. Toronto: University of Toronto Press, 1998.
 72. Schmalz, *Ojibwa*, 111.
 73. John Sugden, *Tecumseh, A Life* (pp. 355–367). New York: Henry Holt and Company, 1997. See also Alvin M. Josephy, *The artist was a young man; the life story of Peter Rindisbacher*. Fort Worth, Texas: Amon Carter Museum, 1970.
 74. Dickason, *Canada's First Nations*, 131–32.
 75. Nin.Da.Waab.Jig., *Walpole Island*, 17–26.
 76. This place of Council Fire is currently the site of Dundurn Castle in Hamilton, Ontario — formerly the home of Sir Allan Napier MacNab, a political opponent of John Sandfield Macdonald.
 77. NAC, RG 8, British Military Records, C Series, Vol. 258, Part 1, 60–70a.
 78. NAC, Record Group (RG) 10, Volume 628, 68–73; Microfilm Reel #C-13, 396; McNab, "What Liars those People Are': The St. Anne Island Speech of the Walpole Island First Nation given at the Chenail Ecarte River on August 3, 1815" in *Social Sciences and Humanities Aboriginal Research Exchange*, 1(1) (Fall–Winter, 1993): 10, 12–13, 15. Information on Chief Oshwawana, or John Nahdee, as well as a picture of him, can be found in Nin.Da.Waab.Jig., *Walpole Island*, 25–29.
 79. Richard White, *The middle, Indians, empires, and republics in the Great Lakes region, 1650–1815* (p. x). Cambridge: Cambridge University Press, 1991.
 80. Basil Johnston, *The Manitou, The Spiritual World of the Ojibway*. Toronto: Key Porter Books, 1995. See also his *Ojibwa Ceremonies*, pp. 155–175.
 81. For another example see Dean Jacobs, "We have but our hearts and the traditions of our old men", pp. 1–13.
 82. David T. McNab, "The Spirit of the Canadas: The Kennedys, A Fur Trade Company Family through Seven Generations" in Louise Johnston (ed.), *Aboriginal People and The Fur Trade, Proceedings of the Eighth North American Fur Trade Conference* (p. 119). Cornwall, Ont.: Akwesasne Notes Pub., 2001.
 83. John M. MacKenzie, *The Empire of Nature, Hunting, Conservation and British Imperialism* (p. 7). Manchester and New York: Manchester University Press, 1988.
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MÄORI INITIATIVES IN SUSTAINABLE DEVELOPMENT

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Terrence M. Loomis

ABSTRACT

In 1998, a team from the University of Waikato initiated a research project in cooperation with four Mäori tribes on how they could define, plan and implement their own sustainable development. This paper reports on that research, focusing particularly on the outcomes achieved by Te Arawa and Tauranga Moana tribes. The project is a four-year undertaking, funded by the New Zealand Foundation for Research, Science and Technology. The aims include enabling tribes to articulate their own values and integrated understanding of development, establishing a comprehensive inventory of resources and tāonga, identifying ways of assessing costs/benefits of investment options, and exploring participatory methods for involving the community in strategic decision-making. Although only the initial phase of the project has been completed, some lessons have been learned and useful models created to assist indigenous groups interested in implementing their own sustainable development.

INTRODUCTION

The project on Mäori Sustainable Development began in 1998, and has involved four Mäori *iwi* (tribes). The aim has been to identify ways of defining, planning and implementing “sustainable development” that were appropriate to tribal culture, and at the same time involve a representative constituency of membership in the process. This paper reports on experiences and results to date, and the future direction of the research. The paper begins with a background on the socio-economic status of Mäori in Aotearoa/New Zealand, and recent government efforts to overcome disparities and promote Mäori development. The next section discusses the inception of the project, its design and aims. I also recount some of the main activities undertaken, and some of the interesting issues raised by the research. In regard to resource inventories, reference is made to other Mäori initiatives to pursue a balanced or holistic approach to development. The next section considers some of the outcomes of the research to date, particularly for Te Arawa and Tauranga Moana tribes. The paper concludes by indicating some of the next steps, and suggests some of the wider implications of the research.

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MÄORI IN AOTEAROA/ NEW ZEALAND

Māori presently make up approximately 15% of the Aotearoa/New Zealand population, and figure that is expected to rise to 18% by 2025. Their position in the national economy is undergoing change, though the pace of change varies from sector to sector. For example, in spite of (or because of) the wide-ranging structural changes in the economy since the last world war, occupationally Māori men still tend to be employed as plant and machinery operators (25%) and labourers (16%). However, some 12% are also employed in a trade of some sort (Te Puni Kōkiri, 1999:13).

Māori continue to be disadvantaged in comparison with the majority population in respect to almost every socio-economic indicator. Māori workforce participation rates are 15% lower than that of non-Māori. Māori are almost two and a half times more likely to be unemployed than non-Māori. Furthermore, Māori are more likely to be unemployed for long periods of time. Research has shown a direct link between employment and educational outcomes (Te Puni Kōkiri, 2000). In education, secondary school retention rates during the past decade show an average of only around 70% of Māori 16 year olds remained in school and 40% of 17 year olds. Māori students who do remain through to senior level are less likely than non-Māori to sit national examinations or be formally assessed. Māori are less likely (50%) than non-Māori (72%) to own their own home, more likely to live in rental accommodation (often overcrowded), and pay a higher proportion of their income in rent. In regard to health, Māori male life expectancy is 67 years compared with 75 years for non-Māori. Māori hospitalisation rates are almost double those of non-Māori.

Not surprisingly in light of colonial history and subsequent economic marginalization, the Māori economic base is still comparatively small. Māori nevertheless have made significant strides in economic development, some tribes more so than others. Many Māori trusts and incorporations are taking steps to strengthen their economic position through business and investment initiatives locally, nationally and internationally. The South Island Ngai Tahu iwi, recipients of a substantial 1998 Waitangi Treaty settlement, have already almost doubled their assets.

The total size of the Māori commercial asset base (not including housing) has been estimated at \$5.05 billion, of which around \$3 billion is in agriculture and horticulture, and \$890 million are business and commercial assets (property, investments and tourism). Although justice is the primary purpose of settling historical grievances, Treaty settlements are facilitating Māori economic growth by extending the Māori asset base. To date the Crown has transferred about \$522 million in cash, fishing quota and commercial property to Māori through Treaty settlements. Māori now own more than half the assets in New Zealand's fishing industry. Further Treaty settlements and acquisitions will enhance the Māori economic position even more. Taken together, Māori are already a major owner of New Zealand natural resources and an emerging commercial force.

Successive government efforts to address these problems and promote Māori development have met with mixed success. In 1975 the Labour government enacted the Treaty of Waitangi Act, which signalled the recognition of Māori rights and settlement of Treaty claims via the Waitangi Commission. In part government has suffered from a coherent, and certainly consistent and informed approach to Māori disadvantage and Māori development. Since 1984 the Labour Government has shown interest in recognising Māori self-determination and initiated a move toward policies of iwi (tribal) sovereignty and *devolution*. But from the outset, this approach had to contend with the rise of Neoliberalism (esp Agency Theory), which came to dominate public sector thinking and split the Labour party. Neoliberalism, as in the United States, preferred talk of self-determination and favoured *mainstreaming* and *decentralisation*. In summary, the Crown has been willing to explore decentralisation of functions, but not devolution of authority.

Only recently has serious attention been paid to increased Māori self-determination as a basis for fostering development. Indeed, in some government circles there is still reluctance to concede that the most effective means of overcoming Māori disparities and disadvantage is for Māori to define their own outcomes and manage their own development (Loomis, 2000b). International and local research suggests the most effective way to overcome disparities and foster indigenous development is for government to get out of the business of running indigenous affairs. If this is the case, then clearly govern-

ment's role shifts from providing services to (a) addressing the causes of disadvantage, and (b) providing resources for Mäori to build the capacities they need to make their own decisions and pursue their own development.

There has been a tendency within Mäoridom to concentrate on obtaining recognition of Mäori rights and on settlement of Treaty claims. Mäori academic Professor Mason Durie argues (1998, 2000a) that it is time to turn from focusing on grievances, and begin asking "what kind of development do we want"? What traditional values and ethics do Mäori want to guide their efforts, what kind of governance structures, and what positive outcomes for themselves and for future generations?

THE MÄORI SUSTAINABLE DEVELOPMENT PROJECT

The Mäori Sustainable Development (MSD) project arose within this context, with increasing discussion about the nature of "Mäori development". Various commentators had been pointing to traditional values and practices, and emphasising that the Mäori approach was holistic. Cultural values, social institutions and the well-being of people and the environment were as important as running "successful" commercial enterprises. Mäori saw social and cultural dimensions as integral to development. Durie rightly observes that standard approaches to development, and government programmes in general, tend to be compartmentalised and thus often at odds with Mäori understandings. The dual challenge for Mäori is how to articulate this alternative approach in a such way that it can guide iwi and hapü development planning, and how to operationalize a holistic approach through an "investment" process that involves balancing complex trade-off decisions (see Loomis, 2000a).

This project was intended to enhance Mäori social and economic development by assisting tribal authorities in Te Puku o Te Ika (central North Island)¹ and their memberships to define each iwi's (tribes) understanding of sustainable development, and determine objectives for the use and preservation of their resources and tāonga (treasures).

The basic concept of the research was first presented and discussed at a meeting of Te Roopu Manukura, the University of Waikato's

Mäori advisory body. The discussion provided useful suggestions on the design and process of the project, and gave an overview of the project to iwi who were interested in being involved. Four iwi were eventually selected, based on a matrix of variables covering a range of development circumstances. After further consultations with representatives of the four tribes, an initial design was drawn up by the team. This design was subsequently presented at *hui* (meetings) of the boards of all four groups over a several month period, and the agreed project design translated into a workplan relevant to the needs and priorities of each group.

The project was organised around four objectives, arranged roughly in logical sequence so that one contributed to another (Figure 1). They ranged from broad conceptual issues to questions of implementation.

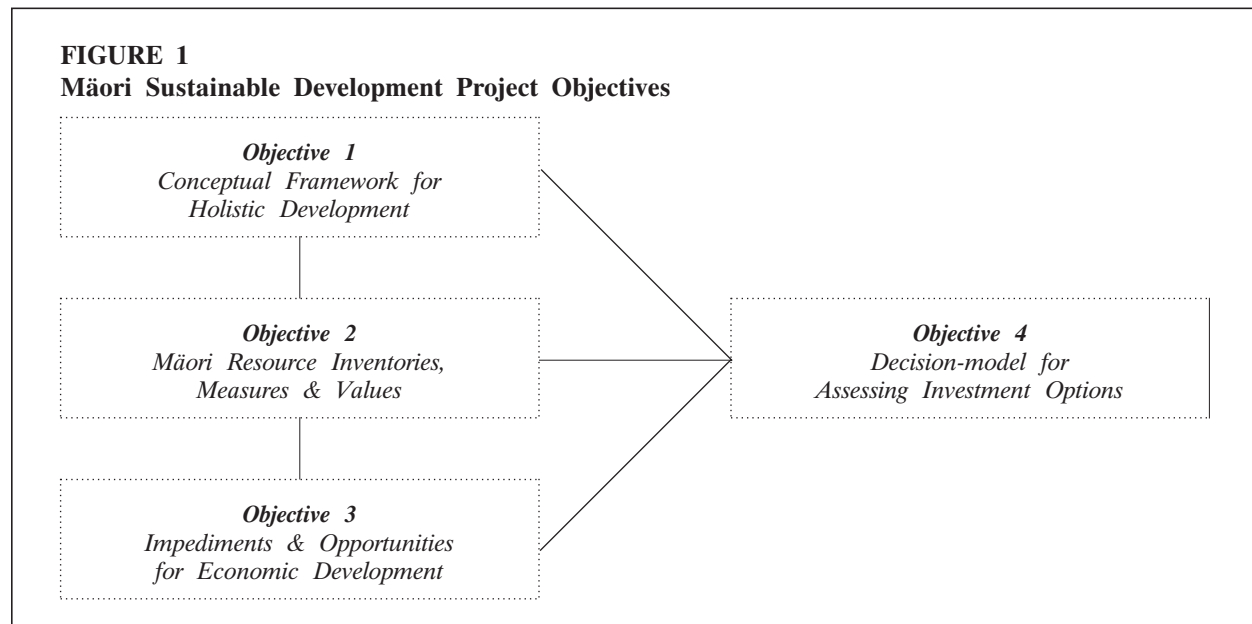
Emphasis in the initial phase of the project was placed on the first three objectives. The aim of *Objective 1* was to arrive at a broadly applicable conceptual framework for defining "sustainable development" that incorporated Mäori holistic understandings of the interdependence between social and political systems, economic activities, culture, nature and spirituality. This conceptual framework was expected to form the basis for each Mäori group to articulate their vision and values, compile resource inventories and engage in participatory development planning.

For *Objective 2*, the aim was, having established a conceptual framework and vision statement, to clarify the meaning and significance of important Mäori concepts for development (e.g., *tāonga* or things of value), and establish or refine inventories of economic, natural, human, social and cultural resources.

The aim of *Objective 3* was to undertake analyses of factors of disadvantage and competitive advantage for Mäori generally and for each group specifically. The intention was that these specific analyses could be incorporated into each group's operational model of resource management and development, and assist in identifying their development opportunities and capacity needs.

Research Experience

A substantial portion of the first year was taken up in presentations, briefings, consultations and further planning with these four tribal groups.



The substance of these sessions had to do with (a) clarifying where each iwi was in the development process, (b) identifying how the various components of the proposed research project could be aligned to provide in-time input to each tribe's development undertakings, and (c) spelling out the roles and protocols for managing the project. In the end a total of 13 meetings were held with iwi boards, and a further 12 planning meetings with tribal administrative staff and iwi researchers who became part of the team.

Initial emphasis was placed on articulating a general conceptual framework for indigenous development, incorporating research on indigenous models elsewhere and the key notions of iwi leaders, elders and informants. The former information was garnered from an international literature review and a think-tank by the research team, while the latter notions emerged from interviews and wānanga (consultative workshops) with tribal groups.

As the research gathered momentum, each tribal board established a committee composed of staff, board members and volunteers to work with the research team. Each tribe also selected an individual to serve as a part-time iwi researcher, to be part of the research team. Their role was to facilitate local arrangements, assist with interviews and help with analysis and report writing. Extended interviews were held with a wide range of tribal leaders and members,

as well as focus groups. These provided the basis for compiling a list of core values and ideas about development, and identifying long-term outcomes. This information was compiled and reported back to the tribal boards for further deliberation, before being circulated in summary form to tribal members for consideration.

The first phase research activities revealed several insights regarding Māori development:

1. a holistic framework is essential to meet Māori requirements;
2. development for most groups was understood to involve not merely successful economic development, but
 - positive outcomes regarding the general wellbeing of the whole tribe;
 - empowerment, through involvement of members in the development process itself; and
 - strengthening the identity and sense of self-worth of individuals.
3. it is essential to identify values early in the process; both tribal expectations and review of ecological economics literature indicate these values and principles are essential in guiding strategic development choices, and in the case of this project, in constructing a trade-off investment model. All four groups tended to place a higher priority on *uplifting people and enhancing their wellbeing*. A

widely quoted Mäori proverb about what is valuable in life ends “He tangata, he tangata, he tangata” ... It is people, people, people!

4. operationalizing holistic or sustainable development seems to be the greatest challenge, particularly where tribal leadership have recognised the importance of involving as wide a range of constituents as possible in at least establishing the broad parameters of development. There are examples where such consultation and involvement was not done at least initially (e.g., Meadow Lake Cree; Waikato-Tainui).

For example, a *täonga* is considered to be more than an asset (i.e., a material item or set of skills that produce an income stream), and even broader a “resource” in the standard economic sense. Non-market resources (e.g., sacred land, lakes) also had to be included. But there were many such things that cannot be treated as economic resources or commodities, either in terms of their use or in their valuation. Also *täonga* that are non-material, some of which like spiritual values and wisdom, are not likely to have a market value; others like traditional ecological knowledge and cultural repertoires do have a potential market value. Discussions in the think-tank helped clarify (a) that there appeared to be three overlapping sets of value systems at work — market or exchange value, use value, and intrinsic value; and (b) that for the sake of tribes operationalizing trade-off decisions about development options and investments, there would seem to be a necessity of attributing some standard measure of value to all these resources and *täonga*.

The tribal boards grasped early in the research the importance in developing their own frameworks of resource inventories, and using these to identify the range of resources and *täonga* they controlled and/or for which they saw themselves having a guardianship responsibility handed down from the ancestors. In fact a number of larger *iwi* and *hapü* who have treaty claims, and/or who are embarking on development initiatives requiring financing or joint venture partnerships, are in the process of creating just such tribal resource inventories. Government has assisted by establishing a comprehensive database of Mäori-owned land. A few tribes have utilised GIS mapping as a basis for beginning their inventories.

There are a few examples where Mäori tribes have either used arbitrary values, or adopted shadow-pricing to establish the value of their material and non-material resources when negotiating with the Crown and/or potential joint venture partners. Muri Whenua tribes in Northland, with assistance from the James Henare Centre at Auckland University in mid-1990s, undertook a similar exercise. They undertook interviews and consultations on values to guide development, identification of opportunities, and compilation of natural resource inventories. Researchers then utilised a checklist and ranking approach to prioritising development projects, based on the important values identified in tribal interviews. Although this procedure is fairly simple for decision-makers to understand, in this instance it was the researchers who ascribed arbitrary numeric weightings to the variables. And, which the prioritising procedure does result in ranking development projects, it does not reflect or allow for the kind of cost-benefit analysis and trade-off investment decisions implicit in a balanced or holistic approach to development.

One of the more advanced groups in terms of compiling inventories and participatory development planning is Ngäti Raukawa in the lower part of the North Island (cf Loomis, 2000a). The Raukawa confederation of tribes has now begun to focus on operationalizing a balanced approach to development planning and management that aims to maintain or strengthening all their key resources, tangible as well as intangible.

The Director of the confederation’s tertiary *wänanga* (learning centre), and one of the leaders of the group’s development effort, is Professor Whatarangi Winiata. Reporting to a recent national conference (Winiata, 2000), he stated that their ongoing project — *Whakaturanga Rua Mano* (Generation 2000) had been a journey of identity as well as social and economic development. The project, which began in 1975, set out to identify where they were as a people, where they wanted to be by 2000. The project has involved a loose confederation made up of three *iwi* and their *hapü* (sub-tribes), each with its own distinct *whakapapa* and *kawa*, residing in the lower part of the North Island. Historically they have occasionally come together for common purposes.

Winiata observes that if this confederation is to survive, *hapü* and *iwi* will continue to exist and survive so long as they fulfil the needs and aspirations of their members, in a similar man-

ner to any voluntary association. The activities and services must be of value to the people of the confederation. But in addition, values that guide survival and development will have to be paid attention. Mana a hapū and mana a iwi relations will be crucial (broadly, governance). If the tribes are to continue to work together, they will need to address issues such as

- what to do about the emergence of new hapū
- what can they do together, what forms and mechanisms, to survive as a confederation
- must establish links between health and wellbeing, and mana a hapū, mana a iwi [i.e., development and governance]

The next stage is to specify the values and processes which will guide the journey from this point forward. For example, at present the strategy of development is based on principles including:

- People are our wealth; develop and retain them.
- Te reo is a tāonga; halt the decline and revive it.
- The marae is our principle home; maintain and respect it.

All of these and other values amount to the tribes' sovereignty or *tino rangatiratanga*.

At the moment, the confederation is concentrating on further refining and documenting their resource inventory. These are 16 key variables or indicators of Māori/iwi health and wellbeing which Raukawa have developed through their wānanga and research activities (cf Loomis, 2000a). Only some of these are material-based, since the tribes don't subscribe to the view that material indicators are the only measures of wellbeing. The confederation is proceeding to develop and enhance all these, in spite of disadvantages, lack of resources and unsettled Treaty claims.

In terms of tribal strategic planning, a number of long-term principles have been adopted to guide their discussions with members about desired outcomes and future prosperity. At the broad level, iwi/hapū development and management are expected to focus on achieving and strengthening mana a iwi and mana a hapū (i.e., the ability of tribes and sub-tribes to maintain and enhance their own health and wellbeing; i.e., self-determination). This is not an approach which managers should take, but an approach they *must* follow. Development is understood as

not just about making money or maximising profit, but the extent to which their *mana* is recognised by others: how have they enhanced their tāonga, how have they practised generosity to others, managed their resources, built up their people, and retained their culture. As Winiata concludes: "We will be a distinctive people only to the extent that we are maximisers of mana and well-being of our people, not merely profit maximisers" (ibid).

MSD PROJECT: TRIBAL OUTCOMES

In terms of concrete achievements thus far in the Māori Sustainable Development project, both the Te Arawa and Tauranga Moana have formulated vision statements, identified key values to guide development, and set out strategic objectives for pursuing the next phase of development planning and participatory decision-making. Te Arawa held a tribal economic development summit during the first year of the project, which was aimed at drawing together the disparate interests and activities of their various hapū under the theme "Cooperating to Compete". The conference laid the groundwork for subsequent economic development planning.

Equally importantly, both groups have set out their own draft frameworks for a comprehensive resource inventory. In each case the "resources" included non-material and non-marketable resources. (See Figure 2 for example inventory template.)

In the case of Te Arawa and Tauranga Moana, there are plans to use GIS mapping in conjunction with other computer databases that track tribal demographics and monitor changes in tribal resource status over time (e.g., educational attainment, health, housing, employment). Both iwi groups have completed a comprehensive baseline assessment of the relative status of the tribal population a range of key socio-economic, educational and wellbeing indicators. In addition, they now own the databases and tribal researchers have helped compile a methodology guide which these groups can use in the future to monitor impediments and development progress. Tauranga Moana Trust Board research progressed to the stage where it was appropriate to proceed to compile a commercial history and identify opportunities, which will provide a

FIGURE 2
Resources and Assets Inventory
(Main groups, Human, Cultural, Physical, Economic)

<p>1. Human (understanding human & people resources; human capital, capacity & capability)</p>	<p>1. Information required (resource indicators) e.g., Pop. figures for hapū; iwi; demographic info.</p>	<p>2. The area covered — e.g., tribal rohe†</p>	<p>3. Where info. presently located, e.g., Beneficiary Roll, Census data, iwi & hapū registers</p>	<p>4. Access (property rights) e.g., limited and public</p>	<p>5. Forms, Applications e.g., Trust Board database, reports</p>
<p>2. Cultural (understanding cultural resources & vibrancy, cultural integrity, Māori values, tikanga Māori)</p>	<p>1. Information required e.g., no. of marae, kaumātua, tohunga, authoritative people willing to share knowledge</p>	<p>2. The area covered — e.g., tribal rohe</p>	<p>3. Where info. presently located e.g., marae database, iwi, hapū registers, asset lists</p>	<p>4. Access (property rights) e.g., Limited, tribal database</p>	<p>5. Forms, Applications e.g., computerised, reports, District Ccl district plan, oral knowledge</p>
<p>3. Physical (understanding physical & natural resources & access, physcl state & coastal condition land, use, mana whenua, awa moana)</p>	<p>1. Information required e.g., total area of land holdings, location, land blocks under Treaty claim, present land use</p>	<p>2. The area covered — e.g., tribal rohe, national, regional</p>	<p>3. Where info. presently located e.g., Trust Board, District Council databases, hapū & iwi claim reports, hapū reps, registers</p>	<p>4. Access (property rights) e.g., Limited, Confidential — Limited, Public — Limited, Commercial</p>	<p>5. Forms, Applications e.g., Valuation docs, maps; computerised database, regional and district GIS databases</p>
<p>4. Economic (understanding available economic resources, economic capital, investments, economic potential)</p>	<p>1. Information required e.g., business links, business owned; land trusts; Māori land</p>	<p>2. Area covered e.g., tribal rohe</p>	<p>3. Where info. presently located e.g., tribal bus. Network, industry groups, iwi hapū registers</p>	<p>4. Access (property rights) e.g., Limited, Confidential — Limited, Public — Limited, Commercial</p>	<p>5. Forms, Applications e.g., oral, records, files, National GIS database, maps</p>

† rohe means “territory” in Māori.

basis for the next stage of community strategic planning and prioritising development options.

NEXT STEPS AND WIDER IMPLICATIONS

The next phase of the research will explore the linkages between social and cultural capital;² cultural vitality, appropriate governance, and

capacity-building which research elsewhere has suggested are essential not only for “successful indigenous development”³ but for sustainable development more broadly. One of the major challenges for the team and collaborating tribes will be in finding culturally appropriate and effective means of involving a wider representative constituency in strategic trade-off decisions about development options. As well as assisting tribes

to assess capacity and put in place relevant institutions, policies and procedures that give effect to their own development approach rather than necessarily relying on Western models and values.

SIGNIFICANCE OF THE RESEARCH

Although the research is in an early stage, it is already contributing to better outcomes for the Māori tribes engaged in the project by facilitating their development planning, assisting in identifying the resources they have and need for development, and in exploring ways of communicating with and involving wider tribal memberships in the development journey. In addition, the general findings and models, including a report on international indigenous models and perspectives, has been distributed widely to Māori trusts and incorporations as well as policy makers. The resource inventory template and methods, as well as the database format of tribal socio-economic and wellbeing indicators are being disseminated through publications and seminars.

The research has already contributed to a broader understanding of key components and processes of planning for sustainable development building on indigenous perspectives. At a practical level, experimentation with a holistic resource inventory framework has already revealed inadequacies in international models, and suggests that such indigenous models and methods may be valuable for operationalizing sustainable development in non-indigenous contexts.

NOTES

1. The literal Māori translation is "The Belly of the Fish," a reference to the North Island being the fish that the mythical voyaging ancestor Maui pulled up from the sea.
2. Serageldin 1996; Serageldin & Steer, 1994; Loomis, 2000a.
3. Cf. Cornell & Kalt, 1992; Cornell, 1998; Serageldin, 1994; Loomis, 2000a.

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INTERNATIONAL TRADE, INTELLECTUAL PROPERTY RIGHTS AND TRADITIONAL KNOWLEDGE

The Case of Plant Genetic Resources

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Grant E. Isaac and William A. Kerr

ABSTRACT

The research, development and commercialization focus of genetically modified (GM) crops is undergoing a shift from production-trait characteristics—such as herbicide tolerance and insect resistance—to output-trait characteristics—such as nutraceuticals/functional foods and plant-made pharmaceuticals. It can be expected that, unlike the former focus, the latter focus will increasingly rely upon traditional knowledge to identify plants with characteristics beneficial to human health. These plants will then be subject to the techniques and procedures of modern biotechnology in order to isolate and extract those characteristics for the development of products (by mostly multinational corporations) that are protected by intellectual property rights (IPRs) and likely to

be extensively traded across national boundaries. To proponents, this represents bioprospecting: a critical component of the innovative process of bringing human health benefits to all and not just those fortunate enough to benefit from the traditional knowledge because they live in a particular geographic or cultural zone. Yet, to critics, this represents biopiracy: a disingenuous repackaging of traditional knowledge in order to secure monopoly rents for the biopirate while excluding the original innovator from a claim to these rents. The objective of this paper is to examine the bioprospecting—biopiracy debate in the context of traditional knowledge as an important component in an aboriginal economic development strategy. It is concluded that in order to maximize the economic development

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potential of traditional knowledge, several amendments to the way in which the international trade regime administers intellectual property protection are required.

Key Words: indigenous knowledge, traditional knowledge, intellectual property rights, international trade, TRIPS Agreement, World Trade Organization (WTO), biotechnology, genetically modified crops, bioprospecting, biopiracy

INTRODUCTION

Since 1996, nearly 98% of the total acreage devoted to the commercialization of genetically modified (GM) crops has been composed of crops that exhibit production-traits (James, 1997–2001); that is, crops that exhibit production characteristics of value to the grower in the intensive agricultural system (e.g., herbicide tolerance and insect resistance), while exhibiting end-use characteristics that are substantially equivalent to conventionally produced crops such that they offer no additional value to the consumer (Isaac, 2002; Gaisford et al., 2001).

While dominant at the moment, this dominance of production-trait GM crops is expected to decline as plant developers increasingly focus on output-trait GM crops that exhibit characteristics of value to the end consumer (Isaac, 2002). The targets include nutraceuticals (functional foods and supplements with enhanced nutritional composition) and pharmaceuticals [such as plant-made pharmaceuticals (PMPs) using plant photosynthesis instead of the current methods of chemical synthesis]. The 2001 global market for nutraceuticals has been valued at \$140 b with an expected annual growth rate of between 5% and 10% for the next 10 years, driven by an increased demand for “alternative” and “natural” products (Nutrition Business Journal, 2001). The 2001 global market for pharmaceuticals has been valued at \$410b with an expected growth rate of between 7% and 8% over the next five years (<<http://www.eac.gov.pk/pharmweb/global.htm>>).

As product developers set out to identify genetic material with beneficial characteristics — which can then be isolated and extracted from the original plant for use in either nutraceuticals or pharmaceuticals — they will increasingly rely upon traditional knowledge built up over thousands of years to point them in the right direction. At first glance, there appears to be a real

economic development opportunity for traditional knowledge holders to link with functional food and drug companies in order to access the large and growing global markets for nutraceuticals and pharmaceuticals.

However, this potential economic development opportunity is limited by the rules of intellectual property rights embodied in the World Trade Organization’s Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement). These rules have been, for the most part, designed to promote knowledge-creation and innovation on a global scale where knowledge and innovation are defined in terms of sophisticated scientific procedures and techniques not traditional knowledge. In practical terms, traditional knowledge is deemed a “global common good” ineligible for intellectual property protection, while contemporary and sophisticated scientific knowledge is deemed an inventive-step eligible for intellectual property protection. As a result, the techniques and procedures of modern biotechnology are applied to traditional knowledge in order to isolate and extract the beneficial characteristics for the development of nutraceutical or pharmaceutical products which are then eligible for intellectual property protection and the monopoly rents that accrue.

To proponents, this represents *bioprospecting*: a critical component of the innovative process of bringing human health benefits to all and not just those fortunate enough to benefit from the traditional knowledge because they live in a particular geographic or cultural zone. Yet, to critics, this represents *biopiracy*: a disingenuous repackaging of traditional knowledge in order to secure monopoly rents for the *biopirate* while excluding the original innovator from a claim to these rents. With these two very different perspectives, it should come as no surprise that the debates around plant genetic resources, intellectual property rights and traditional knowledge have become quite polarized; proponents of *bioprospecting* generally argue that all genetic material should be subject to intellectual property protection while critics of *biopiracy* generally argue that no genetic material should be subject to intellectual property protection.

Acknowledging the polarized *bioprospecting-biopiracy* debate and the seemingly inequitable relationship that exists between contemporary intellectual property rights and traditional knowledge and folklore, Article 19 of the *Ministerial Declaration* from the Doha Ministerial Confer-

ence of the World Trade Organization (WTO) calls for a review of this relationship with an objective of ensuring economic development opportunities for holders of traditional knowledge (World Trade Organization, 2001). Moreover, it can be expected that developments in this multilateral regime will significantly influence regional regimes such as the North American Free Trade Agreement (NAFTA) and the Free Trade Area of the Americas (FTAA).

Therefore, the objective of this paper is to examine the *bioprospecting*—*biopiracy* debate with an aim of clarifying the rules of intellectual property protection in a manner that maximizes the economic development potential of both traditional and contemporary, scientific knowledge. The thesis is that neither polarized position—either categorically for or against intellectual property protection for genetic material—is optimal in terms of an economic development strategy for traditional knowledge. Instead, there exist conditional circumstances for protection which have the advantage of simultaneously enhancing the economic development potential of both traditional *and* contemporary, scientific knowledge. The goal, then, is to ensure that the international trade rules reflect these circumstances.

The structure of this paper is as follows. In the remainder of this section, the issues associated with plant genetic resources, knowledge and intellectual property rights are more clearly specified in the context of traditional knowledge. In the next section, the arguments for and against the protection of plant genetic resources are examined. The final section discusses this analysis and draws some important conclusions on how trade rules may be better structured to appropriately account for traditional knowledge and folklore.

Plant Genetic Resources

Plant genetic resources have been chosen as an illustrative example of the complicated relationship between intellectual property rights and traditional knowledge because they embody a panoply of concerns about the scientific modification of nature (and the human, animal and biodiversity impacts of such modifications) and about the control over natural resources (for both food and pharmaceutical use) by multinational corporations (Low, 2001; Shiva, 1999; van Wijk et al., 1993). That is, examining the relationship between intellectual property rights and

traditional knowledge with respect to plant genetic resources provides a broad-based assessment of these sensitive and complicated debates.

The role of plants in the food supply and for medicinal purposes should not be underestimated. Of course, any benefits that they provide come from their genetic resources. Land races of plants refer to the staple crops such as wheat, rice and maize, modified over thousands of years through the inter-generational accumulation of traditional knowledge (and which now may have been modified over perhaps a hundred years through the use of scientific knowledge) in order to express quantity and quality characteristics valuable for human use. Much has also been learned about the medicinal properties of naturally occurring plants. Yet, despite the accumulated knowledge, it has been estimated that less than 0.1% of all plants have been assessed for their beneficial properties for either food or medicinal purposes. Given the enhanced ability to identify and isolate economically useful genetic material that underlies biotechnology, the result is an aggressive search for these plants and the new benefits they may yield—either *bioprospecting* or *biopiracy*, depending upon one's perspective.

Traditionally, plants—and, consequently, their genetic material—have been considered as “global common goods” provided by nature for the benefit of all such that ownership could not be assigned to any individual or group, implying that no one could secure intellectual property rights over the plants. This designation has facilitated their international movement, which has taken place since the dawn of commerce (Kerr and Yampoin, 2000; Gollin, 1998). Increasingly, however, the definition of plants as global common goods has been blurred in order to promote innovation in plant development. That is, naturally occurring plants themselves are still considered global common goods, but identifying the genetic sequences coding for the particular proteins that provide the desired benefit is considered to be an intellectual endeavour eligible for intellectual property protection. Understanding this distinction requires specification of knowledge and of intellectual property rights, which are examined below.

Knowledge

At the heart of the conflict between intellectual property rights and traditional knowledge are dif-

fering definitions of what constitutes knowledge eligible for protection. To capture the range of these differing definitions, three categories might be considered: knowledge source, knowledge type and knowledge provider/innovator. It is important to note that there are crucial linkages between these categories.

The source of the knowledge can be either traditional knowledge or western scientific procedures and techniques. In the case of plant genetic resources, traditional knowledge would refer to the accumulated learning — often across many generations — that has enabled certain peoples to know, for instance, that a particular plant, harvested under particular conditions and processed in a particular way provides a remedy for a particular ailment. Due to the accumulated inter-generational nature of the learning process, ownership of the knowledge and the benefits that it brings are not given to any one individual but instead are shared as “common goods”. Scientific knowledge — which emerges from the foundation of the accumulated, inter-generational traditional knowledge — nevertheless differs from traditional knowledge in a key respect. Scientific knowledge tends to explore beyond the serendipity of the traditional knowledge to understand both *why* and *how* a particular plant provides a remedy for a particular ailment. Sophisticated techniques and procedures of modern genetic sciences play an increasingly important role in this investigation.

The distinction between traditional and scientific knowledge, gives rise to the second important category — knowledge type. Here, two types may be distinguished: discoveries and inventions. The former are outcomes of nature that do not require a human intervention while the latter are those outcomes that are not possible without a human intervention. For example, it can be argued that the traditional knowledge of the benefits of a particular plant is a discovery because there was no real human intervention required to extract the benefit from the plant; the benefit was always there and the human intervention only maximized the beneficial characteristic. Yet, the scientific knowledge of how and why the plant provides the benefit that it does is not possible without a human intervention in the form of highly sophisticated scientific procedures and techniques. Moreover, extracting the beneficial aspects and incorporating them into a product certainly requires human intervention. Hence, under these

definitions traditional knowledge is considered a discovery while a product emerging from scientific knowledge is an invention.

In the third category, the aim is to identify the knowledge provider or the innovator. In the example above, the primary/original innovator is the indigenous peoples who accumulated the knowledge inter-generationally. Certainly, it is undeniable that some innovation has occurred in the form of identifying the plant, and the conditions under which the plant has beneficial properties for particular ailments. Assigning “ownership” to the primary/original innovator is, however, very difficult. Of course, this problem disappears if the traditional knowledge is considered to be common property. On the other hand, the secondary innovator — extending and refining the traditional knowledge through the use of sophisticated scientific techniques and procedures in order to develop a product — is much easier to identify. Moreover, if the use of modern science is considered to be a human intervention, then the secondary innovator is the one actually providing an invention — beyond simply being a discovery.

Intellectual Property Rights: A General Introduction

In general, intellectual property rights (IPRs) are legal instruments that simultaneously promote innovation and the public dissemination of knowledge. To promote innovation, they extend to the innovator monopoly protection in the marketplace for the use of their intellectual property. In return for the monopoly protection, the innovator must fully disclose the scientific knowledge to the public in order to promote knowledge dissemination. The rationale for IPRs lies in an economic argument of market failure (Machlup, 1958; Nordhaus, 1969; Gallini, 1992; Cornelli and Schankerman, 1999).

According to the economics literature, the market failure that the granting of rights to intellectual property is targeted at removing is free riding by non-inventors (imitators) who can garner the benefits of the science-based innovation without incurring the costs associated with innovating. Imitators are able to capitalize on the public good characteristics of knowledge (i.e., that once created it is impossible — or very costly — to exclude others from its use in the private market and that its “consumption” by one user does not preclude its consumption by

another) and produce goods that compete in the market place with those of the innovator. As imitators have lower costs (they have not incurred the research and development costs) than innovators they are able to price their goods below the price that the innovator requires to recoup his full costs. The result is that the prospective innovator has no potential profitable opportunity if they commit resources to research and development activities. The outcome is underinvestment in the development of new knowledge.

This market failure justifies a public policy response. The problem for governments is how to reward innovation. In theory, an innovator should only require a normal rate of return on their investment in research and development. This could be done by providing subsidies but the innovation process is neither linear nor deterministic (i.e., that expending funds will yield an innovation of sufficient value to justify the expenditure required for its development). Research and development expenditures often fail to produce an innovation. Hence, to provide sufficient inducement for firms to engage in research and development activities subsidies would have to cover a firm's failures as well as innovative successes. This, however, would require governments to assess the prudence of research and development expenditures of firms. Given the non-linear, non-deterministic nature of the innovative process this is an impossible task and governments have, instead put in place a second best policy option—the granting of intellectual property rights. Granting intellectual property rights creates a government-sanctioned temporary monopoly on the innovation or its products. Monopolies, however, impose a social cost due to the market distortion they allow (i.e., they allow the holder of the monopoly to produce less quantity and to charge a higher price than is the case in a competitive market). Thus, governments have purposefully accepted the introduction of monopoly distortion to overcome the market failure that leads to underinvestment in innovative activities (Gaisford et al., 2001). Governments recognize the public good nature of new knowledge by limiting the life of the government sanctioned monopoly. Patent lengths are crude attempts at providing a balance between the two distortions.

As there is no relationship between the costs of research and development and the monopoly benefits firms receive, innovative firms

bear the risks associated with invention. The monopoly benefits of some successful innovations will, however, be very large, in part because they may have to offset the costs associated with failed investments in research and development. Firms that engage in ongoing research and development must expect that monopoly rewards will be large on some innovations, otherwise they would not commit funds to research and development given the positive probability that some will fail. Of course, the high returns (and high prices charged) for the winning invention are, when viewed in isolation, very contentious and bring forth questions of equity.

Controversy: Bioprospecting v. Biopiracy

Under international trade rules, intellectual property rights for plant genetic resources have typically been given for western science inventions by a secondary innovator rather than for traditional discoveries by the primary/original innovator. This has given rise to *bioprospecting* whereby scientists can extract plant genetic resources from the primary innovators/traditional users because land races and natural plants are considered global common goods and subsequently extend and refine the traditional knowledge using modern science and claim an invention which is eligible for intellectual property protection. Moreover, supporters of these rules argue that all genetic material to which the inventive step of scientific knowledge has been added should be eligible for protection.

Yet, critics of the current relationship between intellectual property rights and plant genetic resources argue that this is simply *biopiracy* where the role of human intervention in discovering that a particular plant, harvested at a particular time and processed in a particular manner has desirable characteristics is discounted as an innovation and simply labelled as a discovery. It is argued that the role of modern science is elevated such that identifying a gene sequence using procedures and techniques of modern biotechnology is patentable because of the human intervention required to identify the sequence despite the fact that, in the most pragmatic sense, identifying this sequence is not an invention; it is only a discovery of a genetic resource that has always existed albeit at a more micro-level than before. The result is the argument that IPRs should not be allowed for plant

genetic resources at all—regardless of whether the source of the knowledge is traditional or scientific.

TRADE, IPRS AND PLANT GENETIC RESOURCES

Given the discussion above it is now possible to disentangle the complicated arguments for and against the use of intellectual property rights over plant genetic resources, which are summarized in Table 1—Matrix of Arguments. The arguments may be read vertically down the five columns and are specified with respect to the rationale of the argument and an assessment of the benefits and costs of the various positions.

In a general sense, the arguments for and against IPRs for plant genetic resources represent a clash between market efficiency and social equity-based arguments. The former, founded in economic arguments, posit that innovative activities that create knowledge face important classic market failures that hinder allocative efficiency. IPRs target innovative activities (where the priority is typically given by governments) and are structured to overcome market failures and inject greater allocative efficiency into the market system. In fact, while the classic market failure arguments previously discussed are present, the issue of plant innovation gives rise to two more market failure arguments: geographic and cultural excludability. The former is the failure that occurs when a plant with beneficial characteristics for all human health is only made available within a geographic proximity that shares the traditional knowledge. The failure is, of course, that global human health cannot benefit. Similarly, the latter market failure occurs when the benefits accrue only to those who share a cultural proximity, while the global human health is excluded. Therefore, to correct these excludability failures and increase allocative market efficiency, IPRs are granted for plant genetic resources, predicated on the notion that without an assurance of protection, firms will have no incentive to innovate to create market-oriented products that overcome the classic (i.e., free-rider problem) and the specific (i.e., geographic and cultural excludability) market failures.

The market efficiency-based arguments are generally seen to be in contrast to the social equity-based arguments, which tend to view IPRs as being predatory instruments of scientifically

advanced countries that, in fact, create exclusions themselves. Namely, they exclude traditional knowledge, the primary innovator and the role of discovery from the monopoly economic rents. In the extreme, these arguments reject the granting of intellectual property rights on plant genetic resources at all. These arguments will be examined first.

Arguments Against

In the left hand column is an assessment of the argument for disallowing any intellectual property rights for plant genetic resources. The rationale for this argument is that identifying the beneficial properties of a plant—either at the holistic, traditional knowledge level or at the more precise genetic level of scientific knowledge—remains only a *discovery* of a global common good, not an *invention* worthy of intellectual property. That is, neither the primary innovator nor the secondary innovator should be granted monopoly rights over the exclusive commercial marketing of the benefits. Further, from this perspective, it is argued that IPRs create an economic distortion in the form of a “western” scientific hurdle to innovation that cannot be overcome by many traditional innovators.

The benefit of this position is an equity-based benefit, that plant genetic resources remain global common goods for all and cannot be exclusively controlled. Without an ability to secure monopoly rights, it is argued that predatory, rent-seeking behaviour by those with the capacity to overcome the scientific hurdle will be prevented.

The costs of this position tend to lie with efficiency-based arguments. Disallowing the possibility of securing intellectual property rights over plant genetic resources stems innovation by not overcoming the classic market failures nor the specific market failures of geographical and cultural excludability. It is argued that the primary innovator often does not have the capacity to transform the beneficial plant to a commercial product available on a global scale. Yet, without the assurance of protection over their intellectual investment in this transformation, secondary innovators would be reluctant to dedicate the resources required. The cost is the failure to bring to market products that may have considerable social benefit even accounting for the costs of the monopoly distortion.

Arguments For

While the arguments against allowing intellectual property rights over plant genetic resources tend to be very straightforward, the arguments for are much more complicated (the remaining four columns from the right in Table 1). Indeed, there are two broad categories — conditional protection and unconditional protection — where the former is itself sub-divided into three categories.

Prior to discussing the differences, it should be noted that the arguments for all share a focus on efficiency-based benefits through correcting both the classic market failures of innovation and the specific market failures of plant innovation. Here the notion is that intellectual property rights over plant genetic resources promote the maximum innovation of plants, beyond what the primary innovator is willing or capable of doing.

The conditional arguments for allowing intellectual property rights over plant genetic resources are all predicated on the notion that while the promotion of innovation is the ultimate goal, only some types of knowledge qualify for protection. Consider first the second column from the left entitled land races. As previously mentioned, land races refer to plants already modified for use in the agricultural system where innovations to these plants target improvements to quantity and/or quality characteristics beyond the modifications of the primary innovator. Indeed, with most varieties of staple agricultural crops it is extremely difficult to identify a sole primary innovator. Therefore, some type of hurdle must be established to identify innovations that are worthy of protection as well as the innovators responsible for the innovation. The hurdle that has emerged is one of scientific definition, where an innovative improvement to a crop must be from a sophisticated scientific technique or procedure. That is, the *condition* upon which intellectual property protection is granted to plant genetic resources is that the innovation be scientific in nature. The rationale is that the use of advanced science results in crop innovations more like inventions that are eligible for protection. The benefit according to this conditional argument is that it promotes innovative improvements to food crops already part of the agricultural system and that the protection corrects both the classic and the specific market failures of cultural and geographic excludability. Unsurprisingly, the cost of this argument is that it essentially excludes the primary innovator from

intellectual property protection if a satisfactory level of science is required to shift the innovation from a discovery to an invention. The primary innovator will also be subject to the prices associated with the monopoly distortion along with all other consumers. Of course, the primary innovator would only chose to purchase and employ the products of the scientific innovation if they were sufficiently superior to existing land races to offset the cost.

Conditional arguments for allowing intellectual property rights over plant genetic resources also involve not already modified land races, but what might be called natural organisms (or wild varieties and closely related weeds): plant varieties with either known or unknown beneficial properties that have not been systematically modified for human use. Consider first natural organisms with known beneficial properties. This argument is very similar to the previous conditional argument on the protection of land races. The rationale is that intellectual property rights are necessary to promote innovation extending the traditional knowledge of the beneficial attributes to others who may not have access to the traditional knowledge due to cultural or geographical constraints. To qualify, protection is conditional upon the secondary innovator demonstrating an inventive-step beyond the primary discovery. Again, the inventive-step is best demonstrated through the use of modern scientific techniques and procedures. Benefits — like those in the land race argument — are that intellectual property protection promotes innovation extending the access to the beneficial properties of the natural organisms beyond what the primary innovator is capable or willing to do. With respect to costs, this conditional argument for intellectual property protection differs from the examination of land races because, typically, the primary innovator can be identified, or at least the primary innovators may be identified. This raises the spectre of biopiracy whereby representatives of scientifically advanced secondary innovators use the traditional knowledge of primary innovators to identify natural organisms with beneficial properties, extract the plants as global common goods, apply modern scientific techniques to identify why and how the plants work to alleviate ailments, patent this scientific knowledge and thus have monopoly rights over the commercial use of this knowledge. Yet, those in favour respond that as long as the secondary innovator does not use the legal instruments of

IPRs to prevent the primary innovator from using the traditional knowledge in the traditional way, then there is no harm to allowing protection extending the benefits on a global scale.

Now consider natural organisms with unknown beneficial properties. This is the classic case of bioprospecting and is motivated by the estimate that less than 0.1% of all plants have been assessed for the beneficial potential. The rationale is that in order to encourage innovators to discover plants with immediate benefits and to invent the subsequent large-scale derivative products, assurances that intellectual property investments will be protected are required. In this sense, allowing intellectual property protection is conditional upon the novelty of the discovery and invention. The benefits of this argument are that IPRs promote frontier exploration for new products and processes and prevent classic and specific market failures. Furthermore, there seems to be very little cost to this argument. Given that the exploration is for plants with yet unknown beneficial properties, there is no predation of the traditional knowledge of the primary innovator by a secondary innovator who has the capacity to overcome a scientific hurdle and secure monopoly rights over the commercial use of the knowledge.

Finally, consider the argument for allowing *unconditional* intellectual property rights over plant genetic resources, summarized in the right hand column in Table 1. This argument differs from the conditional arguments because there is no distinction made between what type of knowledge qualifies for protection. Essentially, all *discoveries* and *inventions* whether of traditional knowledge or scientific knowledge are eligible for intellectual property protection. The rationale is that unconditional intellectual property protection over plant genetic resources does not discriminate between traditional and scientific knowledge, treating both equally and providing the opportunity for the primary innovator to profit from the traditional knowledge if desired. Essentially, it allows all innovators to protect their knowledge and does not establish any arbitrary or exclusionary hurdles to legitimate protection. Similar to the other arguments for allowing intellectual property rights over plant genetic resources, the efficiency-based benefit of this argument is that it promotes innovation by correcting the classic market failures and it overcomes the specific market failures of cultural and geographic excludability. There is also an equity-

based benefit with this arguments and that is the eligibility of traditional knowledge discoveries under IPR protection. Yet, there are three crucial costs to allowing the unconditional protection of plant genetic resources. The first cost is that this, of course, differs significantly from the spirit and intent of the contemporary intellectual property rules and would require significant restructuring to many national and international regimes. The second cost is that this argument rejects the notion of global common goods and instead accepts that ownership can be assigned to everything—discovery or invention. The third cost is that simply granting ownership to the primary innovator does not imply that further innovation will occur. Indeed, the primary innovator may simply lack the capacity to develop a global scale product, yet a secondary innovator may not be interested in investing in this transformation when the intellectual property resides elsewhere. Alternatively, the secondary innovator may pay the primary innovator for the use of his intellectual property, raising the cost of secondary innovation and, hence, reducing the incentive for innovation (Kerr and Yampoin, 2000). Given that intellectual property rights are artificial constructs of government put in place solely to induce innovation, granting IPRs to discovery appears counterproductive.

DISCUSSION AND IMPLICATIONS

The arguments for and against allowing intellectual property rights over plant genetic resources are very complicated and diverse. Often the issue is dealt with as a highly polarized debate, yet, as Table 1 reveals there are several important variations of the arguments for allowing protection.

The variation that tends to be favoured by international trade rules is found in Table 1 under conditional arguments for allowing protection. That is, international trade rules tend to impose a hurdle of protection eligibility that supports scientific knowledge as creating inventions and discounts traditional knowledge by suggesting that this knowledge is essentially in the discovery category. From the examination of the benefits and costs it is clear that the conditional arguments for allowing protection reflect a clash between efficiency-based arguments of promoting innovation and correcting market failures and equity-based arguments of allowing monopoly protection to true innovators even

if they are not consistent with the scientific knowledge definition.

Of course, this raises some important questions about what can be done to more appropriately deal with traditional knowledge within the international trading system. The benefit that arises from granting intellectual property rights is innovations. The reward for innovating is the opportunity to collect, for a time, the monopoly rents available from devising a successful innovation. There should be no grant of intellectual property rights without the promise of additional innovations. In particular, the granting of intellectual property rights to discoveries can only act to reduce innovations. Granting intellectual property rights to discoveries will not induce additional discoveries and adds to the cost of innovation. Thus, the international trading system should act, in the first instance, to ensure that there is the widest possible access to the products of innovation through low trade barriers and strong competition policy disciplines on private restraint of trade in those industries that produce and distribute innovations derived from genetic material. In other words, strong efforts should be made to ensure that firms are not able to use the monopoly granted as a reward for innovation to generate additional opportunities for monopoly rents through practices such as tied sales, input bundling, failure to disclose crucial information to patent authorities, etc.

There also needs to be a clear distinction in international patent law between those scientific innovations that enhance the process of discovery and those that use the information derived from discovery to innovate. Given that the information that arises from discovery has strong public good characteristics—they are *non-rivalrous* because the use of a gene with identified commercial potential in one innovation does not restrict its use in another and exclusion is not possible due to the ease of reverse engineering (Kerr and Yampoin, 2000). The development of gene isolation technology should have been publicly funded and made freely available. This would have increased the rate of innovation. In the absence of the foresight to publicly fund this research, property rights have been extended to the technologies that facilitate discovery and/or the discoveries arising from these processes. The United States, the European Union and Japan all have legislation granting IPRs to gene isolating technology and the genetic material discovered. Given the potential size of the distortion

relative to the costs of isolating genetic material, granting IPRs in this area may not have been wise.

One suspects that if no property rights were granted to gene isolation processes and/or the genetic material subsequently discovered, firms interested in innovating using discovered genes with commercial potential would have sufficient incentive to directly search for those genes so that they could reap the benefits from owning intellectual property rights in final products. Their techniques and discoveries would not receive IPR protection. This would preserve the public good aspect of discovery by allowing others access to the technology/discovered genetic material. If the costs of developing genetic isolation technologies are large, one would expect the private sector open access gene isolation technologies to be developed by private sector consortiums so that the cost of development could be shared. If governments think that the private sector is providing too little genetic isolation technology and/or genetic discoveries, then they could encourage this activity through offering prizes. Prizes would both remove the distortions associated with granting intellectual property rights and reduce the incentive to keep discovery enhancing innovations secret. For similar reasons, prizes could be used to induce those who have traditional knowledge regarding the value of natural organisms to share that knowledge. Encouraging the sharing of traditional knowledge through prizes would thus provide a solution to the problem of biopiracy.

If the international conventions on intellectual property continue to extend IPRs to technologies that enhance discovery or the discoveries themselves, then they should also extend IPRs to traditional knowledge. It does not matter whether a discovery has arisen as a result of experience-based traditional methods or through the use of modern scientific methods. The innovation inhibiting distortion is the same in each case and to endow one with intellectual property rights while excluding the other cannot be justified on grounds of equity. If societies with a high degree of scientific capability are willing to “live with” the distortions associated with extending IPRs to scientifically enhanced discoveries then they should not be able to deny societies with little scientific capacity but large amounts of traditional knowledge to extend IPRs to that knowledge. Clearly both inhibit innovation and are counter productive to the original intent of the

artificial creation of rights in intellectual property by governments. Both should be public goods but if IPRs can be extended to one method of discovery, it would not be equitable to exclude the other.

Countries with a high degree of scientific capacity and enforceable IPR systems should also ensure that their domestic patent laws do not allow the granting of intellectual property rights to what are traditional discoveries that have been acquired through biopiracy. There have been a number of high profile cases in the United States and Japan (e.g., Mexican beans, bitter melon Plao-noi (Kerr and Yampoin, 2000)) where the patent office has granted a patent to an unaltered landrace or natural plant. The problem appears to lie within patent offices which either have too few resources to deal effectively with questions relating to living organisms or the technical capacity to make an informed judgement regarding them. As a result, the courts are left to sort out disputes. Of course, using the court system is not costless. As those who have discovered traditional knowledge are either no longer identifiable or tend to have limited resources, recourse to the courts is inequitable. If societies that have a high degree of scientific capacity want cooperation from developing countries in protecting their intellectual property through the TRIPS, then they need to ensure that their own IPR systems provide good models.

The real equity question, however, relates to scientific capacity. The major (but by no means the only) reason why the protection of intellectual property rights is contentious is that the capacity to use science for the development of innovations is not distributed evenly among societies. Traditional societies typically have little scientific capacity and, hence, have no opportunity to participate in the rents that arise from innovation. Hence, the solution to inequity lies in increasing the scientific capacity of members of societies. Raising scientific capacity is a complex and resource intensive activity and how it can be accomplished is not transparent. However, until the capacity of traditional societies to undertake scientific innovation is increased considerably, they will not be able to share equally in the benefits associated with the "knowledge economy". No amount of tinkering with property rights can remove this fundamental cause of inequity.

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SOVEREIGNTY AND NATION-BUILDING

The Development Challenge in Indian Country Today

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Stephen Cornell and Joseph P. Kalt

The Indian nations of the United States face a rare opportunity. This is not the occasional business opportunity of reservation legend, when some eager investor would arrive at tribal offices with a proposal “guaranteed” to produce millions of dollars for the tribe—although such investors still appear, promises in hand. Nor is it the niche economic opportunity of gaming, although that has transformed some tribes’ situations in important ways. This opportunity is a political and organizational one. It is a chance to rethink, restructure, reorganize—a chance not to start a business or exploit an economic niche but to substantially reshape the future. It is the opportunity for nation-building.

This opportunity has been unfolding during the last two decades. It is a product of changed relations between Indian nations and the federal government, relations with roots in the Indian politics of the 1960s and in the failure of a century of United States Indian policies that established the federal government as the primary decision maker in Indian country. Since the mid-1970s, partly in response to the demands of Indi-

ans themselves, federal policy has shifted toward something called “self-determination”: a belief, often more stated than acted upon, that Indian nations should determine their own futures. This shift toward self-determination has allowed those nations that have been willing to do so to engage in genuine self-governance, to turn sovereignty as a legal matter into de facto sovereignty: sovereignty in fact and practice. They still face many constraints, not least the power of the courts and of the United States Congress, but since 1975 a significant number of Indian tribes have become the effective decision makers in their own affairs, often with strikingly positive results.

This new degree of control, unprecedented in the twentieth century history of these nations, constitutes an opportunity of major proportions. It is the opportunity for Native American peoples to re-envision their futures and rebuild their governments and their economic strategies so as to realize those futures. It also may be a short-lived opportunity. In the late 1990s, we have seen a mounting assault on tribal sovereignty.

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Recent decisions in the United States Supreme Court have chipped away at the sovereignty that Indian peoples have struggled for a century to re-establish. Disputes over gaming and other issues have led to significant interference in the affairs of Indian nations on the part of states such as California, Arizona, and New Mexico. At century's end, a flurry of congressional proposals threaten tribal sovereignty and powers. But for the time being at least, the opportunity is there. It is still federal policy that Indian nations should determine their own futures, and determined Indian nations can still do so. But shaping those futures will require not simply the assertion of sovereignty—a claim to rights and powers—it will require the effective *exercise* of that sovereignty. The task tribes face is to use the power they have to build viable nations before the opportunity slips away. This is the major challenge facing Indian country today.¹ It also is the key to solving the seemingly intractable problem of reservation poverty. Sovereignty, nation-building, and economic development go hand in hand. Without sovereignty and nation-building, economic development is likely to remain a frustratingly elusive dream.

THE PUZZLING PATTERN OF RESERVATION DEVELOPMENT

The economic development situation in Indian country presents a puzzle. Most people think of Indian reservations as poor, and many of them are. The facts are sobering. Across Indian country, we find astonishingly high unemployment rates, average household incomes well below the poverty level, extensive dependency on welfare and other transfer payments, and high indices of ill health and other indicators of poverty.

As striking as the degree of poverty, however, are the exceptions to this pattern. Some are well known: In particular, a relative handful of tribes have generated enormous revenues in the niche gaming market and have attracted commensurate media attention as a result. Less well known, but much more intriguing, are those tribes that have broken from the prevailing pattern without depending on gaming as their primary revenue stream or source of employment. Consider the following examples:

- The Mississippi Choctaws are one of the largest employers in the state of Mississippi. Several thousand non-Indians migrate onto the

reservation every day to work in the Choctaws' manufacturing, service, and public sector enterprises. The Choctaws are importing labor because there aren't enough Choctaws to fill all the jobs they've created. Choctaw unemployment has fallen dramatically.

- The White Mountain Apaches' forest products, skiing, recreation, and other enterprises have made it the economic anchor of the economy of east-central Arizona. Towns there look to the Apaches as the motor force that pulls them through the winter and as a major player in the regional economy. Their timber operation is one of the most productive in the western United States, regularly outperforming private operators like Weyerhaeuser.
- In Montana, the Salish and Kootenai tribes of the Flathead Reservation have built a successful private sector economy based on tourism, agriculture, and retail services. Unemployment on the Flathead Reservation is often lower than in the rest of rural Montana. The tribal college now get non-Indian applicants who want the quality of education the Flatheads provide.
- At Cochiti Pueblo in New Mexico, effective unemployment is close to single digits—one of the lowest rates among western reservations—thanks to the tribe's ability to employ in tribally owned enterprises most of their own people who want on-reservation jobs.

What is odd or puzzling is that these stories—and others like them—do not conform to a lot of common, top-of-the-head ideas about economic development. For example, simply having resources—natural, human, or financial—does *not* account for what the relatively successful tribes have been able to achieve. It is *not* the case that relatively successful tribes are those that have good natural resources or high rates of educational attainment, or the ones that have been able to get their hands on the most financial capital.

Obviously, having more resources to work with is better than having less. The Apaches, for example, are blessed with a major Ponderosa pine forest, superb elk habitat, and wonderful ski country. But just having resources is not *the* key—or even necessarily *a* key—to getting a reservation economy off the ground. The Crow tribe of Montana has as rich a natural resource endowment as any tribe, possessing some of the largest coal reserves in the world, extensive tim-

ber, rich wheat-growing land, and arguably the best grazing land in the West. The Crows also have experienced significant infusions of capital through federal programs and a number of large monetary claims settlements. High school graduation rates at Crow are well above the national reservation average. Yet official unemployment is almost 60 percent and real unemployment much higher. The return on Crow wealth—what the tribe and its people earn from that enormous resource endowment—is minuscule. All those resources have not produced wealth, nor have they produced a viable, working economy. In contrast, the home of the Mississippi Choctaws, centered in the town of Philadelphia, Mississippi, is by no means rich in natural resources, and Choctaw development got going before the recent improvements the tribe has made in its educational system. Neither natural resources nor education was the key to the Choctaws' success.

If natural, human, and financial resources aren't the key to economic development—if they cannot explain the development pattern in Indian country—then what can? This is the problem that the Harvard Project on American Indian Economic Development has been working on for the better part of the last decade.² On the one hand, there is widespread poverty on Indian reservations. On the other, a number of Indian nations have broken away from the legacy of poverty and are building successful economies on their own terms. What do these breakaway tribes share? What distinguishes them from other tribes? What explains the emerging pattern?

TWO APPROACHES TO ECONOMIC DEVELOPMENT

In our research in Indian country, we encounter two very different ways of approaching economic development. The first we call the “jobs and income” approach. Tribes that work with the “jobs and income” approach begin by saying, in effect, “we’ve got a problem here. The problem is not enough jobs and not enough income, and the solution is to get some businesses going on the reservation.” Often that means calling in the tribal planner and saying, “Go get some businesses going.” The tribal planner goes off and writes some grant proposals or looks for some investors or comes up with some business ideas, and everyone hopes that somehow the problem will be solved. A persuasive logic is attached to

this approach to economic development: There aren't enough jobs on most reservations; there isn't enough income; too many people are poor; too many people are on welfare. So jobs and income are critical.

The problem is that this approach typically doesn't work. It may produce lots of ideas but it seldom produces lasting businesses. The stories are familiar. An enterprise gets started but fails to live up to its advance billing. Or the tribe obtains a grant that provides start-up funding for a project, but when the grant runs out there's no more money and the project starts going downhill. Or an investor shows up but gets entangled in tribal politics, loses heart, and eventually disappears. Or a new business gets underway with lots of hoopla and has a good first year, but then the tribal government starts siphoning off the profits to meet its payroll or some other need, and as a result there's no money to fix the leaky roof or upgrade the accounting system, and soon the business is in trouble. Or the enterprise becomes primarily an employment service as people demand that it provide lots of jobs, costs rise, it finds itself unable to compete with non-reservation businesses whose labor costs are less, it becomes another drain on the tribal treasury, and two years later it folds and the jobs it provided disappear. Or the new tribal chair decides the business is a source of patronage, personnel are hired based on their votes in tribal elections instead of their business skills, with each election the business gets a new manager and a new set of operating guide-lines, customers get cynical, quality declines, and the business collapses. One way or another, the tribe ends up back at square one, once again asking the planner to “get something going,” and the cycle starts over. Eventually, planners and tribal council feel as if they're banging their heads against the wall. This pattern, familiar on many reservations, makes one wonder if the economic development problem can be reduced to “getting some businesses going” or winning grants or talking an investor into a joint venture. Maybe it's time for a new approach.

This is where the second approach to economic development comes in. It is a “nation-building” approach. This approach begins with the same perception—we've got a problem—and it recognizes that a big part of the problem is the lack of jobs and income. But it argues that solving the problem will require a solution both more ambitious and more comprehensive

than trying to start businesses or other projects. The solution is to build a nation in which both businesses and human beings can flourish. The nation-building approach says the solution is to put in place an environment in which people want to invest. They want to invest because they believe their investment has a good chance of paying off. It may produce monetary profits. It may produce satisfaction in a job well done. It may raise the quality of life in the community. It may reduce dependence on the federal government or bolster tribal sovereignty. The point is that most investors have choices. If they don't see a decent possibility of a payoff here, there is little to stop them from going somewhere else or doing something different.

This problem involves more than money. Our definition of "investors" is broad. An investor may be a cash-rich joint venture partner, but it also could be a tribal member considering a job with tribal government or with a tribal enterprise, or someone with a new solution to a reservation problem, or a tribal member hoping to start up a feed store or a beauty salon or some other reservation business and employ a couple of family members, or a newly trained school-teacher hoping to return to the reservation. Investment is not just a financial matter. An

investor is anybody with time or energy or ideas or skills or good will *or* dollars who's willing to bet those assets on the tribal future. Attracting investment is a matter of attracting those people, of persuading them to make that bet. A development plan that ignores the problem of persuading investors — of all kinds — to invest is a development plan in trouble. Nation-building is a solution to that problem.

A nation-building approach to development doesn't say, "let's start a business." Instead, it says, "let's build an environment that encourages investors to invest, that helps businesses last, and that allows investments to flourish and pay off." A nation-building approach requires new ways of thinking about and pursuing economic development. Telling the planning office to go get some businesses going doesn't begin to crack the problem. The solutions lie elsewhere: in the design and construction of nations that work.

Table 1 compares the two approaches to reservation development. The "jobs and income" approach sees development as first and foremost an economic problem and consequently focuses attention on getting grants, finding a joint venture partner, or any other strategy that might produce usable capital. The nation-building approach, on the other hand, sees development

TABLE 1
Two Conceptions of Economic Development

<i>"Jobs and Income"</i>	<i>"Nation-Building"</i>
<i>Reactive</i>	<i>Proactive</i>
Responds to anyone's agenda (from the feds or off the street)	Responds to your agenda (from strategic planning for the long-term future)
Emphasizes short-term payoffs (especially jobs and income <i>now</i>)	Emphasizes long-term payoffs (sustained community, well-being)
Emphasizes starting businesses	Emphasizes creating an environment in which businesses can last
Success is measured by economic impact	Success is measured by social, cultural, political, <i>and</i> economic impacts
Development is mostly the tribal planner's job (planner proposes; council decides)	Development is the job of tribal and community leadership (they set vision, guidelines, policy; others implement)
Treats development as first and foremost and economic problem	Treats development as first and foremost a <i>political</i> problem
The solution is money	The solution is a sound institutional foundation, strategic direction, informed action

as first and foremost a political problem. It focuses attention on laying a sound institutional foundation, on strategic thinking, and on informed action.

Most important, the nation-building approach produces different outcomes. Our research consistently finds that the “jobs and income” approach can occasionally lead to some quick business start-ups and perhaps some short-term successes, but it does not produce a sustainable future for the nation. A nation-building approach is no guarantee of economic success, but it vastly improves the chances that economic development will take root and be sustainable. It is far more likely to produce prosperity for the nation and its people. Along with sovereignty, it is the key to economic¹ development.

THE COMPONENTS OF NATION-BUILDING

If we look back at the activist Indian politics of the 1960s and 1970s, it is apparent that sovereignty was the core issue at stake. Who would call the shots in Indian country? Would the federal government continue to make decisions for tribes, to promote its own version of the tribal future, to control the use of tribal resources, and to wield veto power over tribal actions, or would Indian nations be allowed to govern themselves? The self-determination policy launched formally in 1975 and attendant court decisions and legislative actions answered that question, at least in the abstract. The sovereignty of Indian nations was affirmed.

This left tribes with two major tasks. First, they have had to *assert* the sovereignty promised by policy. Against the entrenched interests of federal bureaucracies, the resistance of state governments, and the efforts of numerous other interests making claims to tribal resources, tribes have had to struggle to make their sovereign status a practical reality, to turn the abstract promise of sovereignty embedded in the self-determination policy into genuine decision-making power. This has not been easy. It has involved court battles, lobbying in Congress, and in some cases a good deal of chutzpah as tribes have seized control of their affairs, displacing federal and other decision makers.

Second, tribes have had to back up their assertions of self-governance with the ability to govern effectively. It is one thing to have the power to govern; it is another to deliver effective

governance. The shift in governance from outsiders to tribes—a shift that many tribes have not yet been able to make—puts the spotlight directly on tribal capability. This is a fact the opponents of tribal sovereignty have been quick to point out, pouncing on every indication of tribal incapacity or incompetence in tribal government.

Real self-governance is a bit of a two-edged sword for tribes and tribal leaders. Once tribes are in the driver’s seat in reservation affairs, they begin to bear more responsibility for what happens in those affairs. When things go well, they are entitled to credit; when things go badly, they bear a larger share of the blame. As tribes exercise more and more real power, the argument that the federal government or some other set of outsiders alone is responsible for what’s wrong becomes less convincing. This doesn’t mean that responsibility rests solely with tribes. The long history of warfare, imported disease, land loss, cultural suppression, racism, and paternalistic federal control of reservations has had a lasting impact on Indian nations that continues to handicap them today. But the decisions tribes make now and the capabilities they bring to the tasks of self-governance are crucial determinants of tribal futures.

Assertions of sovereignty will have little impact on tribal socioeconomic conditions in the absence of effective governing capability. But what does effective governing capability involve? If successful development requires effective self-governance, what does effective self-governance look like? The key is the institutions through which tribes govern, the ways they organize themselves to accomplish collective tasks. One of the unfortunate consequences of a century of federal control of Indian nations is a legacy of institutional dependency, a situation in which tribes have had to rely on someone else’s institutions, someone else’s rules, someone else’s models, to get things done. On many reservations, tribal government has become little more than a grants-and-programs funnel attached to the federal apparatus. On others, tribes simply have adopted the institutions of the larger society without considering whether those institutions, in fact, are appropriate to their situations and traditions. Such dependency and blind imitation are the antithesis of self-determination.

For sovereignty to have practical effects in Indian country, tribes have to develop effective governing institutions of their own. Harvard Pro-

ject research indicates such institutions will have to provide the following:³

- Stable institutions and policies.
- Fair and effective dispute resolution.
- Separation of politics from business management.
- A competent bureaucracy.
- Cultural “match.”

Stable Institutions and Policies

The institutions of governance are the formal mechanisms by which societies organize themselves to achieve their goals. Through formal constitutions, charters, laws, codes, and procedures, and through informal but established practices and norms, a society establishes relationships among its members and between the society and outsiders, distributes rights and powers, and sets the rules by which programs, businesses, and even individuals operate. Those who deal with that society, whether members or not, look to those institutions to understand the rules of the game. They look to those institutions to tell them what their rights are, to tell them which decisions are likely to be politicized and which ones aren't, to tell them how to act in order to achieve their own goals, to tell them what to expect in their dealings with that society, and so forth.

As many developing countries around the world can attest, if governing institutions are subject to abrupt and frequent changes, then the rules of the game become uncertain. Faced with uncertain rules, investors are less likely to invest. Tribal members are less likely to put their energy and skills into the tribal future if they're uncertain what role politics will play in their jobs. Small business owners are less likely to start or expand their businesses if they think the rules of the game might change at any moment. A joint venture partner is less likely to commit if tribal policies and practices are inconsistent. In other words, instability in governing institutions discourages investment.

Instability comes not from changes in personnel, but from the changes personnel and politics make in institutions. Measured by unemployment and by sustained enterprise success, Cochiti Pueblo is one of the most successful tribes in Indian country. But the senior tribal administration changes on a yearly basis. One of the characteristics of Cochiti governance is that

the tribal executives you are dealing with this year probably will not be the ones you are dealing with next year. But while the senior personnel frequently change, the institutions of Cochiti governance—the rules of the game—seldom do. Rooted in Pueblo traditions and indigenous governing structures, they have enormous stability. This encourages both tribal members and nonmembers to invest energy and time and skill in the tribal future.

Governing institutions at some other reservations lack this stability. Sometimes the rules are unclear to begin with or are set on an ad hoc basis, making it impossible for anyone to know what to expect in dealings with tribal government. Sometimes newly elected officials change the rules to serve their own interests or those of their supporters. Sometimes the rules are simply ignored, having only a paper reality. In such cases, stability disappears. All too often, investment goes with it.

Fair and Effective Dispute Resolution

Governing institutions have to be able to provide consistently nonpoliticized, fair dispute resolution. They have to be able to assure people that their claims and disputes—including disputes with the tribe itself—will be fairly adjudicated. The key to doing this for most tribes is a strong and independent judicial system.

On many reservations, the tribal court is controlled by the tribal council. Either the judges can be fired by the council or president and serve at their pleasure, or the decisions of the court can be appealed to the council. Either way, the council or the president has the last word in disputes. This is not a promising environment for a potential investor. Consider a tribal member trying to start a small business on the reservation who has a complaint against the tribal council. Perhaps this person thinks the council unfairly canceled a lease on tribal land or is pressuring the new business to hire certain people, and the member goes to tribal court to complain. On some reservations, the tribal council is going to have the last word, either via appeal to the council or through political pressure brought to bear on tribal judges. In other words, the decision finally will rest with the very people who are the target of the complaint. Under those circumstances, the chances that the tribal member is going to get a fair shake are slim. Given the prospects, such investors are likely to take

their money or ideas or time or energy — and the jobs they might have produced — somewhere else.

At the Harvard Project we have examined sixty-seven tribes for which comparable information is available, and have found that those tribes that have strong, genuinely independent judicial systems outperform — economically — those that don't. The measure we used was employment. If you control for the effects of other factors on employment, you find that simply having an independent judicial system reduces unemployment, on average, by 5 percent.⁴ Thus, if a tribal council is looking for ways to reduce long-term unemployment on the reservation, one of the best things it can do is establish a strong, genuinely independent judiciary that can settle disputes and adjudicate claims fairly.

This illustrates the difference between a jobs-and-income strategy and a nation-building strategy. The jobs-and-income strategy says go find an investor or start a business. The nation-building strategy says build a judicial system that reassures investors, levels the playing field, and gives both tribal and nontribal businesses an opportunity to flourish. In fact, the lesson from Indian country is the same one that is being learned in the former Soviet Union, where investment in legal systems is the necessary foundation on which economic development is being built.

Separation of Politics from Business Management

Tribal governments have to be able to separate politics from day-to-day business decisions. On many reservations the tribal government — typically the tribal council or the tribal president — controls tribal businesses. Business decisions are made by the council; administrative and personnel disputes are referred to the council; and the council or president often assumes responsibility for much of the day-to-day running of the enterprise. At first glance, this may make sense to some people. After all, tribal enterprises belong to the tribe and the government represents the tribe; therefore, the government should run the enterprises. But most societies don't choose leaders on the basis of their ability to read market conditions or manage a labor force or negotiate purchasing agreements with suppliers. Societies ideally choose leaders on the basis of vision,

integrity, ability to make wise long-term decisions, leadership attributes, and so forth. When it comes to running businesses, what societies typically need is to find the best business people available, people who know how to make businesses succeed and become lasting sources of income, jobs, and productive livelihood.

To sustain businesses as businesses, rather than temporary welfare programs, requires a clear division of responsibility. The elected tribal leadership is responsible for the long-term future of the nation. Among other¹ things, leaders consider strategic issues: What kind of society are we trying to build? What uses should we make of our resources? What relationships with outsiders are appropriate? What do we need to protect and what are we willing to give up? These are proper matters for political debate and are the sorts of questions elected leaders appropriately deal with. But when it comes to things like hiring the new foreman at the plant; working out the payroll at the casino; dealing with personnel issues, purchasing, or operating hours; putting together the business plan for next year; or deciding how much the middle managers should be paid — these are not appropriately political matters. They are business matters, which should be decided by skilled business people working within the strategic directions set by the tribe but free of the interference of tribal leadership. When politics gets involved in business operations, businesses typically either fail or become a drain on tribal resources, preventing those resources from being used to the full advantage of the tribe. Businesses cannot compete successfully when the decisions are being made according to political instead of business criteria.

The Harvard Project has been carrying out a running survey of tribally owned businesses on reservations. To date, we have surveyed approximately 125 such businesses on more than thirty reservations. The results are compelling. Those tribally owned businesses that are formally insulated from political interference — typically by a managing board of directors and a corporate charter beyond the direct control of council members or the tribal president — are four times as likely to be profitable as businesses that are directly controlled by the council or the president. To be sure, there are some council-controlled businesses out there that are successful. But the evidence from Indian country shows that the chances of being profitable rise 400 percent

where businesses are insulated from political interference in day-to-day operations.⁵

Of course a tribe might decide that it is not interested in profits; it is interested in jobs. The enterprise, in this view, should employ as many people as possible; if it also makes money for the tribe, that's gravy. But our experience has been that, in a competitive environment, enterprises run as employment services invariably run into difficulties which typically threaten to bring the whole business down. Tribal enterprises in such situations have cost levels higher than is efficient. Their products therefore are expensive; sales tend to fall; and eventually the tribe—which typically doesn't have much money—has to subsidize the business, which often fails as political support evaporates. If an enterprise in a competitive market is not itself competitive, the jobs it creates won't last very long. On the other hand, a strategy that reinvests profits to maintain and expand the business, eventually employing more people, or that invests profits in new businesses, accomplishing the same thing, may produce fewer jobs today but far more jobs tomorrow.

A Competent Bureaucracy

The White Mountain Apache tribe in Arizona recently reached an agreement with the U.S. Fish and Wildlife Service under which the tribe is able to manage its forest and recreational resources in conformance with the Endangered Species Act. This agreement was a product of negotiations between the two entities over the Service's concerns about endangered species on the Apache reservation. The agreement avoided potentially costly litigation that would have pitted the Service's concerns against the Apaches' right to manage their own resources. Under the agreement, the Service recognizes Apache sovereignty, while the Apaches put in place a conservation plan that recognizes the endangered species concerns of the Service.

One of the key elements in the success of these negotiations was the Apaches' resource management capabilities. Over the years, the White Mountain Apache tribe has developed sophisticated forestry, wildlife, and recreational management capabilities. Among other things, they boast one of the most productive sustained-yield timber operations in the West and the country's premier commercial elk hunting operation. In other words, they have a competent,

sophisticated resource management bureaucracy. It gets things done and does them well. This capable bureaucracy has enabled them to assume the driver's seat as far as their natural resources are concerned. Without this capability, their claim to control over endangered species management would not have been credible. The Apache case illustrates how important it is to negotiate from strength—in this case the organizational and managerial strength of tribal government.

As Indian nations increasingly take over the management of social programs and natural resources on reservations, as they undertake ambitious development programs, as their governing tasks become more financially and administratively complex, their overall success. Attracting, developing, and retaining skilled personnel; establishing effective civil service systems that protect employees from politics; putting in place robust personnel grievance systems; establishing regularized bureaucratic practices so that decisions are implemented and recorded effectively and reliably—all of these are crucial to a tribe's ability to govern effectively and thereby to initiate and sustain a successful program of economic development.

Cultural "Match"

The task of governing institutions is to back up sovereignty with the ability to exercise that sovereignty effectively. That's where sovereignty pays off—in its effective exercise. But where do those institutions come from? Should they simply be imported from somewhere else?

Cultural "match" refers to the match between governing institutions and the prevailing ideas in the community about how authority should be organized and exercised. Such prevailing notions are part of the culture of a tribe or of any cohesive society. Governing institutions "match" a society culture when governing authority is exercised when, where, and by whom the society's norms—often unspoken and informal—regard as legitimate. Where cultural match is high, the institutions of governance tend to have a high degree of support in the community, commanding allegiance and respect. Where cultural match is low, legitimacy is low, and governing institutions are more likely to be toothless, ignored, disrespected, and/or turned into vehicles for personal enrichment.

Two of the tribes that the Harvard Project on American Indian Economic Development has worked with extensively are the White Mountain Apaches of the Fort Apache Reservation in Arizona and the Oglala Sioux of the Pine Ridge Reservation in South Dakota. Both have tribal governments organized under the provisions of the Indian Reorganization Act (IRA) of 1934. Both governments are classic IRA systems: Power is centralized in the tribal government, chief executive officers exercise extensive power, there is no independent judiciary, and there is executive oversight of business operations. In short, the tribal constitutions at Fort Apache and Pine Ridge are near replicas of each other, and the institutions of governance are largely the same on both reservations. But the performances of these two Indian nations are radically different. Economically, as we already have noted, the White Mountain Apaches are one of the most successful tribes in the country, having built a number of successful tribal enterprises in timber, manufacturing, and recreational tourism. Pine Ridge, on the other hand, is statistically the poorest Indian reservation in the country. The record of failed tribal enterprises at Pine Ridge is long and depressing. It has some of the highest rates of unemployment and related social problems in Indian country.

What's the difference? Resources certainly are part of it. The Fort Apache Reservation is blessed with a rich natural resource endowment, while Pine Ridge has comparatively less to work with. But resource differences cannot explain the very different record in the performance of tribal enterprises. Tribal businesses at Fort Apache tend to be productive and to last. Tribal businesses at Pine Ridge typically do poorly.

Our research strongly suggests that a central part of the difference has to do with the institutions of governance. Those institutions are essentially the same in structure. But in the Apache case, there is a much closer match with Apache traditions. In the Sioux case there is no match at all. A comparison of Apache and Sioux systems of governance prior to the mid-nineteenth century, before either tribe had come under the effective control of the United States, shows substantial differences between them. This comparison is summarized in Table 2.⁶

Traditional Apache government was centralized. It put enormous power in the hands of a single, charismatic leader. That leader selected the legislature or council, which was looked to for advice, but over which the executive had the last word. There was no independent judiciary; the chief executive resolved major disputes as chief judge and jury. He made the major economic decisions as well.

TABLE 2
IRA, Western Apache, and Lakota Governing Structures

<i>Typical IRA Governments (1930s...)</i>	<i>Western Apache Government c. 1850</i>	<i>Lakota Government c. 1850</i>
Centralized (single units, power concentrated in chairs or presidents)	Mixed (local band autonomy, power concentrated in single chiefs)	Decentralized (local band autonomy, power dispersed among individuals and institutions)
Modest separation of powers (strong executive, weak legislature)	Minimal separation of powers (strong executive, weak legislature)	Separation of powers (executive, legislative, judicial)
Directly elected executive oversees representative council	Directly elected executive selects council	Parliamentary design (council selects executive)
No independent judiciary (council or chair is court of appeal)	Judicial functions in hands of executive	Independent judicial and law enforcement functions (<i>Akicita</i> societies)
Executive or legislative oversight of business operations	Executive oversight of business operations	Separation of strategic affairs from day-to-day business operations

This traditional Apache system looks very much like the contemporary IRA government. By chance, when they adopted their IRA constitution, which was written by the federal government, the Apaches got a governing system that in many ways resembled the system they had developed over centuries on their own. As a result, the people tended to believe in that government, and still do so. The institutions of governance at Fort Apache have community support because they fit Apache conceptions of the appropriate organization and exercise of political authority.⁷ They have cultural match.

The situation is very different at Pine Ridge. Traditional Lakota government looked radically different from the contemporary IRA version. It placed little power in the hands of single individuals. A legislative council exercised the largest degree of power. In parliamentary fashion, that council chose four executives, called Shirt Wearers, who served at the pleasure of the council. The council also oversaw selection of a police force from among the warrior societies, called the *akicita*, and assigned them responsibility for enforcing the law and settling disputes. Once appointed, the *akicita* and their judicial powers were remarkably independent. There are cases in the historical record, for example, of the *akicita* physically beating members of the legislature and Shirt Wearers — chief executives — for failing to observe the law. Being able, by general cultural assent, to punish chief executives and legislators is persuasive sign of culturally legitimate judicial independence. Historic Lakota government also provided for a clear separation between strategic decisions and day-to-day business management. The council might decide where the camp should move next, or when to gather for the buffalo hunt, or whether to engage in raiding against another nation. When it came to the business of actually moving or hunting or going to war, the council chose individuals known to be superbly skilled in those managerial functions, and put responsibility in their hands. Once the hunt began, it was not the leaders of the nation, but the most skilled and knowledgeable hunters who held decision-making power. Indeed, traditional Lakota government was a highly sophisticated system, complete with its own separation of powers, checks and balances, and clear division of authority. What's more, it worked.

The IRA government at Pine Ridge looks very different today. It places enormous power in the hands of single leaders, has no effective sep-

aration of powers, muddies lines of authority, fails to place checks on the behavior of leaders, and offers no independent, impartial means for settling disputes. At almost every point; it departs from the political ways of the past. As a result, it has little legitimacy among the people. Few of them are willing to invest in those activities where the government exercises significant power. Those who do invest take significant risks. Some get burned, resources are squandered, and the chances of long-term prosperity disappear. What is at issue here is cultural match and the legitimacy of governmental institutions that it produces. The institutions of governance at Fort Apache match the culture of the people — their ideas about how authority should be organized and exercised — and therefore have legitimacy. The virtually identical institutions of governance at Pine Ridge have legitimacy with the Lakota people.

In short, the institutions of governance have to have legitimacy with the people if they are going to work. This is not necessarily a signal to revive traditional governing systems — those systems were designed to meet the problems of their time. Tribal governments operate in a very different environment today and often have to solve very different kinds of problems. Furthermore, not only have the demands on tribal governments changed, but in many cases the ideas carried in the community — tribal cultures — have changed as well. The trick is to invent governments that are capable of operating effectively in the contemporary world, but that also match people's ideas — traditional or not — about what is appropriate and fair.

THE BUILDING BLOCKS OF DEVELOPMENT

Putting in place effective institutions of self-governance is a critical piece of the development puzzle, but it is not the only one. Institutions alone will not produce development success. Sound institutions have to be able to move into action. In our research and in our work with Indian nations, we think about development as having four central pieces or building blocks: sovereignty, effective institutions, strategic direction, and decisions/action.

Sovereignty is the starting point; without it, successful development is unlikely to happen in Indian country. But, as we have argued above,

sovereignty has to be backed up with effective governing institutions. These provide the foundation on which development rests. Development itself, however, still needs focus. For most Indian nations, not just any kind of development will do. Most nations have priorities: aspects of their society or situation that they wish to change, features that they wish to preserve or protect, directions they see as compatible with their views of the world, directions they wish to avoid. The crucial issues for societies to decide as they put together a development agenda are these:

- What kind of society are we trying to build?
- What do we hope to change in our society?
- What do we hope to preserve or protect? What are we willing to give up?
- What are our development priorities (e.g., sovereignty, health, employment, income, skill development, etc.)?
- What are our development concerns (e.g., cultural impacts, environmental impacts, changing demographics, out-migration, etc.)?
- What assets do we have to work with?
- What constraints do we face?

The answers to these questions form the basis of a development strategy. They provide criteria against which development options can be evaluated and development decisions can be made. They do not tell a tribe what to do in every case, but they orient decision making to long-term goals and to the realities of the tribe's situation. Without a sense of strategic direction, there is a danger that the tribe will move into a reactive mode, responding to the agendas of funding agencies or outside investors instead of proactively pursuing its own goals and seeking ways to achieve them.

Finally, there are practical development decisions to be made and implemented: This is the action piece of the puzzle. In our experience, many tribes focus the bulk of their development attention on decisions/action, at the expense of institution-building and strategic direction. Faced with urgent problems and often transitory opportunities, tribal councils deal with development on a short-term basis, as a set of decisions that have to be made. A funding agency is willing to provide start-up funds for tourism; let's do that. An outside investor has offered an opportunity to start up a company but needs a decision now; what shall we do? The new tribal planner has put three business proposals before us; which ones should we pursue? Timber prices are up;

shall we increase the cut? all of these are real issues that need attention. But without appropriate and effective institutions, the council probably is trying to answer these questions with only limited information. And some may not be council business at all. Moreover, without some sense of strategic direction, it is not clear which options make sense. Under these conditions, development becomes a haphazard affair. In contrast, a tribe that has effective institutions in place and has developed a clear strategic direction not only is in a better position to make development decisions, but is more likely to see those decisions pay off.

Thus institutions and strategic direction are not only pieces of the development puzzle; they are building blocks: Successful development rests in part on them. These building blocks are shown in Figure 1. The arrow indicates the appropriate sequence of steps.

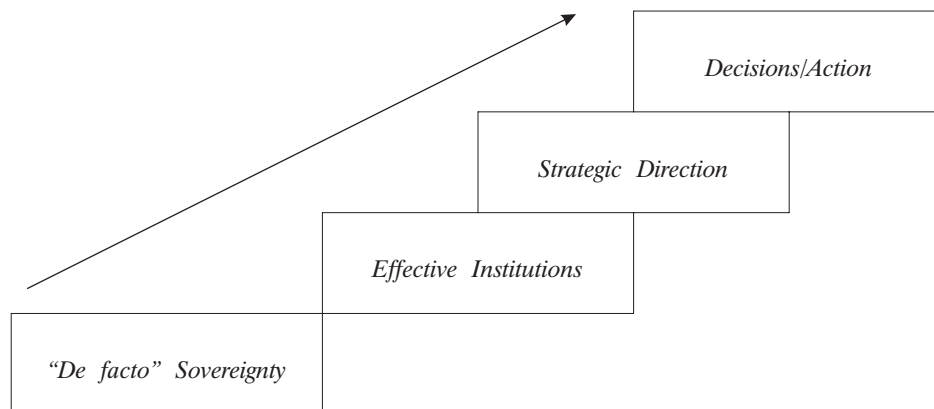
THE ARGUMENT FOR SOVEREIGNTY

Of the building blocks of development shown in figure 1, three are substantially under tribal control. It is up to tribes to put in place institutions that work, to determine their own strategic directions, and to make informed decisions and act on them. Sovereignty is different. Sovereignty is fundamentally a matter of the relationship between political entities, of the rights and powers they recognize each other as possessing. For example, the treaties signed between Indian nations and the United States typically included, among other things, explicit recognitions and specifications of relevant sovereign powers belonging to each party.

Figure 1, however, refers not simply to sovereignty, but to *de facto* sovereignty. By "*de facto* sovereignty" we raise the question. Who is acting as the effective decision maker in tribal affairs? Who is really deciding the economic strategy? Who is really deciding how many trees will be cut? Who is really deciding whether the joint venture agreement with an outside investor will go forward? Who is really deciding how the housing money will be spent? When the answer to these questions is "the tribe," we have *de facto* sovereignty—sovereignty in fact and in practice.

We have argued that a distinctive feature of the last twenty-five years in Indian-white

FIGURE 1
The Building Blocks of Economic Development



relations—and a critical foundation of tribal economic success—has been federal acknowledgment of tribal sovereignty as not only a legal but a practical matter. For tribes that have been willing and able to assert it, these have been decades of de facto sovereignty, of practical self-governance.

The attack on tribal self-governance—on sovereignty—which began in the mid-1990s is not new; tribal sovereignty has been under attack many times before. But the attack now comes at a time when many tribes, through the assertion of their sovereign powers and the development of institutions that can exercise those powers, have begun to put their sovereignty to effective use. At century's end, the attack continues in the Congress, the courts, state legislatures, and to some degree in public and media debate. This attack is both misguided and dangerous. There are legal and historical arguments for tribal sovereignty that we need not rehearse here. Another important argument, however, gets too little attention. Among the most powerful arguments for tribal sovereignty is the simple fact that it works. Nothing else has provided as promising a set of political conditions for reservation economic development. Nothing else has produced the success stories and broken the cycles of dependence on the federal system in the way that sovereignty, backed by capable tribal institutions, has done.

The history of Indian policy is amply clear on this point. The United States has been con-

cerned to overcome the dismal economic situation on Indian reservations at least since 1928, when the so-called Meriam Report marshaled massive evidence of reservation poverty and hopelessness.⁸ In its attempts to deal with those conditions, subsequent federal Indian policy has ranged across the map, from assimilationism to the termination of federal responsibility for tribes to multiplying social programs and explicit support for tribal governments. To date, however, only one federal policy orientation has been associated with sustained economic development on at least those Indian reservations that have exercised de facto sovereignty through their own institutions: the self-determination policy that emerged in the 1970s. In other words, not only does tribal sovereignty work, but the evidence indicates that a federal policy of supporting the freedom of Indian nations to govern their own affairs, control their own resources, and determine their own futures is the *only* policy orientation that works. Everything else has failed.

In our work, we cannot find a single case of successful economic development and declining dependence where federal decision makers have exercised de facto control over the key development decisions. In every case we can find of sustained economic development on Indian reservations, from the Salish and Kootenai at Flathead in Montana to the Mescalero Apaches in New Mexico to the Muckleshoots in Washington to the Choctaws in Mississippi, the primary economic decisions are being made by the tribe,

not by outsiders. In every case, the tribe is in the driver's seat. In every case, the role of the BIA and other outside agencies has shifted from decision maker to merely a source of helpful resources, from the controlling influence in decisions to advisor or provider of technical assistance.

We realize that in finding that sovereignty is the precondition of economic development on reservations we have reached a very pro-Indian conclusion, but it is based on the evidence. In fact, it is not surprising. The same lessons enumerated here have been taught to the world by former Soviet attempts to exercise the de facto decision-making role in Eastern Europe. Such a strategy did not produce successful economies there. It should come as no surprise that it does not work in Indian country.

The underlying logic to the finding that only sovereignty works in overcoming the long-standing problems of reservation poverty, dependence, and social ill-being is clear. As long as the BIA or some other outside organization carries primary responsibility for economic conditions on Indian reservations, development decisions will reflect the goals of those organizations, not the goals of the tribe. Furthermore, when outsiders make bad decisions, they don't pay the price of those decisions. Tribes do. As long as the outside decision maker doesn't pay the price of bad decisions, there's no incentive for that decision maker to make better decisions. Once the tribe is in the driver's seat, the situation changes. The quality of the decisions improves as the tribe pays the price of bad decisions and reaps the reward of good ones. Making the federal government bear responsibility for improving economic conditions on Indian reservations may be good political rhetoric, but it is bad economic strategy. When tribes take responsibility for what happens economically on reservations *and have the practical power and capacity to act on their own behalf*, they start down the road to improving reservation conditions.

In short, de facto sovereignty is an essential precondition for reservation economic development. A decade of Harvard Project research has been unable to uncover a single case of sustained development that did not involve the recognition and effective exercise of tribal sovereignty: the practical assertion by tribes of their right and capacity to govern themselves. There is a major policy lesson here: Sovereignty is one of the primary development resources any tribe can

have. The reinforcement of tribal sovereignty should be the central thrust of public policy. One of the quickest ways to bring reservation development to a halt and prolong the impoverished condition of reservations would be to undermine tribal sovereignty.

Furthermore, tribal sovereignty works not only for Indians; it has benefits for non-Indians as well. Around the country, economically successful Indian nations are becoming major players in local and regional non-Indian economies. The most abundant evidence of this fact comes from gaming tribes. The evidence is rapidly mounting that some Indian gaming operations are making major economic contributions not only in Indian communities, but in non-Indian ones: creating jobs, providing new business to non-Indian vendors of various kinds, attracting increased tourism to certain areas, expanding sales by local retailers, moving people off state welfare rolls, and increasing state income and sales tax receipts.⁹ On top of that are the major investments in non-Indian enterprises that some gaming tribes are making with their profits, becoming significant contributors of investment capital for non-Indian businesses.

Of course gaming is an easy activity to point to. The money involved is often substantial, it makes a big splash, and it captures the attention of the media. But other tribal economic activities also contribute to the economies of Indian and non-Indian communities. Tribes with successful economies—whether gaming is involved or not—typically become net contributors to the larger economies around them. We have already noted the Mississippi Choctaws, who are importing non-Indian labor because there aren't enough Choctaws to fill all the jobs they've created. Some non-Indians now look to the Choctaws for an economic future that is otherwise unavailable to them in that part of Mississippi. As noted above, the White Mountain Apache tribe has become a keystone of the non-reservation economy in east-central Arizona, bringing both people and dollars into Pinetop and Snowflake and other communities. When the tribe's natural resource economy was threatened by federal endangered species policies, not only did the tribe put itself in the position to exercise de facto sovereignty on species issues, but non-Indian communities around them organized *in support of* the tribe's assertions of self-rule. In Montana, it was not gaming that turned the Confederated Salish and Kootenai tribes of the

Flathead Reservation into a major economic force in the Flathead Valley, where their economy accounts for a significant part of the growth taking place in the corridor running from Missoula north toward Kalispell and Glacier National Park. Elsewhere, too, tribes that are engaged in successful economic development—with and without gaming—are moving tribal members off welfare, reducing the need for some social programs, helping families survive, taking over functions previously filled by the federal government, supporting the education of tribal members, and improving the quality of life on reservations. These activities reduce the support burdens on the rest of the society—on taxpayers—and reduce the squandering of human resources that has plagued Indian country for more than a century.

Such benefits as these also give states like Arizona, Mississippi, and Montana a major stake in tribal economic prosperity. And what is the foundation of tribal economic prosperity? It all comes back to sovereignty: rights and powers of self-governance and the ability to exercise them effectively. This set of connections—from sovereignty to reservation development to non-reservation payoffs—is largely left out of the thinking and tactics of those who would now squash tribal sovereignty. But what is the alternative? We believe the alternative to sovereignty and real progress on reservation development is a return to a system dominated by federal and state programs that perpetuate institutional and individual dependence and consign tribes to debilitating futures of poverty and despair.

CONCLUSION

The policy implications of this research can be summarized briefly. Economic development on Indian reservations is first and foremost a political problem. At the heart of it lie sovereignty and the governing institutions through which sovereignty can be effectively exercised.

This directs attention first to the federal and state policy levels, for it is at these levels that sovereignty, as a set of rights and powers, will be either affirmed or reined in. The lesson of the research is clear. It is increasingly evident that the best way to perpetuate reservation poverty is to undermine tribal sovereignty. The best way to overcome reservation poverty is to support tribal sovereignty. Furthermore, the evidence is mount-

ing that successful tribes, whether in gaming or skiing or timber or manufacturing or some other activity, can make important contributions to local, regional, and national economies.

At the tribal level, the lesson is that those tribes that build governing institutions capable of the effective exercise of sovereignty are the ones most likely to achieve long-term, self-determined economic prosperity. They are the ones who will most effectively shape their own futures, instead of having those futures shaped by others. For tribes, nation-building is the only game in town.

NOTES

1. We use the term *Indian country* loosely here to refer not only to the Indian reservations of the lower forty-eight states but to predominantly Native communities in Alaska. Although the U.S. Supreme Court ruled in February of 1998 in *Alaska v. Native Village of Venetie Tribal Government* that lands held by Native entities under the terms of the Alaska Native Claims Settlement Act (ANCSA)—in other words, most Native lands in Alaska—are not technically Indian country, Alaska's Native peoples face many of the same challenges as reservations. The legal and political conditions under which they have to operate differ significantly from reservation conditions in the lower forty-eight states, partly as a consequence of the court's decision. Nonetheless, the fundamental tasks of self-governance and nation-building remain much the same.
2. The Harvard Project on American Indian Economic Development is a research project operated under the auspices of the Kennedy School of Government at Harvard University and the Udall Center for Studies in Public Policy at The University of Arizona. The project is directed by Dr. Manley Begay (Harvard), Professor Stephen Cornell (Arizona), and Professor Joseph P. Kalt (Harvard).
3. Harvard Project results have been published in a number of places, but see especially the following papers by Stephen Cornell and Joseph P. Kalt: "Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations," in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, eds. Stephen Cornell and Joseph P. Kalt (Los Angeles: American Indian Studies Center, UCLA, 1992), 1–60; and "Where Does Economic Development Really Come From? Constitutional Rule among the Contemporary Sioux and Apache," *Economic Inquiry* 33 (July 1995): 402–26. See also the various papers published in the Harvard Project Report Series, available from the Harvard Project on American Indian Economic

- Development at the John F. Kennedy School of Government, Harvard University.
4. See Stephen Cornell and Joseph P. Kalt, "Successful Economic Development and Heterogeneity of Government Form on American Indian reservations," in *Getting Good Government: Capacity Building in the Public Sectors of Developing Countries*, ed. Merilee S. Grindle (Cambridge: Harvard Institute for International Development, Harvard University, 1997), 272.
 5. Some of this evidence is presented in Cornell and Kalt, "Reloading the Dice," 32.
 6. For a more detailed version of this comparison and for the sources on which it draws, see Stephen Cornell and Joseph P. Kalt, "Where Does Economic Development Really Come From?" 402-26.
 7. This is not to say that those institutions are conflict-free or that the individuals who serve in those institutions necessarily enjoy the same degree of support, but only that the institutions themselves appear to be viewed by most tribal members as legitimate.
 8. Lewis Meriam and Associates, *The Problem of Indian Administration* (Baltimore: Johns Hopkins Press, 1928).
 9. For a summary review, see Stephen Cornell, Joseph P. Kalt, Matthew Krepps, and Jonathan Taylor, "American Indian Gaming Policy and Its Socio-Economic Effects: A Report to the National Gambling Impact Study Commission," Cambridge: The Economics Resource Group. Inc., July 31, 1998. See also Joseph P. Kalt, *Testimony before the National Gaming Impact Study Commission*, March 16, 1998; Center for Applied Research, *The Benefits and Costs of Indian Gaming in New Mexico* (Denver: Center for Applied Research, 1996); Center for Applied Research, *Indian reservation Gaming in New Mexico: An Analysis of Its Impact on the State Economy and Revenue System* (Denver: Center for Applied research, 1995); John M. Clapp, et al., *The Economic Impacts of the Foxwoods High Stakes Bingo & Casino on New London County and Surrounding Areas* (Arthur W. Wright & Associates, September, 1993); Steven C. Deller, Amy Lake, and Jack Sroka, *The St. Croix Casino: A Comprehensive Study of Its Socioeconomic Impacts* Madison: University of Wisconsin Extension, 1996); Stephen A. Hoenack and Gary Renz, *Effects of the Indian-Owned Casinos on Self-Generating Economic Development in Non-Urban Areas of Minnesota* (Plymouth, MN: Stephen A. Hoenack and Associates, 1995); James M. Klas and Matthew S. Robinson, *Economic Benefits of Indian Gaming in the State of Minnesota* (Minneapolis: Marquette Advisors, 1997); James M. Klas and Matthew S. Robinson, *Economic Benefits of Indian Gaming in the State of Oregon* (Minneapolis: Marquette Advisors, 1996); Minnesota Indian Gaming Association and KPMG Peat Marwick, *Economic Benefits of Tribal Gaming in Minnesota, 1992* (Minnesota Indian Gaming Association, April 1992); James M. Murray, *Direct and Indirect Impact of Wisconsin Indian Gaming Facilities on Wisconsin's Output, Earnings, and Employment* (Madison: University of Wisconsin Extension, 1997); James M. Murray, *The Impact of American Indian Gaming on the Government of the State of Wisconsin* (Madison: University of Wisconsin Extension, 1993). Dennis J. Nelson, Howard L. Erickson, and Robert J. Langan, *Indian Gaming and Its Impact on Law Enforcement in Wisconsin* (Attorney's Process and Investigation Services, Inc., 1996).

REVIEWS OF
CURRENT BOOKS
AND LITERATURE



Editor's Introduction

Yale Belanger

In this issue we present a review of one book that examines the emergence and evolution of an Aboriginal political organization in mid-twentieth century Canada.

In *The Indian Association of Alberta: A History of Political Action*, Laurie Meijer Drees addresses issues associated with Aboriginal political organizing in Alberta that to date have gone largely unanswered. For example, what were the ideas that drove young Aboriginal leaders to form political organizations, how did the IAA work within the confines of the Indian Act system, and was cooperation and accommodation viewed by IAA leaders as a necessary evil or were organizational motivations more dynamic and complex?

This is a provocative book that while answering a range of questions also begs for more research to better define the scope of Aboriginal organizing in the twentieth century and how it has come to influence Canadian politics.

BOOK REVIEW

*The Indian Association of Alberta:
A History of Political Action*

Laurie Meijer Drees

Vancouver: UBC Press, 2002

ISBN 0-7748-0876-4, Cloth (\$85.00) and Paper (\$29.95), 272 pp.

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Yale D. Belanger

The emergence of Native political organizations in the late nineteenth and early twentieth centuries is a movement that has to date resulted in little academic study. The existing literature about Aboriginal organizations focuses primarily upon the development of Indian political organizing in Canada's west coast region, focussing most specifically on the creation and evolution of the British Columbia-bred Union of Allied Indian Tribes. Available investigations are at best limited inquiries that are chronological rather than critiques of the philosophies that drove young Native leaders to organize. Among the available studies that provide a glimpse into the emergence of Canadian Native political organizations' include those by Peter Kulchyski, Norma Sluman and Jean Goodwill, and E. Palmer Patterson. E. Brian Titley also provides us insight into the life of Duncan Campbell Scott, the director of Indian Affairs during the period in which Native political organizations began to proliferate and who resisted vociferously the propagation of said organizations.

The exception this commentary is Paul Tennant's *Aboriginal People and Politics*, a regionally specific study chronicling the evolution of a variety of B.C. Indian organizations responding to the 'land question'. Notwithstanding Tennant's work, available studies do little to explicate the political ideas and philosophies that influenced Indian leaders to create political organizations. To wit, this field of study has to date been inadequately investigated, which is why Laurie Meijer Drees' *The Indian Association of Alberta: A History of Political Action* is such a welcome contribution. An extension of Meijer Drees doctoral dissertation that will no doubt generate studies similar in scope, *The Indian Association of Alberta* chronicles the development of the IAA, founded in 1939 to represent the interests of Alberta's reserve communities while simultaneously granting Indian peoples access to politics at the grassroots level. This work endeavours to reveal the Native perspective regarding 'Indians' social placement' in Canada during this seminal period of organizing.

Meijer Drees begins by immediately attacking the idea that the IAA's leaders were bent on separating from Canadian society, arguing that the goal of men such as John Callihoo and Joe Dion, both of whom were assisted by prominent Metis leaders Malcolm Norris and James Brady, was to work within the Canadian political superstructure. The IAA leaders also incorporated traditional political and organizing precepts that had guided Blackfoot culture through the post-contact phase of European-Native interaction. The author presents to the reader an IAA established by southern Alberta Native leaders that integrated Canadian political ideas into a traditional governing process to facilitate cross-cultural political interaction.

In addition to establishing a general timeline concerning the evolution of the IAA, the author takes the time to investigate decisive events that at times led to internal dissention and at other times led to advancing a sense of collective identity among its members. Meijer Drees claims four major points centring this study. First, the IAA led an entire generation of Indian leaders to emerge beyond the Indian Act sanctioned band council format; second, IAA leaders generated a shared understanding of what was possible working within the Canadian political system; third, the study challenges the notion that Native prairie organizing is a contemporary phenomenon; and lastly, and perhaps most importantly, the IAA's "history indicates the extent to which Indian peoples were connected to the social history of non-Indians" (191).

As one reads through this work it is telling how closely connected IAA Indian leaders of the 1930s and 1940s believed they were to the federal government. Meijer Drees portrays the IAA leadership as willing to work with federal politicians, which resulted in those same leaders forming an organization that was identifiable to Canadian politicians. Utilizing a hierarchical and centralized governing process guided by its constituent communities reminiscent of that of a labour union's utilization of locals for support, the IAA of the mid-1940s peppered the Canadian government with briefs, engaged supporters such as John Laurie to pen correspondence and garner non-Native support, and confronted the Canadian government's policy decisions as they related to prairie Native populations.

In all, the IAA early on promoted equality without assimilation while at the same time

drawing the public's attention to social issues rather than treaty rights in order to promote community desires that would lead to cross-cultural political interaction designed to benefit all involved parties. It wasn't until the 1960s and Harold Cardinal's ascension to IAA leader that the Association was transformed from "a grassroots reserve-based association to a modern urban First Nations political group" by accepting "federal funds," (163). The IAA of the late 1960s became enthusiastically and more specifically concerned with treaty rights, although the IAA always implicitly sought protection of these rights. This is demonstrative of the IAA's various permutations resulting from changes in the federal political and community social, economic and political environments transcending the study's 30-year period.

The author's use of supporting documentation to substantiate the aforementioned claims is impressive. To coin a phrase, Meijer Drees left no stone unturned in her investigation. In addition to employing the expected texts and academic articles, the Special Joint Committee proceedings from 1948 and 1961 were included, as were both Canadian and U.S. government archives related to the IAA. The Glenbow Museum archives housing the papers of Joe Dion, John Laurie, James Gladstone, in addition to the IAA papers were also tapped, as were the private papers of Hugh Dempsey, Murray Dobbin and Cynthia Downe. Personal interviews with a number of the IAA's major players or influential associates including Harold Cardinal, Stan Cuthand, Hugh Dempsey, and Downe give life to a narrative replete with colourful characters and political machinations, whether at the grassroots, provincial or federal level. The participants' personal insight provides context to events that while important to the telling of the story may have not been fully understood without an insider's view to guide the reading.

This volume's intended audience is primarily academic, and while it would make an excellent addition to most graduate courses concerned with First Nations political history, the book is written in an accessible style that would appeal also to lower division students. In sum, Meijer Drees has produced a significant work that will act to guide authors investigating the emergence of Native political organizations throughout Canada.

TOOLKITS



Editor's Introduction

Robert B. Anderson

Welcome to the first “Toolkits” section of the Journal of Aboriginal Economic Development. This section will be a regular feature in future issues. In it, we will publish practical articles of interest to economic development officers and others actively involved in business, community and economic development. While we expect the topics to vary widely, all the articles will have one thing in common. They will contain information and tools useful to practitioners in their day-to-day activities. We hope you find that the article that follows on the use of the internet in business planning meets this test.

To ensure that future articles do, we want to hear from you. Do you have ideas for future articles? Do you have a particular tool or approach that you feel others might find useful? Are you willing to share it? Are you searching for a tool or approach to tackle a particular challenge or problem? What is it? If you are searching, so are others. Maybe some have found something they can share.

Some ideas under consideration are cash-flow projections for new ventures, market research, structuring of joint ventures, writing

effective business plans, monitoring, feedback control systems for venture performance, and annual reports as effective communications tools. We are sure that there are many other possibilities. Please offer your suggestions to the toolkits editor using the contact information below.

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INTERNET RESOURCES

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Robert B. Anderson

This paper presents an overview of internet resources that you might find useful as you study and/or set out to do entrepreneurship and business development. The material is presented in four sections. In the first section, a variety of sites are described that explore the process of entrepreneurship and business development in some detail. If you want to know more about entrepreneurship and the economy, opportunity identification, business plans, market research, sales forecasting, strategic marketing, operations planning and management, and financial projection and financial planning, these sites are for you. The second section contains descriptions of several sites that you might find useful as you conduct market research. In the third section, you will be introduced to a selection of sites that provide business planning software, the most notable being Industry Canada's "Interactive Business Planner". The chapter ends with a section on sites related to Aboriginal economic development, entrepreneurship and business development.

ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT SITES

There are many internet sites devoted to the subject of entrepreneurship. One of the best is the Canada Business Service Centres (CBSC)

site and its associated sub-sites offered in partnership with each province. The CBSC site can meet most of your entrepreneurship and business development needs, either directly or through links to other useful sites. In the remainder of this section we will explore some of the principal features of the CBSC site and touch on some others briefly.

The starting point for exploring the CBSC site in English is depicted in Figure 1. There is a similar French homepage. As you can see there are seven primary links on the page. There is also a logo called "Aboriginal Business Service Network". We will be exploring the links on the right, "Business Start-Up Assistant", Interactive Business Planner" and "Online Small Business Workshop" in some depth, the first and third in this section, and the second in section 3. We will also consider the "Aboriginal Business Service Network" link in section 4. The other links on the CBSC homepage are also useful and you should explore them.

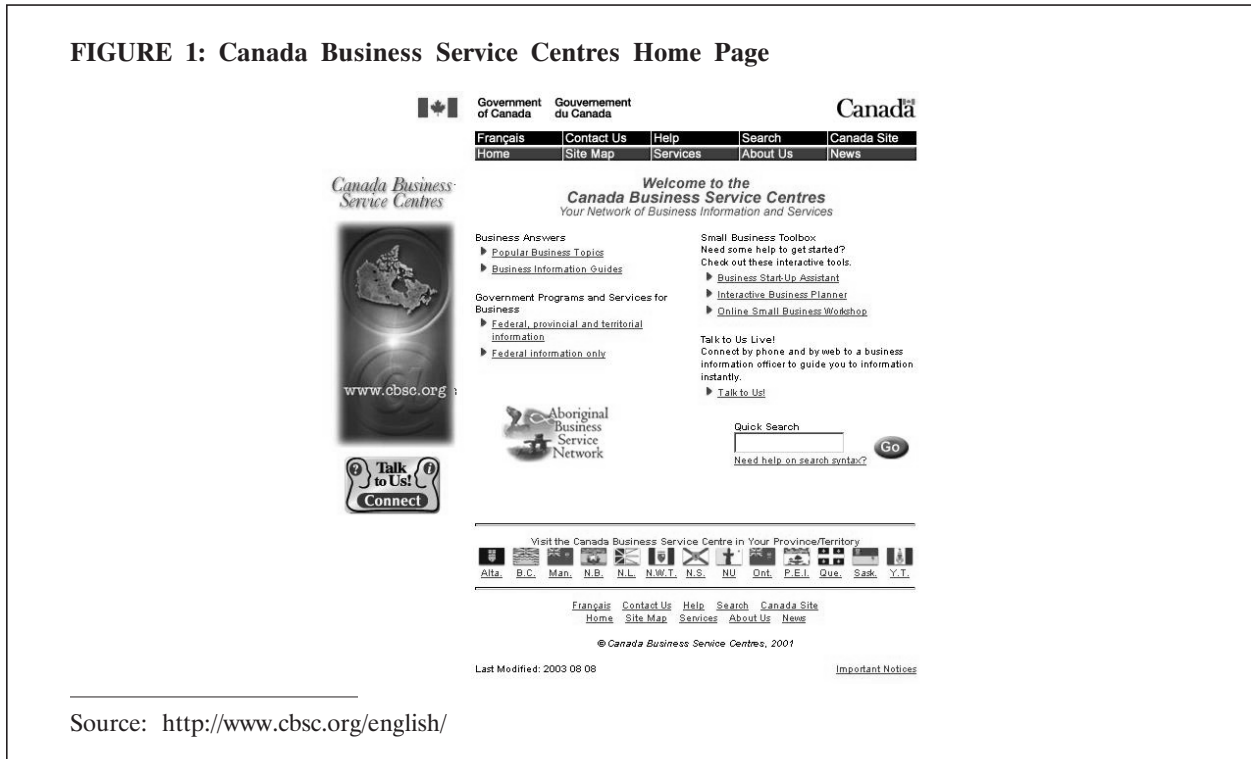
Business Start-Up Assistant

If you follow the link "Business Start-Up Assistant", you will find yourself at the page that appears in Figure 2. You will find two major headings: Step 1 and Step 2. Step 1 allows you to select the appropriate province. Step 2 is a list of topic links that includes everything from

Faculty of Administration, University of Regina.

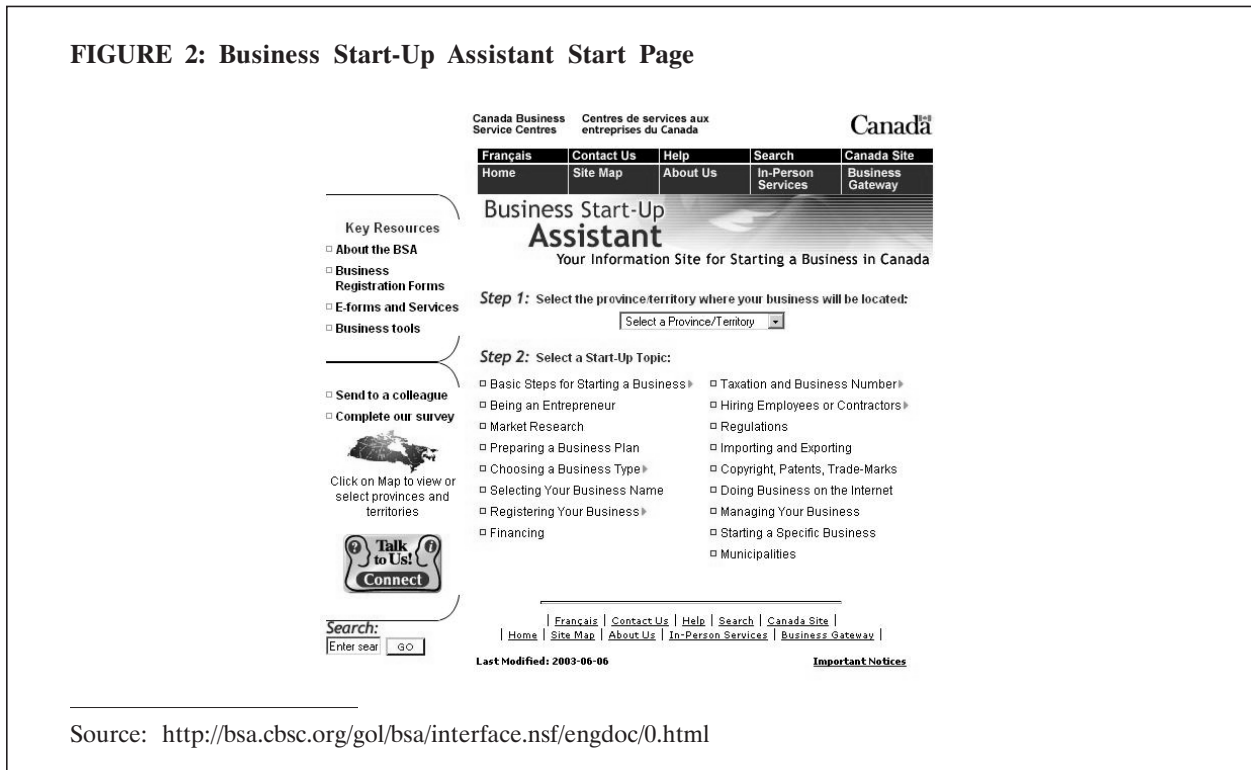
This article was based on Robert B. Anderson, *Aboriginal Entrepreneurship and Business Development* (Toronto: Captus Press, 2002), chapter 14.

FIGURE 1: Canada Business Service Centres Home Page



Source: <http://www.cbosc.org/english/>

FIGURE 2: Business Start-Up Assistant Start Page



Source: <http://bsa.cbosc.org/gol/bsa/interface.nsf/engdoc/0.html>

general topics such as “Basic Steps for Starting a Business” and “Being an Entrepreneur”, to functional ones such as “Market Research” and “Financing”, and finally very specific items such as “Taxation and Business Number”. We will look at several of these links to give you a sense of the quantity of information that you have literally at your fingertips.

Select a province and then click on the link “Basic Steps to Starting a Business”. On the page that appears select “How to Start” and you will find yourself at the webpage shown in Figure 3. As you can see, there are 12 links on the left side of this page that will take you a variety of sites addressing a number of start-up

related topics. Some are CBSC links while others will lead you to new and useful resources such as those on the site of the Canadian Bankers Association.

Another helpful link on the Business Startup Assistant page (Figure 2) is “Market Research”. If you click on this link you will arrive at the Market Research page. The links on this page are divided into three categories (i) “Starting with a Good Idea”, (ii) “Starting Your Market Research”, and (iii) “Creating a Marketing Plan” and (iv) “Statistical Sources”. In the next paragraphs we will briefly look at each of these.

The links in the “Starting with a Good Idea” category are related to opportunity identi-

FIGURE 3: Getting Started in Small Business

The screenshot shows the 'Business Start-Up Assistant' website for Saskatchewan. At the top, there are navigation links for 'Français', 'Contact Us', 'Help', 'Search', and 'Canada Site'. Below this is a table with 'Home', 'Site Map', 'About Us', 'In-Person Services', and 'Business Gateway'. The main heading is 'Business Start-Up Assistant' with the subtitle 'Your Information Site for Starting a Business in Canada'. The page is categorized under 'Saskatchewan - How to Start' and 'General Information and Guides'. A list of links includes: 'Checklists For Going Into Business - Canada-Saskatchewan Business Service Centre', 'Feasibility Checklist for Starting a Small Business - Canada-Saskatchewan Business Service Centre', 'Points to Consider When Starting Your Own Business - Canada-Saskatchewan Business Service Centre', 'Online Small Business Workshop - Canada Business Service Centres', 'Business Start-up Info-Guide - Canada-Saskatchewan Business Service Centre', 'Aboriginal Info-Guide - Canada-Saskatchewan Business Service Centre', 'Startup Kit, Step by Step Guide to Starting a Business - Women Entrepreneurs of Saskatchewan Inc.', 'Entrepreneurship & Small Business - Saskatchewan Industry and Resources, Government of Saskatchewan', 'Guide for Canadian Small Businesses - Canada Customs and Revenue Agency', 'Minding Your Own Business - Human Resources Development Canada', 'Getting Started in Small Business - Canadian Bankers Association', 'Your Guide to Government of Canada Services and Support for Small Business - Government of Canada', 'Aboriginal Business Services Network', and 'Aboriginal Resource Guide - Canadian Bankers Association'. Other sections include 'Legal Aspects' with links like 'Legal Issues in Starting a Business' and 'Questions to Ask Before You Sign a Lease', 'Setting Up an Office' with links like 'How Will You Operate?' and 'Working Out of the Home', 'Buying a Business' with links like 'Buying a Business' and 'Forty Concepts for a Small Business', and 'Electronic Magazines and Portals' with links like 'PROFITguide.com' and 'Small Business Canada Magazine'.

Source: <http://bsa.cbcs.org/gol/bsa/interface.nsf/engdoc/12.2.2.html>

FIGURE 4: Business Plan

The screenshot shows the 'Business Start-Up Assistant' page for Saskatchewan. At the top, there are navigation links for 'Français', 'Contact Us', 'Help', 'Search', and 'Canada Site'. Below this is a table with 'Home', 'Site Map', 'About Us', 'In-Person Services', and 'Business Gateway'. The main heading is 'Business Start-Up Assistant' with the subtitle 'Your Information Site for Starting a Business in Canada'. A breadcrumb trail shows 'Home > Saskatchewan > Preparing a Business Plan'. The page is categorized under 'Saskatchewan - Preparing a Business Plan' and includes a 'Web Tool' section with links to 'Interactive Business Planner' and 'Interactive Export Planner'. A 'General Information and Guides' section lists various resources like 'Your Business Plan - The Blueprint of Your Business Venture' and 'Business Plan Guide - Canada-Saskatchewan Business Service Centre'. A 'How to Prepare a Business Plan' section provides links to specific guides for different business types. A 'Business Plans from Banks' section lists 'Scotiabusiness Plan Writer' and 'TD Canada Trust Business Planner'. At the bottom, there is a search bar and a 'Send to a colleague' option.

Source: <http://bsa.cbcs.org/gol/bsa/interface.nsf/engdoc/12.5.html>

fication, the key to success in entrepreneurship and business development. The third link in the “Starting With a Good Idea” category leads you to the opportunity identification section of the “Online Business Workshop”. We will talk about this workshop in the next section. Try the fourth link — “Can You make Money with your Idea . . .?”. It will lead you to a long document that addresses the following questions “You’ve Got an Idea? Great!”, “You’ve Got an Idea? So What?”, “Can You Exploit Your Idea?”, “Is your Idea Original?”, “How . . . Produced and Delivered?”, “Will Your Idea Make Money?”, “Can You Protect Your Idea?”, “Is There Any Hope?”, “Where Can You Go For Help?”, and “Are You Being Unreasonable About Your Chances?”. What could be more important to you as you assess various opportunities than the answers to these questions. Explore the other links in “Starting with a Good

Idea”. You are bound to find an abundance of useful information.

Don’t neglect the “Starting Your Market Research”, “Creating a Marketing Plan” and “Statistical Sources” categories on the “Market Research” page. The links in the research category lead to information that will assist you in conducting market research. Those on the marketing plan will help you perform this critically important function. In the statistical sources section lead to sites containing useful market research data. We will examine several more closely in the Section 2 of this chapter.

Finally let’s examine one last link from the “Business Start-Up Assistant” start page — “Preparing a Business Plan” (see Figure 4). This page has links in three categories. The first category contains only two links, both useful. The first leads you to the “Interactive Business Planner”, the topic covered in Section 3. The second

FIGURE 5: Online Small Business Workshop Start Page

Government of Canada / Gouvernement du Canada Canada

Fr nais | Contact Us | Help | Search | Canada Site
 CBSC | Business Planner | Business Start-Up | Home

Welcome to the
Canada Business Service Centres
 Your Network of Business Information and Services

OSBW - Workshop

Session 1
[Starting with a Good Idea](#)
[Exploring Business Opportunities](#)
[Forty Concepts for a Small Business](#)
[Evaluating Your Ideas](#)
[Protecting Your Idea](#)

Session 2
[Marketing Basics](#)
[Marketing Primer](#)
[Researching Your Market](#)
[Sales Forecasting](#)
[Business Promotion Idea List](#)

Session 3
[Financing Your Business](#)
[Equity Financing](#)
[Long Term Debt Financing](#)
[Short Term Debt Financing](#)
[Alternative Sources of Financing](#)

Session 4
[Planning Fundamentals](#)
[Preparing a Cash Flow Forecast](#)
[Preparing a Business Plan](#)
[Sample Business Plan](#)

Session 5
[Basic Regulations for Getting Started](#)
[Proprietorship, Partnership or Incorporation?](#)
[Taxes](#)
[Becoming an Entrepreneur](#)
[Start Up Checklist](#)

Session 6
[Setting up an E-business: The Basics](#)
[Marketing](#)
[Technologies](#)
[Regulations](#)

Quick Search

 Need help on search syntax?

Fr nais | Contact Us | Help | Search | Canada Site
 CBSC | Business Planner | Business Start-Up | Home

  Canada Business Service Centres, 2001
 Jointly presented by Our Partners

Last Modified: 2003/04/28 [Important Notices](#)

Source: <http://www.cbsc.org/osbw/workshop.cfm>

leads to an export guide that is helpful if you intend to operate in international markets. From the second category, “General Information and Guides”, one link you might find particularly helpful is “Your Roadmap: The Business Plan” on the Canadian Bankers Association website. Here you will find a good description of a business plan and a discussion of its importance. You will also find a business plan outline you might find useful. Before leaving the page, explore the links in the final section—“How to Prepare a Business Plan”. All you will ever need to know about writing a business plan is at your fingertips.

This completes our quick look at CBSC’s “Business Startup Assistant”. We have only touched on what is available. The links not followed also contain a wealth of useful information. Explore them for yourself. Next, we will examine the CBSC’S “Online Small Business Workshop”.

Online Small Business Workshop

The “Online Business Workshop” is available from the CBSC’s home page (Figure 1). If you follow the link you will find yourself at

the workshop’s start page as reproduced in Figure 5. As you can see the workshop consists of six sessions (i) “Starting with a Good Idea”, (ii) “Marketing Basics”, (iii) “Financing Your Business”, (iv) “Planning Fundamentals”, (v) “Basic Regulations for Getting Started”, and (vi) “Starting an E-business”. Within each of these sections there are several subsections. We will briefly consider each of the sections and subsections in turn.

Session 1 of the CBSC’s “On-line Small Business Workshop” deals with opportunity identification under four headings (i) “Exploring Business Opportunities”, (ii) “Forty Concepts for a Small Business”, (iii) “Evaluating Your Ideas”, and (iv) “Protecting Your Idea”. The first of these sections is quite brief. It presents an overview of the opportunity development process suggesting it involves three steps.

1. Develop several ideas from your concept.
2. Evaluate your ideas.
3. Prepare a business plan

The second link in Session 1, “Forty Concepts for a Small Business” opens the door to a wealth of information. As you can see, the forty concepts are organized under five headings. The

first heading considers existing businesses. Here, too, there are five links. The first two provide information about purchasing an existing business or acquiring a franchise. The other 3 links under the existing business heading also contain useful information.

Next, look at the second heading on the “Forty Concepts for a Small Business” webpage — “Take Advantage of the Market”. You will find reference to incongruities, demographic changes, taking existing products to new markets, creating new products and other ideas. Each of these items is a link. If you follow the links you will find each of the concepts is discussed under three headings (i) “Some examples”, (ii) “How to do it”, and (iii) “Key questions”. I think you will find this material extremely useful as you search for your own innovative opportunities.

The third “Forty Concepts” heading, “Ideas for Manufacturing and Assembly”, follows smoothly on the second. Here again there is a list of ideas that you can explore under the same three headings — “Some examples”, “How to do it”, and “Key questions”. The final two headings and their links are also worth exploring. The fourth focuses on opportunities that exist in the supply chain. The fifth offers some service and retail ideas.

Now back to the “On-line Workshop” (Figure 5). The third major heading in Session 1 is “Evaluating Your Ideas”. If you follow this link you will find yourself on a page with a list of 20 items you should consider when evaluating your opportunity. Again each of the 20 items in the list is a link. If you follow the link you will find a description of the item as well as links to material elsewhere in the “Online Small Business Workshop” that you might find useful. For example follow number 1 — “create a profile of your paying customer”. You will find 2 paragraphs that discuss the concept and a link “your customer”. If you follow this link you will find yourself in the “Marketing Primer” section of Session 2. Here you will find information about what a customer profile is. Try the other links. You will find a wealth of information useful in starting and managing a business.

The final major heading in Session 1 is “Protecting Your Idea”. Here you will find a discussion of the various methods that can be used to protect intellectual property. They include copyright, trademark, patent, industrial design and integrated circuit topographies. Depending on the nature of your opportunity, you may find

one of these methods of protecting your idea applicable.

Moving on, we will now look at Session 2 of the online workshop — “Marketing Basics”. As you can see in Figure 5, this session consists of 4 major sections (i) “Marketing Primer”, (ii) “Researching Your Market”, (iii) “Sales Forecasting”, and (iv) “Business Promotion Idea List”. Take a look at “Marketing Primer” Here you will find a discussion in answer to the question “who is your customer?”. You might find the market profile that is part of the answer to this question useful. The primer then goes on to consider elements of the marketing mix, particularly product and price. There are three links at the end of the section that lead you to further helpful material on pricing.

The next two sections of Session 2 may be the most useful in the on-line workshop. Market research and sales forecasting are two challenging tasks. The more you can learn about both the better. First, take a look at “Researching Your Market”. You will find six links (i) “Where to find information”, (ii) “Observe your competition”, (iii) “Talk to your suppliers”, (iv) “Talk to your customers”, (v) “Surveys and focus groups”, and (vi) “Hire students to do a survey”. Explore each of them. You find some valuable suggestions that will help you as you do your market research. Don’t miss the three links at the end of the page that lead to sources of additional information on market research. Explore them as well.

Now, go to the “Sales Forecasting” page. Here you will find four titles (i) “Factors that can affect sales”, (ii) “Sales forecasting for a new business”, (iii) “Sales forecasting for an existing business”, and (iv) “Sales forecasting and the business plan”. We will concentrate on “Sales forecasting for a new business”. This section is the most useful in an entrepreneurship and business development context, although you should explore the other three as well.

When you follow the link number 2 “Sales forecasting for a new business” you will find a four-step approach to sales forecasting described in some detail. The four steps are

1. Develop a customer profile and determine the trends in your industry.
2. Establish the approximate size and location of your planned trading area.
3. List and profile competitors selling in your trading area.

4. Use your research to estimate your sales on a monthly basis for the first year.

Read the discussion about each of the steps.

On to Session 3 of the online workshop. It addresses financing in four sections (i) "Equity", (ii) "Long Term Debt", (iii) "Short Term Debt", and (iv) "Alternative Sources of Financing". As you follow each link you will find a good summary of the characteristics of equity and each type of debt. In addition, there is a section describing what the providers of each of the kinds of financing expect from someone approaching them for financing. Notice in each case that a business plan plays a critical role. Which leads us to Session 4 of the online workshop — "Planning Fundamentals".

The business plan is a critically important document; and it is a difficult one to write. Anything that will improve your ability to do so is valuable. Session 4 addresses the business plan under three headings (i) "Preparing a Cash Flow Forecast", (ii) "Preparing a Business Plan", and (iii) "Sample Business Plan". The first section is very useful. It can help you with a key business planning chore — cash flow forecasting. In a very real sense, projected cash flows are a summary of everything in a business plan. The cash flow statement along with projected balance sheets and income statements are usually the first thing the reader of a plan examines, especially if the plan has been submitted in pursuit of financing.

Section two of Session 4 addresses the business plan under four heading: (i) "Why Prepare a Plan?", (ii) "Business Concept", (iii) "Financial Plan", (iv) "Approaching Lenders", and (v) "Attracting Investors". Sections (ii) and (iii) address the content of a business plan while (iv) and (v) discuss how to use the plan to attract financing. Section three is self-explanatory. It is a sample business plan. The first page presents the section headings of the plan as links. Interestingly, the headings do not follow the outline used in Section 2! If you follow a heading link it will lead you to that section of a business plan for Light-Guard Manufacturing, Ltd. Try them all. Doing so will help you develop a sense of what must be included in a business plan. Don't stop with this one sample plan; explore the others available on the sites mentioned elsewhere in this chapter.

The fifth session of CBCS's workshop is titled "Basic Regulations for Getting Started". The first section begins with a discussion of the

forms of business organization and their relative advantages and disadvantages. In addition, you will find links to various sites that provide information about registering a proprietorship, partnership or corporation in each of the provinces and territories. These links open the door to a wide range of additional information about doing business in a particular province or territory. For example, if you follow the Saskatchewan link you will see headings about registration, taxation, labour standards, health and safety, workers compensation, and the like.

The second section of Session 5 deals with taxes. At the top of the page you will find 9 headings. Of the first eight, seven describe particular taxes and one the business number. You might find some or all of the links helpful. The ninth is the most interesting from the perspective of Aboriginal entrepreneurship and business development. It will help you understand which of the seven taxes might apply in your particular circumstances. However, the process is not simple. When you follow the link all you will find is a brief paragraph that refers you to the Canada Customs and Revenue Agency (CCRA) website. If you go to that site and use the document search you will find the following documents are available

1. 97-211 Indian Settlement Remission Orders Tax Relief
2. B-039R GST Administrative Policy — Application of GST to Indians
3. CPT124 Application for Coverage of Employment of an Indian in Canada under the Canada Pension Plan whose income is exempt under the Income Tax Act
4. P-230 Application of the Excise Tax Act to Leases Licenses and Similar Arrangements of Tangible Personal Property by Indians, Indian Bands and Band Empowered Entities
5. TD1-IN Determination of Exemption of an Indian's Employment Income

You may find some or all of these documents useful. You may also find other useful tax related material on the CCRA site.

Two final comments about taxation an Aboriginal context. First, it is an incredibly complex subject and one where professional advice may be necessary. Unlike employment regulations and regulatory bodies (discussed below), you are unlikely to get useful advice from the Canada Customs and Revenue Agency. Second, before deciding on profession advice contact one

of the large accounting firms. Most have prepared publications on Aboriginal taxation and distribute them free of charge. Of course, they do so because they hope to become your professional advisor.

The third section of Session 5 is called "Becoming an Employer". It contains a wealth of information about your responsibilities as an employer. There are a number of regulatory bodies involved, some provincial and some federal. The workshop provides links to these bodies and you should explore them. Unless you plan to operate a one-person business you will have to be familiar with all the things mentioned. As with taxation, employment regulation issues can be complex, particularly in an Aboriginal context. You will need advice. The first place to go is to the regulatory body itself. They can usually answer your questions. The final section of Session 5 and of the online workshop is a "Start-Up Checklist". It deals with technical and regulatory issues, not opportunity and business development ones. Nonetheless, you might find it useful.

Session 6 focuses specifically on E-businesses. You might find it useful if yours is such a business or you are considering adding E-business features to an existing business.

This concludes our discussion of the Canada Business Service Centre site and related ones. This overview has just touched the surface of what is available. Follow the links and explore. There is an incredible wealth of information on how to do entrepreneurship and business development 'out there' on the web.

MARKET RESEARCH SITES

Once you have identified your target market in terms of such things as age, income, education level, gender, occupation, location and the like, there are a number of internet resources than can help you determine the size of the potential market and develop your sales forecasts. Statistics Canada is one of the best sources of secondary data for markets in Canada. Other countries have similar agencies that are equally good sources for information about their population.

A good starting point to explore the Statistics Canada website is its home page at <<http://ww2.statcan.ca/>>. Here you make a choice between French and English. You will yourself on the start page of the language of

your choice. There are many links on the start page. We cannot consider them all, but you should explore those that interest you. One of the most useful is the link at the top of the page "Canadian Statistics". If you follow this link you will find yourself on the page reproduced in Figure 6. Reading the links on the page will tell you that you are at the gateway to a treasure trove of information. The challenge is to find data useful in answering your market research questions.

A good place to start is with the link "Communities Profiles" at the bottom of the page. If you follow the link you will find yourself at a page asking you to enter a community name (Figure 7). Let's assume you are interested in starting an Aboriginal childcare centre in Fort Qu'Appelle Saskatchewan. This community is a service community to several surrounding First Nations. You can obtain a profile on the town itself and the surrounding reserve communities. The profile for Fort Qu'Appelle is reproduced in Figure 8. The one for Standing Buffalo, one the reserve communities, is shown in Figure 9. These are just the start pages for the profiles. Look at the list of titles on the right side of each page. Try them all; you will be amazed at the amount of information available. You can even compare your selected community to province or the country as a whole.

Much information you need about the target market for your Aboriginal childcare centre should be available from the community profiles. Explore the links and see if the information available can help you answer the childcare market research questions below

1. How many Aboriginal families with young children lie in the market area?
2. How many of these families might require childcare? For how many children? How often?
3. Where does the largest concentration of potential users live within the market area? What means of transportation will they use to reach your centre?
4. What is the income level of your target market? Do they have the ability to pay the fees you must charge to make the centre viable?
5. Is the market growing and if so by how much?

Whatever your opportunity and wherever it is in Canada, if you formulate your market research

FIGURE 6: Statistics Canada: Canadian Statistics

The screenshot shows the Statistics Canada website interface. At the top, there are logos for Statistics Canada and Statistique Canada, along with the word "Canada". Below this is a navigation menu with links for Français, Contact Us, Help, Search, and Canada site. A secondary menu includes The Daily Census, Canadian Statistics, Community Profiles, Our products and services, Home, and Other links. A search bar is present with a "GO!" button. The main content area is organized into several sections: The Economy (with sub-links for Latest indicators, Economic conditions, Primary industries, and Census of Agriculture), The Land (with sub-links for Geography and Environment), The People (with sub-links for Population, Education, Labour, employment and unemployment, and Health), and The State (with sub-links for Government and Justice and crime). Below these sections, there are several informational paragraphs and links, including "Community Profiles", "Learning resources", "Canadian Economy Online", and "Canada at a glance". At the bottom, there are promotional banners for "The Daily", "Studies by Statistics Canada", "CANADIAN SOCIAL TRENDS", and "CANADA A PORTRAIT". A footer contains navigation links (Home, Search, Contact Us, Français), a date (2003-11-07), and an "Important Notices" link.

Source: <http://www.statcan.ca/english/Pgdb/>

questions similarly, you should be able to answer many of them using the community profiles. Another path to information on Aboriginal communities is the link “2001 Aboriginal Peoples Survey Community Profile” on the Community Profiles page (Figure 7).

Don’t limit yourself to the profiles. Try the other links on the page reproduced in Figure 6. For example, if you wanted some information about forestry as you consider an opportunity in the sector you might find the link “Primary Industries” useful. If you try it you will find it leads to a page with further links to information about the sector in general and the agriculture, fishing and trapping, forestry and logging, and energy and mining subsectors. Try the logging link and look at the information available. While

you’re there, look at the information available for the other primary industry categories; and try the other links on the main page.

Another excellent source of information is the Strategis Website of the federal department of Industry and Commerce. Actually it is not so much a site, as a gateway to many other sites. The homepage is at <<http://strategis.ic.gc.ca/>>. Selecting English will lead you to the start page reproduced in Figure 8. The links across the top of the page and down the left side are the most useful. It is impossible to do more than provide an overview of most useful of them.

One particularly useful link is “Business Information by Sector” on the left side of the page under the heading “Subjects”. If you fol-

FIGURE 7: Community Profiles

Source: <http://www12.statcan.ca/english/Profil01/PlaceSearchForm1.cfm>

FIGURE 8: Strategis English Start Page

Source: <http://strategis.ic.gc.ca/cgi-bin/allsites/motd/motDspl.pl?lang=e&link=/engdoc/main.html>

FIGURE 9: Performance Plus

Source: <http://strategis.ic.gc.ca/epic/internet/inpp-pp.nsf/vwGeneratedInterE/Home>

low it you will find yourself faced with an alphabetical index among other things. Let's investigate forestry. Click on "F"; then select "Forestry/forest industries. You will find yourself on a page of links to sources of information about forestry. Try a few of them. Then try another sector, perhaps sporting goods. Whatever your opportunity, you should be able to find information about the sector in which you intend to compete. Instead of using the alphabetical index, try the link "Industrial Category". It will lead you to another page of links by industry category. Try the link "Sporting Goods". You will find yourself on a page with a number of links down the left side. Each of these explores an aspect of the sporting goods industry.

Next try "Researching Markets" from the left side of the start page under the heading "Strategis Guides". There are a number of links divided into domestic and foreign categories. Try link number 3 "Canadian Industry Statistics" from the domestic group. You will find yourself on a page with links to industry sectors. Let's explore sporting goods. It is not on the list so type the words into the search field and see what you can find. The Standard Industrial

Code (SIC) number appears as a link; follow it. Explore the headings across the top of the page and see what you can learn about the sporting goods industry. You can do the same for your opportunity, what ever it is.

One other Industry Canada site is particularly useful. It is called Performance Plus and can be found at <<http://strategis.ic.gc.ca/epic/internet/inpp-pp.nsf/vwGeneratedInterE/Home>>. If you select "English" you will find yourself at the page reproduced in Figure 9. Follow the link "What is Performance Plus". As you will read on the page that appears

Performance Plus gives instant access to benchmark financial data that can help small businesses construct a business plan. This tool also helps new and established firms find out where they stand as compared to a relevant industry average.

Let's use Performance Plus to construct a profile. From the start page follow the link "Build Your Own Profile". Here select a year, geographic region and business type from the list provided in the pull-down menus and "continue". Now select an industry type by exploring the list. Expand categories. Should eventually find some-

thing is a good match for the business that interests you. Try “Agriculture, Forestry, Fishing and Hunting” (category 11) from the list and click on “Expand”. Now select “Fishing, Hunting and Trapping” (category 114) and “Expand” again. Select “Fishing” (category 1141) and try to “Expand”. No new category appear. You have reached the greatest level of detail possible. Now “Create a Report”. You will find a table appears giving costs as a percent of revenue for various sizes of fishing operations. The list of industries is exhaustive. You should be able to find your opportunity there, whatever it is.

This cost information can be used for several purposes. If you are considering the feasibility of several opportunities, you can use the cost data to help you assess their relative financial attractiveness. When preparing a business plan you can use the data to identify and project the costs you can expect to incur. This will help you prepare your budgeted cash flow statement, and proforma income statements and balance sheets and supporting schedules. For both new ventures and existing ones you can use the cost information to help develop standard costs for use in the budgeting, implementation, and performance evaluation process.

There is much more on the Strategis website. Explore it when you have time. You never know when you will come across something you will find particularly useful.

Business Planning Sites

In this section we are going to consider business planning sites that offer users tools to use when preparing a business plan. There are many such sites. For example, each of the Canadian chartered banks has downloadable business planning software on their sites. So do other financial institutions in Canada and elsewhere. Many American sites offer business planning advice and tools. Four of the better sites are the *BizPlanit* at <<http://www.bizplanit.com/vplan.htm>>, *inc.com* the website of *Inc. Magazine* at <<http://www.inc.com/>>, *entreworld* the site of the Kauffman Center for Entrepreneurial Leadership at <<http://www.entreworld.org/>>, and the *American Express Small Business* site at <<http://www.americanexpress.com/homepage/personal.shtml>>. In the remainder of this section, we will concentrate on a Canadian business planning site—*The Interactive Business Planner* (IBP). You can reach it from the Canadian Business Service Centres

home page at <<http://www.cbcs.org/english>>. Simply click on the “Interactive Business Planner” link and select French or English.

A word of the caution, the planner does not do the hard work for you. You still need to search out the answers to all the planning questions. What it does do is two things. First, it gives you direction as to the kind of information for which you need to search. Second, once you have provided it, the planner organizes the information into a *rough draft* of a business plan. Before you take a plan generated by the IBP to a lender or other audience, you should do considerable editing and re-writing in order to produce a smooth flowing and readable document. What comes out of the planner can be disjointed and choppy with many small sections and a poor flow of ideas.

The Interactive Business Planner

The first page “Welcome to IBP” provides a brief introduction to the program (Figure 10). It is also the gateway to the rest of the site. There are three links on the left of the page that lead you to (i) an introduction to the program, (ii) a series of pages about business planning, and (iii) the business planner, itself. The first of the three links called “Introduction to the IBP” provides further information about the program in sections titled

1. What is the IBP?
2. How will the IBP assist you in preparing a business plan?
3. What are the key features in the IBP?
4. How do I navigate through the IBP?
5. What browsers does the IBP work best with?

and

6. How do I prepare to use the IBP?

A careful reading of all these sections is essential if you are considering using the IBP to prepare your plan.

The second link on the start page “About Business Planning” takes you to an overview of the business planning process under four headings (i) “What is a business plan?”, (ii) “What’s included in a business plan?”, (iii) Why is a business plan important?”, and (iv) What are some guidelines for preparing a good business plan?”. This section provides a good overview of the nature and content of a business plan. For example, there is a list of the sections that

FIGURE 10: Interactive Business Planner

Canada Business Service Centres

Interactive Business Planner

Canada

Français

Welcome to the IBP - the Interactive Business Planner

The IBP is the first business planning software product designed specifically to operate on the World Wide Web. The IBP uses the capabilities of the Internet to assist entrepreneurs prepare a 3 year business plan for their new or existing business.

With the IBP, you will:

- be guided through each section of your business plan using a question and answer format.
- learn definitions and tips, and view sample business plans to help you to write your own plan.
- have financial projections prepared for you, based upon the information you provide, and
- use the power of the Internet to assist you in researching your business plan.

Introduction to the IBP

About Business Planning

Create New Plan or Continue Existing Plan

Canada Business Service Centres

NUNAVUT NWT YUKON BC AB SASK MAN ONT QUE NB NS PEI NFLD

[Nunavut](#) | [YK](#) | [NWT](#) | [BC](#) | [AB](#) | [Sask](#) | [Man](#) | [Ont](#) | [Que](#) | [NB](#) | [NS](#) | [PEI](#) | [NFLD](#)

[About This Site](#) | [Important Notices](#)

Source: http://www.cbcs.org/ibp/home_en.cfm

appear in most business plans. You might find this a useful outline. Notice also the discussion about length and the suggestion that 10 to 25 pages are usually sufficient. In addition, several important points appear under the heading “Useful Guidelines”. Numbers four — Write yours own plan; five — Outline the key points; six — Make sure your financial projections are believable; and seven — Do the executive summary last, offer particularly valuable words of advice.

The final link on the start page leads you to the business planner itself. Try it. To do so, follow the instructions provided in the “Introduction to IBP” and those that appear step by step as you use the planner.

Aboriginal Sites

The purpose of this section is to provide information about sites that related to entrepreneurship and business development in an Aboriginal context. A useful starting point for finding such sites (and others on Aboriginal topics) is the *Aboriginal Canada Portal*. This site is a compilation of links to Aboriginal sites on a wide range

of topics. The list of topic appears down the left side of page reproduced in Figure 11.

Two particularly pertinent categories for our purposes are “Economic Development” and “Business”, although many others might also prove useful; for example, “Claims and Treaties”, “Employment” and “Language, Heritage and Culture”. Try the category “Economic Development”. You will find yourself on a page with a large number of potentially useful links. The links are organized into seven groups to help you find what you need. Take for example the group “Financing”. The links in this group lead to a variety of sources of information that would be particularly useful in developing the financial plan for a business venture. You will find the category “Business” organized in a similar manner. Explore the categories and links that interest you. You will be lead to more links that open up a vast trove of information.

One link in the “Organization” section of the “Economic Development” category leads to a site of particular interest to people involved in economic development in Aboriginal communities; that of the Council for the Advancement of Native Development Officers (CANDO). CANDO is an organization established and run

FIGURE 11: Aboriginal Canada Portal

Source: <http://www.aboriginalcanada.gc.ca/abdt/interface/interface2.nsf/engdoc/0.html>

by people doing economic development in an Aboriginal context. It offers training and professional certification and a variety of other services to its members. Explore the links on the CANDO's homepage (Figure 12) to learn more about the Council.

Another potentially useful gateway to Aboriginal site is the *Aboriginal Business Service Network* accessible from the CBSC site depicted in Figure 1. If you go to the CSBC site and click on the logo for the network you will find yourself on the page reproduced in Figure 13.

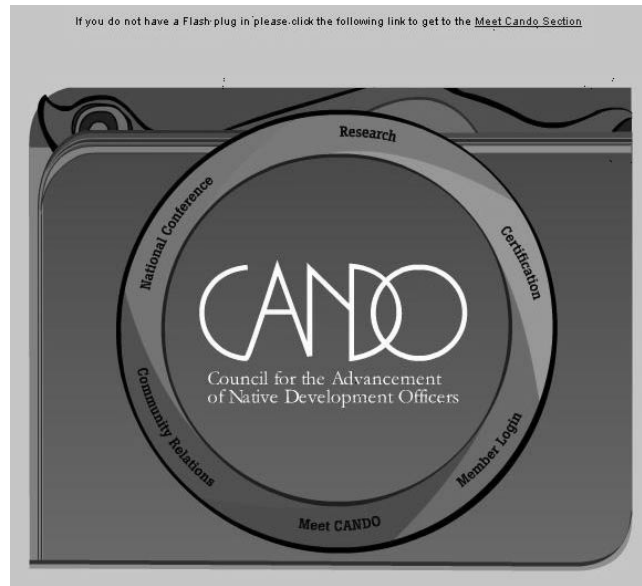
The links in the right-hand column under the heading "Small Business Toolbox" are the same as those we already discussed in Section 1. While very useful, there is nothing specifically Aboriginal about them and we have discussed all of them earlier. The second group of links on the left side of the Aboriginal Business Service Network is called "Directories". This link will be of interest to you if you are looking for an Aboriginal Business or if you want to register your business. The later is particularly useful if you feel your company has products or services that might be of interest to government departments or agencies. If you think government is a

potential target market, follow the "Directories" link and then the link "Aboriginal Supplier Inventory". You will find yourself on a page titled *Procurement Strategy for Aboriginal Businesses*. As a starting point, explore the first link on the page to learn more about the strategy and whether there is a fit between it and your business. If there is, you can register.

You may find the final item on the right hand column interesting. Simply titled "Links", it lead to a page of topics that are each links to additional information. For example, try the link "financing". You will find yourself on a page that offers further links to information on the First Nations Bank of Canada, Peace Hills Trusts, the Calmeadow Foundation: First People's Fund, and so on. Depending on your information needs, you might find one or more of these sites useful.

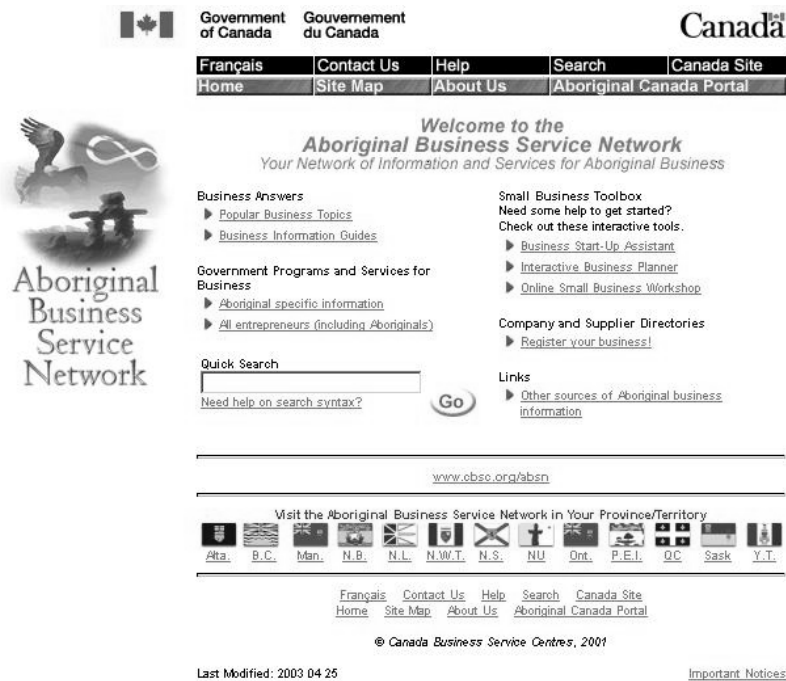
The links on the left hand column all have one thing in common; they lead to pages with additional links. For example, if you follow the link to Aboriginal-specific programs and services, you are provided with a set of categories. Some are sectoral: for example, petroleum, fishery and forestry. Others are task- or activity-related: for

FIGURE 12: Council for the Advancement of Native Development Officers



Source: <http://www.edo.ca/>

FIGURE 13: Aboriginal Business Service Network



Source: <http://www.cbsc.org/english/absn/index.cfm>

example, start-up and export. Still others related to some aspect of business activity: for example, human resources, marketing and communication. As you follow links of interest, you will be provided access to a wide range of sites with information that may prove useful. One that most people involved in economic development would find useful is "Start-up". Clicking on that link brings up a list of 19 more links leading to information on a range of programs providing assistance of various types to people and/or communities interested in starting a business.

Last but not least, the websites of the three national Aboriginal organizations are wonderful

starting points from which to explore Aboriginal issues of all kinds including economic development. The homepages of the three are

1. the Assembly of First Nations (<http://www.afn.ca/>),
2. the Inuit Tapisariat (<http://www.tapirisat.ca>), and
3. the Metis Nation Council (<http://www.metisnation.ca/>)

For an international perspective, examine the material on the site of the *Center for World Indigenous Studies* at <http://www.cwis.org/cwisinfo.html>.

Journal of Aboriginal Economic Development

Submission Guidelines

The Journal of Aboriginal Economic Development is a peer-reviewed journal for practitioners and scholars working and researching in areas relevant to Aboriginal economic development. Its intent is to explore ideas and build knowledge in the field of Aboriginal economic development theory and practice. The journal prefers a broad interpretation of research and knowledge and encourages a wide variety of forms of contributions in this area.

JAED features four sections: **Learning from Experience**, **Lessons from Research**, **Reviews of Current Books and Literature**, and **Tools and Resources** — each with its own editor. Please send five copies of your manuscript. Contributions may vary in length, depending upon the section they are written for. We are looking for submissions in the range of 20–25 pages, or about 5,000 words for research papers, book reviews of about 1,000 words, and experience sections of about 2,000–3,000 words. Manuscripts submitted should be single spaced with 1.5 inch margins all around and page numbers at the bottom middle. The title page should indicate the section for which you are submitting. All identifying information should be restricted to this one page. Review for publication will take approximately 6–8 weeks from time of receipt.

Manuscripts should be sent to: Veronica Vinge (<vvinge@edo.ca> or cando@edo.ca), Research and Policy Manager, CANDO, 200, 10404, 66th Ave., Edmonton, Alberta, T6H 5R6. A copy of the final revised manuscript, in Microsoft Word® format, saved on an IBM-compatible disk should be included with the final revised paper copy. Research submissions should conform, where practical, to the *Publication Manual of the American Psychological Association* (4th edition), however the journal is flexible in its format and encourages creativity and innovation.

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