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Volume 3, Number 1

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A SPECIAL ISSUE ON SUSTAINABILITY

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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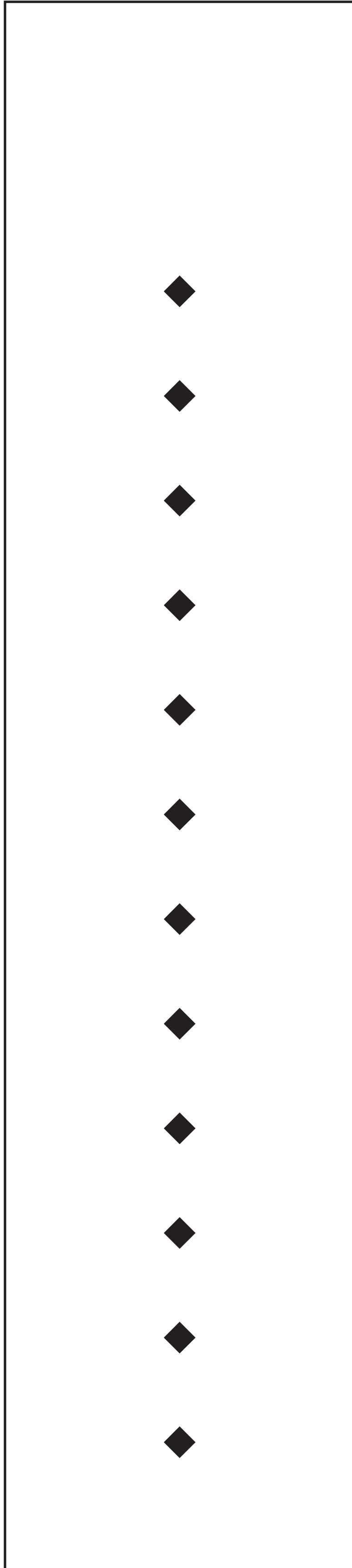
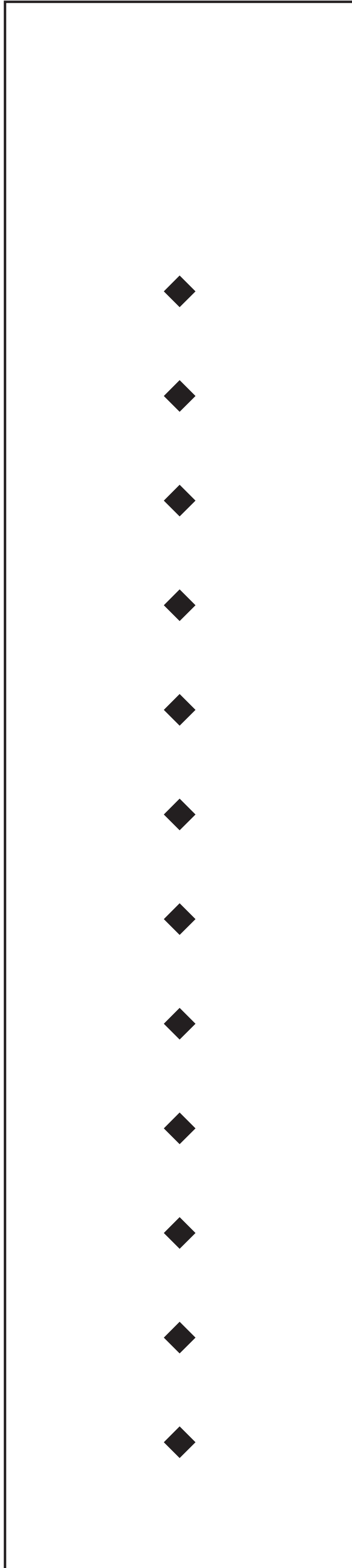


The Artist

This issue of the *Journal of Aboriginal Economic Development* features cover artwork by Henry Letendre, commisioned by CANDO to express the theme of sustainability. Henry Letendre was born in northern Alberta at Fort Chipewyan in 1942. His grandfather, Bernard Letendre, was Cree and his mother and father are Metis. He is the youngest of seven children and was raised in Fort McMurray, Alberta. He finished high school in Fort St. John, British Columbia. He is a completely self-taught artist. He started painting on particle board in 1972 using an oil color and water color technique. Over the years it has developed into a unique painting style suitable to the particle board. Having lived in the north and now in the open prairie, he is able to express himself freely of both environments. Since 1981 he has pursued his art full-time, travelling the prairie provinces marketing his own work, and painting as he travels. Letendre's artwork is displayed in art galleries and found in private and corporate art collections across Canada.



Editors' Comments

... And so, with all this we hope you are now more comfortable and we have helped to ease your burden. We hope these words have helped to restore a sound mind, body and spirit. We hope that now you may focus, with a clear and good mind, on the words of thanksgiving, the Ohentonkariwatehkwen (the words that come before all others). We celebrate the fact that life exists, for we understand that it is by pure chance that it does.

And so it is Sonkwaiatison, our Creator, that as we prepare to begin this new day, we take a few moments to centre ourselves, to reflect on who we are, on our place within the Circle of Life, and on our responsibilities to all of Creation.

We begin by turning our thoughts to you, Ietinistenhen Ohontsa, our sacred Mother, the Earth. We know that you are sick and you are dying at this time because of the way we, the two-legged, show you disrespect and abuse of your gifts. And yet despite this, your love for your children is such that you continue to provide all we need to survive on a daily basis. You continue to fulfil your responsibilities and carry out your duties in accordance with the instructions given you in the beginning of time. For this we are grateful. And so it is, we turn our minds to you, we acknowledge you and we give thanks. So be it in our minds . . .

Kanatiio (Allen Gabriel) Kanesatakeronnon
(Kanesatake Mohawk, Bear Clan)

The Thanksgiving Address noted here is from the first volume of the Royal Commission on Aboriginal Peoples. It is offered on a daily basis by those Mohawk people who follow their tradition. It provides a daily opportunity to give thanks and to reconnect with all of life. Not all Mohawk reconnect in this way and those who share similar sentiments often express them within their own religious

practices. This short portion of the Address reminds us of what we as Aboriginal people bring to the discussion of sustainability. We bring a perspective on the questions of life based in tradition, spirituality, or at the least some of us bring the promise of a view that enriches and informs the current research perspective on these questions. We are also part of the challenge of disrespect and abuse of our Earth Mother as some of our communities make damaging development choices.

In this volume, we do not offer all the answers but we do offer insights into the way Aboriginal peoples in Canada and scholars of Aboriginal economic development are adding to the vision of sustainability for our children. Some communities are choosing strategies that focus on non-renewable resource development and they are tapping into the same technologies as other companies in those industries. Others are working with alternative technologies and embracing the most modern, leading edge ways of developing their resources. Most of the communities highlighted here have strategies that encompass a variety of ways of meeting their needs and vision for the future. Scholars have presented their findings in this area of study and provide thorough, sensitive analyses and recommendations.

The communities that do not have a voice in this special volume dedicated to sustainability are those communities who still face challenges in changing their cultures of dysfunction, abuse, and distrust, and of limited opportunity. This volume is dedicated to those communities who are still struggling. My prayers are that you find the personal strength to give all the needed support to leaders strong in community visions for dignified livelihoods for all members. If the gifts of our Earth Mother are honoured as they are used then the promise of what Aboriginal people might offer to the rest of the world will be met. Take the hope that is offered here.

Peace and good health, Wakchan

Learning from Experience

Editor's Introduction

Warren I. Weir

The concept of "Sustainable Development" became the key issue in development thinking after the World Commission on Environment and Development released its report *Our Common Future* in 1987. The report, which is more commonly referred to as the Brundtland Report — named after the Chair of the Commission, Gro Harlem Brundtland — called on international cooperation and action to develop national policies that would promote and maintain sustainable development on a global scale. The Brundtland Commission defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (p. 43).

The Brundtland Commission was borne out of international economic and environmental concern related to "third-world" debt, poverty, global financial instability, industrialization, waste management, population growth, environmental destruction, the depletion of the ozone layer, natural resource exploitation and depletion, urban expansion, and the cultural extinction of indigenous groups and tribal knowledge.

Sustainable development was held out as a broad solution to these and other global problems. Like many other general concepts however, the Commission's broad definition of sustainable development quickly became a handy buzzword meaning all things to all people. It could be argued that little has changed since the release of the report. Yet many international leaders and economic theorists continue to believe that the solution to the world's environmental and economic development woes rest in approaches that promote "sustainable" development.

Much of the debate to date about how sustainable development should be operationally defined and put into practice has occurred at the local community level. As we see in this section, this debate about the meaning of sustainable development and attempts to apply "sustainable" economic development in meaningful ways are also taking place in many Aboriginal communities located across Canada. It is important to note that this section reflects lessons from experience. As the title of this section suggests, the following six papers present a number of community and individual perspectives on sustainable development.

The first piece in this section is a brief commentary on sustainable development as viewed through the eyes of Lynn Katsitsaronkwas Jacobs, a Mohawk woman from the Kahnawake Mohawk Territory. She starts by asking the critical question, "What exactly does sustainable development mean?" She concludes that to date government-directed sustainable development policies do not seem to fit the needs of Aboriginal communities. Instead she suggests that Aboriginal communities adopt sustainable development policies that are based on indigenous concepts and traditional values that promote, among other things, sustainable lifestyles and livelihoods.

In the second, fourth and sixth papers, Ross Smith presents three cases related to different aspects of community-based sustainable development in practice. These cases profile community development in the Buffalo Point, Walpole Island, and Fort William First Nations consecutively. The cases touch on the importance of planning, institutional development, and sustainable development that includes community participation.

The third paper, by Dr. Wanda Wuttunnee, looks at "Partnering Among Aboriginal Communities" by focusing on the work of the Tribal Councils Investment Group (TCIG), based in Manitoba. The TCIG allows those First Nations involved to participate in larger-scale economic initiatives. The case study includes quotes from the leaders and managers involved in the creation and operation of the investment group.

The fifth paper is a case study of the Kanata Healthy Housing Project, a Mokawk initiative that promotes sustainable housing for residents of Kahnawake, Quebec. In the case, Lynn Katsitsaronkwas Jacobs recounts briefly the history of the project, and comments on the importance of such initiatives within her community.

In conclusion, these case studies and practical viewpoints lend to and assist in the ongoing empirical investigation and development of academic theories related to experiences and trends in Aboriginal community and sustainable economic development — the content of the next section. In this way, the journal continues to promote the connection of practical experience to research and theoretical development.

As an editorial endnote, it is important that people interested and involved in Aboriginal community and economic development hear about the myriad of community-based projects taking place in indigenous communities located across Canada. The Journal of Aboriginal Economic Development is the perfect medium to share with economic development officers and managers those initiatives in which you and your community are involved. The articles do not have to be lengthy — a page or two will do. Your piece can describe a project or it can highlight the challenges and opportunities involved in planning for or implementing such a project. It can be your own personal reflection on a community development project or experience. It can be a case study, or an initial (qualitative) exploration of a specific issue or community development practice. In any event, the Journal is looking for your input. Enjoy the current issue!

A COMMENTARY ON SUSTAINABLE DEVELOPMENT

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Lynn Katsitsaronkwas Jacobs

What exactly does sustainable development mean anyway? It seems to be the catch-word of our generation. Yet many people perceive that word with uncertainty and big question marks. Maybe that's because there are so many different perspectives of what sustainable development actually looks like.

When referring to sustainable development most people go back to the Brundtland Report, or "Our Common Future" report, which defines sustainable development as "*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*." Although this 1986 definition is important in that it brought the notion of sustainable development to the mainstream society, it is certainly not the birth of the concept as many have come to believe.

The concept of planning for the Seventh Generation, or the faces yet to come, was an integral part of indigenous decision-making long before the Brundtland Report. Through the intimate knowledge of our traditional territories upon which we survived, indigenous peoples have been living this concept since time immemorial. Having been given the instructions by the Creator to act as caretakers of Mother Earth and all of her children, the indigenous peoples of Turtle Island (North America) live in a kinship relationship with the environment of which we form an integral part. Consider these words of the Peacemaker of the Haudenosaunee (People of the Longhouse and of the Iroquois Confederacy) from many many centuries ago:

> Think not of yourselves, O Chiefs, nor of your own generation. Think of continuing generations of our families, think of our grandchildren and of those yet unborn, whose faces are coming from beneath the ground.
>
> The Peacemaker of the Haudenosaunee

Many centuries after these words were spoken, the forces of colonization have devastated the environment, as well as the social, cultural, and economic structures of indigenous peoples throughout the world. These peoples are now struggling to regain the tools and resources needed to heed the words of the Peacemaker.

Today, with capitalism as the driving force, we are seeing unprecedented rates of poverty, social upheaval, and environmental destruction among all nations of the world. The domestic policies and government-supported trade agreements, and the highly influential multi-national corporations, are wreaking havoc on the environment and social/cultural structures of communities throughout the world. Through their actions, it is clear that many governments and companies have equated the notion of "sustain-

Kahnawake Mohawk Territory.

able development" with "economic development," throwing the term around and peppering their documents with it in order to appease the public. Although economic development is an important component of a sustainable community, it must not outweigh the environmental, social/cultural, and spiritual considerations. Yet these considerations are more often than not given negligible weighting in current government decision-making. In the name of "sustainable development" our resources are being exploited at unprecedented rates, our food supply is being taken over by genetically modified organisms, our lands and waters are being saturated with pesticides, and our climate is being altered and our air polluted by the industries that support the supposed "needs" of society — all with very scary and uncertain impacts on the environment, economy, and social/cultural structures of communities.

Because of such instances, many people are sceptical of the term "sustainable development." How can it be a good thing if it has produced such unsustainable policies and activities throughout the world? I think we need to talk more about "sustainable lifestyles" and "sustainable livelihoods" instead of only "sustainable development."

On an individual level, we need to take a serious look at how our actions affect people and ecosystems around us and in other parts of the world. This doesn't mean that we have to give up our lifestyle and ALL the modern conveniences that we've become used to, but it does mean factoring the environmental & social impacts of our actions and purchases into our decision-making. It means asking more questions and finding better alternatives.

On a government level, we need to re-think our production and consumption choices. Why do we focus so much on wasteful, resource-heavy, and polluting production? Why doesn't the price of consuming these goods accurately reflect the price their production imposes on people and the environment? Because if it did, the price of most goods would be so high that we would no longer be able to afford them!

In order to meet the basic needs of all people and to protect the environment, decision-makers need to start thinking on a smaller scale. Policies need to support the livelihoods of people at the community level. Of course those who have a vested interest in the current capitalist system will say that shifting policies to support decentralized, small-scale production, and local consumption is unrealistic, impractical, or too costly. But what they really mean is that it will be impractical or costly to those who already have the means to support their families quite comfortably, all at the expense of indigenous peoples and others at the community level, who suffer to support this comfortable minority.

Today the words of the Peacemaker still ring true in the decision-making processes in our communities, but to truly achieve sustainable development, lifestyles and livelihoods, indigenous peoples need to have access to our traditional territories, resources, and activities. We need to be able to make our own decisions that accurately reflect the needs of our families and communities. As the old saying goes, "the one who wears the shoe best knows if it fits." We know that the current "sustainable development" policies we are subjected to and affected by throughout the world do not "fit" in our communities.

BUFFALO POINT FIRST NATION

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Ross Smith

COMMUNITY BACKGROUND

(Lake of the Woods)
Population in 1996: 134
Population in 1991: 30
% change 1991–1996: 346.7
Land area (square km): 11.87

Ross Smith is a doctoral candidate at the University of Saskatchewan, in the Department of Geography, with interests in rural communities and sustainability.

Getting Started

The Buffalo Point First Nation is located on Lake of the Woods near the U.S. border and provides an excellent location as a tourist destination from both Canadian and US visitors. Members of the First Nation had been talking about the potential for development in the tourism sector for a few decades, but no concrete plans had been made and many ideas were left to pass. When Jim Thunder became Chief in 1969, he decided it was time to start developing the potential of his community. Buffalo Point is located on a peninsula and provides an attractive site for boating, fishing, and beach development. The proximity to the American border also provides good opportunities to attract the American tourist market.

The development of a world class tourist facility became a priority and development has been ongoing for more than two decades. Today, the tourist facility offers summer and winter tourism experiences and provides employment and support for the Buffalo Point community. The success enjoyed thus far ensures more development for the community.

Goals and Strategies

Approaching the planning and development of a tourist destination was a big task for Buffalo Point First Nation. With less than 80 members and little human or financial resources upon which to build, the capacity building process had to be undertaken in stages. Careful management and evaluation over the years has kept the development of a tourist resort and supporting resources on track. In 1974, four consulting firms were hired to help put together a tourism development plan. This plan called for the development of cottages, a golf course, and a hotel over a 20-year period.

The importance of a long-term plan has contributed immensely to the economic and social development of the community over this time. With a professional blueprint for development in place, investors and other interested parties were brought onside as partners in the developmental process. New ideas have been added the to plan over the 20 year period, and the ability to revisit and adjust existing plans, while keeping the end goal in sight, has allowed the community to keep focused throughout political, social, and economic changes.

Environmental management and preservation have been important goals for the community, and the development of a tourist location allows for economic generation and preservation concurrently. The community recognizes that the main attractions for tourists are the beautiful scenery and wildlife on the peninsula. While hunting for traditional use is allowed, Buffalo Point First Nation understands the importance of the long-term sustainability of the wildlife and fishery resources; thus, hunting and fishing are being monitored carefully, keeping with the goals of the community.

Activities and Early Outcomes

Buffalo Point First Nation has learned that the community must build upon existing resources in order to accomplish the goals of the development plan. While it is necessary to use professional expertise when needed, this must be balanced with the values and assets of the community. Initially, it was difficult to obtain funding for the construction of a road out to the peninsula, but the leasing of land to cottage investors helped to finance construction of infrastructure and to provide development of resort housing at the same time. The ability to integrate short-term revenue generating activities into the long-term plan of the community enabled the community to finance road construction and build resort cottages. The construction of further cottages followed this initial construction and there are currently 550 cottage lots. Half of them have long-term leases to the occupants, providing steady income for the community. The money from rental properties is reinvested back into the development corporation and used to fund further infrastructure developments.

Additional funding was obtained from a variety of sources, including grants from government agencies, bank loans and employment programs for community members on Employment Insurance. The creation of a development corporation in the community provides a venue to apply for grants, provide job training and negotiate loans. John Thunder, business manager of the Buffalo Point Development Corporation, is looking ahead to outside investment sources for future development. First Nation investment, granting agencies and private investors may help the construction of a hotel and casino. The consideration of a franchise hotel would add a recognized name to the resort and provide the

professional management to run a hotel, attracting both tourists and investors.

Today, Buffalo Point International Resort features a world-class marina, an RV campground, luxury rental cabins, and many hiking trails in summer and skiing and snowmobiling trails in winter. Tourism is growing every year in Buffalo Point with the majority of visitors coming from the United States. Thunder expects the number of visitors to increase as the resort gains more exposure and develops the facilities in the future.

The First Nation has benefited from the development of the resort in several ways. Twenty-five people are employed full time, year round, and another 25 are employed for half of the year. Fifty percent of the resort's employees are Aboriginal and from the community. In many cases, the development corporation has relied on expertise from outside the community to fill its ranks, as there is almost no unemployment in the community. The resort has increased the human resource capacity of the community, providing many opportunities for young people to gain experience and maintain employment as they move into the community. The spin-off effect of this sort of meta-development has resulted in many private businesses, owned by community members, that serve the needs of incoming tourists.

Challenges and Lessons Learned

The past 30 years have provided the First Nation with a good perspective and valuable experience from which to grow and promote economic development. The small size of the community and the lack of training in business and economic development were difficult obstacles to overcome. Accepting outside partnerships to gain training and expertise has allowed the community to develop critical capacities and pass on the lessons learned.

The partnerships and sharing of stories with other First Nation communities is an important lesson. Often, other communities are experiencing or have experienced similar growing pains in the course of development. In particular, other communities that have experience in similar sectors can provide valuable lessons and contacts to shorten the learning curve. The development of a tourist resort required legal fees and consultations for the adoption of local bylaws and regulations; this effort can be adapted from the work of other communities.

The importance of the written agreements is also a valuable lesson. It is often easier and more traditional to accept oral agreements and to take people on their word, but large investments often require legal agreements and signatures. This does provide security for both parties and is just a part of the culture of the business people involved in these sorts of investments.

The planning stages of development are crucial to the success of any new idea and effort and it is important to be patient in this process. Buffalo Point First Nation benefited from a long-term strategy, a clear vision, and the patience to carry out a development plan over 20 years. The development must be done in stages and a reflective process put in place to adapt and continue the original long-term plan.

What Next?

Further plans include an 18-hole golf course, the construction of the hotel and casino, a museum, and an Aboriginal theme park. The First Nation is also interested in setting up a lumberyard that would serve future development. The development corporation has been a tremendous resource for the community and currently grosses about $1.5 million per year. Building upon previous success and utilizing the lessons learned has positioned the community to continue its economic development. Using the development plan as a blueprint, the Buffalo Point First Nation has successfully overcome many obstacles and become experienced in economic development and tourism.

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PARTNERING AMONG ABORIGINAL COMMUNITIES
Tribal Councils Investment Group (TCIG)

>> >> >> << << <<

Wanda Wuttunee

In keeping with the goal of sustainability, the First Nations of Manitoba identified a need for an investment vehicle that would allow them to participate in economic initiatives on a larger project-level than could be achieved by individual communities. By working together, they could access the capital necessary to build a capital pool that would then be available for further investment. The profits return to communities for use in whatever way they choose. The vehicle formed to meet these goals is Tribal Councils Investment Group (TCIG).

TCIG is an Aboriginal partnership, unlike any in Canada. Manitoba's seven tribal councils came together in 1990 to form a partnership designed to invest in major projects that were beyond their individual capacities. With a minimal capital investment of $25,000, several lucrative investments in companies are earning revenue and generating profits. More than $1.5 million in profits or 100% return on their equity has been distributed to the 55 Aboriginal communities annually, for a total of 92,000 First Nations shareholders. Other investments are being considered and have increased TCIG's balance sheet to between $25 to $40 million.

A Timely Partnership

This partnership is noteworthy on a number of fronts. It represents a partnering of seven tribal councils that is without historical precedence. For many years, issues of survival have overwhelmed Aboriginal leaders. For most communities, these issues are still pressing but some breathing space has allowed them to contemplate the means of moving away from dependence on government funding.

TCIG Board Chair, Philip Dorion, has been with TCIG since its inception. He recalls its creation:

> Some of us were working together and we were looking to purchase a restaurant. We had made several overtures to people but somehow the deal fell through. Another project came our way while we were talking about the concept of TCIG so we were forced to incorporate TCIG quickly. The project we were considering had employment potential for our people, and at that time, some chiefs supported the idea of TCIG.
>
> We wanted to be in the position to look at opportunities presented by Winnipeg or the province that would make

Associate Professor, Native Studies *and* Director of the Aboriginal Business Education Program, I H Asper School of Business, University of Manitoba, Winnipeg, Manitoba.

> things better for our people. It might be through employment opportunities or owning a hotel for them to stay when they come into Winnipeg.
>
> Indian Affairs and the tribal councils financed the operations and office setup. We said that we would be self-sufficient in three years. Each tribal council put in an initial amount for investment capital. In the first few years, we didn't pay dividends to the tribal councils. While we are still a long way from the hotel and other kinds of services that we initially talked about, our first investment allowed us to pay our shareholders each year since then.

Meaningful participation in the local economy was part of the drive behind TCIG. The board consists of one member from each tribal council who is appointed by the Tribal Council chief each year and TCIG's President and Chief Executive Officer. Marvin Tiller, holds the position of President and Chief Executive Officer for TCIG and Allan McLeod, is Vice President and assistant to the President and Chief Executive Officer.

The mandate of TCIG is to have long-term involvement in the mainstream economy by becoming a significant member of the investment community. Employment opportunities, transferring technology to shareholders for economic development, earning a reasonable rate of return and creating a capital pool are prioritized in company literature (Tribal Councils Investment Group of Manitoba Ltd, 1997, p. 4). TCIG has been successful in accomplishing many of these elements in its mandate.

As Phil explains, TCIG avoids competing for projects with communities or tribal councils.

> When a project comes forward for consideration by the board, then those who have the cash and interest in the project, will invest. Sometimes they can all afford it, sometimes they cannot. Our original concept was that if we identified an investment opportunity then the First Nations located next to the project would have the opportunity to take on the project with our help and advice. That First Nations could decide to refer the project to the tribal council, then the tribal council might decide to develop it or pass it to TCIG because it is too big.

Marv continues:

> We don't want to interfere with critical opportunities for community development. TCIG focuses on the larger opportunities and recognizes that all community members need to contribute to their own economies.

TCIG has a set of investment criteria and philosophy that has allowed them to take roles at the local, regional and national level (p. 10). In particular:

> - TCIG does not compete with First Nations communities, economic development groups, or Tribal Councils.
> - Our policy is to only get involved in projects beyond the capacity of an individual group.
> - When projects of a local or regional nature come to our attention, we automatically forward the information to the appropriate group.
> - The local group may pursue the interest solo, request us to partner with them, request our advice on the project, or pass on the opportunity.
> - TCIG also accommodates independent bands and private investors in its investment activities.

In inviting Marv to assume the position of President and CEO, the board knew that he would open the door to mainstream business for TCIG. His background as President and CEO of The North West Company and Vice-President and General Manager of Hudson's Bay Company's Northern Stores meant the cultivation of extensive business contacts in Manitoba and Canada. He is comfortable and familiar with the world of high finance and managing large investment projects. He is conservative in his approach to investments and absolutely committed to success for TCIG's shareholders.

Marv states:

> My sensitivity to the issues of First Nations comes from spending many years in every First Nations community in the country. I watched and became very interested. The first time I was approached for this position, I said no, but when I listened to what they were actually trying to do, I thought that this is really interesting.
>
> First Nations communities are getting involved in the economy and generating some wealth through TCIG. This is the ultimate push to self government or at least to a decent standard of living and a decent level of participation in the community by generating wealth.

In 1993, TCIG approached the Canadian Council for Aboriginal Business (CCAB) in order to locate an Aboriginal person to bring into the company. The goal was to have Marv train someone who eventually take over as President. Allan McLeod, a member of Cross Lake First Nations, was a third year medical student at the University of Manitoba. He had begun to examine his attraction to medicine and had found it wanting. Allan was more interested in business so he approached CCAB for the possibility of working with an businessperson. Allan was paired with TCIG and worked his way from Project Manager to Vice President in a matter of six years.

Allan brings an understanding of how the Aboriginal community works. He is able to provide insight into board process that is not immediately clear to Marv. They are a strong team with each bringing unique and complementary strengths. Allan notes:

> It is critical to get started with your first investment and to begin building credibility. I think the original board have to be commended for going out into industry and finding a senior executive like Marv. He has a tremendous track record over a number of years in the business. It is his business experience and contacts that enabled us to close the Pepsi deal.

In addition, each brings contacts from board memberships to bear on TCIG's business whenever possible. Most major Manitoba deals that are in the making will come across Marv's or Allan's desk. They are both accepted members of the business community. Their process of screening deals and putting them together is discussed in the next section. Their two major investments in the fields of manufacturing and distribution, and healthcare are also examined.

Investment Process and Current Investments

Under their leadership, TCIG has earned an excellent rate of return for its shareholders and paid the tribal council teams a management fee for all their extra services. TCIG was listed in the top 100 Manitoba companies in 1997 and 1998. Its rate of return is important but TCIG is also linked strongly to the concerns of the shareholders. Job opportunities are important but they also hope to give significant amounts of money to each tribal council for the benefit of their communities beyond their government funding.

TCIG takes a cautious and conservative approach to investments which tend to be in the services sector. These include food and beverages, transportation, data processing, health care, and financial services. Joint ventures are considered with knowledgeable partners in projects that TCIG can assume a significant ownership position including board membership. Board influence allows TCIG a way of impacting policy, strategy, plans and outcomes (p. 11) in these investments.

TCIG stays away from higher risk start-ups, turnarounds, and bankruptcies. It uses the resources necessary to hire experts in its due diligence process in assessing the risk and return of potential investments. The result has been a number of investments. It is important to understand one surprise TCIG has learned. Marv comments, "There is no amount of money that is too small to pull together at the outset and do something significant with it. We learned we just have to develop a spirit of doing the project right and then levering it."

In the early years, the decision was made to be a founding shareholder in Spaceport Canada. This project is to develop the world's first international, commercial, polar rocket launch site at Churchill, Manitoba (p 18). It has potential but is presently on hold.

In 1991, Arctic Beverages, a soft drink bottling plant, was purchased from a family with a small distribution network in Manitoba and a short distance into Saskatchewan. It was a small, 50-year-old company with potential. Marv recalls:

> We were attracted to Arctic Beverages because it was a going concern with a history of profit and an opportunity for growth. It was not just distributing soft drinks but it was distributing juice, water and other similar products. It was the kind of a company that would generate a cash flow that would allow us to meet our objective of financial independence.
>
> Pepsi Cola had to agree to the transfer of the franchise. Their reaction was long and deep and hard. "Why would we sell a Pepsi Cola franchise to a bunch of Indians from Manitoba?" Well, we put together a pretty impressive business plan and we formed an alliance with the President of the Pepsi Cola franchise on the west coast. It was approved here and

> in New York. Today they are very proud of this franchise since it is the only Aboriginal-owned franchise world wide.

Since then TCIG has expanded its distribution territory east into Ontario, west to the Alberta border and north throughout the territories. It distributes its product out of its Flin Flon plant to outlets in Toronto, Montreal, Winnipeg, Edmonton and to three outlets in Manitoba. In 1995, it was nominated for the International Pepsi Bottling Company of the Year Award and placed second overall in Canada and fourth overall in North America (p. 15). It was awarded the fasted growing Pepsi franchise in North America in 1998. This is a noteworthy accomplishment given that less than 20% of the Canadian population is located north of 60°.

Marv describes the active role that the board takes in promoting Arctic Beverages products:

> The board was instrumental in the success of Arctic Beverages through what we call the 'tribal council team.' They spend all kinds of time promoting the products and preaching the gospel of ownership at every powwow, Indian days, golf tournament and hockey game. They do great work.

In 1997, First Canadian Health Management Corporation was formed in partnership with Aetna Health, a subsidiary of a billion dollar multi-national company. It successfully bid on a government contract to administer the non-insured health benefits program for Canadian Aboriginal people. It is a five-year contract with annual claims of $250 million per year. It employs 80 people with many who are Aboriginal. One third employment of Aboriginal people is a contractual obligation that they are pleased to meet and exceed. The contract fell under The Procurement Strategy for Aboriginal Business (PSAB) and is administered by the federal government to encourage more Aboriginal businesses in successfully contracting with the federal government to supply 3% of its $14 billion goods and services.

Nailing Down the Challenges and Reasons for Success

Inder Roopra, TCIG board member and Southeast Tribal Council's Director of Finance, is pleased with TCIG's performance. He sees it as the opportunity for Aboriginal communities to get involved in big projects. That is the next logical step after their years of experience with small projects. There was initial trepidation on the part of community members when the idea of TCIG was first proposed:

> People were nervous about getting into business, when we talked about it at the community and board levels. Some predicted that it was not going to be successful. Mainly they were afraid of something new. They said that the number of Aboriginal people is too small and we really can't compete in these businesses. My reply was that you don't have to have big numbers but you have to think big. I use the Jewish people as an example of people who have been very successful in this country mainly because they think big. Aboriginal people can be successful on the same basis.
>
> Southeast Tribal Council has been very supportive of TCIG. Generally, however I believe that Aboriginal people are their own worst enemies. One of the biggest problems is jealousy. People do not accept other successful Aboriginal people. Now that TCIG is successfully paying dividends to shareholders through some investments, we have to balance the need to continue growing, with those who want a quick return or to pay dividends before the business is viable.
>
> This is an on-going educational process. Currently, TCIG's board consists of two or three directors who are chiefs, and others who are economic development officers, and those with finance backgrounds. It gives a good balance but there is some turnover about every two years. This requires that new board members be educated. There is always the pressure from the politicians for more dividends to the shareholders until they understand that a good business needs to grow five or ten years before paying dividends. In about a year's time most of TCIG's debt will be repaid and that money can be used to invest in other projects in Manitoba.

TCIG has a number of criteria for making investment decisions that balance financial with community needs. According to Inder:

> When we bought Pepsi, it was a business decision that made economic sense. The numbers looked good. With the insurance company, it helped to be Aboriginal mainly because we had no experience in insurance but we took a partner, Aetna Insurance. It is a deal that really focusses

> on Aboriginal people but it was a business decision.

It is important that community members understand TCIG and its investments. This is a task undertaken by each of the tribal councils. Some, like Southeast, issue annual reports that include a description of TCIG's activities. Inder notes that this is still a challenge since people do not always read the literature nor understand its impact. In any event, Southeast Tribal Council encourages their members to purchase Pepsi and support the ownership even though there are no direct benefits in those communities that are outside their Pepsi distribution territory.

Joe Malcolm, Executive Director of SE Tribal Council, recalls:

> When TCIG was formed I was a firm believer in the philosophy behind TCIG. I believe in what the people are trying to do. We are helping our own First Nations in the province get into business partnerships with non-Aboriginal people. That is the way to go. I think it is time that we as Aboriginal people take over and I am a firm believer in TCIG as a good vehicle for very, very successful investments.

Partnerships work very well for TCIG. They had no experience with insurance until they became involved with their partner. It is through partnerships that they are able to bring in the expertise that they lack.

Marv sets out what needs to be in place for successful partnerships:

> A proper partner is one that you have checked out and trust. TCIG is always a serious partner who participates on the board of directors. Other partnerships are necessary to get things done. You need to recognize financial banks as capital partners, and you need municipal, provincial, and federal government partners. You have to get these people working to your advantage on lucrative opportunities.

In Marv's opinion, people from all walks of life believe that now is the time to form partnerships with Aboriginal people, to push the Aboriginal situation towards making a positive contribution to the economy. Allan agrees and notes how important the process of building relationships is for their business.

> We identify groups that are successful and its not always money. We've done deals where they have had the same attitude and motivation as us. That is critical. We've had groups with $100 million on their balance sheet with land claims money and all kinds of great things. These groups will have someone in charge who is suspicious in nature and not very friendly. In terms of our due diligence and looking at partners, we don't care about their money if they have this baggage and don't have the ability to trust. We say 'no deal.'
>
> The process is meeting, greeting, interviewing and it is all a matter of trust and relationships. If we're comfortable with them then we can do deals. We can now do deals in all of Saskatchewan because there are couple of key guys there who we share the same beliefs and values.

Minimizing politics in the operations of the board has contributed to TCIG's success. Phil recalls that chiefs who came to early TCIG meetings became bored with the mundane business discussions and they are now comfortable leaving it in the hands of TCIG's board. There are some chiefs now on the board and their immediate concerns that are influenced by their short terms in office must be balanced with the long term objectives of TCIG, so that everyone is satisfied. The Tribal Council boards are made up of chiefs who appoint the TCIG board member. They tend to appoint people who have some business experience and often these are the executive directors of the tribal councils.

Balancing competing interests is not easy. Marv describes how they stay on track:

> We talk regularly about balancing interests but you always have to work on it. In fact, a year ago there was a bit of stuff going on and people were getting a little bit off the track. A board member suggested a retreat for all the board members and other invited guests. We did that in an effort to validate the direction of what we are doing and what we are not doing. We wanted to identify changes or modifications.
>
> It started out pretty tense but it was almost a love-in at the end of the second day. One senior person who was not on the board said that this is not an organization for politicians. Let the politicians operate in the political venues and keep the business here. We have gone a certain distance and it would be a shame to stop. A lot of the politicians recognize that as well. They tell us that TCIG is their company and we are doing a very good job of

> managing it. Let us know when you need political help and our support.

The Chairman of the Board has good relationships with directors and TCIG president. He is comfortable in his role and often is able to deal with directors directly to sort out any problems.

TCIG adheres to high standards of best business practices which makes it easier to support. According to Marv:

> The best practices in business are followed by many companies and we have to keep those same best practices. Due diligence on potential investments is important. It is important to go in with an open mind, without preconceived ideas and no political agenda. We let the financial analysis evolve and take us where it takes us. If it is a bad deal then we say it. 'No deal' is better than a bad deal.
>
> Accountability to our board and shareholders is critical. It is part of good government so it shows in many ways. We are very fussy about accounting and having proper rules and regulations for spending and harvesting of our shareholders' money. It is important for the peace of mind of the shareholders and the survival of any company. These rules maximize good government and minimize conflicts of interest.
>
> Other rules help. We have not had any problems of nepotism because our board is so committed to best practices. We try to find the best people for our operation. They have got to meet the standards and do the job. If you cannot meet standards then you should not be here or you should get yourself prepared so you can.
>
> Another example is how we handle cheques. We report to the board on all the cheques that are written. Our vice-chairman co-signs all cheques. Twice a month we list the cheques for him that we propose writing and get his okay. He says no when he is uncomfortable so it is a protection issue. All of this activity is reported to the Board once a month.

The leadership provides direction and things have really worked out in that sense. They have taken a long term perspective to their investments. Marv likens it to a goose that lays golden eggs:

> It kicks out a golden egg every year. Some might want to kill the goose now and dig out the last seven eggs. We urge everyone to consider what will happen if we just nurture the goose and let it grow its family. Soon we will have 100 golden geese giving an egg each per year which is a lot better than just seven now. So our vision is very long term for TCIG but we have to keep this perspective in the minds of community members and new people who are unfamiliar with our goals.

This long term vision applies to employment of Aboriginal people in key TCIG positions. It takes time for educated people to acquire the expertise and industry experience that is required in the managerial positions. The foundation is being laid right now and more opportunities are becoming available to build a pool of talent. This talent will be ready to assume leadership roles in the future.

Protecting the credibility of TCIG's name with the Aboriginal and non-Aboriginal communities is critical to their on-going success. They do not want to be viewed as another Aboriginal company that failed. Marv and Allan protect TCIG's credibility and integrity with great dedication and view it as essential to being in business for the long term. Another significant plan for TCIG is the plan for Allan to take up the presidency. This is an incredible opportunity on a personal level but also an extraordinary signal to other young Aboriginal people. Allan is breaking trail for the next generation of Aboriginal businesspeople. It has been planned for and his grooming is underway.

Grooming the Next Generation

Allan is cognizant of his value as a role model to Aboriginal youth. He carries an Aboriginal Youth Achievement award with pride. He takes the learning required for the position that he is being groomed for in stride. He wants the best for his family and his community and is willing to put in long hours apprenticing with Marv. It has been an outstanding experience for which Allan is grateful. He points to the same tools to overcome obstacles in his personal life as standing him in good stead while he takes on the challenges of TCIG.

Allan spent his early years in Cross Lake, Manitoba where he travelled to school by boat. His family moved to Winnipeg when he was young where he ended up being the only Aboriginal student. This did not bother him as he was proud of his Aboriginal heritage. He excelled

in sports and was elected class president each year. In his senior years, he began to lose a grip on that pride. He looked to name brand jeans and sunglasses for validation as a worthy person and to make him feel better inside. He endured this shaken identity until he was invited to attend several workshops. Allan describes the experience:

> I had a real awakening when I was 18 years old. I took a program called Discovering The Power Within and another called Flying On Your Own. What I picked up was that it doesn't matter what happens out there, if I change me and how I interpret the world then I can still be happy. That has been the most valuable lesson I have received to date. I'm comfortable in new situations in the business world and have been successful because I have that tool.
>
> These programs came out of Alkali Lake, BC where they had a 95% alcoholism rate and moved to a 95% sobriety rate within 10 years. I also learned about maintenance. If you have a lawn during summertime and it is full of dandelions, the program taught us those dandelions represent issues. The program was like a lawnmower that cuts everything down and makes it look nice. In a week the dandelions are back with the nice hot weather so it's a constant process of always and going back there. I credit that for being able to see, feel and touch what it is like to live with a lawn without dandelions.
>
> The next step in my growth was to examine the root cause of all of these issues. I had to pull the roots out of the dandelions so that they don't grow back. If one or two grow back, it doesn't take much energy to go and pick them out. I got rid of the baggage that would lead to failure.

With this training, Allan was able to accept the internship offer with TCIG. He has a lot to learn but he is very comfortable in his position after eight years. When he first accepted the internship offer it was to be for three to six months. He believes that he will continue to learn for several more years before taking on the position as president. He recalls his first six months when he was almost ready to pack it in:

> My first six months were rough. We were moving to the Commodity Exchange Tower and I didn't know where it was. I walked in and the gold elevator doors closed. At some point during that first six months I said I don't belong here and I began to question whether I should stay. What really helped was a conference I went to in Toronto with my mentor, Marv.
>
> When I saw Bay Street, the wealth and the Royal Bank building with real gold in the windows, I thought that this is where you make big money. It was a turning point that helped me, when I came back to Winnipeg. I thought this is nothing but bush league. This helped me get over the gold doors. I now knew that there was something bigger and better out there. This is really just a stepping stone and something I could handle.

Another important aspect of his life that gives Allan strength is his culture. After the Alkali Lake training, he began to reclaim his culture. He participated in sweatlodge ceremonies where he received the spiritual training he had as he was growing up but which he had dismissed and that had made him feel ashamed. Allan recalls:

> It wasn't okay until I was okay with myself and I was okay in being Aboriginal and understanding more clearly what our culture has to offer. I have my Indian name now and I was presented with a pipe before I was married five years ago. There was a feather on the top of the stem.
>
> After my Alkali Lake training I would always talk about the feather. There is one path down the middle and there are these side paths. I shared what I learned — there are many paths to get off the right road. Others told me that there are many short ones and you can easily get back on the right track and they are all interconnected. They have been great teachings for me. It was truly amazing that the pipe I was presented with had that feather.
>
> What my culture has really done is that it has allowed me to be comfortable with who I am and what it means in the real world, what the teachings have to offer. I have been able to use them in the business world. I respect people and it may be 'a dog eat dog world' but if you carry yourself with dignity and respect and you can treat others like that then they in turn will treat you that way. It has really allowed me to be totally comfortable with who I am, have a clear mind and know what I have to do for my family in the other world of business, is to bring balance and harmony.

In contemplating his message to Aboriginal youth, Allan wishes he would have earned his Masters in Business Administration early on in his education career in conjunction with his personal healing. His personal healing gives him his emotional intelligence — attitude and positive motivation. He also likes to share the following story with young people at every opportunity.

> Somewhere along the lines, I don't know when it happened but I started having these limiting beliefs. I can't do this, natives can't do that, I could never make money, money is evil — all kinds limiting beliefs. Out of my Alkali Lake training they said Allan, just remember your community is like this bucket of crabs and what you've learned here is that you're in this bucket and you're going to try to get out. One will climb on another and get his hook over the edge attempting to pull himself out and another will come and grab him by the tail and pull him back in. You'll never get out and remember that is how your communities are. I believed that for awhile.
>
> A non-Aboriginal person told me another more appropriate story to what's really going on with our communities. He said do you know how to train these little fleas to stay in that coffee cup? These things can jump many hundreds of times their body length, from here to the wall or ceiling. Tons of potential. For us to jump one or two body lengths you have to have big legs. You can train these fleas to stay in a cup. You gather them up and put them in the cup and cover them up. What you'll hear is the rat tat tat tat and that's them jumping. It hurts because every time they jump they hit their heads and they fall down. After awhile they will settle down and they will start walking around the bottom again. You get them all excited by shaking them up. Rat tat tat and you go through this process for a period time until when you shake them up, you won't hear anything.
>
> At that point they are trained. They are smart and know that if they jump too high they hit their head, they hurt and they fall down. Now they only jump to the rim. It is comfortable there, no pain. Now you can take the lid off and try to let them go. They won't leave. They have taken the physical barrier and internalized into a limiting belief. No one else can see it or understand it. Then you get a flea who has broken this belief but the other ones still won't come along. That's a good analogy for what's happened to us as Aboriginal people.
>
> We're this cup of fleas and we say — if only we had more schools, money, or jobs it would be better. It reminds me of my own experience of if only the outside world was different then I would be better. It's not until we can get past our own limiting beliefs and say it doesn't matter, what is important is that I feel great about myself and reclaim my personal power and abilities to start jumping out of the cup and using the potential we all have. I've been able to go into the past and see who I am and clear out all the root causes of all of these issues.
>
> Now I am out here where there are tons of opportunities for kids.

The Future

The future is bright for TCIG. A partnership with Saskatchewan and Yukon Aboriginal groups recently marked a new page in building partnerships with other Aboriginal Groups. TCIG took a leadership role in forming Rupertsland Holdings Inc. a consortium of western-based Aboriginal groups. They purchased 450,000 units in The North West Company, a northern-based retail operation. This purchase makes them one of the largest shareholders in a company that has done business with Aboriginal people for hundreds of years. Keith Martell, Chairman of Rupertsland Holdings, notes in the Winnipeg Free Press (July 15, 2000):

> First and foremost this a good investment.... The company has a long history of good earnings, good dividend yields and its stores are an integral part of many first nations communities. This investment also represents the next step in aboriginal self-determination.... This represents some control of our economic future. We'll now have something to say about where it's going.

Partnerships with other Aboriginal groups will breed opportunities to share the wealth and expertise and ensuing benefits for Aboriginal peoples.

Allan is optimistic about all the opportunities to partner with people as he meets more people interested in doing business.

> I have a running joke that our guys have a lot of bullet holes in their shoes because they shoot themselves in the foot and the

> deal falls apart. I don't mean it in a derogatory sense but it is just my interpretation of what goes on. We tend to fight over the profit before we nurture the business and allow it to grow and build.
>
> I would rather have a percentage of a growing, healthy business than 100% of a negative, no-win deal type of company. The more people we get in senior positions where we can trust them, who are confident in who they are and what they can do, then the possibilities are limitless.

TCIG promises to be a source of income beyond what the government gives to Aboriginal communities. Taxation issues will be addressed in the future. TCIG's profits directly benefit Aboriginal people, so it should be exempt from taxation in the same ways that municipalities, provinces, and crown corporations are exempt. In any event, Inder predicts that TCIG will be 10 times bigger in 10 years, owning services such as airlines, hotels, and health services: "Someone with a prescription in a remote northern community might call TCIG who would deliver it from our pharmacy on our airlines."

In conclusion, TCIG is an outstanding example of an Aboriginal-owned company making a difference in the mainstream economy. It operates with a clear vision that is shared by its board of directors who represent approximately 75% of Aboriginal people in Manitoba. The philosophy is driven by business and shareholder objectives. It balances political pressures with "best practices" business principles. Dividends from their activities flow to the communities and ensure their needs are met including their own Aboriginal cultural goals.

The management team utilizes its expertise to capitalize on opportunities in the mainstream economy and within Aboriginal communities. Marv's connection to the non-Aboriginal business world and his expertise balances Allan's insight into the Aboriginal community. The mentorship aspect of their relationship is building a solid foundation for TCIG's continued success. Bringing young leaders into a position of readiness characterizes the strategies of many successful businesses, but there are not as many examples as there could be in Aboriginal communities and organizations.

TCIG's attitude is to act in respect, with integrity, and to build credibility as reliable business partners. Marv enjoys developing relationships with new people and working in a company with steady positive growth. Allan is thrilled to watch an Aboriginal company's fast growth and the opportunity to work with top business leaders. He is taking an active role in decisions that will impact future generations of Aboriginal children.

Current investments are providing solid cash flows and employment opportunities. They are also facilitating the health needs of First Nations people. TCIG is reaching out to Aboriginal groups and forging new partnerships which will benefit Aboriginal people beyond Manitoba. The future is radiant for TCIG and the Manitoba First Nations community is enriched in many ways by their existence.

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WALPOLE ISLAND FIRST NATION

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Ross Smith

COMMUNITY BACKGROUND

Population in 1996: 1,525
Population in 1991: 1,370
% change 1991–1996: 11.3
Land area (square km): 143.8 5

Ross Smith is a doctoral candidate at the University of Saskatchewan, in the Department of Geography, with interests in rural communities and sustainability.

Introduction

The Walpole Island First Nation has developed a unique and participatory approach to dealing with community issues, including economic and social development, environmental conservation, and land claims. The Walpole Island Heritage Centre, or Nin.da.waab.jig, was founded in 1989 as the research arm of the First Nation. The Heritage Centre is an organization learning best and effective practices for research and implementation in the field of sustainable development, particularly around issues facing First Nation communities. The community has maintained a strong, community-based, decision-making approach sustaining its heritage, building upon traditional knowledge of the environment, and building partnerships with non-native communities.

Before the construction and development of the Heritage Centre, the government of the community had little corporate memory and many plans were aborted or repeated due to the lack of a comprehensive focus and little research or participation. Information available to decision makers was often out of date and had little relevance to the community. A lack of capacity within the government and within each of the departments led to an uneven decision-making process and little consultation with the community on issues relating to sustainable development and the environment.

The Heritage Centre has become a foundation and an information centre for the community to explore their own heritage and plan for the future. The First Nation is now working to educate its non-Aboriginal neighbours about the impact of pollution and development on the community. The general approach is to seek sharing of ideas and greater co-operation on projects.

Goals and Strategies

The Heritage Centre's goals support the efforts of Walpole Island's Council and community. Preserving and restoring the natural and cultural heritage of the community, restoring the rights and improving the capacity of the community to govern the First Nation and its traditional homelands, and the promotion of sustainable development are the overarching goals which guide the heritage centre through its research and project development.

The Centre is effective because of its successful process of community-driven research and problem-solving skills. It has clear and defined goals and works to support the political system of the First Nation. The integration of traditional knowledge and contemporary science helps to mitigate the common disjunction between the two. Maintaining partnerships with neighbouring communities helps to build skill sets and cooperation for successful sustainable development. In this manner, capacity can be built and spread more evenly throughout the community, increasing the links with history and traditional culture.

Getting Started

The Centre had its origins back in 1973, when a four-year project to research land claims and Aboriginal treaty rights produced a wealth of information and prompted the organization of a historical research centre. The research centre has evolved over the years to serve and respond to the immediate needs of the community and Council, and serve an educational role for the community.

In 1983, the Centre expanded its scope to include research on the environment and resource management. It has published a history book on the Walpole First Nation and created a Web site for the community (<www.bkejwanong.com>). Based on the work of the research centre, the Walpole First Nation decided to officially establish the Walpole Island Heritage Centre in 1989 to house the research capacity of the community.

According to Dean Jacobs, executive director of the Centre, clear objectives have helped to keep the Centre focused on its overarching goals and implement projects complementing these long-term strategies. Conducting research on the environment, cultural heritage, and First Nation self-governance has advised the Council and the community on preservation, management, and development options for Walpole Island. The Centre monitors the internal and external activities that affect the environment, cultural heritage and the management of the First Nation. Through this process of continuous evaluation, a unique system of implementation, monitoring, and reflection allows for communication between the Centre and the Council, thereby informing the decision-making process with good research.

The Centre has four divisions: the Research and Development Division, the Communications Division, the Advocacy Support Division, and the Secretariat/Administration Division, with each

division mirroring the objectives of the Centre. The Communications Division has been successful in implementing and improving the communication capacity of the community. The installation of a broadband wireless network gives the community and the research teams fast Internet access and increases their ability to access up to date information. A GIS project is underway and together these communication improvements will build capacity within each of the departments in the Council and the Centre. The goal of the Centre is to spread out the capacity and the expertise in research and communications, rather than having one person specialized in each area.

The activities of the Heritage Centre have evolved over the years. Early work concentrated on land claim and historical research. Recent research in sustainable development and environmental management has benefited the entire region. A recent Global Action Plan resulted in research on recycling and pollution and a biweekly recycling project was started by an ecoteam. The efforts of the Heritage Centre have resulted in their inclusion in the decision-making and planning efforts of local industry in the Sarnia area. The concern over pollution from these industries has been addressed in a very professional manner due the community-based research of the Centre. The Centre has also hosted workshops on environmental management and environmental policy in Canada, lending a training and educational aspect to the participatory research approach.

Challenges and Lessons Learned

There are still many challenges for the Heritage Centre, says Jacobs, and the efforts of the Centre require community support as the driving force. It is easy to overlook the unique role of the Centre and become reliant on its communication capacities and research support. There are not many communities that have such a Heritage Centre and it gives Walpole Island the opportunity to pursue economic and social development efforts in the community and in the region.

While the Heritage Centre is successful, there is still a long way to go in other socioeconomic areas for the community. The challenge is to turn the opportunities presented by the employment, partnerships, and capacities built through the Centre into spin-off developments in the rest of the community.

The enormity of implementing and developing the research and project development capacity of the Heritage Centre has taught the First Nation many important lessons. Working incrementally with a building block approach allows for a methodical way of working over the long-term with long-term goals. By taking on tasks and projects one step at a time, funding can be secured in smaller portions, and each step is built upon the mistakes of the last. The process must also be community driven and, unless the community is onside, the benefits are often seen to be uneven and it can be difficult getting support over the full term of the project.

Jacobs suggests that communities have to build their own data and build upon their traditional knowledge to make a Heritage Centre relevant to community interests. There are also important lessons to be learned from other communities who have gone through similar situations and similar developments. Sharing what you're doing can be an important way to learn from other mistakes and should not be seen as a lack of ability or "needing help." Communication technologies such as Web sites can help in this sharing.

What Next?

The Walpole Island Heritage Centre is planning several projects in the future and is now putting their history book on CD in order to make it more widely available. A recent project, the Sustainable Communities Initiative, has the community as a pilot project with the Heritage Centre as its champion. Walpole Island welcomes others to visit the Heritage Centre and suggests that this is a good way of fact-finding for other communities that are planning a similar project. The next step for the community is the scaling up of the research and dissemination oo a regional and national level. The mentoring of other communities and other research partners would help to expand the efforts of community-based research in sustainable development and traditional knowledge.

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GROWING A SUSTAINABLE COMMUNITY FROM OUR ROOTS

Mohawk Experiences in Sustainable Housing— The Kanata Healthy Housing Project

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Lynn Katsitsaronkwas Jacobs

It's an early spring morning in the Mohawk community of Kahnawake as I sit here sipping my fair-trade organic coffee. The snow has finally melted giving way to new life and sprouting growth. A pair of bluejays, cardinals, and countless robins are nesting in the trees around me singing their morning songs. The air is crisp outside, but my bare feet are warm and toasty on the terracotta-coloured heated floor. The large south-facing windows of the house bring in the natural light and heat of the morning sun, and the thick strawbale-insulated walls further surround me with comfortable warmth. I can hear the faint lull of the high-efficiency washing machine in the next room obtaining its warm water from the tanks heated by the solar panels on the roof. The organic texture of the beige stucco walls, and the natural materials, finishes, and colours create a very healthy and welcoming atmosphere, inspiring me to tell you more about our community and our sustainable housing project called Kanata Healthy Housing.

Kahnawake is a Mohawk community of more than 7000 people located on the South shore of the St. Lawrence River near Montreal, Quebec. Although the traditional territory of the Mohawk people encompassed more than 9 ½ million acres, the land area presently held by Kahnawake, one of several Mohawk communities, is only slightly over 12,000 acres. In our language, the word for our nation is Kanien'kehaka, meaning "people of the flint." We form part of the Iroquois Confederacy of the Six Nations who came together in peace many centuries ago when we planted our weapons under the Great White Pine. We are also known as Haudenosaunee or "people of the longhouse," our traditional dwelling, and the seat of all aspects of our social, spiritual, and political life. The Mohawk of Kahnawake have three clans: bear, wolf, and turtle.

Although we were traditionally an agricultural society, the coming of the European, and the outside influences of the last several hundred years, have caused significant changes in the

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social, spiritual, environmental, and economic structure of our society. The Kanien'kehaka people now possess a lifestyle much more removed from the land upon which we once relied for survival. With bordering industries such as a battery recycling plant, and the contamination of our waterway and traditional sources of food, the health of our community members is of serious concern. Asthma as well as other more serious afflictions such as diabetes, scleroderma, and cancer are prevalent in our community. Many of the health problems have also been attributed to the unhealthy building materials, techniques, systems, and finishes used in our homes, where in our cold climate, we spend a significant portion of our time.

Kahnawake is currently faced with the rapid development of affordable housing which has mostly been characterized by conventional unsustainable and unhealthy building materials, inefficient energy sources, inadequate wastewater treatment, the substantial alteration of the landscape, and destruction of natural habitat. This approach has resulted in environmental and health impacts, a disconnection from our environment, social and spiritual unrest, and has been setting an unsustainable precedent for our future generations.

The Kanata Healthy Housing project is a labour of love and commitment to the future well-being of our community. In 1997, several groups in the community, including the Kahnawake Environment Office and Kahnawake Housing Department, obtained funding to address some of the current problems with our housing and infrastructure. A multi-disciplinary team was established with the goal of creating a neighbourhood in Kahnawake that is sustainable, innovative, affordable, healthy, in-tune with our natural resources, and culturally and socially relevant to our community. Fuelled by the events of the 1998 ice storm, which incapacitated our community for several weeks and left many of us disillusioned by the present systems that are meant to support us, the Kanata Team set out on a research and development journey to seek sustainable alternatives to our present housing, infrastructure, and way of life.

Pre-design research was undertaken in 1998/1999. This included a significant amount of community awareness raising and input to make a determination of what should be included in a sustainable house. The team then obtained the services of an architect and engineer who helped to design the prototype house and neighbourhood masterplan. Construction of the first house began in August 2000. Local contractors were hired to complete various components of the project including construction management, framing, plumbing, electricity, and stucco. Volunteer labour, or sweat equity, was an integral part of the project to ensure affordable and sustainable construction. Volunteers participated in many aspects of construction including framing and interior finishing. An earth block wall and the installation of the switchgrass bale insulation was completed solely by the hands of volunteers. Not only does sweat equity decrease construction costs, more importantly, it builds family and community spirit, and empowers the homeowner with a sense of accomplishment and intimate knowledge of their home. A video was produced documenting the construction process.

Today the completed demonstration house stands as a beautiful testimony of the hard work and dedication of a team committed to the sustainable growth of our community. The Kanata Healthy House has a slab-on-grade foundation, bale-insulated walls covered with stucco, radiant floor heating, an interior earth brick wall made on-site, energy-efficient appliances and fixtures, and healthy materials and finishes. It also incorporates passive solar design, and solar panels to heat the water and the radiant floor heating system. We are offered many gifts by our elder brother the sun. He works silently and tirelessly to help provide our food, our medicines, and our well-being. Yet, many of his other gifts go unrecognized and unused. The sun has the potential to provide us with an endless supply of clean energy to heat our homes and our water and to provide power. Not only have we built a healthier, more beautiful, environmentally sound and efficient home, but the gifts of the sun have also reduced our ecological footprint by eliminating the use of polluting fossil fuels, and reducing our need for hydroelectricity, a far-away energy system which has devastated the environment and social structure of our indigenous brothers and sisters of the north.

I'm very privileged to have had the chance to live in the Kanata Healthy Home while we undertake a monitoring program. The concepts used in the house are being promoted with our future builders through our local media and ongoing tours. A ten-acre site has been dedicated for the development of the Kanata Housing Neighbourhood. As I take my last sip

of coffee, I look out to the landscape around me and envision the vibrant and healthy neighbourhood soon to take shape.

We hope that by sharing the knowledge we gained from our experiences, we will inspire and empower others to bring sustainability to action in their communities. For more information about the Kanata Healthy Housing Project visit our Web site at <www.kahnawake.com/kanata2000>.

FORT WILLIAM FIRST NATION

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Ross Smith

COMMUNITY BACKGROUND

Population in 1996: 661
Population in 1991: 638
% change 1991–1996: 3.6
Land area (square km): 57.54

Ross Smith is a doctoral candidate at the University of Saskatchewan, in the Department of Geography, with interests in rural communities and sustainability.

Getting Started

Fort Kaministiqua (renamed Fort William in 1821) was an early trading post built in 1678, it was the headquarters for the French fur trade on the north shore of Lake Superior for nearly a century. The original Fort William reserve was established along the Kaministiqua River, and was relocated to its present site in 1908. There are approximately 1500 people living on and off the reserve, and economic development has become an important focus for the community. With youth unemployment and few businesses on the reserve, there was a need for attraction of new business and investment funds in order to undertake economic development projects.

Organizations located on Fort William First Nation are the principal employers. The government, public, and the social service industry sectors account for two thirds of the labour force. Construction, transportation, communications, and other private businesses account for the remaining labour force. The head offices of Dilico Ojibway Child and Family Services, Wasaya Airlines, and Nishnawbe Aski Development are located on the reserve. Subsidiary companies of Fort William First Nation include the Anemki Mountain Corporation, which owns and manages a 35,000-foot commercial office complex. The Fort William First Nation (FWFN) Economic Development Corporation holds and manages 1100 acres of land within the City of Thunder Bay, currently zoned heavy industrial. The FWFN Development Corp. also holds a 15,000-foot commercial building. Local industries include a rock quarry, tourist lookout, four variety stores, private contractors, auto body repair shop, and campground.

There have been many successes over the past five years with new buildings being built and a new water line and natural gas line put in to service Squaw Bay. The current market demand for additional office space on the reserve from Aboriginal businesses and service organizations is strong and has prompted the planning of another office complex, adjacent to the Anemki Mountain Corporation run complex, started in 1997. The office complex has 11,000 square feet of leasable office space catering to First Nation businesses, a Health Canada Medical Services Branch, and other private businesses. The construction of a new arena, daycare centre, and improvement to many of the tourist attractions in the area have also improved the revenue generation potential and the provision of social services.

Goals and Strategies

With the community relying on the fishing and tourism industry in the past, new strategies to attract more small businesses, improve local economic development, and retain tourist dollars in the community have become a priority. Improvement in the delivery of social services has become a priority for the community and the construction of the new office complex with a Health Canada tenant will help accomplish this goal. The community is building partnerships to create employment and bring in off-reserve businesses, giving youth career options at home, and improving the self-image of the community.

Activities and Early Outcomes

The community was able to build upon the capacity of many of its members, having heavy equipment operators, qualified carpenters and construction workers to assist in construction of the office complexes and new buildings. Individuals with business management skills were also available to assist in the management of the development corporation and development planning. Partnerships have been formed with the Fort William First Nation Construction Corporation and Tom Jones Construction Company. The First Nation Construction Company has successfully bid and completed work for Bowater and the City of Thunder Bay, as well as various community driven projects.

The construction of the new office complex required investment from a variety of sources, including DIAND, Aboriginal Business Canada, and bank partnerships. The First Nation has been able to generate funds and provide a lot of in-kind funding. This has created jobs for at least 12 members of the community during construction, and four permanent jobs will be created for the management, operation, and maintenance of the building and grounds. The office complex, once completed, will accrue revenues for the First Nation to invest in other community ventures.

Challenges and Lessons Learned

Some of the initial challenges for the community were the availability of funds to start and com-

plete projects in a timely manner and the lack of qualified people from the community to do the work. The importance of off-reserve partnerships and professional expertise were paramount in getting many of the projects off the ground. The First Nation has learned that new developments must have the willingness to seek out professionals for certain tasks. An accountable and effective governing body has also helped the community to successfully apply for funding and keep long-term projects going.

Community participation combined with adequate research at the initial stages of project development has been a key factor in project developments. While much of this focus has been on economic development, community-based research on issues of social security and social development will ensure that these projects are completed. The community recommends checking your information during the project planning stages; this will help avoid unexpected contingencies in the end.

What Next?

The community is planning the construction of a school, as all students are currently bused to Thunder Bay. A retirement home, culture centre, and a 55 plus centre are also future projects that Fort William would like to implement. Community economic development and education have become main priorities as the community continues to grow, with many members coming back to the reserve.

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Editor's Introduction

Fred Wien

This section on lessons from research presents nine papers, each of which takes a somewhat different perspective on the sustainability of Aboriginal economies. Indeed, the concept of sustainability is used in two somewhat different ways here. Sometimes, the emphasis is on sustainability in the environmental sense of not being too demanding on natural and other resources. As the Brundtland Commission puts it, and in keeping with the tenets of Aboriginal cultures, the idea is that the improvement in the well-being of people today should not be at the expense of future generations. At other times in these papers, the conception of sustainability is broader. It may include the environmental approach, but other principles also come into play to define ways in which Aboriginal economies can get to a point where development is ongoing or self-sustaining.

The contribution from Jaypeetee Arnakak is interesting because it describes the efforts made by the Government of Nunavut to incorporate Inuit traditional knowledge into all aspects of government functioning in Nunavut.

Six principles reflecting Inuit culture are listed, including the commitment to environmental stewardship.

Drs. Hammond Ketilson and MacPherson give a very useful and comprehensive overview of Aboriginal cooperatives in Canada, and argue that this form of business ownership and organization is particularly well suited to the development of sustainable Aboriginal economies in both the meanings identified above.

Kelly Vodden, on the other hand, focuses on community economic development in a particular community (Alert Bay, British Columbia). The article applies a framework for evaluating what the community is doing — the principles, processes and challenges — to promote sustainable economic development in areas such as tourism and the co-management of natural resources.

Robert J. Oppenheimer, Tom O'Connell and Ron Araira draw lessons from the business experience of five Kahnawake, Ontario entrepreneurs for creating sustainable businesses. They remind small business owners about the reality of doing business in ways that lead to success.

The main thrust of Cynthia Chataway's article is that the process by which structural change is brought about in Aboriginal communities has an important bearing on whether change will be successful and lasting. She cites her own and other research that underlines the importance of elements such as the existence of generalized trust in the community (social capital), and of effective processes to deal with conflict and division (social cohesion) in contributing to economic development and self-government.

Eric Raymond looks at development in a global context, critiquing what he perceives to be the top-down, technological approaches of the mainstream international development agencies. Instead, he recommends a greater focus on people, an orientation that is more likely to be front and centre in anthropological perspectives on development.

Sarah Jane Fraser's article explores the value of joint ventures for First Nation communities with the opportunities for control of sustainable development options. She notes the relative value of other types of agreements within the context of sustainability standards: future values, current methods, equity and limits to growth.

Finally, John Loxley's article is of interest because it deals explicitly with sustainable economic development in urban areas. In particular, he outlines 11 principles of sustainable community economic development that have grown out of the experiences of organizations concerned with inner city development in Winnipeg.

In short, this section provides some interesting reading about the development process and the factors that contribute to sustainable Aboriginal economic development.

SUSTAINABLE URBAN ECONOMIC DEVELOPMENT
An Aboriginal Perspective

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John Loxley

Definitions of sustainable economic development generally emphasize that improving the well-being of people today should not be at the expense of future generations (see, for instance, the Brundtland [1987] Commission on Environment and Development). These definitions are, correctly, concerned about the limited resources available and the need to use them wisely over time. The wisdom of this concern is readily apparent in northern and rural Aboriginal communities which rely on hunting, fishing, trapping, and forestry for at least part of their livelihoods. Over production or wasteful use of these resources will eventually reveal themselves in declining yields, denying today's children and their children of access to these resources.

In urban areas, it is less easy to apply this resource-based notion of sustainability to economic development. Different approaches are needed to address the different economic situation encountered there.

An Aboriginal workers' co-operative in Winnipeg, Neechi Foods, has developed a series of community economic development (CED) principles that seem to offer a much more comprehensive view of "sustainability." A view that could readily encompass the resource focussed definition, but which clearly goes beyond it (Winnipeg Native Family Economic Development Inc., 1993). This approach to sustainability was developed specifically to address urban economic development, but it could easily be adapted for remote and rural economies too.

These principles have been refined over time, through discussion and debate, and now number eleven in total. So appropriate do they appear to be that most organizations involved in CED in Winnipeg, both Aboriginal and non-Aboriginal alike, have adopted them as the principles upon which they conduct their activities and the measuring rod by which they evaluate their success.

The first three principles are closely interrelated and include: the production of goods and services in the local economy, the use of local goods and services in the local economy, and the re-investment of profits which are made locally back into the local economy. These fairly straightforward principles are designed to **build** and **maintain** a local economy supported by local producers and local consumers. The aim is for residents, to the extent possible, to meet their consumption needs from local producers and from local stores. The large number of

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workers who may not reside in the inner-city but derive their incomes from employment there, often delivering services to Aboriginal people, are encouraged to "leave some of their income behind," in support of local businesses. Local businesses are, in turn, encouraged to buy from and sell to other local businesses as much as possible. Finally, the profits made from doing business in the inner-city are to be re-invested, as much as possible, in expanding existing businesses or in creating new businesses in the inner-city.

Collectively, these first three principles can be summarized as the core of a "convergence" strategy of economic development, in which local resources are used as much as possible to satisfy the needs and demands of the local population (Loxley, 1986). This strategy was first proposed by C.Y. Thomas (1972) for small developing economies but was applied to northern Manitoba (Loxley, 1981). The idea behind it is to strengthen local economies by building up and intensifying **linkages** between producers and consumers. For producers, these inter-connections take the form of **backward** linkages which are purchases from other businesses of goods and services needed as inputs to produce their outputs, and of **forward** linkages which are sales of products to other businesses needing them as inputs. To the extent that local producers, consumers, and the government buy finished goods and services locally from profits, wages, or taxes, expands **final demand** linkages.

This strategy encourages each type of linkage helping to create, in the process, strong local economies which, to some degree, obtain that strength from **"looking inwards"** or being more **"self-reliant."** This contrasts with the current situation in which substantial inner-city income **leaks** away as it is spent on goods and services produced elsewhere in the city or beyond. Re-investment of profits would also be designed to build businesses that increase community self-reliance and community cooperation.

The fourth principle is that CED should provide for the long term employment of local residents. Since the inner-city and, especially, its Aboriginal residents, experience chronically high rates of unemployment or underemployment — a major cause of the high poverty rates among Aboriginal residents — forms another crucial foundation of the Neechi approach. Giving people the opportunity to work and to lead more socially productive lives is expected to contribute significantly to raising individual and community self-esteem, reducing, in the process, dependence on food banks and social assistance. Long-term employment will also help support the first three principles, strengthening convergence, as more income in the form of wages and salaries will be available for spending in the local economy, increasing the scope for linkages and new businesses.

It is recognized that long-term employment will require local skill development, principle five. Inner-city residents often do not qualify for jobs that are available there because of a lack of skills and appropriate training. A carefully crafted skills program would change all that, raising local employment, the productivity of inner-city residents, and the output of the economy all at the same time. There are also many urgent needs of inner-city/Aboriginal communities that are not being met, which might be met by local residents if suitable skills were developed.

The Neechi approach provides, in principle six, for local decision making, broadly defined. It provides for grassroots involvement and community self determination with people working collectively to meet the needs of the community, but it goes much further in stipulating local ownership and control of businesses through cooperative structures. While these are quite demanding requirements, especially for communities lacking in resources and in which the demands on community leaders are enormous, they are felt to be vital components of the strategy if local people are ever to be in charge of their destiny. There is an underlying notion that without such control and ownership, it will be difficult to give practical content to some of the other principles designed to change the way the economy functions for inner-city residents.

So far, the principles have been narrowly economic, though with provision for much more democratic and participatory processes and structures than is normal. But the Neechi approach is a very holistic one that recognizes the multi-faceted nature of the problems of underdevelopment and poverty. This is reflected in principles seven through ten. Principle seven provides for the promotion of public health in the community. Improving the physical and mental health of community residents is seen a necessary step towards healthier and happier families, more effective participation of children in schooling and a more productive work force. Good health

is vital for skill improvement, leadership development, and the ability to participate fully in community economic, social, and political affairs. It is also, in and of itself, an important aspect of human happiness and social welfare.

Good health and a thriving local economy depend, in turn, on a sound physical environment, principle eight. This makes the case that successful CED requires healthy, safe, attractive, and ecologically sensitive neighbourhoods. People have to want to live in the neighbourhood and not be striving to move out at the first opportunity. Making the place attractive physically is certainly an important, though not a sufficient, requirement for this. Neighbourhood safety raises important issues of policing, in which residents can and do play a role; it also raises questions about gangs and violence and the best methods of eradicating both.

The physical environment is an important element in building neighbourhood stability, principle nine. Without this, there can be no basis for long-term development. Stability, in turn, depends also upon the availability of good quality affordable housing and, it might be added, access to sporting and recreation facilities, decent schools, health care facilities, stores, banks etc., although these are not mentioned explicitly in the principles. Addressing the social problems that give rise to high rates of mobility within the inner-city and, especially, within the Aboriginal community of the inner-city (Loxley, 2000) is absolutely vital for improving the education background of residents and building a strong sense of community.

Principle ten is one of human dignity, which is the cornerstone of the whole approach. This encompasses not only individual self respect but also respect for seniors and children, social dignity regardless of personal, physical or mental differences and national, ethnic, racial or religious background. It is based on gender equality, Aboriginal pride, and the building of community spirit.

Finally, there is a commitment to solidarity among organizations which subscribe to these principles, in Winnipeg and elsewhere, so that they mutually reinforce each other through trade and other transactions.

These 11 principles continue to be refined as community groups discuss them with a view to adopting them. Thus, in a recent meeting in Winnipeg in April 2002, two refinements were suggested. The first was that under human dignity, explicit provision be made for conflict resolution in CED, recognizing that differences of approach and viewpoint will inevitably arise within the process. Working through differences, to the extent possible, is desirable if community spirit and collective decision making are to be promoted. This is not to say that differences can always be resolved amicably. By its very nature, CED may involve conflict as it involves challenging vested interests in the *status quo* (Loxley, 1986), and especially given the very specific and demanding nature of the 11 principles outlined above. Nonetheless, the importance of having community-based organizations to tackle these issues is unquestionable.

The second refinement was to underscore the importance of building greater equity into the distribution of income in local communities. This is implicit in the convergence approach, and very explicit in the work of C.Y. Thomas, but it is certainly important enough to warrant specific mention.

Taken together, these 11 principles spell out a framework for CED which, if achievable, would create sustainable development in an urban Aboriginal setting. Sustainability in this context requires a holistic approach to development which lays down not only environmental considerations but also specific economic, social and organizational criteria.

Assessment

The Neechi approach has become popular in Winnipeg as local development corporations, a large credit union, a micro-bank, and other community based projects have all adopted them as their guiding criteria for action in CED. It is, however, quite demanding in some respects. The cooperative or collective ownership base runs against the tide of government policy and, to some degree, public opinion, but it resonates well through much of the Aboriginal community.

Secondly, the Neechi approach is silent on the issue of government funding of CED, but given the abject poverty in the inner-city and the current lack of community ownership or control over income and investment flows out of the community, some degree of public funding of CED is necessary. Indeed, Neechi Foods itself could not have got off the ground without it, in spite of initial solid local financial and other support from both the Aboriginal and non-Aboriginal communities. It is easier, however, for

micro banks and others to obtain government funding and even funding from charities for small scale private businesses than it is funding for larger scale community enterprises.

Finally, the Neechi approach to CED is not the only one promoted by the Aboriginal community in Winnipeg. There is a very strong "incubator" approach, centred around the Aboriginal Centre and the Thunderbird House, which sees appropriate CED as taking the form of building central facilities, offering space, training, financial, marketing, and other advice, that local businesses can then share. This approach concentrates small business, private or communal, often government supported, in a central space that is also usually government funded. The Neechi approach differs in that it stresses the importance of basing facilities physically in the neighbourhood, while still providing for cooperation, and it would tend to rely less on government support. It would see the huge investment in physical buildings as a poor way to spend scarce public dollars. Once these facilities are up and running, however, the trick will be to see how far the two approaches can be made to reinforce, as opposed to compete with, each other.

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INCORPORATION OF INUIT QAUJIMANITUQANGIT, OR INUIT TRADITIONAL KNOWLEDGE, INTO THE GOVERNMENT OF NUNAVUT

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Jaypeetee Arnakak

ABSTRACT

Defining the term "indigenous knowledge" is a difficult process as it encompasses different things to different people. Variations on the term are about as many as there are interpretations of the concept. Inuit Qaujimanituqangit, or "Inuit traditional knowledge," is a topic of much interest for the Government of Nunavut, which has publicly stated that it will use Inuit Qaujimanituqangit (IQ) as its foundation. IQ, in this context, becomes more than a purely intellectual exercise: from legislation and policy development, to program design and delivery, to needs assessment, statistical analysis, etc. IQ has huge practical ramifications on public administration in Nunavut. The anthropological element of IQ subsides somewhat, and contemporary political and social development issues come to the fore. IQ, then, becomes a question and means of actualizing social and political aspirations of a people. In this paper, I will talk a bit about the IQ work in the Department of Sustainable Development, the policy and program development framework that we developed for the Department, and about the model and set of guiding principles upon which we base our work.

On April 1, 1999, a new territory was added into the Canadian federation. The Nunavut Territory was a result of more than a quarter century of Inuit struggle for political recognition within the Canadian federation from which two very important facts are found:

1. A Land Claims Agreement between the Inuit of Nunavut and the Canadian government that formalized a political and economic relationship between the two signatories; and
2. The Nunavut Act, because non-ethnic self-government[1] was negotiated in the Nunavut Land Claims Agreement, created a public government in which all residents (Inuit and non-Inuit) have the right to influence and participate in the development of political, social and economic policies of the Nunavut Government.

The author prepared this paper while with the Department of Sustainable Development, Government of Nunavut.

What sets the Nunavut government apart from other jurisdictions in Canada is that it has publicly promised to incorporate Inuit values and *Inuit Qaujimanituqangit* (or Inuit Traditional Knowledge) into all aspects of its operations — everything from policy-making to the delivery of its programs and services.

The Nunavut Legislature is democratically elected in the full sense of the word; and Inuit, who comprise the majority of the Nunavut Territory, do not differentiate ethnically in the election of its legislators. But more important, in essence, the incorporation of IQ follows an even more fundamental principle of the western tradition: the right to exercise and institute the values and principles of conduct of its citizenry into its constitution. It is outside the scope of this paper however, to explore the contradictions and implications any further than this brief statement.

Chronology

The dream of Nunavut came about from the realization that in order to protect and preserve Inuit rights and culture, a government that reflected Inuit culture needed to be created. In 1971, Tagak Curley and others created Eskimo Brotherhood, which was to become the Inuit Taparitsat of Canada (ITC) and was to negotiate on behalf of Inuit of the eastern Arctic. In November of 1975, the James Bay Agreement was signed in Nunavik, and in 1984, the Committee of Original Peoples' Entitlement (COPE) signed on behalf of the Beaufort Delta Inuvialuit. On May 23, 1993, the largest of these Inuit land claims agreements, the Nunavut Land Claims Agreement, was signed by the Canadian government and by Nunavut Tunngavik Incorporated.

In 1975, John Amagoalik became a leader of the land claims negotiations. In 1976, a document called "The Nunavut Proposal" was drafted, which subsequently had to be rewritten because the Inuit felt that the original document did not reflect the goals and aspirations of the Inuit. In the spring of 1982, a plebiscite on whether or not to divide the NWT was put forward to the people, and the majority voted to divide the Northwest Territories and to create a Nunavut Territory. A decade later, the boundaries of East and West were agreed upon and finalized. In June 1993, a month after the signing of the Nunavut Land Claims, the Canadian Parliament passed the Nunavut Act. Then, finally, on February 15, 1999, the residents of Nunavut elected the Members of the First Legislative Assembly of Nunavut.

Inuit Qaujimanituqangit in the Context of Nunavut Government

The birth of Nunavut has spawned a heated discussion on the wisdom of its creation. Nay-sayers have cited everything from poor "economic viability" of Nunavut to the more extreme "backward culture" of Inuit arguments. It is not the author's intention to rebut such stances on the issue. However, a couple of facts pertaining to the issue need to be said:

1. Most territories and provinces are "dependent" on transfer payments from Ottawa. Nunavut is no exception, only more so. Now we will have control over how money and resources are spent on healthcare, education, etc.
2. To judge Inuit culture purely on its physical artifacts in the context of the creation of Nunavut is, again, to miss the point entirely.

The creation of the Nunavut government is intended as a constitutional shift that transcends both politics and economics. As alluded to earlier in this paper, as a jurisdictional entity recognized within the Canadian federation, Nunavut has the same practical power to institute the values and beliefs of its residents into its governance structures as Ontario, Quebec, British Columbia, or any other province or territory of Canada. The finer and more discriminating vagaries of the legal document that make up the Nunavut Act are beyond the comprehension of the author. However, on a more practical level and under the overarching rubric of "IQ," falls the values, principles and beliefs of Nunavut's residents, as the author and a great many others understand the original Nunavut dream to be.

What Is Inuit Qaujimajatuqangit?

Inuit Qaujimajatuqangit, or IQ, from its inception, is intended to include not only Inuit traditional knowledge, but also the contemporary values of Nunavut's communities. IQ, translated as "that which are long known by Inuit," is a misnomer. When the new Government of Nunavut (and its arm's-length agencies) first started discussing the concept of "Inuit traditional knowledge," it was in the context of the old GNWT Traditional

Knowledge Policy, which deals with "traditional knowledge" largely in isolation from contemporary realities. And, as a result, the translation of the word that we've inherited reflects that. At that time Office of the Interim Commissioner that initiated the discussion envisioned an all-encompassing philosophy of the Nunavut Government that included the contemporary values of today.

The printed materials produced by the Interim Commissioner's Office — the vision and mission statements, etc. — do not refer to IQ specifically. However, the concept is spoken to quite clearly, especially in the last bullet of "A Vision for Nunavut":

> "Incorporate the best of Inuit and contemporary government systems"

Where the term *Inuit Qaujimajatuqangit* first appears and gained common usage is in the NSDC's Inuit Traditional Knowledge Committee meeting in Igloolik in August of 1998.

The Department of Sustainable Development's IQ Working Group is quite active and plays a significant role in the department. The group acts in an advisory role on many of the activities and decisions that are made within the department. Its definition of IQ is this: the past, present and future knowledge, experience and values of Inuit society.

Early on, the Sustainable Development IQ Working Group, made a conscious decision to use *Qaujimanituqangit* instead of *Qaujimajatuqangit* for the simple reason that [-niq-] captures the concept in the abstract, as opposed to [-jaq-] which connotes passivity. Passivity was the furthest thing in defining one's role within the process of policy and program review and development that we wanted.

Given our definition of IQ as stated earlier — that which tries to capture past, present and future experience, knowledge and values of the Inuit — we played around with *Inuit Piqqusingit*, or "the ways of the Inuit" and its variations. In the end, we settled on *Inuit Qaujimanituqangit* for two reasons:

1. the term is not too radical a departure from the one now in common usage (although IP is a more accurate term than IQ, if one should ask) and
2. because we're a government bureaucracy with a natural fondness for acronyms, IQ seems to us more aesthetic than IP.

Implementing the Vision

> Our government will work with our partners like the Nunavut Social Development Council to ensure that Inuit Qaujimajatuqangit is a basis for all government decisions and actions.
>
> Throne Speech to the Second Session of the First Legislative Assembly of Nunavut

To give this vision form, the Nunavut Social Development Council — an arm of the Land Claims Organization, Nunavut Tunngavik Inc. — has held a series of workshops and community consultations from which invaluable initial contributions to the development of IQ were made.

The Conference on Inuit Traditional Knowledge that took place in Igloolik, March 20–24, 1998 was particularly important. Delegates from all the communities of Nunavut (a majority of them Inuit elders), Inuit organizations, territorial and federal government departments and interested NGO's attended the conference.

"The Conference set several interrelated objectives, all aimed at establishing processes designed to ensure that Inuit culture, language, and values are democratically reflected in the policies, programs, and day-to-day workings of the new Nunavut government" (Nunavut Social Planning Council, 1998). The ideas, discussion topics, and recommendations that came out of the conference are impressive and visionary. One Inuit elder even suggested appointing at least eight elders to an advisory committee to perform a permanent, senate-like function for the Nunavut Legislative Assembly.

The Department of Culture, Language, Elders & Youth (CLEY) organized a Government-wide Inuit Qaujimajatuqangit Workshop that was held September 29–30, 1999 for government employees to discuss practical issues surrounding IQ and best practices pertaining to implementing it within the government as a whole. The two-day workshop was also attended by elders from the Baffin, Kivalliq, and Kitikmeot regions. These basic questions were asked of the participants:

1. What do you think IQ is, and why is it important to Nunavut?
2. How can we fit IQ into the Government of Nunavut?
3. Where do we go from here?

Throughout the workshop, Inuit values and traditional and contemporary practices, such as teaching and child-rearing practices, the importance of kinship systems and the role of government from the Inuit perspective were topics of discussion. From the outset, there was an implicit understanding that the Inuit need and want to take the best of traditional Inuit values (social, political, economic, and environmental) as well as contemporary methods and means of governance and adapt them to the changing environment. Current social, political, and economic issues were also discussed, as were ways of engaging Nunavummiut meaningfully in policy and program development. Issues pertaining to communications and accessibility of the government by the public were identified as well. A report is currently being drafted with a list of recommendations from the workshop participants.

During the workshop, the elders and other participants expressed a strong desire to preserve the Inuktitut language, culture, mores, and values. The elders felt that it is essential that we document and preserve kinship systems, the foundation of Nunavut's society. The complex kinship terminology and structure is more than just a means of asserting kinship ties; it is a distribution system based on familial ties, namesakes, friendships, and other obligations.

Following a recommendation from the workshop, most, if not all, of the departments have initiated working groups or committees to advise them on the incorporation of IQ into their work. In looking ahead however, the interdepartmental workshop planning committee saw the need for an integrated approach to IQ development, and recognized the Department of Culture, Language, Elders & Youth as the natural leader at the government-wide level.

There is much to be learned.

Why an IQ Framework?

From the metaphysical to the practical, IQ becomes a question of designing policies and tracking programs and services that make sense to the people we serve. The rigid, mechanistic, hierarchical model has its place, somewhere, within the Government of Nunavut, but its underpinnings in program and services design have largely been unequivocal failures. The basic assumptions of the mechanistic model do not really apply within Nunavut's unique context. In fact, most well-intentioned social development efforts have had the exact opposite effect. A long list of spectacular failures speaks for itself — everything from assimilationist policies to programs that engender gross dependency on welfare in all its forms.

Nunavut, by any standard and on all levels, is a land of extremes. There is no denying the grim facts that statisticians churn out. We have the highest suicide rate, the highest birth rate, the highest drop-out rate, the lowest GDP, and so on. Yet, in the midst of all this dysfunction, people survive, and society survives. There is much room for improvement, but there is also something keeping Inuit society intact.

With IQ development, we are looking at rethinking monitoring and evaluation practices; what is important to the program provider has to be reconciled with what is important to *Nunavummiut*. Benchmarks and indicators will have to be developed to recognize the strengths and weaknesses of Nunavut's demographic and statistical landscape. For example, the traditional economy plays an important role in Nunavut:

- the gross estimated value of traditional activities such as hunting and the value-added activities that come from hunting that is contributed annually to the Nunavut economy (est. $30m/annum for food replacement value alone) surpasses that of social welfare expenditures ($26m);
- as stated earlier, the traditional (kinship and non-kinship) distribution systems of Inuit communities are still very much functional and active.

Nunavut has a young population, a majority of which will probably stay in Nunavut. This emerging sector of Nunavut will have a huge impact on job creation, health, and other social issues. How do we meet this challenge with our limited resources?

The creation of Nunavut presents not only a challenge to Inuit and the Canadian federation. It also presents an opportunity to rethink governance structures from the ground up in a more grass-roots, community-centered fashion. The expert-driven colossus we call bureaucracy may work in a corporate setting. However, people are not corporations, and at the end of the day it is people who are our raison d'être. Our policies and programs should reflect that.

In keeping with the desire to integrate the best of Inuit and Western means and methods,

we need to adapt or modify technologies, philosophies, and know-how that are consistent with Inuit values and needs. We can learn and adapt ideas from humanism — Camus and Freire, in terms of political and social development, for example — and the emerging chaos/complexity theory may provide scientific vindication of Inuit traditional views on the environment and wildlife population dynamics.

Department of Sustainable Development's (DSD) IQ Framework

In the later planning stages around the departments leading up to the creation of the Government of Nunavut, the caretaker Government of NWT made funds available to the Nunavut and Western regions for traditional knowledge projects. Our predecessor department, through the Community Economic Development Division, applied for and was granted monies for a number of our own traditional knowledge projects. One of these projects was to hire an Inuit consultant (Joelie Sanguya) to travel to various communities in Nunavut, and conduct interviews with elders about IQ. Based on his work, we abstracted a set of principles to guide our efforts in community economic development, and we produced a document called "Community Economic Development from the Perspective of Inuit Qaujimanituqangit — A Framework." From this starting point, we developed an IQ framework to guide the department's policy and program development based on a traditional Inuit family model.

The framework has four basic guiding principles which will be explained for non-speakers:

1. *Pijitsirniq*
2. *Aajiiqatigiingniq*
3. *Pilimmaksarniq*, and
4. *Piliriqatigiingniq*

These core principles, we found, are prerequisites for family and leader/community relationships to function at their most ideal.

From there, the DSD IQ Working Group adopted and expanded the framework to include two more guiding principles for program and policy development:

5. *Avatimik Kamattiarniq*
6. *Qanuqtuurunnarniq*

Principle 5 assists us in addressing the wider responsibilities of DSD, which include the areas of Wildlife and Environmental issues. Principle 6 reflects our "sustainable development" mandate and the always limited resources with which we have to work.

This set of guiding principles is intended to be used as a planning tool in organizational development as well in the monitoring and evaluating phases.

The Guiding Principles of IQ

1. Pijitsirniq

Pijitsirniq is a concept of serving (a purpose, or community) and providing for (family and/or community). This is an essential element of the leadership role as Inuit understand it to be — authoritative as opposed to authoritarian. In fact, the latter form of leadership is seen as juvenile, even dangerous, to a community. Everything that was taught and passed on to children boils down to being able to look after oneself and to provide for family. This concept of service as it pertains to leadership ties in knowledge, skill, and wisdom — in other words, legitimate Inuit leadership is not hereditary, nor based on vague political ideology, but on merit.

To gain and maintain credibility and legitimacy as a program, service, and information provider, the Department of Sustainable Development has publicly committed itself to being a *pijitsiqti* to *Nunavummiut* to implement or review its legislative and program responsibilities. Also, to this end, the department has drafted a the "Department of Sustainable Development's Policy on Program Partnerships," which outlines the purpose and criteria for establishing partnerships: to support community economic development through business development, organizational development, and community capacity building.

2. Aajiiqatigiingniq

Webster's dictionary defines the intransitive form of confer as meaning: *to compare views or take counsel*. This is the closest English definition that one finds for the concept of *aajiiqatigiingniq*. In a community setting, *aajiiqatigiingniq* is the Inuktitut way of decision-making — through conference, one might say.

In its departmental policy and legislative review, DSD sees *aajiiqatigiingniq* as a way to involve communities in its own development as a learning organization. It seeks to improve consultation processes and monitoring and evaluation methods knowing that relevancy and usefulness

of its products to *Nunavummiut* can only come about through *aajiiqatigiingniq*. *Aajiiqatigiingniq* should not be merely an obligatory consultation process however, it is through discussion and discourse that language and conventions are created, that a common language becomes possible. As a learning organization, DSD has a perfect opportunity to engage Nunavut communities in developing a terminology that is common to both planners and end-users, and to both scientific researchers and local knowledge holders through *aajiiqatigiingniq*.

3. *Pilimmaksarniq*

Although oral tradition plays an inestimable role in imparting Inuit culture, knowledge, and cosmology, the adage that if you give a man a fish, you feed him for a day ... is most apropos for Inuit teaching and learning styles. Practical knowledge and skills have traditionally been passed on through observation, doing, and practice. This hands-on approach to teaching and learning is, and will be, invaluable for job training and, more importantly, as communities start taking on more and more of the administration of block-funding to deliver government programs and other “community empowerment” initiatives.

True empowerment though implies being able to do more than just the practical stuff. The ability to engage oneself in ideas, the ability to look at issues critically and to ask the right questions, the ability to affect meaningful changes in one’s lot are vitally important for healthy, sustainable communities. Capacity-building, from this standpoint, then becomes more than an exercise in basic skills acquisition; a sense of ownership needs to be instilled along with a sense of responsibility.

The DSD Policy on Program Partnerships states that for the “purpose of community capacity building partnerships the Department will ... strengthen and support the participation of Nunavut communities in the design, delivery, and evaluation of community development issues.”

4. *Piliriqatigiingniq*

As a communal society, the concept of working together and collaboration have vital significance to the Inuit. As all these guiding principles overlap (*aajiiqatigiingniq* and so on), *piliriqatigiingniq* ensures that limited resources are used wisely in conjunction with what is already in the communities — intellectual, material resources and the knowledge and memory of the community.

Most of the elders who were interviewed by Joelie Sanguya expressed an expectation that the government of Nunavut will work more collaboratively with *Nunavummiut*. Work — though not necessarily the kind that earns wages — they said, is absolutely essential for a healthier self-image. *Piliriqatigiingniq* should be the basis of our department’s community initiatives programs. This means redefining the roles and relationship between government and community to that of a more equal partnership. The DSD Policy on Program Partnerships speaks directly to the concept of *piliriqatigiingniq* in its approach.

5. *Avatimik Kamattiarniq*

Environmental stewardship is a significant part of DSD’s mandate. Seen as a whole, environmental stewardship is not only about the environment, but acknowledges that also includes wildlife and humans. Given DSD’s diverse mandate — natural resources development, environmental protection, tourism, wildlife management, economic development — it makes perfect sense to marry western science with IQ. The intimate, experiential knowledge of the Inuit in terms of wildlife movements and environment is already available and has been accumulated over a vast expanse of time. In conjunction with developing a common terminology for researchers and local experts, models and research methodologies must be developed to incorporate local knowledge of the land, sea (ice), and fauna.

Mathematics and language that describe complex adaptive systems that are more in line with Inuit conceptual frameworks for environment/flora/fauna interactions already exist. Inuit taxonomic schemes, knowledge of wildlife behaviour, and physiological sciences need to be documented and be used as a basis of communications between researchers and local knowledge holders.

Mike Ferguson (1999) co-authored a research paper on the relationship between Arctic Tundra Caribou population dynamics and environmental conditions where he compares the scientific findings with observations by the Inuit hunters of Cape Dorset and Kimmirut. The paper suggests quite strongly that these types of collaborations can yield surprising results. Another scientific paper (Ferguson; Taylor; Born & Messier, 1998) examines the linkages of population distribution of polar bears and ice mor-

phology. A dynamic and holistic analysis that is informed by both scientific and anecdotal evidence warrants further investigation.

6. Qanuqtuurunnarniq

A "can do" approach to life has made life possible for Inuit in an extremely harsh Arctic environment. Of all the things that make an Inuit an Inuit, *qanuqtuurunnarniq* (ability to improvise with what is at hand) is a true source of pride. Resourcefulness, the ability to improvise and innovation are keys to adapting to an ever-changing environment.

Qanuqtuurunnarniq is really about reflecting on a problem and seeking many possible solutions because one has very limited resources. It is what allowed Inuit to survive, even thrive, in an unforgiving environment using what is at hand and using the power of the intellect. *Qillaqsuaq*'s epic journey to Greendland and back perfectly illustrates the concept of *qanuqtuurunnarniq*. Through sheer determination and resourcefulness, Qillaq traces a path of discovery of self and country.

IQ in the Workplace

From thought to words to actuality, the commitment to using *Inuit Qaujimanituqangit* in the workplace has been a long time coming. The philosophy of IQ, at least from DSD's perspective, is not to dole out blame for Nunavut's ills, nor is it our intent for it to be a reaction against perceived injustices, real or imagined. IQ is tool that we are, and will be, using to do our work as a government department. IQ is how we relate to and interact with *Nunavummiut*, our employers.

For the Department of Sustainable Development, vetting work through the IQ Framework and consulting with the Working Group is becoming now largely a matter of course. The department is currently planning to conduct a major review of its policies and the IQ framework will naturally play a very important role in the consultation and redrafting process. New Departmental initiatives — such as the Nunavut Economic Strategy, the proposed Wildlife Act, the "one window" approach to the delivery of our business development programs, etc. — use IQ as their starting point.

Nunavut is huge in terms of geographical mass, but the population is such that it is possible to put a human face on its governance structures. One of Nunavut's strengths is that the majority of its people understand that statistical numbers are snap-shots of actual human lives and not mere abstractions that planners use to prescribe remedies for our social ills. This is IQ. This insight is vitally important to the reinvention of ourselves as a government department.

NOTES

1. Mary Simon calls a Nunavut-type government a non-ethnic self-government in which all residents have equal rights and opportunities in the political, economic, and social spheres.

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AN EXPLORATION OF JOINT VENTURES AS A SUSTAINABLE DEVELOPMENT TOOL FOR FIRST NATIONS

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Sarah Jane Fraser

Introduction and Setting

Joint ventures can be an important part of a sustainable development plan for a First Nation. By choosing joint ventures, a First Nation is able to influence the direction of its growth and may choose to work with partners who look forward to the future and respect past practices.

Joint ventures are one of a number of development options, ranging from community economic development to impact and benefit agreements, that are not mutually exclusive and in many cases work best in combination as part of a balanced economic development strategy.

The focus of this discussion is the joint venture that can allow First Nations to enter the resource development and service industries. It can provide incomes, as well as revenue that can be used to support social spending. Potential benefits of joint ventures include access to the capital, technology, expertise, market access, and other benefits offered by a corporate partner (Findlay, 1996, Moran, 1978). The First Nation can expand into the general market, while the corporation may benefit from set-aside federal government contracts, from distinctive markets like Aboriginal communities, and may attract the interest of socially responsible investors and consumers.

The World Commission on Environment and Development (WCED) (1987) includes four key ideas in their definition of sustainable development: a balance of present with future needs, initiating change in the way resources are exploited to reflect concern for the future, increasing society's potential for production in an equitable way, and recognition of limits to economic and natural growth. These themes are useful in an evaluation of joint ventures.

Before we examine joint ventures in detail, we can take a look at some of the other options available to First Nations instead of or in combination with joint ventures. It is worth emphasizing that joint ventures need not be isolated from other development activities: they may contribute more to a community's development when used in concert with other economic tools, such as community economic development, royalty agreements, impact and benefit agreements, partnership with government, and microfinance.

Economic Development Options for First Nation Communities

Community control of each stage of the process is fundamental to community economic development (CED). From the analysis of a community's strengths and weaknesses to the development of a long-term social and economic plan and its implementation, strategies are chosen to emphasize the use of local resources and technology, focussing on both social and economic objectives

(Bryant, 1994; Broadhead, 1993). The responsibility for these ventures lies entirely with the community. Community-controlled development in Canada exists in tourism, forestry, agriculture, real estate development, and other sectors.

Communities are more likely to suffer negative, long-term environmental and social effects of economic development than are non-resident participants like government agencies or company shareholders. As a result, we can expect communities to choose projects that recognize the interconnectedness between culture, economy, environment, and society. Community economic development fits in well with the WCED's definition of sustainable development, with its focus on the long term, choosing appropriate methods of exploitation, equity, and limits to growth.

Although provincial governments in Canada usually collect royalties on operations taking place on Crown land, First Nations without control over traditional territories and resources can negotiate for royalties based on their own political power and the goodwill of the company involved (Whyte, 1982). However, royalties reflect Western culture's low consideration for future gains, and these agreements reduce the likelihood that an Aboriginal community will affect future development, either through protest or negotiation. With resource royalties, First Nations shift their financial dependence from the federal government to corporations, but that do little to reduce their overall dependence. However, royalties are a good transition tool if the revenue is used to increase community capacity and thereby decrease total dependence on external sources of funding.

If we assess a royalty agreement using our four sustainability standards of future values, current methods, equity, and limits to growth, we can see that although a royalty flowing to a First Nation does establish a redistribution of income and is therefore more equitable, it does not necessarily change the nature of the project to make it more future-sensitive, improve current methods of resource extraction, or recognize the limits to growth.

Impact and benefit agreements (IBAs) are arrangements between Aboriginal communities and non-Native corporations, often including provisions for employment of local people and for environmental rehabilitation. With an IBA, a First Nation does not participate as an operational decision-maker, but may be employed by the company. Good IBAs specify the provision of employment and methods for minimizing the social and environmental conflict caused by development, and they outline a method of ensuring that these conditions are met. Some land rights agreements require the negotiation of an IBA for resource development, but there is an uncertain relationship between IBAs and the legal and regulatory system, resulting in a serious lack of enforcement of IBA provisions. As in the case of royalty agreements, the good will of the company involved is the best predictor of a satisfactory IBA settlement (Northern Perspectives, 2000).

If the community sees some benefits, like employment, then a project could be considered more equitable. IBAs that include stipulations about environmental rehabilitation are more sensitive to future conditions (and have made some observations about the damage caused by current methods of extraction). But an IBA cannot prevent the development of a project, nor change the methods of extraction, even if a community considers the risks of development too high, which ignores the WCED's final condition of limits to growth.

First Nation businesses and community development corporations currently benefit from federal government provision of loans, grants, and non-financial business assistance. These arrangements come with conditions on the purpose and delivery of programming, and frequently, full decision-making authority rests with government agencies. Using the WCED's four themes, government collaboration is not likely to be regarded as sustainable, because although the distribution of funds to First Nation communities would be a move towards greater equity, the government's dedication to GDP growth does not acknowledge limits to growth, tends to disregard future conditions and needs, and subsequently, we find lax enforcement of guidelines on improving current extractive practices.

Microfinance activities include credit, banking services, and non-financial business assistance. Typically, microfinance organizations try to reach people who are underserved by traditional financial institutions like banks. In Canada, microfinance institutions, credit unions, government programs, and banks offer microcredit loans that typically range from a few thousand dollars to $25,000 or more. These organizations offer business start-up advice and business plan development as part of their services. Microfinance is an excellent way to promote individual entrepreneurship and smart risk-taking.

Drawbacks to microfinance are similar to the barriers to success common to all small businesses, including high failure rates. Similar to community economic development, microcredit programs depend on the choices of individuals and groups in the community, leaving the sustainability of projects to the community. We can expect more equitable development with microcredit, and more thoughtful approaches to future needs, current practices and limits to growth so long as the community is dedicated to sustainability.

Joint Ventures

Using the WCED's four themes of sustainability, we will see that joint ventures are not inherently more sustainable than royalty agreements, government partnerships or Impact and Benefit Agreements. However, a First Nation entering into a joint venture can choose which company they partner with, and if they negotiate for some operational control, they can affect the methods used in the business and potentially harness the growth of the venture. If an Aboriginal community uses its influence to change the nature of joint ventures, then a more sustainable result can be achieved.

Joint ventures are unlike royalty agreements or Impact and Benefit Agreements in that joint ventures are collaborative; the partners in a joint venture may form an independent business or informally agree to cooperate using contributions from each party. Control, revenues, and other benefits are divided between the partners based on a negotiated agreement and the proportion of shares held by each partner.

In comparison to community economic development, joint ventures are driven by corporate interests as much or more than they are by the community. Rather than starting many small businesses, as is accomplished with microcredit lending, joint ventures tend to involve large corporations who set up sizeable operations. To maximize the benefits from joint ventures, a First Nation must concentrate on the strengths of joint ventures and seek to minimize its drawbacks. Because the relative bargaining power between partners affects the distribution of profits and other benefits, First Nations must use their bargaining skills and power to maximum advantage in negotiations of joint ventures. In this section, we will look at the advantages and disadvantages of joint ventures, issues surrounding the negotiation of joint venture agreements, and we will address the concerns of sustainability.

For maximum advantages of joint ventures, Aboriginal communities should choose partners who offer shared control of projects, access to capital, technology, management capacity, and market access (Gillis, Perkins, Roemer and Snodgrass, 1996). Shared control is the result of the collective nature of contributions and resources (Darrough and Stoughton, 1989). If both parties have operational control of the joint venture, decisions affecting the joint venture require the collaboration of all parties and none can force its position on another. This element of joint ventures provides First Nations with a level of input into operations unlike royalty agreements or IBAs. Because the control is shared with a corporation, however, communities have less influence in a joint venture than in community economic development or microcredit projects.

First Nations can benefit from participating in joint ventures with large corporations through a company's access to capital, experts in management and operations, established market access, and often through information and technology that would not otherwise be available to them. In a community with low current capacity, a joint venture can bring many needed resources to the table. The big projects that typically result from joint ventures with large corporations require funding on a scale that is not possible for First Nations acting on their own. A corporation can draw on its own capital and is also better able to get approval on big bank loans. Corporate experts in the operation and management of a business can propel a joint venture beyond the early learning stages of a new business. Establishing markets and brand recognition are long-term projects, and First Nations can benefit from the work already done by corporations. Patented technology, trade secrets, and other protected information can also be included in joint venture agreements.

Aboriginal communities should be aware of potential drawbacks to using joint ventures, including the risk of management conflicts, transfer pricing, downstream competition, and technological imitation. These hazards, and disputes in management in particular, should be addressed in the negotiated agreement.

Management conflicts between venture partners stem from the relationship between the

First Nation and the company. In cases where the First Nation is involved in the management or operation of the business, cultural conflicts, hiring practices, and differences in priorities might cause disagreements. Aboriginal communities directing joint ventures towards more sustainable practices must outline their priorities early on in the negotiations. If the community chooses to be less involved in operations, management conflicts will be avoided, at the cost of allowing the corporate partner to assume responsibility for these decisions and losing the opportunity to place community members in positions of learning and accountability.

Transfer pricing is the overpricing of goods or services traded between venture partners or branch and parent operations for one party to avoid taxes or increase earnings. For example, a branch plant could, under contract, be required to sell goods to the parent company for a low price — goods later sold by the parent company at higher rates to consumers. Inflated prices of goods or management services from the parent company to the branch plant can also capture more net revenue than was negotiated in a joint venture agreement.

Conflicts arise from the imitation of partner technology and competition among partners in the downstream market. Technological imitation includes the use of technology by one partner that was developed by the other partner and the use of traditional knowledge without permission. Joint venture agreements often contain clauses about the future use of skills or knowledge gained by First Nation employees of joint ventures to prevent loss of future income from the corporate partner.

We have briefly discussed the advantages and disadvantages inherent in joint ventures. To increase the chances of success for the joint venture, and reduce a community's exposure to negative effects, First Nations must use experienced bargainers in negotiations with corporations. Power in negotiations is derived both externally and internally from the bargaining context and from the partners' critical contributions to the venture. An experienced negotiating team is able to shift the allocation of benefits (Bottom, Holloway, McClurg and Miller, 2000), and is less likely to be ensnared in agreements that contain restrictive conditions or dangerous manipulations such as transfer pricing (Moran, 1978).

A transparent and accessible system of governance is a pre-condition for the development of a good negotiating team and will ensure that the whole community has the opportunity to contribute to and benefit from joint ventures. The dominance of a local controlling elite may make the initial stages of a development plan seem smooth, but the inclusion of all community members will promote long-term stability in the community and in the joint venture.

Joint venture contributions from First Nations can add significant value for corporate shareholders by bringing very exclusive contributions to the table, including access to government programs and funding, access to resources, and access to special markets.

Joint Venture Contributions from First Nations

Government programs that Aboriginal communities can use when bargaining with corporations include business assistance programs and the federal procurement strategy. Federal funding options include property tax exemptions, business loans and money used for the development of community infrastructure. Eligibility rules for these programs require First Nation control.

The Procurement Strategy for Aboriginal Business and the Set Aside Program for Aboriginal Business identify opportunities and reserve contracts for First Nation businesses to supply goods and services to the federal government. In particular, the federal government is interested in using Aboriginal businesses to provide goods and services to Aboriginal populations (PWGSC, 1999; DINA, 1999). These protected contracts are very attractive to corporations who also provide these types of goods and services and provide companies with compelling reasons to take part in joint ventures and teaming agreements with First Nations (Fraser, 2001).

Corporations are attracted to the resources available to First Nations through the Marshall decision and other court cases and treaties. Often these natural resources are in short supply, protected by conservation guidelines, or unique in the marketplace. Without a First Nation partner, a company would have no access to these resources.

Special markets like socially responsible investors, conscious consumers, and the Aboriginal community itself are growing and assuming a larger share of the marketplace. Using imag-

ery, cultural symbols, and knowledge from First Nations, a company can change its own image and access these specialty groups. In places like northwestern Ontario and Saskatchewan, the Aboriginal population will soon be larger than the non-native population, and decisions regarding purchasing by governments and businesses will change as a result.

Conclusion

First Nations will see the greatest benefits from joint ventures if they can identify their own contributions and recognize the inherent hazards. Educated and motivated communities can use joint ventures to promote sustainable practices in the resource and services sector by using real operational control and by selecting venture partners who are open to change. The collaborative aspect of joint ventures must continue beyond signing the contract, with all operational decisions made cooperatively.

We know that the unemployment rate for Aboriginal people in Canada is significantly higher than for non-Native communities (Mi'kmaq Health Research Group, 1999). Employment in joint ventures could provide income and contribute to individual, family, and community health. However, focused development efforts on negotiating joint venture agreements with large corporations may require a shift in attitude of the community towards mainstream business principles. Conversely, it may also demand a comparable shift in the practices of corporations who wish to operate on traditional lands. First Nations can support sustainability in joint ventures by contributing to the selection of sustainable methods of extraction and resource use, promoting the inclusion of future values into decision making, putting forward considerations of equity, and encouraging the recognitions of limits to growth and natural systems. In doing so, Aboriginal communities will be protecting traditional territories and critical cultural values.

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ABORIGINAL CO-OPERATIVES IN CANADA
A Sustainable Development Strategy Whose Time Has Come

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L. Hammond Ketilson and I. MacPherson

INTRODUCTION

Aboriginal peoples and particularly their leaders are facing a wide range of fundamental issues as they seek to create their own future, economically, socially, and politically. They are making decisions that will affect Aboriginal peoples for generations to come as they seek to make the best possible use of treaty funds; as they seek to create sustainable communities; as they search for ways to circulate financial resources as frequently as possible within their communities, rather than see them leaked away to businesses outside their communities; and as they encourage new forms of entrepreneurial activities.

Broadly speaking, Aboriginal peoples have four options to consider in making decisions about their economic future: they can choose to foster the development of individual entrepreneurs, an approach that has achieved great success in recent years; they can form alliances with "Corporate Canada," an approach that offers many possibilities; they can develop the capacity of Aboriginal governmental organizations, notably band councils, to undertake economic activities; or they can encourage the development of co-operatives that function in the market-place and have clear lines of accountability between leaders and the people they serve.

Each of these forms of enterprise has its own strengths and weaknesses; none is a perfect or complete answer to all of the challenges that confront Aboriginal peoples. Strong economies generally possess all four kinds of economic organizations.

Co-operatives are not a new or untried form of organization in Canada or within Canadian Aboriginal communities. They exist in many sectors of the Canadian economy important to Aboriginal people, including fishing, energy, forestry, housing, financial services, consumer goods, and arts and crafts. They are involved in training, the production of goods and services, marketing, and wholesale/retail. They fill an important role in economic capacity-building,

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This paper is based on the findings of a study of co-operative development in First Nation, Metis, Inuit, Inuvialiut and Dene communities across Canada. The final report, Aboriginal Co-operatives in Canada: Current Situation and Potential for Growth, was prepared on behalf of the Canadian Co-operative Association and le Conseil Canadien de la Coopération. It was made possible through funding from Indian and Northern Affairs Canada and the Assembly of First Nations. The full report is available in hard copy from the Centre for the Study of Co-operatives, and in PDF format on their Web site, http://coop-studies.usask.ca.

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providing skills development, business development, mentoring, and employment. Aboriginal co-operatives are playing an important role in Aboriginal economic development, particularly in Nunavut, Nunavik, and the Northwest Territories, and have the potential to grow in rural, urban, and remote Aboriginal communities in southern as well as northern Canada.

This paper looks at the current state of Aboriginal co-operatives, their characteristics, their sector distribution, and the contributions of Aboriginal co-operatives to regional and community *economic and social* development.[1] It examines the possibilities Aboriginal peoples might explore should they consider employing the co-operative model more extensively in meeting one or more of their needs.

CO-OPERATIVES AND SUSTAINABLE DEVELOPMENT

> Definition of a Co-operative
>
> A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
>
> "The ICA Statement on the Co-operative Identity," in Co-operative Principles for the 21st Century (Geneva: ICA, 1996), p. 3.

Co-operatives are fundamentally a form of community economic development. For decades, co-operatives have emerged where other institutions — private sector businesses and government — left a deficiency. At times, the concern was a concentration of power and excessive prices; at other times the concern was the lack of goods and services required by people within an area. The process of developing and sustaining a co-operative involves, in miniature, the processes of developing and sustaining community spirit, identity, and social organization. Co-operatives have been the most successful when they have arisen out of grassroots efforts to meet the needs of a community. This grassroots orientation is a reflection of local people taking the initiative to understand the problems they face and to develop solutions.

This grassroots orientation has also contributed to another strength of co-operatives — their ability to innovate to find solutions to problems not adequately addressed by previous approaches. The innovation that co-operatives represent lies in the relationship they have with their owners. Unlike private sector firms, co-operatives do not go into business solely to make a profit. Instead, the focus is on providing the owner/members with goods and services so they can increase their savings (in the case of a consumer co-operative) or increase their profits (in the case of a producer co-operative).

Because of this difference in focus, co-operatives are often able to start up and to survive[2] where private sector businesses would fail. For instance, while a private sector firm may withdraw from a community because it was unable to earn a rate of return competitive with that available elsewhere in the economy, a co-operative may be willing to provide the service. The owner/members realize that while the co-operative itself may not be hugely successful, the ability to retain the service and the associated spin-offs yields substantial economic benefits.[3]

This ability to consider the needs of those who have a stake in the outcome — the stakeholders — is a trademark of co-operatives. It is also a key to community economic development. Planning processes that incorporate the stakeholders in a community, whether they are businesses, workers, or the unemployed, is a fundamental feature of all types of community economic development — group or collective action, where the group decides to the best of its ability how it is going to organize its affairs.

CANADIAN CO-OPERATIVE MOVEMENT

Aboriginal co-operatives are part of a larger Canadian movement, and their history and development has, to a significant extent, emanated from the larger movement. All told there are more than 15 million memberships of co-operatives in Canada, with over 12 million of them being in credit unions and caisses populaires. The membership of some other co-operatives is also significant: the consumer movement has nearly 3.7 million members; housing co-operatives house some 250,000 in more than 2,100 co-operatives with nearly 90,000 units. The insurance companies owned by the co-operatives, notably the Co-operators, CUMIS, and the Mouvement Desjardins, are important companies in their industry. In total the Canadian movement has more than $169 billion in assets, mak-

ing it an important force in the Canadian economy, particularly when considered from a regional perspective.

Aboriginal co-operatives are members of other co-operative organizations that form the membership of the national co-operative organizations, Conseil Canadien de la Coopération and the Canadian Co-operative Association. In the case of the latter, Arctic Co-operatives, the wholesale and marketing agencies owned by northern (and mostly Aboriginal) co-operatives, is one of 27 regional members of that organization. Through the two national organizations, Aboriginal co-operatives are members of the International Co-operative Alliance, whose basic statement of co-operative identity they affirm.

THE EXTENT AND NATURE OF THE ABORIGINAL CO-OPERATIVE MOVEMENT TODAY

There are an estimated 133[4] co-operatives in Canada today in which a substantial proportion of the membership is Aboriginal. Most of these co-operatives are located in smaller, more remote communities, although there has been increasing evidence of growing interest in large communities located closer to the larger cities and among Aboriginal people located in the cities.

More than half the co-operatives are in the Northwest Territories, Nunavut, and Nunavik. They had their beginnings during the late 1950s and expanded rapidly during the 1960s and 1970s. The co-operative approach has proved to be very popular in the Arctic and increasingly in the North generally; by the mid-1990s there were hardly any communities in the Far North that did not have a co-operative.

According to Arctic Co-operatives Limited (ACC), over 95 percent of the memberships of the northern co-operatives are Aboriginal, the remaining 5 percent being made up of southerners residing in the North. Inuit are by far the largest single group within the membership, particularly in Nunavut and Nunavik. In the western Arctic, substantial numbers of Inuvialuit and Dene are also members, and in recent years the Dene have been joining existing co-operatives in increasing numbers and starting new co-operatives. Subsequently, in this paper, co-operatives in this region will be referred to as "the Arctic co-operatives."

The Arctic co-operatives have developed two distinct federations of co-operatives: one, Arctic Co-operatives, serving co-operatives in Nunavut and NWT, and the other, la Fédération des coopératives du Nouveau Québec, serving the co-operatives of Nunavik. These federations have been instrumental in stabilizing the northern co-operatives, in developing system-wide accounting, marketing, and employment standards, and in presenting a united voice to governments. In addition, ACL is a member/owner of Federated Co-operatives, a Saskatoon-based co-operative wholesale owned by co-operatives in western Canada (and through ACL, northern Canada).

In Québec, a second membership network exists associated with the Mouvement Desjardins. In addition to six caisses populaires owned and operated exclusively by Aboriginal people, there are approximately 20 caisses populaires providing Aboriginal people with services specific to their communities.

The only other major concentration of Aboriginal co-operatives is to be found in northern Saskatchewan — the co-operatives that survive from an extensive programme undertaken by the Saskatchewan government during the 1940s and the 1950s. The remaining co-operatives are scattered across southern Canada, their origins being highly individualistic and their purposes quite diverse.

The Aboriginal co-operative movement is larger than most people might expect. The 77 reporting co-operatives[5] have more than 24,000 members. This number is somewhat misleading in that the number of northerners using the stores is higher than that number would indicate. First, the store also serves nonmembers — a person does not have to be a member to shop in them. Second, most members are really families, and since most Aboriginal families in the North are larger than the Canadian average (and often include extended families), the numbers of Aboriginal people actually affiliated with co-operatives is substantially higher than 24,000.

In total, the data indicates that Aboriginal people are more likely to be members of co-operatives than other people in Canadian society, although this rather surprising fact is largely accounted for by the high penetration of co-operatives in the northern economy. In fact, northern Aboriginal people are four times more likely than southern Aboriginal people to be members of a co-operative.

The Aboriginal co-operatives reporting to the Co-operatives Secretariat[6] annually sell nearly $250 million in services and products, and the amount has been increasing steadily in each of the last 10 years. They have nearly $190 million in assets and member equity stands at almost $90 million; the co-operatives are managing their liquidity levels in an appropriate way and are generally maintaining their buildings in a satisfactory manner. Net savings have fluctuated somewhat around $7 million each year, depending largely upon the extent to which the co-operatives have been improving their physical plant.

It is easy to pass over the importance of the $7 million in annual net savings. This money is generated entirely by business in the community, making co-operatives one of the most effective forms of economic development in the communities where they exist. Virtually all of the savings are distributed within the community; most of it is spent in the community, stimulating further business and economic activities. The "multiplier" effect is of some significance, although no studies have been done to measure that impact.

The co-operatives employ more than 1,400 people, the average co-operative employing about 18 individuals. The vast majority of the employees are Aboriginal, the most common exception being managers, most of whom are non-Aboriginal, although this pattern is slowly changing. On average, co-operatives tend to employ slightly more people than comparable firms owned and operated by non-Aboriginal people. They also appear to be more likely to keep employees in times of adversity.

The co-operatives pay their employees at about the same rate as other similar local businesses; in fact, they pay at a somewhat higher rate. The pay level, though, is lower than the national average and may be a matter of long-term concern. It may also help explain why some co-operatives have difficulty retaining Aboriginal employees once they have become trained.

An important dimension of the role played by co-operatives is that they provide considerable education and training for the people associated with them. In any given year, about 1,000 people, virtually all of them Aboriginal, are involved as elected officials in the co-operatives. In that role they learn how to analyze business statements, work with managers, and report effectively to their communities. They take training programmes, travel to seminars, and learn about the activities of the federations. They learn about formal democratic procedures; in fact, more than half the members of the Nunavut Legislature have had significant leadership training and experience within their local co-operative.

Similarly, co-operatives serve as an incubator for employment opportunities within Aboriginal communities. Employees move among the co-operatives associated with the Arctic federations. Many have moved on to jobs in the public service and with private companies after having been trained in the co-operatives. Others have opened private businesses, sometimes competing with the co-operatives, after they have learned necessary business skills.

A distinguishing feature of the Aboriginal co-operatives is that they are involved in a wide range of businesses, the most common being in the retail trades. The co-op is the only store in some Arctic communities; in others, it is an important competitor of other stores, most of which are owned by two northern chain-store systems. Given the accountability inherent in the co-operative structure, the stores, when managed effectively, are important guarantors of the sale of goods at the most reasonable price.

Most Arctic co-operatives, for instance, are engaged in a variety of activities, including the marketing of crafts, the repair of snowmobiles, the operation of hotels, and the organization of tourist activities. Many are involved in fishing, a few in the provision of electricity and the operation of cable television systems.

ABORIGINAL CO-OPERATIVES AND COMMUNITIES

Many different development strategies have been initiated in Aboriginal communities over the years. In some communities they have been linked to publicly owned businesses, while others have embraced entrepreneurship through small privately owned businesses. Some have involved working closely with natural resource companies; others have chosen to pursue more traditional forms of harvesting activities. Yet others, more than has generally been realized, have used co-operatives as an effective way to develop their communities economically and socially.

The following section identifies lessons learned from 11 case studies of Aboriginal co-operatives. Table 1 identifies the criteria utilized in the selection of these case studies.

TABLE 1
Case Selection Criteria

		Location					*Size*			*Status*	
Case Study	*Region*	*Rural*	*Urban*	*Remote*	*Sector*	*Date Incorporated*	*Members*	*Sales*	*Employees*	*On-Reserve*	*Off-Reserve*
Arctic Co-operatives Ltd.	Far North			X	Wholesale	1982	41 retails	$69 M	740		X
Ikaluktutiak Co-operative	Far North			X	Multipurpose/Retail	1961	460	$3 M	50		X
Caisse Populaire Kahnawake	Southern Québec		X		Financial	1987	7,000	$58.9 M Deposits	N/A	X	
Puvirnituq Co-operative	Northern Québec			X	Multipurpose/Retail	1958	1,500	$6 M	21		X
Apaqtukewaq Fisheries Co-operative	Atlantic	X			Fishing/Processing	1995	4	$40,000	N/A	X	
Anishinabek Nation Credit Union	Ontario	X	X		Financial	2000	N/A	Target $10 M Deposits	3	X	
Native Inter-Tribal Housing and First Nations Housing Co-operatives	Ontario		X		Housing	1980 1983	N/A	62 homes 42 homes	N/A		X
Akochikan Co-operative	Prairie			X	Multipurpose/Retail	1996	1,800	$1.2 M	N/A	X	
Neechi Foods Co-operative	Prairie		X		Worker Co-op/ Retail	1989	7	N/A	7		X
Amachewespimawin Co-operative	Prairie			X	Multipurpose/Retail	1972	1,000	$4.5 M	50	X	
Wilp Sa Maa'y Harvesting Co-op	Pacific	X			Processing/ Production	1998	106	N/A	1		X

Origins

Consistent with the formation of co-operatives in all parts of the world, the Aboriginal co-operatives included as case studies in this study grew out of needs not currently satisfied or provided in an unsatisfactory manner by existing organizations.

The need for a decent standard of housing and a sense of community, for example, led to the formation of the Native Inter-Tribal and First Nations Housing co-operatives in London, Ontario. The desire for more affordable and traditional food sources, along with a strengthened community, resulted in the creation of Neechi Foods Co-operative Limited in an inner-city neighbourhood in Winnipeg.

The primary objective for establishing Caisse Populaire Kahnawake was to keep large influxes of seasonal wages in the community, and to enable Kahnawake First Nation to access credit and loans using their own lending criteria and rules.

The Anishinabek Nation Credit Union was established as a solution for Anishinabek Nation communities that had for many years experienced difficulty borrowing funds for economic development and other projects. Anishinabek Nation communities had not been well served by government programmes or conventional financial institutions.

In Nova Scotia and British Columbia, a scarcity of employment opportunities led to the formation of the Apaqtukewaq Fisheries Co-operative and Wilp Sa Maa'y Harvesting Co-operative respectively. In the more remote regions, where service delivery is provided by few if any businesses, the Akochikan, Ikaluktutiak, and Amachewespimawin co-operatives were formed by community members to increase competition and assert control over local economies.

Co-operatives in the Far North were started generally within Inuit, Inuvialuit, and Dene communities to provide competition for existing food merchants and to ensure that pricing of consumer goods fairly reflected costs. They also were established to provide for the controlled marketing of Aboriginal art. Subsequently, the co-operatives have expanded to meet numerous vital needs of Arctic communities, including snowmobile sales and repair, hotel accommodations, and post offices.

Sectors

The sectors represented in the 11 case studies are reflective of where we find the greatest number of Aboriginal co-operatives today — predominantly in the retail sector, with increasing strength in housing and the fishery. As demonstrated in the case studies, potential also exists in the financial services and natural resources sectors. Social co-operatives (health/medical care, child care) are not represented in the studies (because none has yet been started); the authors believe they are of potential value, however.

Location

The chosen co-operatives are located in all regions of Canada — Arctic Co-operatives Limited is headquartered in Winnipeg but owned by the northern co-operatives it serves; Ikaluktutiak and Puvirnituq co-operatives are in the Arctic; Akochikan Co-operative and Amachewespimawin Co-operative are in remote communities in northern Manitoba and Saskatchewan respectively; the two housing co-operatives are located in a medium sized Ontario city; and one of the retail co-operatives is located in an inner-city neighbourhood in a large city in Manitoba. Caisse Populaire Kahnawake is located on the Kahnawake First Nation on the outskirts of Montreal, and the Anishinabek Nation Credit Union serves 43 member First Nations situated in mid- and southern Ontario, from Thunder Bay to Pembroke, and Peterborough to London. Apaqtukewaq Fisheries Co-operative is located in the Atlantic region, and Wilp Sa Maa'y in central, northern British Columbia.

It has been suggested that the location of an Aboriginal organization in either an enclave or interwoven[7] economy has implications for the nature of the programmes and policies that can be effectively implemented. Enclave economies have clearly defined and bounded geographic locations with a central Aboriginal government authority. One defining characteristic of these economies is the federal legislative and regulatory framework, defined mostly by the *Indian Act*, which makes the rules regarding land and resource use as well as making access to credit more difficult without government (federal, provincial, Aboriginal) involvement. Those co-operatives identified as being located in enclave economies include Akochikan, the Apaqtukewaq Fisheries, Amachewespimawin, the Anishinabek

Nation Credit Union, and Caisse Populaire Kahnawake.

Interwoven economies may have a defined geographic location but do not have a central Aboriginal government. These economies are usually urban, but may be rural or remote, or Inuit economies in the North, where reserves do not exist and public governments do. The balance of the 11 case study co-operatives are identified as operating within an interwoven economy.

Initial Founding

While it is true that co-operatives can prosper only if they are embraced by significant segments of a community, they usually develop because of the efforts of a few people, sometimes only one person. The importance of effective leadership is demonstrated in all the case studies prepared for this report.

In the case of the Ikaluktutiak Co-operative, it was Andrew Goussaert, an Oblate missionary who had travelled much of the North and had come to believe that co-operatives could provide essential goods at fair prices and assist in the marketing of art in the South. He was soon successful in attracting the support of Inuit leaders, an absolutely vital condition for success, and they played crucial roles in making the co-operative successful. A similar origin is to be found for Puvirnituq Co-operative, one of the first co-operatives organized in northern Québec. It started as an association of sculptors, organized with the support of André Steinman, a Catholic Oblate missionary, and Peter Murdoch, a marketer for the Hudson's Bay Company.

Wilp Sa Maa'y Co-operative grew out of a research initiative, and was led by a group from outside the community who had identified the community employment potential resident in the nonforest timber products they were studying.

Native Inter-Tribal Housing Co-operative was established by a group of individuals familiar with the co-operative housing concept. They worked closely with a housing resource group in London. First Nations Housing Co-operative grew out of collaboration with the N'Amerind Native Friendship Centre.

Caisse Populaire Kahnawake was the last founded of six existing caisse populaires owned and managed by Aboriginal people in Québec. The founders were familiar with the caisse model, which they felt was consistent with their own cultural values. "As a co-operative movement, the philosophy and spirit of Desjardins is no less than our own, the people of Kahnawake, of the Mohawk Nation and of the Iroquois Confederacy." (*Caisse populaire Kahnawake*, 1997, p. 2)

Anishinabek Nation Credit Union grew from the vision of Chief Joseph Hare of the M'Chigeeng First Nation, who in the late 1970s identified the need to establish a financial institution controlled by the First Nation. Chief Hare promoted his idea initially to adjacent First Nation communities, and ultimately at the grand councils held by the Anishinabek Nation, where the idea for a credit union was proposed and supported. In the final stages of development, the Union of Ontario Indians, an administrative corporation of the Anishinabek Nation, acted as a secretariat in the development of the credit union and provided the network information to member communities.

The worker co-operative, Neechi Foods, grew out of a community economic development initiative, with strong leadership provided by both Aboriginal and non-Aboriginal CED workers supportive of co-operative models for development. Apaqtukewaq Fisheries Co-operative was incorporated at the urging of the chief, who had a long-standing appreciation for the co-operative model generally and the Antigonish Movement, the community development programme from St. Francis Xavier University known throughout the world for its encouragement of co-operative enterprise.

In some of the case examples, however, it is clear that the vision of the early champion(s) was not always embraced enthusiastically or by large segments of the community's population. In some instances it was difficult to encourage prominent leaders of the community to run for the board or to accept positions on the various committees. Respect for the founders did not always translate easily into respect and support for the co-operative. This pattern is typical of most new co-operatives, not just those started in Aboriginal communities, but it is important to keep in mind in understanding the difficulties Aboriginal peoples will likely face in creating co-operatives in the future.

Impact on Community

Previous studies[8] examining the impact of co-operatives on communities have identified partic-

ular benefits associated with the formation of co-operatives in the following three areas: building/strengthening physical infrastructure, building/strengthening personal infrastructure, and building/strengthening social infrastructure (social capital). An analysis of the eleven case studies found similar benefits.

Building/Strengthening Physical Infrastructure

Co-operatives contribute to the development of the physical infrastructure — roads, telecommunications, services — of a community through the construction of facilities and provision of services inadequately or not currently provided by government or the private sector. While it is more often in remote and rural communities that co-operatives play a major role in adding to and improving the physical infrastructure available to community residents, examples can also be found in large urban settings where market forces are not currently serving the needs of marginalized communities.

Within the remote North, co-operatives such as Ikaluktutiak offer retail services to provide food and housing essentials to the community, as well as other services — cable hook-up, for example. Through operating hotels and a craft-marketing co-operative, they provide employment as well, while facilitating the development of the tourism industry. In response to the lack of infrastructure in Nunavik, Puvirnituq Co-operative offers a group of services to the community, including cable, banking, consumer loans, and insurance, in addition to a hotel, courthouse, and a general store.

Apaqtukewaq Fisheries Co-operative manages the Chapel Island Band oyster-processing facility in Arichat, Nova Scotia, and is exploring the feasibility of opening an oyster-processing facility on reserve, further strengthening the reserve community's ability to provide employment.

Anishinabek Nation Credit Union will be facilitating the accumulation of savings and creating a source of credit for its members, as well as providing a full range of financial services otherwise not available through conventional financial institutions.

The Kahnawake First Nation had not been well served by the traditional banks, which often had little or no awareness of Aboriginal laws and culture, and had been reluctant to do business in the community. The criteria for granting loans — stable and permanent employment — was not consistent with the seasonal workforce living on the reserve in winter, and working construction sites during the summer. The lending rules established by Caisse Populaire Kahnawake recognized the cultural realities of the First Nation, thereby providing a mechanism to support personal and business loans, assisting with economic development in the community.

Native Inter-Tribal Housing Co-operative and First Nations Housing Co-operative in London, Ontario, vigorously addressed the need for the Aboriginal community to have input into and improved control over the quality of housing available to it within the city. Native Inter-Tribal Housing Co-operative has grown from 20 homes in 1983 to 62 in 2000. First Nations Housing Co-operative has added 42 homes to the co-operative since its incorporation in 1987. Demand continues to far exceed the number of houses available in the co-operatives.

Building/Strengthening Personal Infrastructure

The development of individual leadership (personal infrastructure) within a community has been demonstrated to be one of three aspects critical for the development and maintenance of vibrant and entrepreneurial communities. Education, training, and leadership development are central to the principles of every co-operative, and examples within the Aboriginal co-operatives support the critical role leadership development plays in the success of the organizations.

In addition to receiving training on the role and responsibility of a board member, members of the Native Inter-Tribal Housing and First Nations Housing co-operatives have gained life skills from their involvement with the co-op's various committees.

Researchers also identified enhanced self-esteem as a result of small and large accomplishments through involvement with the co-operative. This very positive aspect was echoed in comments by the members of Neechi Food Co-op. It has the specific goal of ensuring that workplace stress does not disrupt co-operative relationships and adversely affect the healing process upon which members have embarked.

The Caisse Populaire Kahnawake has invested considerable effort in training its employees, with the assistance of the Fédération des caisses populaires Desjardins de Montreal

et de l'Ouest-du-Québec. Most of the employees had never worked in a financial institution before, so the caisse offered them complete on-the-job training.

Young people seem to be attracted to the jobs provided by Puvirnituq Co-operative, and regard the training programmes offered by the Fédération des coopératives du Nouveau-Québec, via the local co-operative, as a source of personal development.

Participation in management training programmes available through Arctic Co-operatives Limited, as well as the opportunity to take part in leadership training and the democratic processes involved in running a co-operative, have contributed to the fundamental skills required to move on to positions of leadership in the newly formed Nunavut government. A large percentage of members participating in a human resource development initiative offered by Arctic Co-operatives Limited in the early 1980s went on to become hamlet managers, housing association managers, and Members of Parliament. Ten members of the Nunavut Legislature have had significant experience and training within the co-operatives.

Building/Strengthening Social Infrastructure

A third necessary component that enables communities to exhibit entrepreneurial characteristics — social infrastructure (also referred to as social capital) — is the key ingredient that ties together the physical and human, allowing the community to develop. Unlike other forms of capital, social capital is not a single entity but a variety with elements in common. It is brought about through networks, social norms, and social trust. Community members develop social capital only through co-operation and mutual aid.

Co-operatives enhance the opportunities for the development of social capital within Aboriginal communities. For example, by working through Arctic Co-operatives Limited, remote communities have accessed not only a broad network of suppliers for products and services, but have also absorbed new ideas, training programmes, and managerial expertise not easily available in the North. Membership in Arctic Co-operatives means membership in the Canadian Co-operative Association, and representation within the International Co-operative Alliance — and thereby access to ideas from across the world. On a local level, Arctic Co-operatives, in addition to the employment they have provided, have markedly increased the capacity of people to understand effective business practice, to assess economic activities, to reach consensus on complex issues, and to contribute to community economic and social development.

Inuit co-operatives in Québec not only met the Inuit's needs for consumer goods, but also, above all, they created a sense of belonging. From as early as 1971, the co-operative movement even supported the idea of an autonomous regional government in Nunavik.

Caisse Populaire Kahnawake was the first banking institution to introduce a system of guarantees adapted specifically to the Aboriginal community. Under this model, known as a "trust agreement," trustees are used as third parties when loans are guaranteed. Because the trustees are members of the Aboriginal community, they may receive land as security and sell it to reimburse the caisse in the event the borrower is unable to repay. The trustees are all volunteers and are politically independent — not appointed by a federal or provincial agency, or the band council. At the time of the writing of this case, however, the legitimacy of this trustee system is being challenged in the courts. The judgement of the court will have a decisive effect on the Caisse Populaire Kahnawake's lending activities, and all other caisses wishing to use the same model.

The Caisse Populaire Kahnawake has contributed to the development of social infrastructure by providing a mechanism to contain and recirculate financial resources within the community. With the support of the Desjardins federation, management training and technical support are made available, enhancing the ability of the community to access additional resources to further economic and social development.

The founders of the Anishinabek Nation Credit Union believe that having their own financial institution is essential to achieving the goals of more self-reliance, more independence, and more self-government. In support of that goal, the slogan for the credit union is "Put your money where your Nation is." In their words, "We have to use our own money to invest and start it up. We need to deposit our own savings in the credit union so it can continue operating. We need to borrow money from our own credit union so it can make a profit." In typically co-operative fashion, 43 Anishinabek First Nation

communities pooled their community and individual resources to build an institution that each of them on their own was incapable of establishing.

Co-operatives enhance social capital by the ways in which they contribute to their communities. Members of the Native Inter-Tribal Housing Co-operative developed an Urban Native Parents' Association, which was instrumental in having the Native language taught in the neighbourhood school. The co-op also provides space for community activities and administrative assistance to other community groups. Akochikan Co-operative has held many successful socials within the community, thereby strengthening social ties among its members. Neechi offers a "Meals to Schools" programme and provides social support to its members.

In every co-operative studied, there were examples of how they provided a means for advancing Aboriginal traditions, whether it was offering a chance for employment in traditional pursuits, or emphasizing traditional foods, language, or cultural practices. All have strengthened social relationships, thereby contributing to the development of social capital.

MAKING THE LINK BETWEEN ABORIGINAL ECONOMIC DEVELOPMENT AND CO-OPERATIVES

The co-operative movement extends ownership and control to the people who are involved in it as members; it is a movement with a long history and a demonstrated capacity to meet all kinds of needs.

Registered, formally organized co-operatives were first established in Europe during the nineteenth century by people concerned about protecting their interests and improving their economic and social well-being. Based on the fundamental principles of one member, one vote, the practice of rewarding people in proportion to their participation, and the use of education as a means of empowering people, the multifaceted "organized" movement had spread throughout most of the European continent by the beginning of the twentieth century. In the wake of European migrations, co-operative organizations were established in most of the rest of the world as well. Today, the co-operatives affiliated with the International Co-operative Alliance are involved in hundreds of different kinds of businesses; all told, today they have more than 800 million members in over 100 countries.

This institutionalized version of co-operative behaviour, however, must be placed in the context of informal forms of co-operation. In fact, the progress made by co-operative movements around the world corresponds well with the degree to which societies and communities traditionally embraced spontaneous co-operative activities, be it the seal hunt, the harvesting of grains, the collective marketing of produce, the joint purchasing of food and supplies, mutual aid in times of adversity, the sale of art, the sharing of workplace skills, the collective provision of shelter, and community access to health services. Well-rooted co-operative organizations are not just the impositions of an institutional form; they often are the outward manifestations of a deep understanding of the benefits of collaborative behaviour — the kind of understanding that emanates most persuasively from the communal cultures of people, including Aboriginal peoples in many parts of the world. For that reason, the future for co-operative development among Aboriginal people is promising.

There are several dimensions of the co-operative tradition that are particularly amenable to the ways in which Aboriginal peoples have envisioned how they could develop their communities.[9]

First, co-operatives are — or should be — driven by the needs of their membership. They stress the importance of meeting member needs and of responding to local pressures. They are inclusive and they are respectful of the rights of individuals and the values of communities. Thus, when managed properly, they can become strong manifestations of community needs and community pride. They can be the kinds of responsive, entrepreneurial institutions many Aboriginal people say they want and demonstrably need.

Second, co-operatives are based on democratic principles of one person, one vote, the accountability of elected leaders, and the need for members to be informed about their co-operatives. They can be, as they have been in the Arctic, easily directed by Aboriginal traditions of community participation through which issues of concern are "thrown into the well from which everyone will drink" — the process whereby groups reach a consensus through a process of thinking and talking together. Such traditions can normally be transferred easily into the group

decision making that is characteristic of sound co-operative development.

An example of successful integration of participatory decision making into an Aboriginal-owned co-operative is Neechi Foods, a worker co-operative in Winnipeg's inner city. It has been able to thrive and continue to provide employment when other grocery outlets have discontinued services. While operating in a highly competitive and difficult industry, the enterprise has high social goals of providing harmony, environmental consciousness, and social justice, and it incorporates decision-making practices that hear the voices of its workers.

Third, if managed effectively, co-operatives deepen relationships with members over time by encouraging them systematically to expand their investments in equity and by involving them in a range of activities in the co-operative. They can also, as the experience of the Arctic co-operatives dramatically demonstrates, expand in many creative ways the range of economic and social services they provide their members. In many Arctic communities, for example, co-operatives not only operate stores and sell Inuit art, they operate hotels, tourist businesses, machinery repair, and post offices — in fact, any kind of business that is needed in the community and can be operated effectively.

Fourth, the basis in member and community needs, the democratic structures, and the deepening of member participation mean that co-operatives could become one powerful response to the challenge posed by the Wahbung statement of the Manitoba Indian Brotherhood in the late 1960s:

> A century of government administration and government and church control and the effects of living in an atmosphere of state dependency, where virtually all decisions relating to your life and your future are made by others will require developing new methods of response and community involvement.[10]

Fifth, co-operatives stress the importance of autonomy from politics and private enterprise, and that autonomy is often a key to their success. For example, one of the reasons the Arctic co-operatives became so successful was that they distanced themselves from politics and worked out effective relationships with governments.

Sixth, the co-operative tradition emphasizes the importance of co-operation among co-operatives. Once more, the experience of Arctic Co-operatives Limited amply demonstrates the importance of this principle. It emerged in large part because of the work of leaders of the Co-operative Union of Canada (the forerunner of the Canadian Co-operative Association). The Co-operative College of Canada provided important training for the Arctic co-operatives' elected leaders and managers during the formative period. Federated Co-operatives has shown flexibility and steadfastness in providing support for the northern co-operatives over the years, and The Co-operators insurance company has been a supportive investor and good business partner. Several credit union leaders from the South have made efforts to develop northern credit unions, and someday that will happen — probably when the northern co-operatives are more fully able to support them.

The most remarkable demonstration of how co-operation among co-operatives has worked, however, is the Arctic Co-operative Development Fund, a financial services organization owned by the northern co-operatives. The fund began operation in 1986 with a little over $10 million in assets; by 1999 its asset base had increased to over $28 million, including more than $18 million in investments by local co-operatives, most of it built up through dividends returned to the co-operatives each year from the fund's revenues. In addition, it has recently returned over $1.5 million in dividends to its member co-operatives. It has operated on a tight budget, and distributed loans at low cost because of the already existing infrastructure within Arctic Co-operatives.

The Benefits of Membership

Members of co-operatives can
- own the co-operative;
- share in its surplus or profits in proportion to their use of it;
- influence the policies that govern the co-operative;
- invest in their co-operative;
- benefit from what the co-operative does for their community;
- learn from the training and education programmes the co-op provides; and
- be proud of their own organization.

In addition, the member co-operatives have learned that the fund is a kind of insurance mechanism through which they help each other in times of need, meaning only one loan has not been paid — by a co-operative that had closed its doors — and most loans are repaid before they are due. Co-operatives maintain good standing with the fund partly because it is good business to do so, but also because they are working with their peers in a common enterprise. The fund is a striking example of how co-operatives working together can create collective capital and share resources in the common good.

Seventh, co-operatives have a deep attachment to their communities. They cannot be bought and sold without member agreement. It is a form of enterprise that cannot be sold regardless of the interests of key stakeholders. That means co-operatives, when operated properly, will contribute permanently to a community's economic and social health.

Around the world, too, particularly among Aboriginal peoples, co-operatives have shown a particular concern for cultural issues. They sponsor special events for elders, perpetuate language study, celebrate traditional dance, and encourage communal pride among the young. They also typically support community activities, such as sports teams, and they commonly provide assistance for young people pursuing their educational goals. Co-operatives, however, are not charities, and they undertake such activities prudently through conscious decisions made after their economic viability is assured.

Eighth, co-operatives develop gradually, recognizing the complexities of personal and community development, relying upon the cumulative impact of education and training programmes, and accumulating capital resources slowly. They are not "quick fixes," but when successful they are certain providers of economic security, personal empowerment, and community stability.

All told, then, the co-operative approach responds well to the priorities of the *Royal Commission on Aboriginal Peoples.* It meets the criteria for economic development presented by other reports — for example, the 1989 *Scone Report* in which Northwest Territory councils stipulated that economic self-sufficiency should be based on economic growth that retained and reinvested resources in the community and that built sustainable enterprises.

Dimensions of Co-operatives That Matter

- they are driven by member needs;
- they are based on democratic principles;
- they build member commitment over time;
- they encourage self-responsibility;
- they are autonomous from politics, governments;
- they build through co-operation among co-operatives;
- they are concerned about communities; and
- they promote gradual, secure development.

A CONCLUDING STATEMENT

This paper has demonstrated the extent and stability of the Aboriginal co-operatives in Canada. The authors believe deeply that the development of co-operatives is ultimately a question for Aboriginal peoples to decide. It is not a solution to be forced upon them. It is not the only option Aboriginal people have, but it is an option that some Aboriginal people have used effectively and others could employ for their economic and social benefit.

NOTES

1. Major research contributions to the full report include the work of Bachir Belhadji, socio-economic analyst with the Co-operatives Secretariat, Agriculture Canada, and that of Rebecca McPhail, senior research analyst with Indian and Northern Affairs Canada. Their research appears in its entirety in Appendices A and B respectively.
2. Survival Rates of Co-operatives in Québec, English version printed in 2000, Gouvernement du Québec, Industrie et Commerce and Government of Canada, Co-operatives Secretariat, 52 pages.
3. Murray Fulton and Lou Hammond Ketilson, "The Role of Co-operatives in Communities: Examples from Saskatchewan," *Journal of Agricultural Cooperation* (1993).
4. The authors are confident that this number is significantly understated, partially due to difficulties associated with identifying co-operatives as Aboriginal. They have classified a co-operative as Aboriginal if it is located in a predominantly Aboriginal community, if the membership or customer base is predominantly Aboriginal, or if the co-op is owned and/or controlled by Aboriginal peoples. They have included in their data only co-operatives that are formally incorporated as such, although they are aware that there are some

Aboriginal businesses that are not formally incorporated as co-operatives but, in essence, follow co-operative practices.

5. "Socio-Economic Profile of Aboriginal Co-operatives in Canada," in *Aboriginal Co-operatives in Canada: Current Situation and Potential for Growth*, 2001. Centre for the Study of Co-operatives, University of Saskatchewan. Co-operatives provide a report on a variety of measures on a voluntary basis to the Co-operatives Secretariat, Agriculture Canada. Those reports (77 of 133 identified Aboriginal Co-operatives) have been utilized to compile the Socio-Economic Profile.
6. The Co-operatives Secretariat was created in 1987 from the Co-operatives Section of Agriculture Canada to improve the relationship between Canadian co-operatives and the numerous federal departments and agencies known to have legislation or policies affecting co-operatives. The Co-operatives Secretariat is dedicated to economic growth and social development of Canadian society through co-operative enterprise. (See <http://www.agr.gc.ca/policy/coop/contents.html>.)
7. "The Development of the Aboriginal Economy over the Next 20 Years," *Journal of Aboriginal Economic Development*, 1, 1 (Spring 1999): 68, 69.
8. Lou Hammond Ketilson et al., *The Social and Economic Importance of Co-operative Sector in Saskatchewan* (Saskatoon: Centre for Study of Co-operatives, 1998).
9. "Economic Development," in *Report of the Royal Commission on Aboriginal Peoples* (Ottawa: The Commission, 1996).
10. Frank Cassidy and Robert Bish, *Indian Government: Its Meaning in Practice* (Lantzville, BC: Oolichan Books and The Institute for Research on Public Policy, 1995), p. 94.

SUSTAINABLE COMMUNITY ECONOMIC DEVELOPMENT IN A COASTAL CONTEXT
The Case of Alert Bay, British Columbia

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Kelly Vodden

Fifteen years after Gro Harlem Brundtland issued the challenge of sustainable development to the world we continue to struggle with its meaning. Debates cover the spectrum ranging from eco-centric “strong sustainability” to business-as-usual “weak sustainability” interpretations. Despite this definitional ambiguity the essence of the concept — the need to link the economic, social and ecological imperatives of development — has become widely agreed upon. Many have now turned their attention to the question of implementation. How can the ideal of sustainable development be translated into reality?

The answer to this question is both general (global) and context specific (local) and varies according to the definition of sustainability adopted. The following paper accepts the Brundtland Commission definition, development that allows “the economic and social needs of current generations to be met without compromising the welfare of future generations” (Rees, 1990: 435; WCED, 1987). Basic principles that must be followed for development to meet this broad guideline have been identified by the Brundtland report and in other subsequent works. Strategies for putting these principles into practice are dependent on places and people in diverse circumstances. Case studies, therefore, are a useful tool in examining the “how” questions of sustainable development.

The following case study presents sustainable community economic development (SCED) as one path for achieving sustainable development within the setting of a fishing-dependent First Nations community along Canada’s Pacific coastline. The study is based on the author’s Masters research at Simon Fraser University (Vodden, 1999a) as well as subsequent related research and development projects (1999–2001). The purpose of the initial study was to examine if and how a fishing-dependent community (Alert Bay, British Columbia) can utilize fisheries co-management as one component of an overall SCED strategy. Subsequent research has examined the role of the tourism, non-timber forest products and non-profit sectors in community transition (Vodden, 2001; Mitchell et al, 2001).

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Resource depletion, job loss and community decline have brought the challenge of sustainable development in the fishing industry and fishing communities to the forefront in Canada and around the globe. Research results have shown that one strategy essential for sustainability in this setting is fisheries co-management. Results also suggest that activities in the fisheries sector alone will not result in community sustainability. Diversification through the pursuit of multiple sectors and strategies within an overall approach of SCED is required, along with attention to matters such as protecting and strengthening informal economies, strategic planning, stewardship and capacity building. Thus the pursuit of sustainable development requires integration of multiple components, reflected in the evaluative framework presented below.

SCED: Evaluating a Local Approach to Sustainable Development

"Community Economic Development (CED) is a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives" (McRobie and Ross, 1987: 1). CED emphasizes local involvement in, and control of, the development process. As an alternative development approach it gives precedence to communities over the interests of consumers or shareholders that drive conventional economic development. It is also distinct from local economic development (LED), which is focused on local communities but emphasizes narrowly defined economic objectives, is less participatory and dominated by local elites (Boothroyd and Davis, 1991; Bryant, 1999; Gill and Reed, 1999).

SCED combines the principles of sustainable development and CED. In doing so SCED emphasizes the realities of the natural world (limitations on our ability to utilize the environment as a source of resources and as an assimilator of human-generated wastes), along with the local social, cultural and economic realities that are brought into the development process through meaningful public participation. The overall goals of SCED are ecosystem *and* community health. While increasingly emphasizing ecological considerations, CED has tended to focus on human-centered values such as social justice, poverty and self-reliance (Vodden, 1997; Bryant, 1999). SCED shares the principles of CED while placing paramount importance on ecological sustainability.

FIGURE 1 Research Framework

Sustainable Future *Unsustainable Future*

During the course of this research a framework was developed for evaluating the degree and mechanisms through which communities such as Alert Bay are pursuing sustainable development through SCED. SCED was broken down into four components, creating an analytical framework that includes: (1) guiding principles, (2) recommended process steps, (3) potential elements of a CED and/or co-management plan (strategies and activities) and 4) factors that contribute to the success or failure of local efforts (see Figure 1).

For each component "checklists" of indicators or criteria were developed to compare themes from the literature with case study results (see Table 1). Refer to Vodden (1999a) for additional details on each component and related checklists.

Principles of SCED

In attempting to establish best practices and build a "theory" of CED researchers have searched for commonalities among case studies.

Based on this research, along with dialogue between communities and practitioners, a number of guiding principles for CED have been identified. Perhaps the most fundamental of these are self-reliance and community control, along with equity and broad-based public involvement in economic development planning and decision-making. Additional principles include: capacity building; collaboration; integration; collective benefits; long-term planning and action; and community-building (Schultz, 1995; Lauer, 1993; Dauncey, 1988; Boothroyd and Davis, 1991; Wismer & Pell, 1981). SCED further requires an ongoing effort to meet the primary principle of living within ecological limits, with individuals, organizations and communities continually seeking new ways to practice stewardship and environmental responsibility (Aspen Institute, 1996). In total 16 principle of SCED were identified from a literature review (see Table 1), along with criteria for each which could be used to determine if the principle was being adhered to by the study community.

The SCED Process

A flawed development process can destroy a community's chances of success in working toward a sustainable future. Common pitfalls include over-reliance on government, letting the tools (e.g. a government program) determine the strategy pursued, following a development fad not suited to a community's unique attributes and capabilities or overlooking the capacity of an organization or community to undertake and manage projects. Civic leaders may be too anxious to get results quickly, rely too heavily on the "local elite" and/or devote insufficient time or resources to planning and public participation (Blakely, 1989). Each of these mistakes can be avoided through a carefully designed planning process. While proper planning is important, Edwards (1994: 15) adds that without tangible results and immediate rewards the momentum required for action can be lost, advocating "the right mix of rousing old-fashioned sleeves-up community work and what some would consider unproductive high-brow visioning."

SCED Strategies

To put the principles of SCED into practice various strategies for community renewal and enhancement have been employed by communities. Blakely (1989) points out that multiple strategies can and should be combined, with those strategies most appropriate for the socio-economic circumstances being pursued. Fourteen functional strategies for SCED were identified from a literature review. Two additional strategies were identified through the case study research (formation of joint ventures/business partnerships and lobbying senior governments for increased resources and control[1]). A second method of conceptualizing CED options and opportunities is by economic sector. In Alert Bay and elsewhere, organizations and their leaders tend to describe CED efforts more commonly by sector than by the functionally based strategies described in the literature and listed in Table 1. Integration of the two approaches (functional and sectoral) is essential. For each sector multiple strategies can be pursued (e.g. training and business development) while functional strategies such as human resources development can in turn be applied to multiple sectors in the community economy.

One key strategy (community resource management) and activities in two major sectors (fishing and tourism) are examined in the case study below. Natural resources in British Columbia are managed almost exclusively by senior governments; forests primarily by the Province of BC and fisheries by Fisheries and Oceans Canada (formerly Department of Fisheries and Oceans). Local communities, particularly First Nations, are demanding a greater say and taking on increased responsibilities in resource management. At the same time it is generally acknowledged that the agencies currently responsible for resource management hold necessary resources, infrastructure, expertise/information and an ability to view the overall scenario from a distance which can contribute to setting conservation objectives and/or facilitating co-operation across jurisdictions. Communities often do not have the capacity, or in many cases the desire, to take over all of these responsibilities. Therefore, partnerships among government agencies (including First Nations governments) and other stakeholders are required.

Terms used to describe this type of partnership include "community management," "co-management" and "co-operative management." Each implies a distinct set of relationships. The first suggests that the majority of the responsibility and control lies in the hands of the community. The second suggests that all parties share some decision-making authority and/or manage-

TABLE 1 Evaluation Framework and Checklists for SCED

1. Principles	*2. Process Steps*	*3. Strategies*	*4. Success Factors*
1. Living within ecological limits	1. Identify issue/need	1. Encouraging entrepreneurship	1. Economic/financial: e.g. local business success rates/economic health; diversity; local ownership; supply and demand networks; informal (non-cash) economic base; ability to generate/access capital
2. Stewardship	2. Identify leader/core leadership group	2. Human resource development	2. Social/organizational: sense of community identity; amenities; social cohesion/collective spirit; range and health of community organizations
3. Self-reliance/community control	3. Build community support/involvement	3. Work sharing	3. Human: clear and appropriate leadership; education opportunities; labour force readiness and availability; management, marketing and technical/professional skills; entrepreneurial spirit; active citizens
4. Fairness and equity	4. Create/select development organizations	4. Reducing economic leakage	4. Ecological: protected areas; environmental health; productivity of natural resources; unique natural features; stewardship ethic
5. Public involvement	5. Research other communities' experiences	5. Strengthening the informal economy	5. Other: infrastructure, adaptability, external support
6. Economic viability	6. Design and implement planning process	6. Business recruitment	
7. Capacity building	7. Ensure resources are in place	7. Increasing local ownership	
8. Long-term planning	8. Establish a vision	8. Environmental improvements	
9. Diversity	9. Community profile	9. Physical infrastructure improvements	
10. Collaboration/co-operation	10. Identify/confirm issues and opportunities	10. Celebrating local identity and culture	
11. Integration	11. Assess local capacity/readiness	11. Quality of life improvements	
12. Qualitative development	12. Set long-term goals	12. Community resource management	
13. Recognition of the informal economy	13. Determine how success will be measured	13. Business retention/assistance	
14. Collective benefits	14. Create a strategy (with targets, goals etc.)	14. Environmental business management	
15. Community building	15. Create local partnerships	15. Other • lobbying • joint ventures	
16. Entrepreneurialism	16. Raise funds locally, then generate additional resources required		
	17. Implement project action plans		
	18. Develop human resources		
	19. Evaluate progress and, if necessary, adapt		
	20. Build on successes		

ment responsibility, in a true partnership. The latter simply implies some level of communication or co-operation. One Aboriginal fisherman put it this way: "to DFO cooperative management means: we decide, you co-operate" (Gallaugher et al, 1997). The roles communities can play range from being informed and offering comment regarding proposed policies or programs, to sharing real decision-making authority with a management agency, to having the sole responsibility to make, implement and enforce decisions (see Figure 2). Co-operative management lies on the left side of this continuum of arrangements, co-management in the middle and community management on the right (Pinkerton, 1989).

Community involvement in resource management can have a range of benefits, including: better and more informed decisions; increased stakeholder commitment to implementation and enforcement; resolution of differing points of view early on in the process resulting in reduced

FIGURE 2 Continuum of community involvement in resource management

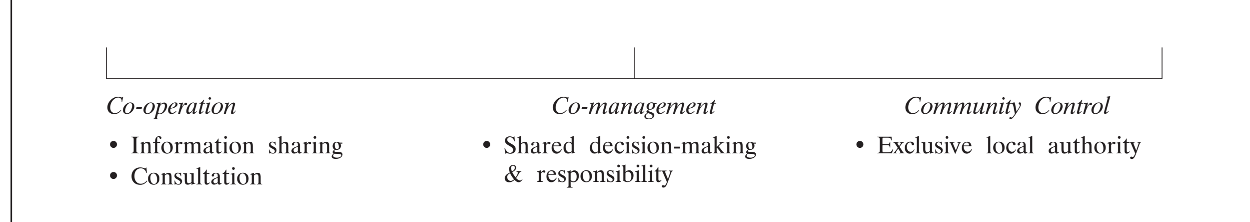
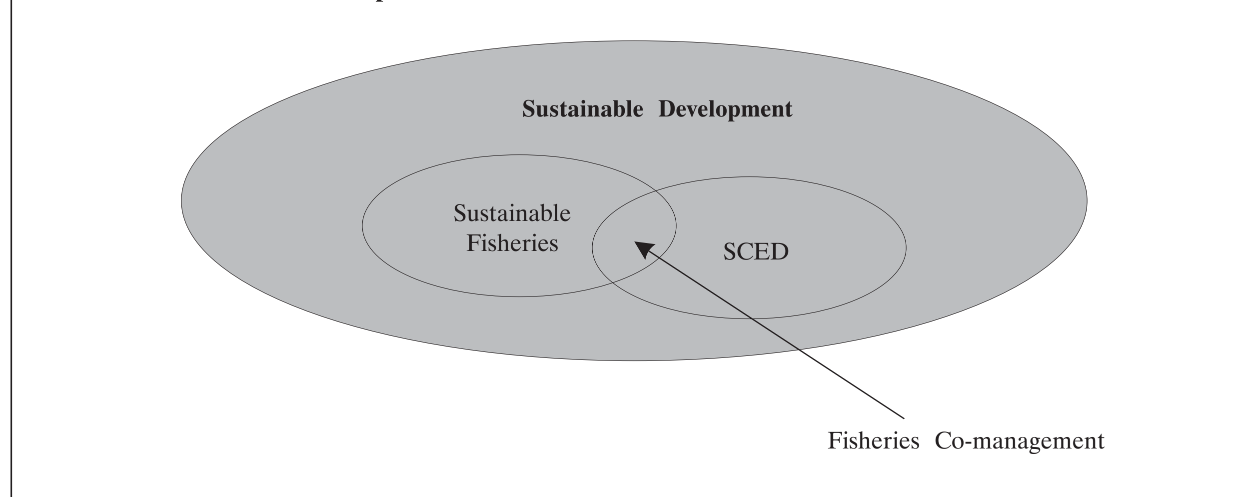


FIGURE 3 Co-management: A Critical Strategy for Sustainable Development in Resource-dependent Communities



conflict and uncertainty over resource use; and increased public awareness and understanding (Gale, 1996). Like SCED, co-management is a strategy for addressing the trend toward centralization of production and control with decentralized decision-making. It can also encourage and facilitate resource conservation. Fishermen are often willing to place restrictions on themselves and undertake conservation programs when they consider the programs legitimate and have played an integral part in program planning and design.

Case studies further demonstrate that community members are likely to bring objectives such as sustainable employment and quality of life to the negotiating table, along with the more traditional resource management goals of economic viability for the industry and appropriate levels of harvest. In the long term the interests of resource-dependent communities and the resources they depend upon are compatible, making fishermen and other community members and organizations good candidates to act as stewards of fisheries resources and to make decisions in the interest of sustainability. Without local involvement in fisheries management neither self-reliance nor sustainable development will be achieved for fishing-dependent communities. Thus, the Brundtland Report (WCED, 1987: 63) recommends "decentralizing the management of resources upon which local communities depend, and giving communities an effective say over the use of these resources."

Success Factors

The fourth component of the evaluation framework for SCED is factors of success or failure. While every community has unique challenges and capabilities, favourable conditions for success have been identified based on les-

sons from development theory and community experience. Determining the presence (or absence) of these success factors in a community can help community members and SCED practitioners assess the likelihood of their goals being achieved. These conditions can be grouped and assessed under various categories of community capacity, including economic, social/organizational, ecological, and human resources. For more on success factors and assessing community capacity see Vodden (1999a) or Markey et al (2001).

Case Study Context: Alert Bay and the BC Fisheries Crisis

The 1990s were a difficult decade for the BC fishery. By 1996 prices and revenues in the salmon fishery had fallen to less than half of what they were in the late 1980s (Gislason et al, 1996). World supply had increased, due in large part to a growing global aquaculture industry, while returns of many BC salmon stocks were declining. Poor ocean survival rates, over-harvesting, habitat destruction, and management cutbacks were among the factors to blame. Strict conservation measures were put in place to protect threatened stocks, including closures and reductions in fishing times (Gallaugher and Vodden, 1999).

In 1996 BC fishing communities were hit with an economic disaster. The federal Department of Fisheries and Oceans announced the Pacific Salmon Revitalization Strategy. Known as “the Mifflin Plan” after the fisheries Minister of the day (Fred Mifflin), the Plan aimed to conserve resources and increase economic viability within the fishing fleet. It was to accomplish this primarily through a 50% reduction in the size of the salmon fleet. Specific measures included a voluntary license retirement or “buyback” program, a requirement to choose a single gear type and fishing area for each vessel (many fishermen had fished coast-wide in the past), and a provision for those who could afford to invest further in the industry to purchase additional licenses, allowing them to fish with multiple gear-types and/or in more than one area (known as “license stacking”).

From 1995 to 1996 employment related to the salmon fishery in BC declined by over 30%, decreasing by more than 50% by the end of the decade (DFO, 1998; 2000). Of the estimated 10,000 jobs lost, many disappeared permanently as a result of the new policy. Others were associated with salmon catches that hit levels lower than any since the late 1950s. Thousands of jobs had been lost, particularly in remote First Nations communities highly dependent on the fishery for their livelihoods but unable to invest in license stacking. Yet many questioned whether the federal Plan would achieve its economic and conservation objectives (Gislason et al, 1996). Communities were angry that they had not been consulted and that the impacts on BC coastal communities had not been adequately considered. Further, the fleet reduction plan had not been coupled with an adjustment and transition program despite the $3 billion investment made to mitigate community impacts of the east coast cod crisis (Markey et al, 2000). Job losses in the fishery were compounded by further declines in the forest and public sectors. BC coastal communities were declared to be in a state of crisis. It is in this context, in the midst of a dramatic need for alternative approaches, that the research project on SCED in Alert Bay was launched.

Alert Bay is located within the territory of the ’Na̱mgis First Nation on Cormorant Island in British Columbia’s central coast region (Figure 4). The community of approximately 1,275 residents[2] (Statistics Canada, 2001) includes a municipality, three reserves and a fourth reserve-like area set aside for “all bands in common” and occupied by residents originating from outlying Kwakwa̱ka̱’wakw[3] villages. Aboriginal peoples make up more than two-thirds of the community’s Census population.[4]

Fishing has traditionally played a central role in the Alert Bay economy. A provincially commissioned study (Gislason et al, 1996) listed Alert Bay as one of the communities most severely impacted by recent events, reporting a loss of 63 jobs in the area in 1996 alone (11% of total employment and 28% of employment in the salmon industry). Prior to 1996 the community relied on the salmon fishery alone for 39% of community employment (32% post-1996). Still other Alert Bay fishermen harvest species other than salmon. By 1998, 100 fishing jobs had been lost (20% of total employment). First Nations fishermen were disproportionately impacted, exacerbating the already significant differential between levels of economic prosperity within the Island’s Aboriginal and non-Aboriginal/reserve and municipal populations (Vodden, 1999b). Fishing job losses also exacer-

FIGURE 4 Location of Cormorant Island (Alert Bay)

bated a trend in the community toward increased dependence on governments for employment and income.

The impacts of these changes run far deeper than economics. Like many other resource towns, the identity of the community of Alert Bay and its residents is intimately connected with its source of livelihood. Fishing is a way of life. The result is economic but also emotional, psychological and spiritual dependence. Pinkerton (1989) points out that for First Nations people fishing is necessary for: (a) food and wealth distribution among extended family and community; (b) cultural expression, with links to ancestors and a food source supply for feasts; (c) socialization as skills and responsibilities are passed on to the younger generation; and (d) transportation to neighbouring villages and food fishing/gathering grounds. Gislason et al (1996: 7-4) add, "It is a bond that ties the community together." Thus when Minister Mifflin announced the fleet reduction program local papers predicted "Death by Mifflin."

A key reason for selecting Alert Bay as a case study was that organizations and governments in the community had demonstrated a commitment to and active involvement in SCED and fisheries co-management. Despite the crisis the community's history and expressed values suggested they would work towards a solution that incorporated the principles of sustainability. In

FIGURE 5 Father and Daughter at Work on a Salmon Gillnet Vessel

Photo credit: D. Kostering

June 1996 the Village of Alert Bay announced an economic development strategy that stated:

> Our vision is to become a community of healthy, happy individuals who are sustained by the resources of our adjacent environment and who are active in the process which works to sustain that environment. We endorse the British Columbia Round Table on the Environment and Economy's definition of sustainable development.... To achieve the above vision of ourselves as a community in balance with our environment, we must create a situation where we can become responsible for and have the right to harvest, process, manufacture and sell products created from the resources of the land and marine base. Our strategy stems from a vision of co-management....

The 'Namgis (previously Nimpkish) First Nation has also shown a historical commitment to CED. Wismer and Pell (1981) cite the Nimpkish Integrated Development Approach (NIDA), created in the 1970s, as an exemplar Canadian CED program. This five-year plan for educational, cultural, social and economic development included annual goals and objectives approved by the entire community in open meetings. NIDA's integrated, long-term, co-ordinated approach was considered to be "unique and innovative" for its time. Outcomes included an independent band-administered school, U'mista Cultural Centre and the 'Namgis Salmon Enhancement Program, all a continuing source of community pride. Many of the individuals who received training and experience in the early days of NIDA remain in positions of community leadership. The plan provided a foundation for CED activity that has continued for nearly three decades.

In total 11 Alert Bay organizations involved in CED and resource management activities were identified during the course of this study. Their accomplishments and challenges and the lessons to be learned are presented below using the SCED evaluation framework combined with illustrations from activities in two major sectors of the local economy: fisheries and tourism. Data collection methods included secondary source review, participant observation and in-depth interviews. Pattern searching played a critical role in data analysis, along with triangulation of responses from multiple data sources, peer and community review.

Principles of Development

Using a defined set of criteria levels of compliance with each of the principles of SCED were investigated for three Cormorant Island governments and for the community as a whole (Figure 6). Findings suggest that Alert Bay organizations generally espouse a philosophy consistent with the principles of sustainable development, and more specifically SCED. According to interview respondents, all of the SCED principles are important and relevant to their organizations and community. Several respondents pointed out that First Nations culture is particularly compatible with the SCED approach exemplified by these principles. Strong compliance with the principles of stewardship, diversity, collaboration and community building is exhibited by the community's activities. Stewardship initiatives are guided by a close relationship with the surrounding environment, a concept described by the Kwakwaka'wakw as Aweena K'ola — living at one with the land and sea.

The community, however, pursues many principles, to only a limited degree. These include living within ecological limits, self-reliance, economic viability, integration, long-term planning, public participation, recognition of the informal economy and entrepreneurialism. Most organizations in Alert Bay do not have an environmental monitoring program to determine when ecological limits may be reached. Further, support for entrepreneurial activity is limited (see below). The pursuit of self-reliance is advanced by treaty negotiation efforts but hindered by continuing reliance on goods, services and capital from governments and other sources outside the community. Keeping in mind that applying the principles of SCED is no easy task, it was determined overall that there is a medium level of compliance with the principles of SCED in Alert Bay. The absence of a planning and monitoring process, discussed further below, significantly impacted this evaluation.

Interview respondents agreed that adopting an explicit set of guiding principles for development is a useful process: "There has to be guiding principles in everything you do. I think that's understood, but it's not written anywhere. It should be." Results generally supported the importance of each of the SCED principles identified in the literature and confirm that belief in the principles of SCED is an important founda-

FIGURE 6 Compliance with SCED Principles

	'Nam̲gis First Nation	*Village of Alert Bay*	*Tribal Council*	*Community Overall*
1. Living within ecological limits	●	●	●	●
2. Stewardship	✓	●	✓	✓
3. Self-reliance/community control	●	●	●	●
4. Fairness and equity	✓	●	●	●
5. Public involvement	●	●	●	●
6. Economic viability	●	●	●	●
7. Capacity building	✓	●	●	●
8. Long-term planning	●	●	●	●
9. Diversity	✓	✓	✓	✓
10. Collaboration/co-operation	✓	✓	✓	✓
11. Integration	●	●	●	●
12. Qualitative development	●	●	✓	✓
13. Recognition of the informal economy	●	●	●	●
14. Collective benefits	?	✓	✓	✓
15. Community building	✓	✓	✓	✓
16. Entrepreneurialism	●	●	✓	●
OVERALL COMPLIANCE	●	●	●	●

✓ = Medium to high level of activity in support of this principle; ● = Limited or low to medium degree; ? = response not available (conflicting or insufficient evidence).

tion for the success and sustainability of CED strategies and initiatives.

A challenge associated with these principles is that they can conflict with one another. Principles must in these cases be prioritized or otherwise reconciled. Conflicts arise, for example, between the principles of entrepreneurialism and collective well-being. Despite an historic preference within the 'Nam̲gis First Nation for the band-run business model (vs. self-employment) CED efforts increasingly attempt to balance these two approaches. A bias toward "collective efforts" can stifle those of an individual attempting to provide opportunities for individual and community self-reliance. The costs of entrepreneurial activity that is not balanced with social, cultural and environmental considerations, on the other hand, are well known. Further research is needed into these conflicts and methods of reconciliation. In the meantime communities and others who attempt to put these principles into action must make difficult trade-offs and determine themselves which principles are of greatest priority.

FIGURE 7 Culture Is an Integral Part of Community Life

Photo credit: K. Vodden

Several respondents suggested that the SCED philosophy in Alert Bay is rooted in the Kwakwa̱ka̱'wakw culture. Culture and tradition was a recurring theme throughout the study and, it was felt, should be added to the original list

of SCED principles. Results also suggest the precautionary approach, increasingly common in resource management, should become an operating principle of SCED more generally.

CED Process

Research results indicate a lack of commitment to the CED planning process among Cormorant Island community leaders. CED has been implemented in recent years on a project-by-project basis and planning that has occurred has been done by individual organizations. In part this may be due to distrust of, and skepticism about, planning as it has been practised in the past. Past planning efforts typically involved government money spent to bring in an outside consultant who wrote a report that "sat on the shelf" and was never implemented. Further, a participatory CED process requires significant resources (particularly human and financial) and a spirit of co-operation/social cohesion. These factors were determined to be lacking to some degree in Alert Bay, making planning a difficult task. Nevertheless respondents were critical of their organizations and representatives for not making a more concentrated effort to devise a CED plan (including fisheries aspects). It was noted that the absence of a common vision was a significant barrier to success. The importance of fully involving all local interests in the planning process through two-way communication and consensus building and of assessing the community's readiness for change was also demonstrated.

Significant steps were taken in 1999, however, toward developing a community-wide CED strategy and addressing deficiencies identified in co-operation, co-ordination and integrated, long-term planning. Local organizations, municipal and First Nations governments hosted a public meeting originally intended to address the possible loss of the community's credit union. Organizers soon realized that this specific problem was best discussed as part of the broader community situation. Presentations were made regarding development initiatives underway and the current status of community well-being. Speakers described funding programs available to assist with CED activities and a summary of the research discussed in this article was presented. Participants broke into groups to discuss their vision for the future, strengths, challenges and steps that should be taken in the areas of health, education, recreation, social services, business, finance, transportation, tourism, culture and environment.

A follow-up meeting was held later that year, resulting in the formation of five community working groups (Employment, Health, Tourism, Environment and Community Relations) charged with undertaking activities and facilitating information sharing among organizations in the community with a interest in each area. Although limited in their ability to implement projects these volunteer groups continue to meet on a periodic basis.

In September 1999 'Namgis First Nation and the Village of Alert Bay signed the Alert Bay Accord. In recognition that the two governments "have historically worked together to promote a better standard of living for all the residents of Cormorant Island" they resolved to co-ordinate their efforts to revitalize the economy, obtain community and government support for these efforts and "preserve and enhance the unique environment, heritage and other qualities of Alert Bay which are important to the community and the well-being of its inhabitants."

Despite these improvements in planning and co-operation an overall strategy for SCED has yet to be developed. After two years of planning the 'Namgis First Nation continues to work on an economic development strategy of its own that will be widely accepted, replacing the now 30 year-old NIDA plan. In part due to endogenous constraints discussed below, progress has been slow.

Strategies and Activities

Multiple SCED strategies are being employed in Alert Bay, as illustrated in Table 2. Most common are training and human resource development, environmental improvements, celebrating local identity and culture and community resource management, endeavours reflective of the community's high level of commitment to their people and place.

Alert Bay residents see opportunities for their community in sectors such as tourism, value-added processing of marine and forest resources, research and education, forestry and the arts. Opportunities have also been identified in fisheries, shellfish aquaculture and housing.

Of these sectors, Cormorant Island organizations are most actively pursuing fisheries, tourism and education, research and information management (the "knowledge sector"). Alert Bay organizations have not abandoned the community's

TABLE 2 SCED Strategies Pursued in Alert Bay

CED Strategy	Number of Organizations Pursuing (n = 11)		
	Medium to high level of activity	*Low to medium activity level*	*Total*
1. Encouraging entrepreneurship[5]	2	2	4
2. Training, education (human resource development)	9	1	10
3. Work sharing	–	1	1
4. Reducing economic leakage	–	3	3
5. Strengthening the informal economy	2	4	6
6. Business recruitment	–	–	–
7. Increasing local ownership	2	2	4
8. Environmental improvements	6	3	9
9. Physical infrastructure improvements	2	3	5
10. Celebrating local identity and culture	5	3	8
11. Quality of life improvements	3	3	6
12. Community resource management	5	2	7
13. Business retention/assistance	–	1	1
14. Environmental business management	3	2	5
16. Other			
• lobbying	4	1	5
• joint ventures			

roots in the fishing industry but are seeking to diversify, increase local control and add value to the rich natural resources of the region. Activities within two sectors, tourism and fisheries, are discussed further below. Efforts in ecologically and culturally sensitive tourism development and fisheries co-management provide a cogent illustration of the community's commitment to the ecological, social, cultural and economic imperatives of sustainable development.

Eco-Cultural Tourism Development

The tourism sector has played a long-time role in the Alert Bay economy. The community offers attractions of two types: (1) history and culture and (2) an ecologically diverse and relatively pristine natural environment. Fortunately for Alert Bay residents involved in the tourism sector, demand for wilderness and cultural experiences are among the segments of highest growth in BC tourism.[6]

Alert Bay was an important trading centre for early residents of the BC coast and has a rich First Nations culture and heritage. The Island is a launching point and service centre for many people who visit the surrounding area

FIGURE 8 G. Cook's Tours Demonstrates Cedar Bark Stripping and Weaving

Photo credit: K. Vodden

by boat where numerous archaeological sites, abandoned villages, totem poles, rock art and Big Houses (Gukwdzi) can be seen or visited (LUCO, 1998).

The area is well known not only for Kwakwaka'wakw culture but also for outdoor activities such as whale watching, sea kayaking, sport fishing, nature tours and diving. Until recently, however, there have not been First Nations firms providing these services. Today a range of Aboriginal tourism products, services, and culturally-related attractions are being offered to visitors, including U'mista Cultural Centre, dance performances in a traditional-style Big House, interpreted walking tours of totem poles and culturally modified trees, boating, fishing and kayaking tours and works created by world-renowned Native artists.

Once the principal form of local transportation, the traditional canoe experienced a revival along the Pacific coast in the 1990s. In Alert Bay the dugout cedar canoe Galuda was constructed in 1992/93. Several others have since been crafted for cultural and educational use. Tourism products have been developed by two First Nations-owned companies, Numas Aboriginal Tours and Waas Eco-Cultural Adventures, which incorporate experiences paddling these "vessels of knowledge" (Neel, 1995).

With over 10,000[7] visitors each year, U'mista Cultural Centre is a focal point for tourism in Alert Bay. In 1995 U'mista Cultural Society created a Web site for worldwide marketing of local art and Kwakwaka'wakw products. In 1996/97, U'mista facilitated the construction of a Kwakwaka'wakw theme park exhibit in the Netherlands, employing eight Alert Bay residents (Wilson, 1998; Sanborn, 1999). During the opening ceremonies 17 Kwakwaka'wakw participated and, in 1998, six Alert Bay youth were hired to dance, sing, and share stories for a five-week period. For participating community members it was an enriching experience not soon to be forgotten (Speck, 1999).

FIGURE 9 "History by Canoe" Tour, Waas Eco-Cultural Adventures

Photo credit: Waas Eco-Cultural Adventures

FIGURE 10 U'mista Cultural Centre

Photo credit: K. Vodden

In 1998 an estimated 35 Alert Bay residents earned a significant portion of their incomes from culturally related activities (arts and tourism), contributing to employment and cultural revival. The number of jobs in these sectors has continued to grow. Several new First Nations tourism businesses have been launched and a host of initiatives undertaken by nine of the 11 organizations referred to above (Table 3). The Aboriginal tourism industry is expected to expand further in the future as new products are developed and residents receive training and experience.

Despite enthusiasm for tourism as a "post-productivist" and non-extractive endeavour, tourism activities are not intrinsically sustainable. Careful planning, along with co-ordination and caution, is needed to curtail the negative impacts that can result from tourism development, including cultural exploitation and ecological disturbance. In alignment with the principles of SCED, attempts are being made in Alert Bay to ensure that tourism development is conducted in an ecologically and culturally sensitive manner

TABLE 3 Alert Bay tourism initiatives, 1998–2001

- “Aboriginal Cultural Eco-Tourism on the North Island and Mainland Coast of BC” report
- Information exchange on sustainable tourism development with Simon Fraser University community tourism planning students
- Conference on Aboriginal Eco-tourism
- Aboriginal tourism training programs
- Conversion of fishing vessels for tourism operation
- Pilot project for Aboriginal tourism development in British Columbia
- Self-guided walking trail around Cormorant Island
- Tourism Alert Bay and Alert Bay Adventures marketing initiatives
- Attraction of pocket cruise ships
- Tourism infrastructure development (transfer of wharf facilities from federal government to the Village of Alert Bay, sewage treatment installation)
- Gwakawe Campground developed
- Youth training and outdoor recreation initiatives, including outdoor leadership training, equipment (canoe and kayak) purchases, Nimpkish Valley camp development

that makes positive contributions to these important aspects of community as well contributing much-needed economic and social benefits such as opportunities for youth employment and engagement.

In 1999, the Island-wide Tourism Strategy Committee was created with the goal of creating a plan that will allow the community to take ownership of tourism rather than be over run by it. After years of “growing pains,” says one member, the industry is now being given serious consideration due to downturns in the resource sectors. Both the Village of Alert Bay’s 1990 Economic Development Strategy and 1996 Official Community Plan Review called for the development of “a clear tourism strategy to which all involved parties can provide their support (John Ronald and Associates: 25).” With a new sense of community acceptance of the tourism industry, steps have been taken to put such a Strategy into place. Additional requirements for the future include a tourism “code of ethics” for the community, which must address tourism policy issues such as First Nations protocol, regulation and carrying capacity. In the interim U’mista Cultural Centre provides visitors with protocol instructions when visiting cultural sites. Finally, the danger of over-reliance on tourism, creating a new single-sector dependence, must be acknowledged and avoided through continued diversification efforts.

Community Involvement in Fisheries Management

The Kwakwa̲ka̲’wakw have always been a fishing people, actively practising harvesting and stewardship. This tradition has continued and expanded in new directions through the development of Alert Bay’s traditional and commercial fisheries, with new residents, visitors and other resource users joining the Kwakwa̲ka̲’wakw to make fisheries management in the region a complex and multifaceted challenge. Today there are five Alert Bay organizations involved in the fisheries sector. The most common activities undertaken by these organizations are habitat protection and restoration, lobbying in an attempt to influence fisheries policy, and education/communication (Table 4).

Research indicates widespread agreement on the need for increased community involvement in fisheries management and a preference for a regional co-management approach.

> We discussed the need for regional management of fishery resources and agreed that this approach is essential to both community and resource species survival....
>
> October 1998 letter to Fisheries Minister Anderson, signed by ’Na̲mgis First Nation, Village of Alert Bay and other North Island fisheries interests

All interviewed felt their organizations should play a greater role in fisheries management, although one representative cautioned that

TABLE 4 Co-management Activities

	Number of Organizations Pursuing (n = 5)		
Activity	*Medium to high level of activity*	*Low to medium activity level*	*Total*
Stock assessment	2		2
Habitat assessment and monitoring	4		4
Habitat protection, restoration	4		4
Stock enhancement	2		2
Enforcement of harvesting	1		1
Setting harvest targets		2	2
Deciding on time/area of openings			
Allocation/licensing	1		1
Product marketing		2	2
Policy making			
— Decision making		2	2
— Lobbying	4		4
Education/communication	3	1	4
Other:			
— Funding fisheries projects			
— Training/work placement	2		2

the municipality should only get more involved if they are provided with advice from "competent local people" such as a local fisheries biologist. In part the desire of local organizations to get more involved in fisheries management is a response to the perceived inadequacy of the current management system and immediate need to fulfill management responsibilities no longer being met by government agencies:

> There is no stock assessment for herring in this area, one of the primary producers of the food chain and the DFO has decided that they don't have any money to do stock assessment for herring because its [*sic*] not commercially viable as a fishery.... So, yes, the community should become more involved in stock assessment.
>
> Up until about 1965 or 68 there were 21 patrol men with full enforcement powers ... We're down to four very short term seasonal patrol men. (Quoted from an interview respondent.)

Respondents believe that increased local involvement in fisheries management would improve sustainability of the fishery and local economy in the long-term through benefits such as greater local knowledge and sense of stewardship, ownership and responsibility; increased access to resources for local residents;

FIGURE 11 Mending the Nets, Alert Bay 1950s

Photo credit: Ilma Cook

stock rebuilding; improved decision-making and management (including longer term solutions); better information through the use of local knowledge; and higher compliance with management decisions. Other community benefits demonstrated by the case study include training, job creation, and community pride. Cultural values and the informal economy are also protected.

It was felt that local decision-makers tend to be more accountable than senior governments as they are closer to their constituents. At the same time several respondents expressed strong reservations about regional fisheries management, pointing to problems such as overcoming conflict/difficulty in reaching consensus, lack of local expertise and the potential for money and greed to rule decisions. Mechanisms for accountability and monitoring built in to the co-management system were recommended to address these concerns.

Co-management activities in Alert Bay to date have contributed to a more sustainable fishery by striving to restore and maintain natural capital; speaking out on behalf of future generations; working to make the fishery more participatory, diverse, integrated, responsive and co-operative; and by linking local and scientific knowledge. These efforts, however, have been limited in their scope and scale and insufficient to fully address the fishery crisis. As with SCED, the community of Alert Bay appears to have a vision and philosophy that is in general alignment with sustainable fisheries and co-management principles. However, the community is at an early stage in its preparations for a significant co-management role and considerable barriers exist.

Local organizations are unable to address many issues due to the limited resources available to them. Despite agreement on the need for regional fisheries management and on many of the components of a regional management system, further discussion and, once again, a concerted co-operative planning process is needed if this vision is to become a reality. Further, a host of external factors ranging from changing ocean conditions to federal and provincial resource policies exist that are beyond the capabilities of any local group to address. Governments, particularly DFO, are considered reluctant to support a true co-management process — a major barrier to co-management efforts and, in turn, to addressing issues such as greater community control and self-reliance, economic viability, adjacency and equitable sharing of costs, benefits and responsibilities. Local groups have not been able, nor can they be expected to, achieve sustainability in the fishery on their own. Instead they have made contributions that move fisheries further in this direction.

Despite the significant challenges faced, the success of co-management efforts in the fishing, tourism and other sectors is considered essential for the survival of the community and the marine and rainforest ecosystems of which it is a part. Residents of Alert Bay depend on outlying land and marine resources for their economic, cultural, physical, mental and spiritual well-being. The ecosystem surrounding Cormorant Island and resources within it are among the community's greatest strengths, provided they can be managed in a sustainable manner. Efforts to date have demonstrated that community involvement in the fisheries and tourism sectors can make valuable contributions to the sustainability of these industries. These contributions can be increased if the necessary capacity is built and barriers overcome, including a commitment from senior decision makers to the co-management concept envisioned.

Legal recognition of Aboriginal title and land claims settlement may hold the greatest promise that this vision will one day become a reality. Legal decisions in the 1990s have recognized the priority of Aboriginal food fishing rights over other uses of the fishery resource. Not only have Aboriginal rights to harvest not been extinguished but also First Nations have not relinquished their rights to manage the resources of their territories:

> Non-Aboriginal governments claimed a responsibility to govern the marine and other resources of our territories unlawfully and without any effort to negotiate with the Kwakiutl who had exercised their governance rights and responsibilities since time immemorial (KTFC, 1998: 6).

First Nations are not merely another "stakeholder" at the local level but a level of government with specific legal, traditional and cultural rights and obligations that must be recognized:

> ... any proposed activities within our traditional territories requires our consent. There have been many infringements upon our aboriginal title in the past for which we will be seeking compensation. We are not prepared to permit future

infringements without our consent being first obtained ('Namgis First Nation, 1999).

In a post-treaty environment senior governments will be obligated to co-operate with First Nations communities. Non-First Nations neighbours will also demand a say in decisions affecting their communities. Co-management arrangements and other collaborative CED initiatives can help establish productive working relationships between First Nations, provincial and federal governments and communities early in the process. One 'Namgis council member explained: "To me, as an Indian, a treaty is a treaty of peace, where we can work together in harmony, or co-management."

Unique community characteristics such as isolation and the Kwakwaka'wakw culture strengthen the interdependence between people, community and the surrounding environment. Thus the importance of natural resources to community well-being and of co-management as a SCED strategy in this context. Increasing self-determination, local ownership and control of natural resources was a central objective of the 'Namgis First Nation's pioneering CED efforts of the 1970s. Much has been learned and many projects launched since this time. Yet research findings demonstrate that the situation has not fundamentally changed. More than two decades later greater local control over development is still required.

Conclusions and Observations

The case of Alert Bay, British Columbia, supports literature review findings that while SCED is an important method for implementing sustainable development it is not easy to achieve. Efforts to date in this remote fishing village illustrate not only the potential for fisheries co-management and eco-cultural tourism as strategies for SCED, but also the associated challenges both internal (local) and external to the community. At the local level building social cohesion, improving skills, education and planning processes, creating organizational capacity and mechanisms for financing are critical steps to meeting the potential of SCED. Increased co-operation from senior governments is also essential.

The framework developed for evaluating SCED was demonstrated to be generally applicable for use in Alert Bay, with some modifications to methodology and framework components. With further development research suggests this framework can provide a useful tool for communities, governments and others seeking to evaluate or facilitate sustainable development in fishing dependent communities and elsewhere. One weakness of the internally focused assessment framework, however, was its inability to adequately account for the role of factors external to the community that influence the success of local efforts. Another was its complexity.

Cormorant Island shares many of the characteristics of fishing communities identified in the literature: isolation, small size, low education levels, attachment to fishing as a way of life, inadequate infrastructure and a labour force whose seasonal, declining incomes have been insulated by unemployment insurance. Key differences between the characteristics of fishing communities examined in the literature and Alert Bay include a younger average labour force age and a high level of interaction between First Nations and other non-First Nations cultures. While a younger labour force may be a positive workforce characteristic (Markey and Vodden, 1999), it has also meant that young people have been negatively affected by job losses in the fishery. Concerns about the health and well-being of youth in the community are prevalent.

Interaction between First Nations and non-First Nations residents and organizations is a feature of life in BC fishing communities. The case study highlighted associated challenges of cross-cultural understanding, satisfying legal rights and entitlements, uncertainty and relationship building. The importance of developing mechanisms for recognizing Aboriginal rights and title in co-management and SCED activities quickly became evident in the research and was therefore added to the success factors included in the original framework. What may be unique in BC to Alert Bay is the level of co-operation and goodwill between the First Nations and non-First Nations segments of the community, an important stepping stone toward sustainability from which lessons can be learned for other communities.

Over the years Alert Bay has accomplished a great deal in the field of SCED with limited resources. Residents have many ideas for the future and committed volunteers, staff and local organizations are striving to put these ideas into action. There is much more to be done and it is too early in a difficult process of adjustment to declare success. However, by undertaking a range of SCED activities in sectors such as tourism and community resource management, commu-

nity leaders and organizations have demonstrated a willingness to adapt to the changes in the fishing industry that threaten their community's survival. The case study of Alert Bay, BC demonstrates that SCED can play an important role in putting the theory of sustainable development into action within a coastal setting.

NOTES

1. While lobbying for outside government assistance may appear to conflict with CED's emphasis on local self-reliance Alert Bay community leaders maintain that compensation is due for government actions and mismanagement and support is necessary to assist with building a sustainable local economy. Efforts seeking this support have been successful to some degree, demonstrating the validity of this strategy.
2. Census figures exclude residents of unincorporated areas and Census undercount, which is significant on-reserve. Local figures indicate that the actual island population may be over 1,500.
3. Kwak'wala-speaking peoples, formerly known as Kwagiutl or Kwakiutl.
4. In Alert Bay the broad community, defined as all those who live on Cormorant Island, appears to be more relevant than the community defined as those living within municipal boundaries, or of the reserves. To a large extent it appears that residents of Cormorant Island identify themselves as members of the collective community of Alert Bay, although some residents clearly make a distinction between two communities on the Island: "Indian" and "White," reserve and non-reserve (Speck, 1987).
5. Including green business and social entrepreneurship.
6. Saturation in other areas is also expected to be a factor in future tourism growth for northern areas.
7. Approximately 5,000 of these are visitors. Others are members, local students etc. (U'mista Cultural Society, 1997).

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SUCCESSFUL DEVELOPMENT IN ABORIGINAL COMMUNITIES
Does it Depend upon a Particular Process?

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Cynthia Chataway

ABSTRACT

This article brings needed attention to the process of structural change in Aboriginal communities, which has been largely neglected in current policy and practice on economic development and good governance. New research strongly suggests that generalized trust (social capital), and a capacity to discuss rather than suppress conflict (social cohesion), are crucial to long-term success in economic development and self-government. Likewise, trust and effective conflict resolution are built or undermined by the process by which structural changes (e.g., economic, governmental) are made and implemented. Processes most likely to support long term success of structural changes in Aboriginal communities: (1) are grounded in a commitment to mutually acceptable cultural values, (2) develop working relationships across subgroups before making substantive decisions, and 3) actively include the participation and concerns of interest groups across the community. Success in partnering with Aboriginal communities for economic and political development is most likely when a balance of attention is paid to the process as well as the structure of change, and to the identity needs, as well as the practical needs, of the community.

With the resolution of outstanding claims, and growing Aboriginal authority over their lands and resources, the potential for Aboriginal communities to grow economically is greater now than ever before. Anderson[1] notes that corporate-Aboriginal partnerships have increased enormously over the last 10 years, primarily because business people believe that partnering with Aboriginal people will improve their long-term profitability. Concurrently, Aboriginal nations in Canada seem to be adopting an approach to economic development that includes business alliances among Aboriginal and non-Aboriginal people, and capacity building through education, institution building, and the acquisition of land

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and resources.[2] Current policy and practice through the Department of Indian Affairs (DIAND) also emphasizes economic development and good governance as necessary supports for economic growth. These structural changes can make important differences in the lives of Aboriginal people. The process by which these structural changes are brought about can either undermine or enhance the ability of a community to deal effectively with collective problems, including future problems that will inevitably arise in the course of development.

The research reviewed in this paper indicates that the cohesiveness of the social system may be crucial to successful development. Unfortunately, social cohesion is low in many Aboriginal communities. While factionalism is present in all political systems, the factionalism and distrust that exist in Aboriginal communities may be deeper, given more than a century of colonization. In many communities, the introduction of band council elections by the Canadian government took power away from subgroups within the communities (e.g., women/men, youth/elders, different families) that, under traditional systems, had often had some form of built-in representation.[3] The band councils were not initially designed for self-governance, but rather to administer the laws of the Canadian state. Greater authority and control has been acquired by band councils over time, but in a way that has sometimes created deep internal power struggles, and a sense of ambivalence toward the band council system that is neither well-designed nor culturally appropriate.[4]

A focus on technical contributions to development, such as training or capital,[5] ignores the fact that societies with similar resource endowments, labour capacity, capital, and governance structures and procedures can have very different levels of economic performance. Attention must be paid to the cohesiveness of the social system within which development decisions are made and implemented, and the processes by which development takes place. Sustainable ends and means are inseparable.[6]

After reviewing some of the recent research on the importance of cohesiveness in the social system, this article proposes a particular process that is most likely to support long-term development, at least in part through its ability to increase social cohesion. The proposed process begins with a collective definition of cultural values, creating the possibility for building social cohesion in the context of personal, social, and institutional empowerment, which provides the necessary base for economic and institutional development. Key principles of this process are that it be (1) consistent with cultural values, (2) focused initially on building working relationships across groups, and (3) actively inclusive.

SOCIAL CAPITAL AND SUCCESSFUL DEVELOPMENT

A growing body of research suggests that the difference between successful and unsuccessful economic and political development is attributable to the 'social capital' of that system. Social capital refers to the generalized trust embedded in informal networks and associations through which decision making and policy formation occur.[7] Good governance refers to characteristics like democratic elections, stable laws, constitutional legitimacy, transparency, tolerance, public participation, absence of corruption, freedom of information, accountability regimes, administrative competence, and independence of government from the judiciary and the media.[8] Good governance and social networks of trust and cooperation are thought to be so mutually reinforcing that the terms Government Social Capital and Civil Social Capital have emerged to refer to each.[9]

The more people are engaged together in a variety of associations, from singing groups to informal loan cooperatives, the higher the level of generalized trust and cooperative problem-solving in the system[10] and the greater the strength and productivity of that community.[11] Social networks of trust, in combination with accountable government and stable laws, are thought to contribute to economic development because they allow a more free-flowing exchange of information, reduce the uncertainty and inefficiency of transactions, and increase the incentives for producing wealth and creating jobs (rather than diverting wealth from others). Considerable research indicates that economic development, a well-developed governance infrastructure, and greater levels of social capital, tend to co-occur.[12] Engagement in civic associations also seems to lead to greater self-respect and facility in the skills necessary for democratic participation.[13]

A questionnaire study of eight northern Aboriginal communities explored these interconnections between social vitality, economic viabil-

ity, and political efficacy.[14] Similar to social capital, social vitality refers to informal reciprocal relations through which community members share information and resolve problems. Similar to good governance, political efficacy refers to the extent to which the community has a commonly acceptable process for mobilizing power and distributing resources so that decisions can be made and initiatives can be collectively launched. Economic viability refers to the ability of a community to sustain the material needs of its members over the long term.

This study[15] found that social vitality was more important to supporting economic viability and political efficacy than vice versa. Economic viability decreased wherever development was initiated in a community that had low social vitality and/or low political efficacy. They also found that social vitality was the hardiest community characteristic of the three, as it could compensate for low economic viability and low political efficacy to some extent, while economic and political strength could not compensate for low social vitality. Economic viability was found to be the most fragile, because once it was lost, both social vitality and political efficacy were required to regain it.

Case studies in Aboriginal contexts concur that the ability of the community to solve collective problems through formal and informal networks and associations seems to be crucial to economic and political success. If community members are not effectively connected for decision making and collective problem-solving, structural changes tend to 'come apart behind them,'[16] through lack of commitment, or even because community members actively undermine initiatives. The Royal Commission on Aboriginal Peoples reflected these concerns in concluding that rebuilding a sense of trust and connectedness is necessary for the successful growth of civil, economic, and political institutions.[17]

The current governance system within Aboriginal communities puts considerable power and resources into the hands of the elected Grand Chief, with few checks and balances. Within the 'first past the post' electoral system, the candidate from the largest family can be consistently elected, giving that family the power to control resources and make decisions over time. This reduces social vitality. "A significant proportion of band members, then, feel shut out from political processes and reliant on this elite for any improvement in their social and economic well-being."[18] "Now that five, six, and perhaps seven generations have been subjected to the powers of extra-community exploitation, domination and alienation, similar powers have taken root within their communities. Outsiders are no longer required for negative demeaning and dehumanizing treatment to occur."[19]

Outsiders can unknowingly exacerbate this disempowering situation by working *exclusively* with the "existing authority structure" as represented by the band council. Erasmus and Ensign[20] recommend that entry into a community must be through the band council, but this directive can be over-applied to mean that outsiders must work only with the band council. Of course it can be as destructive to successful development to be perceived to go around the band council, or to undermine that authority, as it is to marginalize other voices. What is required is a delicate process of respecting band council authority to make decisions on behalf of the community on the one hand, and of listening to and integrating diverse interests on the other hand. If outsiders do not take the opportunity to create and strengthen constructive social relations and networks, as detailed later in this article, "development can destroy social capital, setting off a vicious circle of social and economic decline."[21]

However, it is important to realize that not all forms of social capital support economic development. Social capital that extends beyond the immediate group, and exists in multiple overlapping social groupings with cross-cutting ties, is more likely to support economic growth. When trust is restricted to a particular social group, the obligations to that group can limit participation in broader networks outside the group that are important to continued economic growth. In addition, groups can place highly particularistic demands on group members, restricting innovation, individual expression and the belief in the possibility of advancement through individual effort.[22] Particularly when trust is restricted to immediate family or ethnic attachments, members can be discouraged from advancing economically, moving geographically, and engaging in amicable dispute resolution with others outside the group.[23] Thus, any initiatives that contribute to the development of multiple overlapping networks of trust are also contributing to the potential long-term prosperity and success of these communities.

The Importance of Process

It is increasingly clear that social capital, which has also been called generalized or 'working' trust, is important. The process by which generalized trust is developed is less clear, but likely central to whether social capital results in negative or positive effects. A broader concept, *social cohesion*, seems to encompass the means by which the positive forms of social capital are developed. Social cohesion describes the state of a community in which there is a sense of collective identity, equality of opportunity and inclusion, broad-based participation in decision making, and a capacity to mediate rather than suppress conflict.[24] So in addition to identification and trust, social cohesion includes broad participation in finding solutions to conflict. Research finds that participating with others in a process of collective problem-solving results in greater commitment to and implementation of solutions developed than other forms of problem-solving (e.g., in which an outside party makes the decision).[25]

The importance of process, in addition to good structures, is often overlooked. However, a brief reflection on one's own experiences with decision making indicates that the same outcome, depending upon how it is arrived at, can alienate, divide and anger us, or can connect, empower and reassure us.[26] This sense of procedural justice, the sense that one has had a voice and been treated respectfully, is so important that it has been found to predict our level of trust in our political representatives, independent of whether decisions are made in our favour or not.[27] For instance, the almost universally opposed White Paper that proposed in 1969 to terminate the Indian Act, may have been largely acceptable to Aboriginal people if it had been developed through a broad-based decision-making process with Aboriginal people.[28]

Procedural fairness is most important to maintaining support for leadership when new organizations are being created, or when there is strong dissatisfaction with the distribution of resources,[29] as is the case in Aboriginal communities today. In research on governments in transition around the world, Reilly and Reynolds[30] find that the uncertainty of the transition period is best countered by maximizing inclusiveness in decision making. Dukes[31] finds that participating in community decision-making results in an increased sense of connection with leadership and the practices of governance, a greater sense of meaning and community, and optimism about solving social problems. Without it, communities can fragment and consume resources in contentious debate.

A PROCESS FOR BUILDING SOCIAL COHESION

Processes that involve people in a meaningful way in collective decision-making increase social cohesion. To do this well may take considerable time, depending on how well the issues are defined, prior experience of the parties with collaboration, and the need to equalize power differences.[32] Investment in a good process within which people feel it is safe and desirable to participate is an investment in the social infrastructure of a system and in developing the web of mutual obligation and interconnection that is increasingly understood to be integral to successful economic development.

The characteristics of a good process can vary considerably across contexts and cultures. The remainder of this article focuses upon three process principles that need to be safeguarded by both inside and outside initiators of structural change in Aboriginal communities: (1) to be grounded in cultural values, (2) to create working relationships within the community before making decisions about structural change, and (3) to be actively inclusive through attention to all aspects of empowerment.

1. Consistent with Cultural Values

> Aboriginal people in Canada are in a period of restoration, which involves relearning of historical Aboriginal traditions, animated by a set of foundational ideas. These ideas include: holism or the interconnectedness of things, sharing and collectivity, respect, life as a learning journey, and guidance from elders.[33]

Research indicates that institutions and initiatives in Aboriginal communities are more likely to succeed if Aboriginal people can identify with them because they are perceived to be grounded in culturally relevant values. For instance, in my own questionnaire research I found that the degree to which people perceived the elected band council to be culturally appropriate was a much stronger predictor of whether people supported the Council than the extent to

which band council decision making was perceived as fair. People across this community said things like: "I agree with everything they [the band council] are doing, but don't do it in an illegitimate way." "It's not an acceptable system, it's a combination and bastardization of the traditional system and elective system."[34]

In economic research on Native American reservations,[35] researchers coded communities for whether the structure, scope, source and location of authority in traditional government matched these characteristics in the current governmental system. They determined that there was a 'cultural match' if they judged these four characteristics to be the same in both traditional and current government. Across 67 American Indian reserves, holding constant variables such as human capital endowments, natural resource endowments, and marketplace opportunities, a 'cultural match' was related to higher levels of employment and income.[36]

In an in-depth interview study, Aboriginal administrators indicated that they are often faced with an almost impossible task of balancing internal social and cultural needs with political demands.[37] For instance, if they acquire formal education (one of the most frequent suggestions for good governance) they are perceived to distance themselves from the cultural and local needs of their community, which delegitimizes them as local leaders. This kind of dilemma cannot be resolved by an individual leader alone. To resolve this and myriad of other dilemmas faced by Aboriginal leaders requires collective decisions by community members. These collective decisions would then provide direction for leadership struggling to meet the demands of working effectively with outsiders while remaining legitimate in the eyes of their constituency.

In some communities, leadership initiatives can be effectively blocked by calling into question the Aboriginal identity of the initiators.[38] Given centuries of pressure to assimilate, and considerable intermarriage, there are few "pure blood" Aboriginal people left, so many people can easily be de-legitimized. Attacks on one's cultural identity are painful, so it is understandable that outsiders want to keep some distance from these internal issues. However, it is because of the central importance of unresolved identity conflicts and their ability to block successful change that outside partners would do well to offer support for resolving them. Outsiders, who do not have the same vulnerability, can make a unique contribution to resolving these conflicts through initiating and supporting the development of working relationships within which collective decisions can be made.

In a study comparing two Aboriginal organizations, one successful and one unsuccessful at adopting Aboriginal traditions, Newhouse and Chapman[39] found that in the successful organization, change began with a collective commitment to culturally appropriate principles. This traditional code of principles was put on display. In dialogue with each other, organization members proceeded to discover how to bring their behavior into consonance with the code. In the unsuccessful case, the organization made a change in structure its priority. In the successful case, structural change never did take place, as the goal of becoming more traditional was met to the satisfaction of the members through this culturally grounded process.

Becoming culturally grounded does not necessarily require radical change. Slight cultural nuances can make the difference between people's willingness to accept leadership or not[40] and their willingness to participate in a process or not.[41] Grounding in a set of values with which all can identify, and to which all have committed, provides clarity and safety, within limits acceptable to all. The collective process of developing these limits together can be an important contribution to social cohesion and ultimately, successful development.

2. Prioritize Working Relationships

> You can have the most beautifully worded constitution, with the clearest recognition of the inherent right of self government, but if communities can't deal with themselves it's all for naught.[42]

Considerable research suggests a sequenced approach to structural change in divided societies. If relations between people and groups are hostile, communication has broken down, and trust is low, a process to improve relationships is initially recommended before attempting to reach agreement on concrete issues.[43] It is very difficult for the people in such a situation to alter their perspective and behavior patterns without the assistance of an outside party. But not all forms of assistance have the same impact. Experimental research has contrasted two types of interventionL (a) an outside party facilitates dialogue designed to improve communication and

understanding between disputants, and (b) an outside party focuses interaction between disputants on reaching an agreement. When the outsider facilitates dialogue to improve understanding, the disputants' perceptions of both the chances for ultimate agreement and an improvement in the relationship (e.g., increased trust) are significantly higher than when the outsider focusses upon reaching agreement.[44] A process designed to arrive at substantive agreements ideally takes place after or at least concurrent with a facilitated process to develop working relationships, particularly if relations between the parties are hostile.[45]

Aboriginal people often speak about the need to rebuild good working relationships in their communities, to provide an appropriate climate to rebuild the human foundations of self-government, in addition to negotiating or mediating structural arrangements and constitutional change.[46] Ethical guidelines for the RCAP prescribed that wherever possible, conflict between interests within the community should be identified and resolved in advance of commencing a project.[47] How this was to be done was left unspecified. Summarizing Aboriginal testimony to the RCAP, O'Neil[48] noted that although theoretical models identify structural change as a necessary pre-condition to change in people's lives, roundtable participants said that change occurs through communicative action and a dialogic process between individuals, communities, and social institutions.

Susskind, McKearnan, and Thomas-Larmer have specified four preconditions to consensus building. First, there must be a good third party who can explain the process clearly to participants and then effectively manage the process from beginning to end. Second, participants must commit to consensus building ground rules, preferably in writing. Third, Susskind et al. indicate that consensus-building is a different way of thinking about a conflict, and therefore sufficient time is required to allow participants to shift from an adversarial mindset to considering how to meet the needs of all. And finally, one needs a clear map of how to build consensus. Such a map is beyond the scope of this paper, but is detailed in the *Consensus Building Handbook*.[49]

3. Active Inclusivity

> We have always done consensus building; we call a community meeting for people to put in their two cents. If they don't speak up, that's their problem.

The above quote from an elected band councillor illustrates a form of token consultation with community members, rather than real sharing of decision-making power. The quote also illustrates a passive form of participation in which those with a stake in the decision are not assisted in effectively participating. This approach to development, in which community members are invited to express their opinions, is by now relatively standard.[50] Unfortunately, this approach does little to alter existing power relations, so development initiatives tend to reinforce the status quo. Benefits from the initiative are distributed inequitably to those with greatest power and control in the community. What is needed is real empowerment, rather than token gestures and invitations to participate.[51] The ideal situation is one in which all stakeholders are committed to reaching consensus within a situation in which all have equal, respectful and complete opportunities to participate.[52]

People who have been shut out of decision-making, experienced repeated broken promises, been told for generations that they do not have the capability to understand or contribute, or feel very vulnerable to their leadership, require considerable support and reassurance before they will enter into dialogue. Formal processes and institutions, individual characteristics, and social conditions, are all crucial to the experience of real empowerment.[53] Formal empowerment, in which institutions provide mechanisms for real public influence, must combine with relevant individual skills, and social norms that support participation. An empowering process engages people as co-participants and designers of their own change, particularly orchestrating the experience of empowerment among the "silent majority."[54]

Formal Empowerment

Formal institutional empowerment means that institutions and professionals are committed to sharing power, to entering into a decision-making process of mutual vulnerability in which no party has the ability to make unilateral decisions. This is very different from simply giving people a voice, or access to speak to the decision makers.[55] Giving people a voice has often been used by powerful groups as a way of manipulating, co-opting or placating lower power

groups.[56] In many Aboriginal communities it is general knowledge that open community meetings do not work, since most people don't attend and meetings may be dominated by an angry few. Authorities need to actively seek out those who do not attend meetings to understand their perspectives, create small decision-making groups of people who have not been involved before, and ensure that the range of perspectives is integrated into decisions. Elected chiefs and corporate representatives who make a commitment to balanced representation on all committees from the various stakeholder groups (e.g., each clan), and set a high criterion for finalizing decisions (i.e., greater than majority rule), can make an enormous difference in the lives of under-represented people.

Personal Empowerment

Even when people are formally empowered, through inclusion on decision-making committees, they need a sense of personal competence and possibility, or the actual capacity to participate (e.g., knowledge, material resources, persuasive ability), before participation will result.[57] Material changes and capacity building are frequently required to change power dynamics within the community.[58] This might involve training in literacy, basic accounting, or public speaking, or covering the expenses for people to both prepare for and attend meetings. The specific kind of capacity building that would support active participation by the 'silent majority' is best determined in early private consultation with the individuals themselves, or perhaps through a community survey.[59]

Social Empowerment

Finally, social conditions of mutual respect and honesty are important to the experience of true empowerment and ability to participate. While many Aboriginal people hold values of consensus building, respect and honesty, a self-protective atmosphere of distrust and cynicism frequently predominates. Facilitating social norms that make it safe to express different opinions, and to develop consensus on actions to be taken, is crucial. Developing a sense of collective identification, shared vision, ownership and responsibility (as suggested above) may help to overcome the disrespect and distrust that prevent a sense of social empowerment.[60]

PUTTING IT TOGETHER

The interdependence of cultural values, social cohesion, empowerment, economic development, and self-government are illustrated in Figure 1 which contains a fairly comprehensive set of 16 elements of development, as articulated by The First Nations Development Institute (FNDI) in Washington.[61] Developed over years of "working with tribes and native people to change the economic environment of reservations to one that builds on local resources, recognizes Native knowledge and culture, and supports development from within,"[62] the FNDI model includes 16 elements that Aboriginal people consistently identify as important indicators of successful development. Concentric circles indicate levels of development with the individual at the center, followed by the group, then the community, and finally the nation on the outside. While attention to these elements may take place naturally, the FNDI uses this figure to assist community leaders and external parties in identifying and enhancing the elements that are less strong.

Figure 2 is adapted from the FNDI model. The labels for the quadrants of the wheel are renamed to correspond with the terminology used in this paper: cultural values, social cohesion, empowerment, and economic development/ self-government. The research reviewed above suggests that these elements are mutually supporting and, for any particular initiative, may best be pursued in sequential order starting from a collective definition of cultural values. The following example illustrates how an initial commitment to active inclusivity and consensus decision-making clarified collective values and enhanced social cohesion and empowerment, which supported structural change.

The Kahnawake Example[63]

The Mohawk community of Kahnawake was very divided in 1991. Only 10–15% of eligible voters participated in band council elections, and there was no constructive involvement by the three traditional longhouses in community decision-making. band council initiatives were consistently criticized and delegitimized by the longhouses because the band council was "not a Mohawk system." Divisions between the longhouses were deeply antagonistic and personalized.

After becoming knowledgeable about the internal politics of the community, I met with

FIGURE 1 The Elements of Development.

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FIGURE 2 The Process to Successful Development

members of each political faction to discuss the possibility of doing Participatory Action Research (PAR). The PAR approach engages people who are usually the objects of research as co-researchers on a topic of their choosing. Because the various factions in the community initially refused to meet together, I actively sought out input from as many individuals within each group as possible. After several weeks of discussion on possible focuses for our work, members of all groups agreed to work on the question: "What are the barriers to designing and adopting a new structure of government in this community?"

Each faction contributed questions to be asked in interviews. These questions tended to ask for people's opinion about the technical design of a new system of government.

Responses to these questions in interviews, however, frequently focused on the values that should underlie community decision making: the need to embody Mohawk culture, to protect Mohawk culture and land, to treat everyone respectfully, and for all relevant information to be openly communicated. Focus groups within each interest group also endorsed these values, and emphasized the need for more trust, a greater sense of community, and clarity about their cultural identity. To meet these needs, focus groups recommended that representatives of each group meet together for facilitated dialogue.

This intergroup dialogue most directly reflected the interdependence between developing better working relationships within the community and bringing about structural change. In the first few meetings the group focused on constructing a structural model for community self-government. However, when we arrived at a model with which all felt comfortable, group members immediately raised concerns about trust, cultural legitimacy and security. For instance, any cooperation with the traditional leaders raised fears of betrayal and a sense that, given their own internal divisions, the longhouses could not really be trusted to act consistently with the traditional ideals. Any cooperation with the elected leaders raised fears that foreign processes would be introduced, and that their cultural future would be jeopardized. So we focused the dialogue on how the longhouse and band council members of this group could model respectful interaction and constructive discussion of conflictual issues for the community. In the course of this discussion, people began to raise questions about their own abilities to engage constructively in the community, and to consider the need for personal capacity building. By the last meeting, several members had launched new projects for developing greater social vitality (e.g., pairing elders with youth, family conferencing).

At subsequent public meetings, members of the group modeled respectful problem solving, where previously insults and attacks had predominated. For example, when community members were aggressive toward a member of a longhouse who is considered to be extremist, a member of our dialogue group (from a different faction) stood up and explained to the group the useful ideas that were embedded in the longhouse member's somewhat 'extreme' speech.

With the benefit of many subsequent collaborative initiatives (not involving me), several acceptable models of government are now before the community, most of which combine the elected band council and the longhouse systems. In addition, the band council regularly undertakes extensive consultations with traditional people regarding negotiations with the federal government and other major decisions.[64] As one elected councilor said:

> We're trying to perfect the consultative process in the council, in that we take a personal interest in going to select individuals who are representative in the community and speaking to them and having sort of what you would call focus group sessions where individuals are invited to come and review policies ... soliciting opinions on paper doesn't always work either. I think you just have to get there, sort of the same way you're doing with your research. I mean you have to get there and talk to people.... Everyone should have input, everyone who is affected by it.[65]

In this deeply divided Aboriginal community, participants welcomed the opportunity to develop a 'working relationship,' before beginning to discuss changes to the structure of government. They said; "We've never done it before. We always jump right into the nitty gritty, without clearing the air first. It may be lengthy but we have to address these issues" of [distrust and destructive] communication patterns. "That's just what we need. I was thinking about that. We always just jump right into a task, and get hung up on name-calling, pointing fingers."[66]

A consultation service has emerged in the community and is frequently hired by the elected council to collect broad-based community input through focus groups, open community meetings, questionnaires, interviews, workshops, and other methods. This private company takes care to educate people about the details of a policy before asking their opinion, actively reaching out to inform and involve people in decision-making.

In 2000, the elected council made a formal declaration to return to traditional government and asked for volunteers for a committee to identify the steps to this goal. This group includes traditional people, elected people, and other community members.

Implications for Partnerships with Aboriginal Communities

Corporate or governmental partnerships with Aboriginal communities have similar opportunities to support a balanced approach to structural change. Corporate and governmental partners of Aboriginal communities can provide crucial support to Aboriginal leaders who want to ground structural change in mutually acceptable cultural values, and actively inclusive processes that enhance personal, social, and institutional empowerment. It can be very difficult for existing leaderships within Aboriginal communities to initiate this kind of process on their own when there are entrenched negative patterns of interaction. A professional facilitator helps to manage this delicate process, which allows all stakeholders to fully participate and to maintain a constructive atmosphere as they adjust to a new way of relating to each other.[67] External facilitation and support in time and resources can also generate the confidence necessary to enter this kind of process,[68] and make it possible for a broad range of people to actively participate. In addition, if trusting working relationships with external parties are formed, this broadens the base within which social capital is developed, mitigating its potential negative effects. Over time inclusive decision-making processes can be established in more permanent organizations, creating a vibrant civil sector to balance and support the economic and governmental sectors in Aboriginal communities.

Numerous sources document the success of broad-based collaborative decision-making in private industry,[69] national environmental efforts,[70] community disputes,[71] and organizational settings.[72] In all these examples, all parties that have a stake in the outcome of a decision can safely express their perspectives because there is a structured process for working with disagreements. In an Aboriginal community, if constructive communication has broken down, an initial period to develop constructive working relationships is recommended before undertaking self-government or land claims negotiations, or before making concrete decisions about an economic development initiative.

CONCLUSION

Development efforts in Aboriginal communities tend to focus on structural control and responding to technical needs. Clearly, these are necessary considerations for economic success and self-government. However, an exclusive focus on structure and technical details neglects the importance of informal social relations — the quality of relationships within the community and the contributions these make to long-term development and self-determination. When outsiders partner with a community, they can either contribute to strengthening the social infrastructure, or ignore their potential positive impact on the social system to the possible detriment of the initiative. With an understanding of the process linking social capital with successful development, external partners can work with Aboriginal leadership to develop the competence and well-being of the community as a whole.

This paper does not suggest a delay in structural changes but a balanced investment of time and resources to create greater social cohesiveness, ideally before formal negotiations begin. Effective self-government will involve a balance between a cohesive empowered community and sound economic and political structures. Economic and self-government initiatives are most likely to be successful if as much attention is paid to grounding an actively inclusive decision-making process in cultural values with which people can identify, as the attention given to the structures and practicalities of change.

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CRITICAL SURVIVAL LESSONS FOR SMALL BUSINESSES
What Kahnawake Based Entrepreneurs Have Learned

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Robert J. Oppenheimer, Tom O'Connell and Ron Abraira

The basis for this article is the experience of a number of entrepreneurs at Kahnawake, Quebec. They originally reported what they did in a series of videotaped interviews conducted by Ron Abraira and initiated by Tom O'Connell. These tapes were developed for and are being used as part of an ongoing training program to help those interested in starting or expanding a business in Kahnawake.

A range of businesses have been selected, all of which have been operating for at least three years. Morgan's Lobster is a wholesaler of lobsters. Favors is a retailer of party supplies. Johnny's Coffee Cup is a coffee shop. Old Malone's is a restaurant. Tentsations rents tents and related supplies. Digital Dreamcatchers creates Web sites and provides related support services.

Favors

Iris Deer was a partner in the business start-up of a party store in Kahnawake. As with many new ventures, sales were slower than expected, at first. This led to tension in the partnership and the need to re-position the business model to survive. Successful entrepreneurs become energized by adversity, not defeated, and through determination and perseverance they struggled to establish a successful business model.

To increase sales they tried a number of strategies. They sent out mass mailings to the community and they put up signs outside their store, but neither of these approaches resulted in much business. It was time to rethink who their customers could be and they decided to go after the business market. The reasoning was that different businesses hold events and they could help them with their parties. They sent out faxes to businesses announcing specials, including services they could provide. This worked!

As things improved, they advertised in the local newspaper, *The Eastern Door*, and on the local radio station. They saw their market as the local community and these media reached the people they were trying to contact. The business

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model evolved to be more of a value-added service business than just a retailer of party supplies. Their willingness to keep working together, to persevere and try different things has enabled them to continue to stay in business.

Moral of the story

Start-ups often do not go as planned. You need to do contingency planning prior to beginning the business. Anticipate that costs and strategies may not work and develop some "what if ..." plans in order to be better prepared for situations. Iris Deer initially perceived the business as a retailer of party supplies to consumers. In order to succeed she needed to reposition the business as party consultants and decorators, for the business events in the community. Another important lesson is that it is important to manage the stress that occurs in partnerships. In order to change, survive and move forward, it is often necessary to go through a period of tension and disagreement. Commitment to the partnership, not personalizing the disagreements and maintaining open lines of communication are ways to ensure that partnerships (and businesses) survive.

Johnny's Coffee Cup

Johnny Montour, while running a taxi service, started Johnny's Coffee Cup, a coffee shop. He was confident that he could run both businesses as he hired someone who would work as the cook for the shop. However, as Johnny soon discovered, things do not always work out as expected. The person he hired was not doing the job that Johnny felt needed to be done. He therefore decided to replace him. Unfortunately, the new person he hired also failed to do an acceptable job.

Johnny was now six months into his business and he needed to decide what to do. The two people he had hired were unable to perform to his expectations. His choices appeared to be to hire someone else, close the business or go into it himself. He considered his options and his priorities and decided to step in and manage the business himself. In reflecting back, Johnny indicated that it is critical to be clear on one's priorities and to have a contingency plan and if you do not have one, to be able to create one quickly.

After entering the business on a full-time basis he realized he needed to take action to cut costs and increase the amount of customer traffic. He reduced his costs wherever he thought he could. To attract more customers he gave away coupons for free coffee. He thought that people who came in for the coffee would buy something else while they were there. He also felt that if they came once, they would keep coming back.

Johnny also told everyone he could about his coffee shop and encouraged them to try it out. He was going to use the local radio station to advertise, but decided against it because he could not get the time slots he wanted.

Moral of the story

Employees will never be as devoted as the entrepreneur and will seldom meet the high expectations that entrepreneurs will put on them. If you will use employees, training may be necessary and if they are very good, you may want to give them a profit sharing program or a stake in the business. In addition to increasing motivation it helps to lock them in and prevent another business from stealing them away.

Morgan's Lobster

Morgan Phillips runs Morgan's Lobster, which buys lobsters from native fishermen, transports them back to Montreal and resells them locally. A key business partner is Fred Moore, who has been involved in the fishing industry since he was a young boy. Fred is an excellent advisor, teaching Morgan the industry from first hand experience.

Early on in her business she did not have the proper equipment and because of financial limitations needed to rent. This resulted in a loss of 500 out of 2,000 pounds of lobster on one trip. This incident could have resulted in the collapse of the business. However, Morgan decided not to quit.

She recognized that she needed better equipment and worked at getting the financing. The process of getting financing can be tiring and you need perseverance to get the information that proves the concept to be financed. Morgan has obtained financing (a grant) to purchase much needed computer equipment and for advertising. She continues to persevere in her business and plans to obtain additional financing to further upgrade her capital equipment.

A critical aspect of any business is sales. To accomplish this she met face-to-face with many storeowners in the greater Montreal area. They

were quite open to meeting with her and after listening to her describe the freshness and quality of her lobsters, they were willing to place small orders with her.

By going around to many potential buyers and obtaining orders, even for a limited amount, Morgan's Lobster was able to start out on a small scale with a number of different customers. From the beginning she focused on the freshness and quality of her product and combined this to catering her customers' needs to ensure their satisfaction. The combination of starting small, focusing on the customers' needs and satisfaction and persevering in the face of adversity are key factors, which Morgan attributes to her success.

Moral of the story

Mistakes are going to occur as a business begins and the entrepreneur learns the industry. Knowledge of the industry is essential for success and it helps to have partners, advisors and others who can provide advice and keep mistakes to a minimum.

Tentsations

Laurie Deer is the founder and owner of Tentsations, which rents tents and related supplies. The winter of 1998 was particularly devastating, because that was the year of the ice storm in Quebec. Power was lost for a month and there was no business and of course, no income. This could have been enough of a setback to cause the business to fold, but Laurie refused to close it down; she simply refused to quit.

Laurie attributes her success to not only persevering, but also to marketing. She believes it is critical that potential customers know who you are, where you are and what you have to offer. To support this she put up a large number of tents in her backyard and put up signs with her name and telephone number. To attract customers she initially competed on price, but now that she has a number of established clients, she competes on the basis of quality and service.

Tentsations also realized that they must identify their market niche, the segment of the market they would go after. They decided to go after the wedding business, that is, those who rent tents for weddings. To do this they have attended the trade shows for weddings and advertised in the magazines directed toward that market.

Laurie also recognized another potential niche, the corporate customer, those who rent tents for business functions. She has directed her marketing efforts to these two segments and has been successful in selling to both. Laurie also has learned from her mistakes. She advertised in the *Montreal Gazette*, the only English language daily newspaper of the greater Montreal area and considered it a mistake. This is because, as she later realized, it was too broadly based and she needed her marketing to be focused.

Another important contributor to the success of Tentsations is the people working there. Laurie hires those who are interested in doing a good job and treats her employees with respect. She also makes sure that everyone knows what they are expected to do and if they have any doubts, that they feel comfortable in asking her or others.

Moral of the story

Native entrepreneurs can compete with non-native businesses in non-native communities; Laurie is a successful entrepreneur providing services to a highly demanding clientele (corporations in Montreal). The quality of her service and her commitment has given Tentsations the credibility to compete for the tent rental business against large non-native competitors.

Digital Dreamcatchers

http://www.digitaldreamcatchers.com

Sharon Cross is the founder and owner of Digital Dreamcatchers, which creates Web sites, develops CD-ROM educational, organizational and business presentations and provides related support services.

The major difficulty that Sharon faced was the lack of business. Not having even one contract is very scary to someone trying to have her business survive. However, Sharon was convinced that if she could get enough people to know what she did and the benefits she could provide, then she would be able to get the customers needed to not only survive, but to succeed.

Sharon decided to talk to as many people as she could and made presentations to any organization that would listen and that could possibly use her services. In addition she would trade services. Sharon created a Web site in exchange for advertising on the back of the Mohawk Directory, which is distributed to all of the Mohawk

communities. It was this exposure and the follow-up work that Sharon did that helped her to generate the business needed to get her business going.

In the process of starting up her business, Sharon was careful to control her costs. This is demonstrated by her trading of services, such as creating Web sites in exchange for advertising space, rather than paying for it. Further, the hiring she did was on an when-needed and part-time basis. In addition, Sharon created alliances and subcontracted out work when the workload required, rather than hiring people on a full-time basis. Sharon attributes her success to her competence in her field, her persistence in her marketing efforts and her cost control strategies.

Moral of the story

Begin on a shoestring until you generate enough sales to expand. Sharon is in a business where the demand is only beginning to develop. Web-based services to Native businesses is an opportunity that is in its infancy. Until demand begins to increase, Sharon is keeping her costs in line with sales. So, if sales are low, costs are low. This is an excellent strategy until demand increases. At the same time she is benefiting by being a "first mover" in this industry and will be perceived as a pioneer for Web development services to local Native businesses.

Old Malone's

Chad Rice is the founder and owner of Old Malone's, an upscale restaurant in Kahnawake. Chad had previously owned a much smaller restaurant, The Shack, from which he learned many valuable lessons. Starting small and building up proved to be extremely helpful. Mistakes made while operating on a small scale may be more easily corrected.

Chad carefully planned his new restaurant and followed one of the cardinal rules of small business owners, which is "conserve cash." Nonetheless, cash became very tight. Fortunately, he succeeded by closely monitoring expenses, managing his cash flow and being able to borrow from Kahnawake Economic Development. His previous experience and demonstrated competence in the restaurant business were important considerations in the decision by Kahnawake Economic Development to provide the funding that was needed.

Chad takes a positive attitude towards things, such as his saying, "tomorrow will be better." He believes this helps him to persevere and to succeed. Another general principle that Chad follows is that when he has problems, he tries to solve them quickly and before they get too big.

Marketing is always an issue. Chad's primary method of advertising is by word of mouth, which many would argue is a passive approach to marketing. However, Chad invested considerable effort in making certain that the people of the community knew about his restaurant. This was particularly the case with his customers from his previous restaurant. Chad also emphasized the importance of being able to deliver a quality product at a competitive price. It is one thing for people to know about you, but if they are not satisfied with the product or the service they receive, they are unlikely to come back.

Moral of the story

It is very important to "prove the concept" before launching a full-scale business. Rather than invest heavily in a start-up business you first need to determine if you will like the lifestyle and if the business can succeed. A small-scale operation can be used to begin and, if successful, expansion can take place. Chad started with "The Shack," a seasonal hamburger stand with a "spicy" menu. The success of "The Shack" encouraged him to launch "Old Malone's," a full-service, upscale restaurant. Prove the concept before you invest heavily in an idea.

Conclusion

There are many important lessons that may be taken from these six entrepreneurs. The one message repeated by all six of the business owners is that is critical to persevere. In all instances they experienced difficulties that would lead non-entrepreneurs to quit. In many cases they had to re-position the business model from the original plan. This is because there will always be hard times for the small business owner and if one is not willing to work to overcome adversity or unable to stick with it, then the business will not succeed.

From a marketing perspective, it is clear that the small business owner must identify the market segment or niche they are going after. The advertising needs to be directed at that niche. Word-of-mouth advertising is an effective

and efficient method of advertising, which may be encouraged through friends, relatives and existing customers. Further, the product/service quality and pricing should be at least consistent with the customers' expectations, if not better than that, from the customers' perspective. The owners of Favors, Johnny's Coffee Shop, Tentsations and Old Malone's express these marketing principles.

From a financial perspective, watch your costs and conserve cash. Small businesses usually do not have a lot of money behind them and if they run out of cash and deplete their credit they are often out of business. The entrepreneurs in our profiles remain successful because they started small, proved the concept and conserved cash.

Start small so that it is possible to make mistakes, learn from them and survive. Starting small enables one to develop needed experience and expertise. It is also in many ways easier to recover from a mistake when a business is small than when is it large. All six of these businesses have started small, but the learning from this has been particularly relevant for Old Malone's and Morgan's Lobster.

When working with others be certain that everyone shares the same goals and that everyone understands and accepts who is responsible for what. It is also important to treat everyone with respect. This is the message that Tentsations clearly communicated. This principle also applies to partners, which would be the case for Favors, who incidentally would have benefited from a partnership agreement which clarifies expectations.

Summary

The 10 key learning points derived from these six entrepreneurs and which may be generalized to almost all small businesses are as follows.

- Persevere (You cannot fail if you don't quit)
- Identify your market niche (Who will need your product/service, and why will they buy it?)
- Focus your advertising directly toward your market niche (Look for the best impact on your target niche for the least price).
- Meet or exceed your customers' expectations (Customer service breeds loyalty which is critical for small businesses).
- Price it right (Based on competition, customer expectations, and quality — and your need to make a profit).
- Conserve cash and limit your expenses (You can survive longer, with lower fixed expenses, even if your variable expenses are higher, until you finally break-even).
- Start small (Prove the concept).
- When hiring, get people with the needed competencies (Once they prove themselves give them a "piece of the action" such as a share of the profits, to motivate and retain them).
- Clarify goals and expectations and if working with a partner, have a partnership agreement (Be prepared to deal with stress, conflict and uncertainty — expect it).
- Treat others with respect (Customers, employees, suppliers and even partners can really hurt your business through negative word-of-mouth comments).

STUDENT COMMENTARY

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Eric Raymond

Globalization dominated international affairs prior to September 11, 2001, and the discipline continues to manage a network of issues crossing academic dialogues. Literature, science, and the arts — all fields — have witnessed the convergence of culture and business on a grand scale. Experts charge technology as primary instigator of the new paradigm and herald the clear result, rapid change. Many analysts contend gadgets and diversity promise economic gain. As a renewed capitalist spirit envelops the planet, these scholars boast financial achievement will function as mankind's saviour. *Human Development Report 2001* (HDR 2001), published for the United Nations Development Programme (UNDP), makes a similar argument. The remedy for poverty, disease, and inequality is technology. Harnessing new technologies, and the monetary success that ensues, advances human development.

Opponents to globalization challenge this logic through protests. Targets consistently include the international development regime, organizations such as the World Bank and the International Monetary Fund. Yet anti-globalization forces' interests match the more noble aspirations of development projects. Both movements share a common aim, world poverty reduction. Protesters, however, contest the mechanisms by which the development establishment attempts to realize this goal. Offices and acronyms drive development rather than individual knowledge. The international development regime is a layer of the same larger bureaucracy promoting a North-South divide. Max Weber may have sided with this interpretation as globalization demonstrates the historian's forecast for extreme rationality. Webs of bureaucracy are overwhelming themselves and losing the common denominator, people. While globalization promotes disregard for individuality in many forms, the aid industry is particularly guilty. HDR 2001 serves as an excellent example of the development order's modernist tendencies to strive for order at the expense of human experience. Adding an anthropological perspective to the discourse will restore this element, but to do so requires adjusting the UNDP and wider regime's approach to development work itself.

Development fails to account for people. Groups, statistics, and machines concern the UNDP, not human beings. High-modernist traditions plague the field preventing widespread project success or significant reduction in world poverty. In *Seeing Like a State*, James C. Scott cites Vladimir Lenin, Le Corbusier, and others to present the ideals of high-modernism. These values include administrative order through rationalization and standardization and precedence of scientific knowledge over nature and society (Scott, 1998: 4). Comprehensive plans, grids, right angles, and legibility instruments (maps, censuses, and indices) characterize modernist enterprises and development projects as well. Development's reverence for progress indicates

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the discipline's devotion to a sweeping plan or outcome, a Western standard of living. In the experience of the Basotho in Thaba-Tseka, James Ferguson relates development's affinity for modernism (Ferguson, 1990). *The Anti-Politics Machine* highlights multiple aid agencies' inability to incorporate local knowledge into the development scheme for Thaba-Tseka. Ferguson shows that in place of improving living conditions for the region's inhabitants, the initiative fosters an expanded degree of order for the state. The development bureaucracy's "sprawling symbiotic network of experts, offices, and salaries" benefits more than the Basotho (Ferguson, 1990: 269). The aid industry neglects people and views countries and organizations as the agents of development.

Both Scott and Ferguson portray how development ignores local populations and knowledge when shaping and executing a project. HDR 2001 commits this offence, too. Throughout the report, the UNDP rarely mentions people as agents. HDR 2001 concentrates on groups and inanimate entities instead of individuals. Public initiatives run development. Examine the comments of the UNDP Administrator, Mark Malloch Brown (*Human Development Report 2001*: iv). When discussing the groundwork for development, Brown recognizes the importance of "communication systems," "policies," "institutions," and "countries" for significant advance. The Administrator never acknowledges human actors. Reaching the individuals behind and in front of Brown's list is key. Employees of development agencies and residents of the developing world, people, are of greater interest to project success than "communication systems" and "policies." Given a specific proposal, one assumes those persons most affected by the initiative would contribute vital input to the route taken by development in their place of residence. The project, moreover, interrupts these people's lives. Locals undergoing aid industry processes deserve a voice in their own future.

HDR 2001 pays cursory attention to people's roles in development (*Human Development Report 2001*: 8–9). The report, however, falls into the same modernist trap outlined by Scott and Ferguson. Rather than teaching how to empower individuals, UNDP provides advice for "low-income countries" and "developing countries." Thus, the nation-state remains the principal actor in development schemes. Development, as a field of knowledge, emerges as an engine for state control. HDR 2001 supports technology for state use and encourages a hierarchical procedure. UNDP officials favour promoting services to improve the operation of nations and firms. Then, according to the report, poverty will decline, and people's lives will improve. The argument never makes the connection between groups and individuals, though. HDR 2001 speaks of "unleashing human creativity" by bolstering technological innovation for farms and businesses, urging competition in the telecommunications sector, and "stimulating entrepreneurship" (*Human Development Report 2001*: 79–84). One wonders how such activities help the average person. As project results in Thaba-Tseka verify, the goals of the national bureaucracy and other groups are often asymmetrical to those of its citizens.

The report's technological focus puts faith in the machine, a tenet of high-modernism. HDR 2001 overlooks the capacity of social applications for development work. Arts and culture fulfill no logical end for the UNDP. Machines are the solution to mankind's problems, but the report omits a discussion on how people in developing nations may harness this potential. Again, the report operates on a macro-level, detailing actions for international and national institutions to pursue. Alternatives are absent. Assistance must come from above according to the development regime. HDR 2001 forgets to consider paths people may take to help others or themselves. The UNDP hints that the strength of individuals may not really matter if development plans take advantage of technology. In any event, the report fails to account for people. Like a model bureaucracy, numbers and statistics stand for individuals in HDR 2001 (*Human Development Report 2001*: 13–14). Take the human development index (HDI) for example. The UNDP uses this measure as an indication of a nation's level of development: high, medium, or low. The index lumps all individual experience into a single national average for ranking purposes and considers only longevity, knowledge, and a decent standard of living as measures. Countries are the basis of analysis once more, and the UNDP's ability to gauge such abstract principles is shaky at best. The HDR utilizes this standard when formulating policy recommendations; policies lacking consideration for people.

More a condition of capitalism than high-modernism, HDR 2001 centres on economics

rather than human beings. Language like "markets," "long-term potential," and "costs and benefits" pervades the report (*Human Development Report 2001*). While money is essential for development funding, capitalist ideals lead officials at UNDP astray. The group defends stable markets and free trade repeatedly, yet pays scant attention to human rights and the individual experience of poverty. HDR 2001 champions the same Western ideals many scholars claim foster the development condition itself. Scott and Ferguson supply a way to balance the aid industry by incorporating local knowledge and human practice into the development establishment's values and calculations. Linking development and applied anthropology will help fulfill this need. By integrating the study of human beings in the development regime, projects will account for people.

Kathleen Gough offers direction by turning the focus inward (Gough, 1968). Anthropologists have failed to examine the dominant society, and the development establishment it maintains. Serious study of capitalism as a social order and the effects of this system on different societies will enrich future development endeavours, including UNDP reports. HDR 2001 gives no thought to these issues and contains no anthropological sources. By investigating the people behind the UNDP, anthropologists will furnish a self-check measure the organization might use before publishing. Scrutinizing the beliefs and behaviour of UNDP workers will yield insight into why a people variable is missing from the development equation.

An anthropological look at HDR 2001 will improve UNDP analysis. To begin, specific case studies ought to capture more of UNDP officials' deliberation efforts. Anthropology mandates local involvement in a study and therefore serves as a vehicle for integrating a greater number of case studies in the report. An anthropologist in the field contributes a real life aspect not present in the statistics of indices and offices. Glynn Cochrane describes how anthropology assists development by determining the relation between people and project (Cochrane, 1977: 21). The anthropologist explores the situation on the ground giving special thought to how a development project interacts with that dynamic. Details of the research entail "the beliefs, values, and attitudes that generate structural alignments in the society, the potentialities for change, and what harm may come from the change."

This form of analysis would enhance HDR 2001 not only by arranging for a real world dimension to counter indices, but also by supplying a better chance for project success. For example, an anthropologist would produce data predicting individual and local reaction to Internet proliferation. Anthropology mobilizes local voices and determines what HDR 2001 labels "risks" (*Human Development Report 2001*: 65–78). Perhaps the precautionary principle remains a fundamental value for certain people. This information is important for deciding how technological initiatives should proceed, if at all. HDR 2001 imparts little more than hearsay as proof of the Internet's promise for development. The report refers to diaspora without evidence as well. Anthropology, again, would furnish more than allegations. By analyzing the relationships of individuals across national boundaries, anthropologists would determine whether the ties between expatriate scientists and businessmen residing in the developed world and their counterparts in the Third World actually exist. Anthropology, and its concentration on people, is necessary to effectively complement the Western rhetoric evident in HDR 2001.

Development must embark on a balanced approach. The network age HDR 2001 proclaims is less about technology and more about expanding bureaucracy, and thus technological expansion may promote further loss of the human factor within development. Paper, plans, and processes affect human beings at a deep level, greater than anything endured by national governments. A "pro-poor development strategy" that excludes poor people is hypocritical (*Human Development Report 2001*: iii). Anti-globalization forces, nevertheless, will not topple the international development establishment. Therefore, instead of trashing the system, one should work within it to bring about sound social change. The regime needs to acknowledge the absence of a people perspective, and anthropology provides a way to do so. Anthropology may rise as a legitimate voice for the developing world in project planning, a voice of people, not bureaucracies. After the terrorist attacks on New York and Washington, globalization still directs many intellectual dialogues. A benefit of the events may be a slowing down of globalization's processes by forcing individual reflection in a collective world. Development holding to this value may prevent future tragedy.

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REVIEWS OF CURRENT BOOKS AND LITERATURE

Editor's Introduction

David Newhouse

This edition we focus on two books that we believe are important to economic development practitioners. The first is David Elliott's *Law and Aboriginal Peoples in Canada*, 4th edition: a highly readable text that contains both the text of court decisions as well as explanations and analyses of them. It provides good basic information and is an excellent reference document. The second is a review of a report from the Community Economic Development Centre at Simon Fraser University in British Columbia. This report explores the challenges faced by communities and universities as they attempt to work together in CED. It will be useful for those who are working with universities or those who are contemplating working with them. As the report indicates, bringing universities and communities together poses many challenges arising from their very different perceptions of mission and roles.

BOOK REVIEW

Law and Aboriginal Peoples in Canada, 4th edition

by David W. Elliott

Canadian Legal Studies Series, Captus Press, 2000
ISBN 1-55322-007-2, 402 pp, $38.75

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D.L. Birchfield

A significant virtue of a new edition of a textbook in the law regarding Native peoples in Canada is the inclusion of recent cases and developments in this rapidly changing field. But this work, by David Elliott, Associate Professor of Law at Carleton University, has value far beyond its timeliness. Its distinguishing characteristic is its accessibility to people outside the legal profession and to students beyond those who are pursuing professional studies in law school. It is, in fact, two books in one.

It is part casebook, of a nature every law student or law school graduate will be familiar with. This section comprises slightly more than half the book, the second half. In addition to court decisions, this section includes relevant legislative and Constitutional provisions, governmental policy statements and agreements, and perspectives by Native elders and leaders. But it consists primarily of court decisions.

Few professors will ever be entirely happy with the way court decisions are edited in any casebook, and each person would edit them somewhat differently. But these cases are sensibly edited, allowing access to the growing body of law regarding Native peoples in Canada and making the work suitable for professional studies in law schools.

The first half of the book, however, makes the work accessible to those outside the legal profession. This section is narrative text, keyed to the materials in the second half of the book, explaining the court decisions and other materials and placing them within their historical context. This feature makes the work especially well suited for undergraduate courses in Aboriginal Law, and for an Aboriginal Law component of an introductory course in Native American Studies. It makes the work very useful for those in the private and governmental sectors who lack formal training in the law but who must acquire knowledge in the field for business or governmental purposes. And it makes the work very helpful for attorneys who find themselves involved in this field without much prior knowledge of it.

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The same reasons that make the work more accessible for anyone interested in Aboriginal Law make it less suitable for the Socratic method of teaching favoured by many faculty in professional legal studies, where law students traditionally are required to puzzle out the meaning of cases for themselves, with little help from any quarter, either from the casebook or the professor, and to be prepared, at their peril, to answer detailed questions about the cases in class. The narrative sections of the text explain far more about the cases than is common in law school casebooks. Befuddled law students using a more traditional casebook likely would find the narrative sections useful in more easily understanding the cases they are reading, but law professors who believe in the Socratic method are generally indifferent to student befuddlement as an occasional byproduct of students puzzling out the cases for themselves.

In any event, regardless of how much or how little explication might be available, court decisions will never be easy reading, and the law will never be an easy field of study. This work, however, makes the topics less difficult than they often are.

It is possible that law school might have changed somewhat in the decades since I endured it, but I doubt it. Prospective law students might do well to examine this text in light of it likely making the topics a bit too accessible and too easily understood for the taste of many law professors, and, if nothing else, have a sobering moment of contemplation regarding what is in store for them should they go to law school. Even in my day, it was said that there were some law professors who might have welcomed a text such as this, but their classes always filled too quickly and so I have no firsthand knowledge of that.

Those familiar with the earlier editions of this text, particularly the most recent 3rd edition in 1997, will be interested to note that the work has been expanded from 320 pages to 392 pages in this new 4th edition, while retaining essentially the same format.

BOOK REVIEW

Reaching Across the Divide: The Role of Universities in Building Capacity for Community Economic Development

by Sean Markey and Mark Roseland
Community Economic Development Centre
Simon Fraser University, 2001

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Scott MacAulay

This report raises important issues for community economic development (CED) practitioners, educators and theorists. The authors have reviewed a wide range of Canadian university programs which claim as their mandate teaching and research in CED. The report is framed within a broad theoretical context which problematizes the role of the university in responding to community issues (the "ivory tower" debate), what is meant by the term "community capacity," and what is meant by CED itself.

Sections 1–5 of the report include a summary of its research methodology, brief reviews of the literature on the definitions of CED and community capacity, and a longer discussion in which CED is explained as a reaction to the "capacity-deficit" of many Canadian communities; a deficit which the authors suggest is best explained by the staples theory of Harold Innis. (Both the research methodology and the association of CED with staples theory will be critically dealt with below.)

The main substance of the research findings is presented in section 6, "The Role of Universities in Building Capacity for CED." The section's introduction argues that:

> The need for a more structured understanding of CED and local development processes, the demand for relevance in universities from public funding sources, the increasing acceptance of participatory methods and flexible program design, and the desire of academics to play a more critical and involved role in society all contribute to new opportunities and challenges (pp. 17–18).

That many universities in Canada are responding to the opportunities and challenges, there can be no doubt. In the appendix, the report gives brief profiles of programs at 16 Canadian universities.[1]

Scott MacAulay is a member of the Department of Anthropoogy and Sociology at the University College of Cape Breton. Along with a range of undergraduate sociology courses, he also teaches in UCCB's Master of Business Administration — Community Economic Development Program.

While specific programs and respondents are not named, the section utilizes data gathered from key informant interviews, program promotional materials and Web sites. This section documents the similarities and, to a much lesser extent, the differences in university responses. The data is organized around the themes of "program descriptions, delivery methods, community — university relations, community-based research and institutional challenges" (p. 18). The authors demonstrate that universities are asking tough questions about their role in CED. As one respondent put it:

> The key question is how we can structure it [CED] without killing it? This is the key question facing CED in universities. CED is processed-based and community-based, and different everywhere, but there are some basic tenets. It is the role of universities to figure this out (pp. 19–20).

What many of the university programs appear to have in common is a commitment to praxis — the combination of both theory and practice — as a guide to CED research and student learning. This commitment overrides whatever differences may exist between programs in terms of emphasis placed on the organizational, philosophical or technical aspects of CED (p. 20). In keeping with a key principle of CED, many of the programs, whether delivered in a traditional classroom setting, in module format, via distance, in-community workshops or Web-based learning, aim to be highly participatory. There are, of course, barriers to the delivery of appropriately targeted and pedagogically sound CED education. The report discusses the barriers of cost, the time practitioners can realistically devote to education, and the challenge of effective delivery to remote locations (pp. 22–23).

An especially valuable part of the report (6.2) deals with the merits of community-based research. While admitting that the methods used are diverse, the authors state that "[a]ll programs examined were either directly associated with community-based research programs or indirectly participating in research through faculty associations with other departments" (p. 24). Conceptually, "community-based research" is not explained, but from the discussion that follows it can be assumed to mean a method of research in which community members collaborate with the researcher to define the problem to be studied, participate in data collection, and in which all stakeholders have access to the results. The underlying principle is that the "community" is not a *thing* to be studied by outside, so-called experts. For sound epistemological (and political) reasons, members of the community should actively guide and participate in the research process.

The barriers to a university fully committing to community-based research are identified. "Time needed in the front-end for developing the research with community partners and in the follow-up stages to ensure quality dissemination adds time to the research process that is generally not recognized in an institutional sense by the university or funding agencies" (pp. 24–25). The struggle for recognition by the university and the funding agency proceeds at the same time as researchers and the community are negotiating how best to work together. For example, as one respondent stated, researchers are learning to be "aware of the rhythm of rural life" and not to be intrusive. In turn, communities are beginning to:

> understand that the university is a weird place. They accept that providing they get something out of it. For example, they accept that you need to do research and publish academic findings. They also seem to buy the mutual exchange of needs, balancing the academic and the practical (p. 28).

For the university and the community, respondents agreed the relationship was beneficial in that research could be applied to community needs in a cost-effective manner and universities could make important gains in institutional profile and access to new students and situations in which faculty are drawn into a "real-world context."[2] Interestingly, none of the respondents cited indicated the potential conflict that exists when funding agencies and universities demand that researchers bring money into the institution. In such cases, researchers can become "consultants," playing the game of whatever the client wants the client gets, rather than paying strict attention to the principles of intellectual integrity. Such are the challenges of opening up the "ivory tower" to tied sources of funding; a broader issue which the report, unfortunately, does not acknowledge.

Within universities, respondents did point out important challenges which arise from more generally accepted criteria for promotion and advancement. According to one respondent, "[t]raditional output in journals and conducting local workshops are at opposite ends of the scale" (p. 31), with the former accorded much greater significance. Administratively, university bureaucracies are inflexible.

> The university is not structured to share resources with the community. For example, in setting-up [*sic*] research accounts, everything has to flow through the university. You have to work hard to move beyond that and as an institution, it takes a lot of work to serve and understand two separate communities (p. 32).

It is in raising issues such as the challenges and opportunities inherent in universities' changing public role and their structures, and some salient points in the on-going discussion between universities and communities as to how best to work together that *Reaching Across the Divide* makes its contribution to CED. The report, however, has limitations which can be understood as a challenge for future community-based research on CED education programs and for theorising about CED itself.

The report aims to "review and assess the role of universities in building capacity for community economic development" (p. v). Methodologically, it achieves this by reviewing the academic literature, reviewing the various programs' promotional materials, and interviewing program representatives. The challenge now, however, is to *critically* assess the programs. To accomplish this, two things need to occur. First, the curricula of the programs need to be analysed in detail to determine what is actually emphasized with respect to the organisational, philosophical or technical dimensions of CED. This means going beyond the highly generalized descriptions found in brochures and university calendars and what representatives of the programs have to say, and being prepared for the possibility of discontinuities and contradictions. Second, a community-based approach needs to be taken by collaborating with students and graduates to problematize the education programs and gather data about their actual experiences. This data is crucial to understanding just how participatory and empowering are specific programs. *Reaching Across the Divide* provides a partial picture of the state of university-based CED education in Canada. In order for academics and practitioners to have a complete picture and to differentiate between the programs, more work is needed.

With respect to theoretical matters, the presentation of CED as a response to problems best explained by staples theory has serious shortcomings which run the risk of de-politicizing both the problems and the solutions they require. Staples theory tends to adopt a "reified concept of spatial relations" (Carroll, p.6) which can reduce CED (and the focus of its educational programs) to mere technique: A technique for maximising local control and building entrepreneurial capacity without critically assessing the logic of a capitalist approach to development. Moreover, historically, the theory sought to explain "export-oriented growth in new-settler societies" (Laxer, p. xiv) by pointing out the extent to which "hinterland development was determined externally by the pattern of demand and the level of technology in the metropolitan countries and internally by God-given geographic and resource endowments" (Laxer, p. xiii). While offering some insight into the dependence of the Canadian economy on European and later American powers, the theory hardly addresses internal developments such as the disenfranchisement of Aboriginal peoples (the *first* settlers) from *their* "God-given geographic and resource endowments." The social histories of Canada's Aboriginal peoples, women, fishers, farmers and labourers offer ample opportunities to theorise about CED as something more than a strategy to reduce "capacity-deficits," a concept all too easily manipulated by blame-the-victim ideologies. Rather, CED must also be viewed as integral to a range of social and political movements which challenge the structures of racism, classism and sexism.

NOTES

1. The authors acknowledge that their list is not comprehensive. *The Aboriginal Education Opportunities Manual*, for example, published by the Council for the Advancement of Native Development Officers, is a more authoritative guide for programs (university-based and otherwise) which respond to opportunities and challenges in Aboriginal CED.
2. In the social sciences, especially in the fields of applied anthropology and sociology, this engagement with "real-world" contexts, has been going on for at least half a century.

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Commentary

Aboriginal Economic Development in the Shadow of the Borg

David Newhouse

My interest as an academic is to document, examine, and reflect on the transitions in Aboriginal society that I see going on around me. As a society, we are starting to move away from the time of great pain and to lay the foundations for what I have come to call "modern Aboriginal society." Across the country, I see a strong desire to build Aboriginal communities on a foundation of Aboriginal tradition, custom, and ideas. Accomplishing this goal is difficult as a result of our position as Aboriginal peoples as a small minority within an environment dominated by western[1] ideas. The arena of Aboriginal economic development is an excellent example of the challenges facing us as we try to act upon our desire to use our ideas as the basis for collective public and community action.

In 1996, a small magazine started by Rolland Bellerose, a young man from Alberta, began to explore Aboriginal economic development. *aboriginaltimes* has grown from a small local publication to one that is now included as a monthly insert in *The Globe and Mail*, Canada's national newspaper. The masthead says that *aboriginaltimes* is "a national business and news monthly magazine which explores the issues and experiences of Aboriginal People."[2]

Adapted from a talk at the Sharing Voices, Value(s) Added conference on Aboriginal economic development, College of Commerce, University of Saskatchewan, March 2002.

Issue #2 from October 1996 says, "*Aboriginal Times* is produced with the spirit and intent of sharing and participating! (It is) A communication bridge that will link Aboriginals and Corporate Canada together in a meaningful and beneficial way ... we provide an unprecedented way to inform the public of information pertinent to the Aboriginal Business community."[3]

Since then, consistent with its mission, the magazine has evolved into an unabashed supporter of Aboriginal business and economic development. It contains columns on partnerships, business opportunities, training programs, movers and shakers, natural resources, upcoming events of all sorts, snippets of Aboriginal history, political commentary, education opportunities and advertisements from governments, businesses, services, government policy. Its editorial policy is optimistic, pro-development, pro-business, pro-Aboriginal. In tone, it differs little from other business magazines in other sectors of the Canadian economy. Three decades ago, such a magazine would have been unthinkable and undo-able.

In another part of the country, we see another example of something that also a few decades ago would similarly have been undoable. A few years ago, I had an opportunity to undertake a case study of the development of the economy at Six Nations of the Grand River and to think about the challenges that this community was facing. I was struck by what I saw and heard. The economy itself was booming: new business startups were at an all time high, people were consuming. There was buzz within the community as this new entrepreneurial spirit began to affect it. The council was publicly musing about the need for zoning bylaws for commercial enterprises, particularly in view of a rather disastrous tire fire. Local small business people said: "we don't need regulations. We can regulate ourselves. Regulations will increase the cost of doing business. And we're not sure that as a Band Council you have the authority to regulate small business. More regulation will make it difficult to start new businesses or attract new ones to Six Nations." For economists, these statements ought to be very familiar.

I see these two situations as illustrative of the situation facing those of us working in the field of Aboriginal economic development: on the one hand, we want to be proponents of more of it, like those described in *aboriginaltimes*. On the other, we are somewhat taken aback when we see the old, classical economic debates being replicated in front of our eyes. Aboriginal economic development, driven as it is by Aboriginal values, is expected to be different.

In several places around the county, we are starting to replicate the classical debates about regulation of private enterprise, the appropriate mix of public and private enterprise, the role of government in the economy, the influence of culture on development goals and practices and, in some cases, the goals of economic development itself. It is uplifting to see possibility of great improvement in the material life of Aboriginal people, but at the same time it is dispiriting to realize that we have not been able to escape the debates that will inevitably accompany this improvement.

With the history of Indian-White relations dancing in my head, I also began to wonder if economic development was the latest solution to the Indian problem: Instead of being in need of civilization, Indians were now in need of development. Were we, as individuals involved in the field, helping to reinforce a view of Indians as problems that needed to be solved? As we are all aware, there is a long history of European-Canadians[4] seeing Indians as problems. Much research has been done that defines the particular nature of the Indian problem and that influences public policy in an effort to solve the problem. "Indians are problems and Indians have problems" may serve as the simple summary of the status of Indians in Canadian society.

It should come as no surprise that, predominately, we see Aboriginal economic development through the lens of problem and deficiency: there isn't enough of it or it's of the wrong kind. We see it as secular manna: more of it will solve many problems within the Aboriginal community. Public policy officials, academics, both theoretical and applied, and politicians of all stripes and hues have turned their attention to the problem: The Harvard Project on American Indian Economies, headed by Professors Joseph Kalt and Stephen Cornell, has been exploring the conditions that make for successful economic development. The York University Project on strong Aboriginal communities, headed by Professor Cynthia Chataway, is also looking at successful communities and how they could be fostered. The Royal Commission on Aboriginal Peoples considered increasing the level of economic development for Aboriginal peoples to be part of its fundamental goals. Furthering eco-

nomic development has become the solution to the poverty of Indians. Sometimes the problem was that the state wasn't doing enough. Other times the state was doing too much. Which view dominates public policy depends on the political predilection of the viewer.

Since the 1960s, Aboriginal peoples have had the attention of the development apparatus of the state, have been the objects of effort by the development community and its cadre of professionals, and have launched development efforts themselves. Yet the problems of low income, inadequate housing, and poor labour force participation continue to persist. Each decade since the 1960s, a new generation of policy researchers and analysts prepares a new set of solutions. The latest view, expressed by Cornell and Kalt, in "What can Tribes Do?" sees economic development as requiring the support of appropriate governing institutions, and the latest efforts are focused on improving the governance of Aboriginal communities.

The 1996 RCAP final report explained the Aboriginal economic development problem and proposed the latest set of solutions: more land, more capital, improved education and training, more development institutions, sectoral strategies, and better governance. Yet in essence it differs little from the solutions proposed in the early 1970s. The RCAP solution is more sophisticated, more nuanced, better researched, and based upon Aboriginal experience, ideas and desires. Yet I am starting to question not the solution but the production of the solution and the ideas behind it. I am starting to see that there is a complexity of ideas that drive the production of solutions. The solutions being proposed for Aboriginal economic development come out of the international development community which, for the last 50 years, has been working hard in other parts of the world to solve some problems faced by Africans and other parts of the "Third World." Many of these efforts have also been remarkably unsuccessful.

As Aboriginal peoples living in Canada, we inhabit a society dominated by the ideas of capitalism and the market. There are strong connections and interdependencies between economy, governance, law, and social order. The connection between development and democracy is often invisible: we discuss economic development in the context of governance, never in the context of democracy. We work in a sea of western ideas about the economy and its development, government and its role, economic and social institutions and social order. And for the most part, these ideas have become part of the fabric of everyday lives, and they define what we see as the natural order of things.

We also encounter a concept that MacPherson calls "Possessive Individualism." This notion conceives of "the individual as essentially the proprietor of his own person and capacities, owing nothing to society for them. The individual was seen neither as moral whole nor as part of a larger social whole but as an owner of himself."[5]

Furthermore, "the individual ... is free inasmuch as he is proprietor of his person and capacities. The human essence is freedom from dependence on the wills of others, and freedom is a function of possession. Society becomes a lot of free equal individuals related to each other as proprietors of their own capacities and of what they have acquired by their exercise. Society consists of relations of exchange between proprietors. Political society becomes a calculated device for the protection of property and for the maintenance of an orderly relation of exchange."[6]

MacPherson's idea leads us to the conception of society based on the notion of exchange, with the polity as the means by which exchanges can occur in an orderly fashion, and by which property is protected. The idea of an exchange society becomes our market society. MacPherson's conception of society is at odds with some Aboriginal ideas of society and the sense of community and interdependence that is present in traditional thought.

We also encounter the idea of "progress," arguably one of the most important ideas of the modern age, and an idea that we hold, usually unconsciously and unquestioning. Progress implies that there is a pattern of change in human history, that we can know this pattern and that it consists of irreversible changes in one direction. This direction is towards improvement from a less to a more desirable state of affairs. The path towards improvement is generally that which the West has followed.

These are the ideas that animate our actions as economic developers working in the context of early 21st century capitalism in Canada. These are the ideas that the education system has brought to the table and presented to us as the ideas to be followed. Aboriginal ideas about the nature of economies have not been part of the educational effort of our children nor of European-Canadian children. Aboriginal ideas

have been absent and considered unworthy of serious discussion except within of the realms of anthropology.

Over the last 50 years, Canadians, and I would dare say Aboriginal people, have come to see market society and capitalism as offering the best option for improving human welfare. Since the end of the second World War, we have also adopted grand strategies for fostering its adoption as the fundamental solution to the problem of poverty. As Aboriginal peoples, we have also come to believe in the idea of progress as postulated by the West, although there is a healthy discussion about what progress entails, and a strong desire to create a more holistic definition, one that does not define progress entirely in the material.

The ideas that have animated Aboriginal economic development efforts have been used in other areas of the world. A 1949 economic mission of the International Bank for Reconstruction and Development to Columbia described its mission as:

> We have interpreted our terms of reference as calling for a comprehensive and internally consistent program.... The relationships among various sectors of Columbian economy are very complex and intensive analysis of these relationships has been necessary to develop a consistent picture.... This, then, is the reason and justification for an overall program of development. Piecemeal and sporadic efforts are apt to make little impression on the general picture. Only through a generalized attack throughout the whole economy on education, health, housing, food and productivity can the vicious cycle of poverty, ignorance, ill health and low productivity be decisively broken. But once the break is made, the process of economic development can become self-generating. (International Bank, 1950, xv).

The report called for improvements and reforms in all aspects of the Columbian economy. The representation of the country's social and economic reality was new and radical. The approach to development was comprehensive, integrated, and planned. The report outlined development goals, quantifiable targets, investment needs, design criteria, methodologies and time frames, and sequences for activities.

In its last paragraph, the report comments on the emerging development approach:

> One cannot escape the conclusion that reliance on natural forces has not produced the most happy results. Equally inescapable is the conclusion that with knowledge of the underlying facts and economic processes, good planning in setting objectives and allocating resources, and determination in carrying out a program for improvements and reforms, a great deal can be done to improve the economic environments by shaping economic policies to meet scientifically ascertained social requirements....
>
> Columbia is presented with an opportunity unique in its long history. Its rich natural resources can be made tremendously productive through the application of modern techniques and efficient practices. Its favorable international debt and trade position enables it to obtain modern equipment and techniques from abroad. International and foreign national organizations have been established to aid underdeveloped areas technically and financially. All that is needed to usher [in] a period of rapid and wide-spread development is a determined effort by the Colombian people themselves. In making such an effort, Colombia would not only accomplish its own salvation but would at the same time furnish an inspiring example to all other underdeveloped areas of the world.

When we deconstruct this statement, we begin to see that it contains within it ideas that we can still see at play in our own work in economic development in Aboriginal communities today. The statement says that economic development/salvation is possible. It's a complex task but there are tools that have been created for such a task (planning, science, technology, development organizations, etc). These tools have worked in the west and are neutral and universally applicable. They are also desirable. Before development, there was only darkness and natural forces, which did not produce "the most happy result." Development brings light and the possibility of meeting "scientifically ascertained social requirements." Columbians need to wake up out of their lethargic sleep and follow the only road to salvation.

What began to occur here, in 1949, was the promotion of a development ideal, an ideal that was later to become seen as the normal course of evolution and progress. The ideal was expressed in language creating a discourse of development which, in turn, created a social reality.

Escobar, in the *Encounter with Development*, writes:

> The system ... establishes a discursive practice that sets the rules of the game: who can speak, from what points of view, with what authority, and according to what criteria of expertise; it sets the rules that must be followed for this or that problem, theory, or object to emerge and be named, analyzed and eventually transformed into a policy or a plan.
>
> Development has dealt with a myriad of objects over the years: initially, poverty, insufficient technology and capital, rapid population growth, inadequate public services, then adding cultural attitudes and values, other racial, religious, geographic or ethnic factors which were believed to be associated with underdevelopment. These elements were brought to attention from a widening array of experts: development organizations, universities and research centres and local indigenous institutions. Over time, the entire cultural, economic and political geography of indigenous peoples was brought into the gaze of the expert.

However, we would be remiss if we ignored the role of power in the creation of objects for study. Power was concentrated in the hands of experts: economists, demographers, educators, experts in agriculture, public health, management, government; institutions such as the UN who have the moral, professional and legal authority to name subjects and define strategies; lending agencies who had power that came with capital. The experts, economists, demographers, educators, technicians in agriculture, public service, health, and law conducted their observations, prepared their theories, assessments and programs in institutional bases not part of the local indigenous community.

What we see emerging out of this discourse is a notion of diagnosis and prescription: a diagnosis of underdevelopment, an examination to find the type and level of underdevelopment and the prescription of a cure. All of this occurs through the observations of experts. What is missing from the discursive space is people, more particularly, the knowledge of local people.

We can begin to see that one of the effects of this discursive space has been the increasing institutionalization and professionalization of development and the establishment of the development industry: development becomes an important process, too important to be left to those who know little about it. A huge research industry has also sprung up to provide the observational data for the diagnosis and prescription of problems and solutions. A politics of knowledges emerges which allows experts to classify problems and formulate polices, to pass judgement on entire social groups and forecast the future, in short, to produce a set of truth and norms about them. Knowledge becomes real and useful only when produced by experts. Local knowledge becomes displaced.

An African scholar, quoted by Escobar, says: "our own history, culture and practices, good or bad, are discovered and translated into the journals of the North and come back to us reconceptualized, couched in the languages and paradigms which make it all sound so new and novel."

The development discourse also sets the modern against the traditional. The traditional must be transformed into the modern. The traditional becomes an obstacle to the establishment of the modern. Development must always lead to the modern. This notion of transformation, present in the 1950s, is still present today. Somehow the indigenous must be transformed. Escobar comments:

> Development was conceived as a top-down, ethnocentric and technocratic approach which treated people and cultures as abstract concepts, statistical figures to be moved up and down in the charts of 'progress.'
>
> Development was conceived not as a cultural process (cultural was a residual variable, to disappear with the advance of modernization) but instead a system of more or less universally applicable technical interventions designed to deliver some 'badly needed' goods to a 'target population.

This is the development world that Aboriginal people encounter: a world of scientific modernism, of economic policy and instruments, strategic interventions, research, technology, technical assistance, human resources, capital resources, land and labour. The Borg of development threatens to absorb and transform us.

The rise of development fosters a view of social life as a technical problem, as a matter of rational decision and management, to be entrusted to a group of people whose specialized knowledge equips them well for the task. The

development professional becomes a valued person. Development also assumes a teleology to the extent that it presumes that the underdeveloped will sooner or later be reformed. It reproduces the separation between reformers and those to be reformed by keeping alive the premise of the underdeveloped as different and inferior, as having a limited humanity in relation to the dominant group. The development gaze aims not to simply discipline individuals but to transform the conditions of their lives — to create a productive, normalized, social environment.

What is also created is a relationship between the developers and the developing: it is a dance that locks both into a difficult and troubling relationship. The developer has the power, ideas, capital, technology; the developing, wishing for access to these things, needs to play the assigned role. Given this social and political reality, can development occur?

Certainly, there are some encouraging signs.

The development paradigm, despite its almost universal application, is showing some edgy willingness to accommodate other objectives. What are called alternative development theories are at least being discussed. A new category of development theories called "people centred theories" is starting to appear. The original development theories focused their attention on economic growth and economic transformation. The early theories did not attempt to explain the political and cultural changes that occur during the development process. Only recently have they come to include political and cultural considerations. There is also a rejection, in some places, of the universalist assumption.

The resistance of Aboriginal peoples to the universalism embedded in development is starting to be felt. The desire to use CED as a fundamental approach as well as the desire to use traditional knowledge as the basis of social action are all excellent indicators that the Borg is slowing a bit. The strong desire of Aboriginal peoples to maintain a distinct cultural identity and to have this identity reflected in and respected in the marketplace is also a strong indicator. The gathering up of power and capital through the land claims and treaty process is providing the means to do more than resist. The creation of Aboriginal institutions of research and advocacy is creating a strong Aboriginal technical presence to counter the presence of outside experts.

Yet, I think that this is not enough. The Borg is too powerful to resist in the usual fashion. In the TV show *Star Trek, the Next Generation*, Picard never defeats the Borg but only keeps them at bay. He does that through clever resistance based on a strong understanding of self and a strong desire to survive. He is firm in his belief that humankind will survive.

In this case, the way forward is I think through traditional thought and knowledge. This thought and knowledge has been systematically excluded from the discursive world of development. Now is the time to put it into the system. Can we have improvements in our material lives without being absorbed? Are there ways to make the market society conform to indigenous ideas about society? How do we prevent the uneven distribution of wealth that we see around us? How do we create economies of respect and reciprocity?

The Department of Social and Economic Affairs of the United Nations in a 1951 report entitled *Measures for the Economic Development of Underdeveloped Countries* said this:

> There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped: old social institutions have to disintegrated; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life frustrated. Very few communities are willing to pay the full price of economic progress.

The report suggested that economic progress extracts a cost: the total transformation of a society. The development Borg is bent on creating this transformation and recreating us in its image. Is resistance futile? If not, then how does one resist?

I believe that we resist through stating and restating our own objectives as Aboriginal peoples for cultural distinctiveness, for societies based upon traditional ideas, values and customs, for sustainable development, for equitable distribution of wealth, for the idea of progress that is broad and multi-faceted, for communities that are more than markets, among other things.

We need, I believe, to develop a regime of understanding and practice that affirms, fosters, expands, and translates Aboriginal understandings of progress into individual and collective action; that works to create an economy that affirms Aboriginal cultural identities and the autonomy of Aboriginal cultures and that sanctions Aborig-

inal social structures and values. The hardest part is conceptualizing Aboriginal development in positive contributory terms, acting out of strongly held values and ideas about how society and economy ought to operate.

Traditional thought requires, first of all, an acknowledgment of strengths, of what can be contributed. It requires that one's actions are based on these strengths.

We can then return to *aboriginaltimes* and see it as the start of this acknowledgment. The danger is that in the struggle to overcome the time of great pain that we unconsciously accept the transformation presented by the Borg.

NOTES

1. I use the term "west," "western" to describe a suite of ideas emanating from the philosophical traditions of western Europe and North America, primarily those which arose after that historical period called by European historians "the Enlightenment."
2. *Aboriginaltimes*, 5(11) (October 2001). Cree-Ative Media, Calgary, Alberta
3. *Aboriginal times*, 2 (October 1996). Clicks and Bits Publishing, Calgary, Alberta.
4. I always have a problem in choosing a term to describe the collective of Canadians who are not of Aboriginal cultural or heritage. Since for the majority of time in the history of Canada, the cultural heritage of this group has been European, I've chosen the term "European Canadian." Sometimes I use the term "white" but those who would be called white don't like to have attention drawn to the colour of their skin, so out of respect, I use "European."
5. MacPherson, p. 3.
6. MacPherson, p. 3.

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