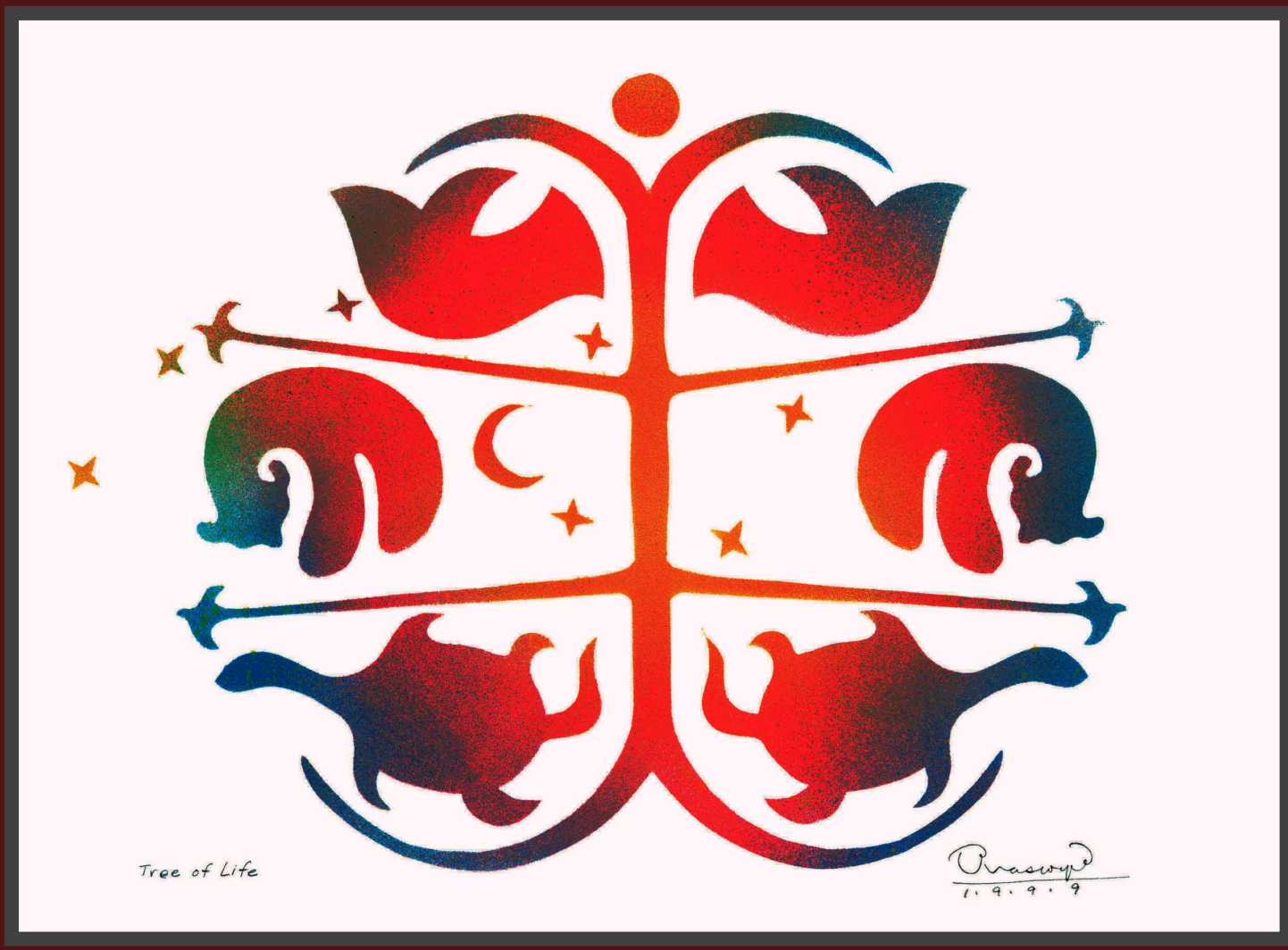
Journal of ABORIGINAL ECONOMIC DEVELOPMENT

Volume 1, Number 2



♦ Captus Press ♦ CANDO ♦

Journal of Aboriginal Economic Development

Volume 1, Number 2

Captus Press

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

CANDO and Captus Press would like to acknowledge the financial support of Human Resources Development Canada

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The Artist

Born in 1957 in Saskatchewan, Jerry Whitehead is a Cree from the James Smith Band. Through the years he has been involved in various activities as an exhibition coordinator, workshop leader, illustrator and teaching assistant.

As an artist, his artwork has been featured across North America, most recently at the American Indian Art Show in Pasadena, California.

"Jerry's artwork was selected over a variety of other artists for his vibrant use of colour and Aboriginal imagery. To me, the original artwork featured on this issue symbolizes the true spirit of economic development — building a stronger future for all generations. The central figure in the artwork represents the community spirit often required for successful economic development."

"As always, CANDO is pleased to feature talented Aboriginal artists on the cover of the Journal of Aboriginal Economic Development."

— Jason Gariepy
CANDO Communications Officer

Editor's Comments

Welcome to the second edition of the Journal of Aboriginal Economic Development. Getting this issue to press has proven to be a challenge, much like that faced by economic development officers everywhere as they struggle with the everyday problems of development within their own communities and organizations. All of the editors are volunteers who enthusiastically donate their time and expertise to helping to put each issue together. Creating a journal is proving to be a large but exciting challenge. We enjoy working on it and learn from the experience. We hope that you like what you read and that it causes you to think differently.

In the *Learning from Experience* section, we listen to Chief Billy Diamond talk of the centrality of vision to economic development. We also listen to Dr. Joseph Gosnell, Sr talk of the opportunity that is represented by the Nisga'a Treaty as well as the vision that sustains it. We also see the efforts of the Campbell River Indian Band, the 1998 CANDO Economic Developer of the Year, and their vision behind their economic development strategy. This section highlights the 1998 nominees for the CANDO economic developer of the year award, given every year at the CANDO Annual Conference. For all of them m, vision is the driving force of Aboriginal economic development accompanied by a consistent, strategic and long term effort.

In the *Lessons from Research* section, Marv Painter, Kelly Lendsay and Eric Howe, all of the School of Commerce at the University of Saskatchewan analyse the economic gap between Aboriginal People in Saskatchewan and mainstream Saskatchewanians. What is surprising is the size of the gap and the enormous and complex effort that is required to begin to narrow it. Michelle Man and David Newhouse explore the capitalist context of Aboriginal economic development: Mann sees it as dis-empowering and Newhouse focuses on the way in which Aboriginal peoples are adapting it to their own circumstances. We often forget that we work within a capitalist economy and that our development efforts take place within this particular social-political-economic system.

In the *Book Review* section, two recent texts are discussed: One is a review of a text by prepared by the C.D. Howe Institute which sets out their ideas about Aboriginal Economic Development. The second looks at development practises around the world.

The last section of the journal, *Commentary*, will change from issue to issue. Here we will present a variety of current material that doesn't fit the other sections and which we believe offer interesting points of view on Aboriginal economic development. This time we present a short talk by one of the editors on the care and support of Aboriginal economies.

We hope that you enjoy the journal.

The Editors

BEST PRACTICES
Learning from Experience

Editor's Introduction

Warren I. Weir & Wanda Wuttunee

The elders tell us that we gain knowledge about our world through our own experiences and by watching others. They also tell us that we learn vicariously about those things that we do not experience directly through the sharing of stories.

In this section we read a number of stories about Aboriginal economic development initiatives taking place across the country. The following three articles provide many lessons about the challenges and opportunities that exist for Aboriginal communities in Canada. In the first paper, Chief Billy Diamond talks about the political forces that community leaders must address and overcome if grassroots initiatives are to succeed. In the second paper, Dr. Joseph Gosnell, Sr., adds to this theme. He discusses possible opportunities modern day agreements may bring to those treaty members who are ready to participate in economic development. The third paper introduces the reader to four economic development success stories. These include a look at the (i) Campbell River Indian Band (the 1998 CANDO Economic Developer of

the Year award winner), (ii) Saskatchewan Indian Institute of Technologies, (iii) Khoutzen Development Corporation, and (iv) Blood Tribe Agricultural Project.

It is our hope that interested readers will learn from these stories and that they will incorporate them into their understanding of Aboriginal economic development in Canada. If you have a story to share with us, please submit it for subsequent publication.

FOR THE BENEFIT OF ALL
A Presentation on Challenges of Community Economic Development

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Chief Billy Diamond

INTRODUCTION

The following is the keynote address of Chief Billy Diamond presented at the Fourth Annual General Assembly of the Council for the Advancement of Native Development Officers (CANDO), which took place in Montreal, September 25 to 27, 1997.

Chief Diamond's speech was both timely and moving. In it he is direct and honest highlighting — in no uncertain terms — what must happen if economic development is going to have a positive impact on the future of Aboriginal communities in Canada. His message is as vitally important today as it was in 1997. In this presentation, Billy Diamond lists and describes many of the important challenges that Aboriginal leaders and community organizers must attempt to overcome if they hope to assist current and future entrepreneurs to capitalize on emerging economic opportunities.

To read more about the life and times of the James Bay Cree leader and businessman Billy Diamond, refer to the interesting and revealing biography *Chief: The Fearless Vision of Billy Diamond* by Roy MacGregor, Penguin Books Canada Ltd. (Viking Press), published in 1989.

— Warren I. Weir

Warren I. Weir, who provided the introduction to this presentation, is currently the Visiting Scholar teaching Aboriginal management courses in the MBA Program (1999/2000), College of Commerce, University of Saskatchewan. He teaches business and community economic development courses at the Chemainus Native College, Ladysmith, B.C. He is a member of the Education Committee for CANDO.

I thank you for the honour of giving this keynote address before your conference today.

The work that has been undertaken by CANDO in supporting economic development is an effort that I and others greatly appreciate and continue to support.

I share the concern that a priority for all Aboriginal leaders is to ensure that the human, physical, and financial resources available to our people are used wisely. We must ensure that there are continuing benefits for future generations. The role that CANDO plays in this process is crucial. A long struggle faces many groups as they strive towards attaining the goal of self-sufficiency and economic independence, and CANDO provides a tool to make that happen.

In the past, we have seen time and time again how larger Canadian society had failed our people and often served only to guarantee and generate a widespread welfare culture. Economic development and commercial activities were frowned upon by the institutions that were put in place to control us, and breaking these bonds is the challenge before us in the future. This situation was compounded by the pervasive problems of racism, remoteness, the lack of adequate infrastructure to support business and generate jobs, and the serious lack of adequate training and relevant education.

It is also true that we must deal with a fundamental skepticism from non-Natives about the need to preserve and protect our culture, and the impacts upon the traditional ways of life of our people.

The Challenge

The challenge before us today is one that is different and more serious than that in the past. The reason for this lies in our communities, where we have a tidal wave of young people ready to come onto the job market.

They are, for the most part, better educated in the ways of the outside world than any other generation, and there is a fundamental challenge before us to make sure that their potential and their opportunities are protected and enhanced. We have the highest population growth in the country, and as leaders and as those in authority, we must ensure that there are doors open for these people to take their rightful place in the world of the future.

That world will be one of two standards for them. The traditions and culture of our people must always be protected and sustained, but we must look to the world around us and realize that the business world is where there are opportunities to address now.

We must also know that the success or failure in this endeavour falls on our shoulders, and that our young people and our fledgling businesspeople need us to understand and support them.

The Vision

Part of this move into the area of commercial and business affairs is based upon a vision that we must create for ourselves. That vision is the result of us looking into our communities, our resources, and our assets, and see where this can take us. This is the approach of strategic and master planning as the basis for moving forward.

This is a terminology that may be new and perhaps even unwelcome for some, but we must recognize it and address the need. Without a plan upon which to base our efforts, there will be problems.

The strategic plan is nothing more than what we think about on a day-to-day basis, but putting it in words and setting out goals and attainable objectives. What is produced is a road map for where we are going in the future. Opportunities and strengths are defined and imagination is awakened by what results.

It is an exercise that is often difficult, but the benefits it brings back are substantial. We know, at the end of the exercise, how all of the different parts of our community fit together, and how one can support another in moving forward. It also makes very clear what the business and commercial opportunities are.

It is also the tool that must be used to access the ears of government and to play the game the way others do. The development of our communities and the economic opportunities that exist are based on this plan, and with it I can meet with government and business leaders and plan projects for the future. No more going forth with an initiative that doesn't fit into a strategic approach.

This is a discipline that is important to learn and to absorb, and is a training and educational tool that we must adopt and use for our benefit.

Politics and Business

How do we realize that vision and that plan? The one thing we do *not* do is to make the mistake of mixing business and politics.

The two were at one time one and the same, and there were no community commercial ventures that went anywhere without the involvement and direction of the political authorities. The problem is that political bodies are, by their nature, inappropriate for this type of activity. Look around us at the federal and provincial governments, and it would be hard to find success stories in the business world in which they have been involved.

The situation may not be far different for us. I have recognized that there is a somewhat different situation in our communities in that politics and the community leadership have a larger role to play. The message, however, is that the role must simply be one of support — not one of taking the project and running with it.

We must develop the initiative and self-confidence that holds back Native entrepreneurs from going out and making successes of themselves. They cannot go forward with these projects and put their time, money, and future at stake if they feel that the political authorities will come in and take over at any time. This is a Damocles sword that they do not need, and we should realize how much of a negative impact this has on them. That is especially the case today, when the business world needs the type of commitment that is based on a special commercial spirit, the need to take rapid and immediate decisions and not be involved in a prolonged political process.

If there is a message to give to you on this, it is clear: keep the politicians away. The politicians should stay away from the business projects. It is time to get business and economic development out of band offices and into the hands of the business private sector of our community. The decision has to be made.

The role of the political bodies is to smooth the way so that our people are trained, have access to resources — financial, human, and other — to allow them to be a success, and to make sure that there are no roadblocks to stop them. The moment we cross that line and take the projects away from them, the sense of ownership and responsibility is gone and the projects are doomed to failure

The Waskaganish Tourism Example

In my own community, I saw this very clearly.

Tourism is a major opportunity before us, and the band spent countless dollars training, building a splendid lodge, and then trying to get this industry going. All of this, however, was not as important as the local individual who finally stood up and said that he would set up his own business and care for tourists coming into the community.

If we had discouraged him, no one would have followed. But we did the opposite. And that example has been followed by others, and the private sector in Waskaganish will lead the development of this industry. The politicians will stay where they should, in the background, supporting the project — and perhaps taking credit for the success politically, at election time!

Education: An Essential Tool

Another important area that I want to address as well is the area of education and training.

I had the pleasure, a number of years ago, of sitting on a committee of Native businessmen and others dealing with the issue of senior Native business-management training. We sat around the table, put the speechmaking to the side, and came out with an honest and accurate report about this essential need — training for the Native businessperson. Our report, *For the Benefit of All*, was referred to in the Royal Commission Report on Aboriginal Affairs.

We were very much aware that the whole area of training Native people had become a booming industry, often without great concern about either what was actually being taught and even the results. We strongly suggested at that time that standards be set that our young people would get the equivalent, if not superior, culturally relevant business education.

Many of us had seen the efforts to get Native people to replace others in your businesses, local governments, and institutions such as school boards and health boards, but without the appropriate qualifications and training, a disservice was being done to all. We did not get the trained employees we needed. Those who were hired soon felt that they were indeed not qualified, and they lost their self-esteem and self-confidence, and nothing was accomplished.

What I see as the goal is to have competent, trained, and productive Native people in

place throughout not only our own world, but throughout Canadian society.

This will never happen until we say to ourselves that our children deserve the very best education and meet standards and goals that once again are not only equivalent, but are superior to those we see around us.

This is where the CANDOs of the world have a great influence, and they should continue with this work. We will never be able to persevere in a new business climate unless our young people and businessmen and women can compete equally.

Let us include cultural factors that are especially relevant to them. But do not accept anything but the best for our people. Anything less would be a shame for us all.

Summary

I have come to you today with a message of congratulations for CANDO, and some practical and direct advice on two very important issues. Despite the best efforts of CANDO, if the two matters which I brought forward are ignored, its efforts will become much more difficult to attain, and we may all be losers.

Firstly, let us keep business and politics apart. Let our political leaders and institutions support the commercial side when it is necessary, but let the potential of accomplishment and drive of the young and of businesspeople be allowed to grow and prosper.

Secondly, do not let the educational and training bodies off the hook. Continually raise the standards for our people, and ensure that the training that they get is second to none, and even superior to them all.

If we all work together with these goals, and support CANDO and its efforts, there will be only one result: success. And it will accomplished in a very special way — for the benefit of all!

Thank you. *Meegwetch*.

ECONOMIC DEVELOPMENT AND THE NISGA'A TREATY
Interview with Dr. Joseph Gosnell, Sr. President of the Nisga'a Nation

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Warren I. Weir

INTRODUCTION

On Tuesday, August 4th, 1998 the proposed Nisga'a treaty was signed during a gala celebration in New Aiyansh, one of the four Nisga'a villages in the Nass Valley, British Columbia. This event marked the signing of the first modern day treaty in B.C. since the mid 1800s. The Nisga'a have sought this agreement for over 100 years, which started in 1887 when Nisga'a representatives first paddled in canoes to Victoria seeking a settlement to their land claim.

The treaty was formally accepted by the Nisga'a people through a ratification vote held November 6 and 7, 1998. B.C. introduced settlement legislation to approve the Final Agreement in the Legislative Assembly on Nov. 30, 1998. The settlement legislation was passed by a free vote of all members on April 22, 1999. On October 21, 1999 the Minister of Indian Affairs and Northern Development, the Honourable Robert Nault, introduced Bill C-9, called the Nisga'a Final Agreement Act, into Parlaiment. When adopted the Act will signify the completion of the ratification of the Nisga'a Final Agreement. Serious discussions regarding the treaty were often marred by attacks launched by those who opposed the agreement for one reason or another. But aside from petty politics, deeper and more pressing questions remain unanswered, such as the impact that the Nisga'a treaty will have on political, social, legal and economic affairs.

In this interview, Dr. Joseph Gosnell, Sr (Hon. LLD) talks about economic development and the community economic development opportunities embedded in the Nisga'a Treaty. He helps answer a number of social and economic questions, including: Will the treaty have a positive impact on the economic situation of the Nisga'a people residing in Nisga'a territory? And, if so, how will this occur?

Dr. Gosnell was an active member of the Native Brotherhood of B.C., and is a former member of the Northern Native Fishing Corporation. A veteran Com-

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Warren I. Weir is the current Visiting Scholar in the Aboriginal MBA Program, College of Commerce, University of Saskatchewan.

mercial fisherman, he is a member of the Nisga'a Fisheries Committee and recently resigned as Commissioner on the Pacific Salmon Commission, the advisory body to the Canada/U.S. Salmon Treaty Negotiations. He has been the President of the Nisga'a Nation since 1992, and is the Chief Negotiator of the Nisga'a Treaty Negotiating Team. He received an Honorary Doctorate of Laws Degree from the Royal Roads University, October 18, 1997.

Where would a person find reference to economic development in the Nisga'a Treaty?

You won't find economic development specifically mentioned anywhere in the Treaty. But, when you look at the lead paragraphs, and the general provisions, it speaks of rights, and the rights of the Nisga'a Nation. It speaks of opportunities. The whole document should be looked at in that fashion. You won't find any of these things specifically mentioned. But, if you look close enough, you'll see that opportunities do exist, and will exist. Everything is linked together.

Why wasn't economic development and community economic development specifically highlighted in the Treaty document? Was this done on purpose?

Yes. We negotiated this Treaty with a view of finally moving away from the Department of Indian Affairs and the Indian Act to create something for ourselves. That is the whole intent of the Treaty, to create opportunities for our people.

How do you define community economic development? Is it the same thing as economic development?

Yes, they are different. For one thing, we are talking about economic development that can be created by a community and a community government, as opposed to economic development that is developed by individuals. It is different, because it is economic development that is developed by the community.

And we encourage our communities to get into economic development, as well as individuals, bearing in mind some of the tenures that will be granted to our nation at the effective date of the Treaty. Certainly in our view this will create and hopefully jobs and generate revenue, not only for communities but for individual entrepreneurs as well. We certainly encourage our individual members to get into it.

Do you have a plan that will guide these economic activities?

We have economic development officers currently, in all of our communities, and we have been encouraging them, for over a year now, to begin looking at the ways and means by which communities could get into the area of economic development for job creation for our people.

There will be certain tenures granted, or made available, when the Treaty comes into force. This should be noted in the document as well. In my mind, hopefully communities will begin looking at these things. I know that they have already been looking at community lands, lands that will be held for the benefit of our community, including the resources on those land.

For example, take the Commercial Back Country Recreation Tenure that will be granted. We already have a management plan that has been developed over several years, and continues to be fine-tuned. That will be ready to go when the Treaty does come into force.

Certainly we recognize that a tenure of this nature requires personnel that will be required to manage and to operate this tenure. We are looking at both summer and winter activities, bearing in mind the great demand by overseas visitors coming into not only Canada but to British Columbia, to see nature in the raw, really.

There are related service areas that will be required, and we are hopeful again that our individual entrepreneurs can come on-stream and see what they can do.

So will this be a full-fledged tourism and hospitality operation, complete with hotels, tourism facilities and restaurants?

Not hotels. Currently we have Bed and Breakfast outfits operating in each of our communities in the moment. Again, and this deals with the individual, hopefully they will be able to get into that aspect, not only to see what they could do, but specifically to create jobs for other members of our nation.

We are planning, in the tenure, to create a community. An original Nisga'a community. We are targeting international visitors in this area, noting their curiosity with respect to things being Aboriginal.

It is highly unlikely that anybody to date has set foot in those areas. They are extremely pristine areas that we are talking about. The only accessibility to some of the areas is by helicopter, up into the mountains. Again, we are looking at the possibility of developing those areas as well.

In addition, we have 2 parks here — Nisga'a Memorial Lava Bed Park and Bear Glacier Park, to the north of us here in New Aiyansh — and also an Ecological Park. The management plans are already in place for there areas. People are working on these. And certainly, services will be required in these areas, and quite possibly, and hopefully, individuals will get in, and get on-stream, and take advantage of these opportunities. Our own carvers could get in on the act and provide their artwork for sale to those visitors that come in to our territory.

We have noticed, over a number of years, the increased numbers of tourists that do come in here. Not only in private cars, but in tour buses as well.

What other economic potential do you see with the Treaty?

The other item in the Treaty deals with water and water volumes. When the Treaty comes into force, we will have what is being referred to as a Nisga'a reservation. It will hold a huge amount of water that will be for the benefit of our nation. Certainly, as indicated in the document, we will have the ability to sell water under current federal and provincial regulations.

From my understanding, and from those of us who peer into the future, there is an indication that water will be the most valued commodity by the year 2020. And I couldn't agree with them more. And do we have lots and lots of water.

Where would the water be sold?

I would imagine not only here in our country, but internationally as well. Again, this can be done by either a community effort under one of our community governments, or it can be done by individuals. There is quite an opportunity in that area.

And, still dealing with water, we are going to have the ability to examine the numerous small rivers and creeks within the territory for the development of hydro power and hydro potential. We have been given 20 years once the Treaty has come into effect to have a look at these streams. And we have already done that. We know that there are half a dozen or so streams in the territory that has the potential for hydro development. There will be job creation, but more importantly it generates revenue, over a long, long period of time. And this will be for the benefit of our nation.

It's sustainable?

It is. It is sustainable and it's continuous. There is no end to it really. You can peer as far into the future as you possibly can. There will always be a need, not only in the province, but elsewhere, for the hydro potential that is available here.

You had mentioned in a letter to the Victoria Times Colonist (October 18, 1998: p. A9) that "to us, a Treaty is a sacred instrument, a framework for a society on the move. Clause by clause, the (Nisga'a) Treaty emphasizes self-reliance, personal responsibility and modern education. The Nisga'a Treaty is also about investment, economics and meaningful work. The experience of other First Nations across North America suggests a First Nation's ability to govern itself greatly increases its chances of reaching economic independence." Is this going to occur with your agreement? And why?

Absolutely. Currently, under the Department of Indian Affairs, there is a very small section set aside for economic development. I think that the government does this so that they can say to the general public that the government is doing something about Aboriginal economic development. And it sounds big when the minister mentions this one big figure. But, you disperse that money across the country, and, quite frankly, it really amounts to next to nothing. It's peanuts in our view. So certainly, for the ordinary guy in the street, he will acknowledge that "Yes, something is being done for Aboriginals with respect to economic development." And yet, that is not the case.

Does the Treaty then move you away from requiring the little bits and pieces

of monies that come from the Department of Indian Affairs?

Not necessarily a move away from that. Even after the Treaty comes into effect, programs that are made available and continue to be made available to other Aboriginal groups, we will also be receiving those. Those programs will continue, and as small as they may be, I think that our individuals and our communities will continue to participate in those programs.

The Treaty is about the increased ability to do certain things. Bare in mind, none of the things that I have mentioned to date have been available to our people for any given period of time. It is non-existent in our area. I have to use the term non-existent because certainly there are things that are being done, but they are very small in nature.

The Treaty will ensure that changes will occur. We negotiated certain things in the Treaty that would be for the benefit of our nation, our communities and for our individuals in providing opportunities for them that were not there previously. This includes those areas I have mentioned so far. And there is the forestry.

The forestry is a big issue here. We are going to own all of the forest product on Nisga'a land when the Treaty comes into force. We have licensed operators working in the area, but we have a 5-year transition period that will see the phasing out of their operations. Eventually our people will gradually take over the management and harvesting of the forest resources as well as the enforcement that will be required in that area.

In addition to that, we will have the opportunity to acquire, through normal government channels, an additional tenure of 150,000 cubic metres. And we will have the ability to export forest products on current provincial regulations.

When you combine the opportunities with the back country recreation tenure, the parks, the water and forest resources, and all of the additional services that relate to these major areas, you really get a picture of a strong and vibrant economy.

Absolutely. And we are not look just looking at the management and harvesting of the forest resources, for example. We will also look at value-added endeavours such a processing. We have to move away from being solely dependent on the harvesting sector. We have to get into the manufacturing of products. There are some areas in B.C. that are getting into this. In the interior, there are 1 or 2 bands that are involved in the value-added processing. And that creates steady employment for people.

Under the terms of the Treaty we will not have the ability, over a ten-year period, to develop a primary timber processing facility. But that doesn't stop us from entering into joint ventures with existing tenure-holders, whether it would be in our area, or in close proximity, like, for instance, the Terrace area. That ability is there.

And again, there is a large service sector that is always required in the area of forestry, and I am quite optimistic that our individual entrepreneurs will recognize the need for that, and get into the services areas. It is an opportunity that will be added on to forest tenures that will provided to our people.

Has the Treaty process had a positive psychological impact on Nisga'a people. Will this impact carry on after the Treaty has come into force?

Absolutely! For example, those people who are currently operating Bed and Breakfast outlets today, they are really looking forward to the day when the Treaty comes into effect. They recognize the opportunities that will exist when that day does come, so they are gearing up for it. It is exciting for those people that recognize the opportunities that will exist when the Treaty comes on stream.

Will one of the roles of the community governments be to motivate, to re-invest into the small businesses and into entrepreneurial development?

To a certain degree I think that has happened already. Some of our communities have been involved in small timber sales, and they have become involved in smaller non-renewable forest licenses. I am hopeful that these will be taken over by individual members.

We currently have 4 or 5 sub-contractors in the forest sector, and we hope that that will increase. We have individuals involved in the silvaculture area. There are about 8 of them in the valley. And there is always room for more, recognizing that when trees are harvested, trees

have to be replaced, and there is a need for restocking of he forests.

What will be the role of culture in the development of the Nisga'a economy? How will traditional ways integrate into community economic development once the Treaty has come into effect?

As I indicated earlier, the back country recreation tenure will include the creation of an original Nisga'a community, where our culture will be featured. Everything that our people did, utilized, the way they lived will be featured in that community. This will also occur in the three parks that I mentioned. The culture of our people will be featured in each one of these areas.

Not only does our general executive board recognize the importance of doing that, but our senior Chiefs and matriarchs continuously indicate that to us, that we should never, never at any time let an opportunity go by where we can feature the culture and the language of the Nisga'a Nation.

Will the increase in economic development activities that will occur once the Treaty has come into force assist in the strengthening and maintaining of the Nisga'a culture and traditional ways?

Absolutely! It will strengthen what is currently happening in our school district. I believe that we have the only Aboriginal school district in British Columbia, called District 92 Nisga'a. All of the individuals that operate this particular school are our people. We make provisions for non-native participation, and this has been going on for the past 20 years. It is nothing new.

That same thing is happening and continues to be developed in our health sector. We have the Nisga'a Valley Health Board, and the Board of Directors are all members of our Nation. And we have provisions, again, made for non-native participation, recognizing that they will be living along side us for many, many years to come.

So all of the economic initiatives will assist in the financing of Nisga'a government and Nisga'a programs — social, cultural, educational.

Yes, that's right.

What will be the major challenges facing the development of effective community economic development in your communities over the next 5 to 10 years?

I think that the challenge will be to take advantage of the opportunities that the Treaty will provide. These are opportunities that our people never had before. And when the Treaty comes on stream, they are going to be there. So it is a matter, not only for our respective Village Government, but individuals as well, to recognize these opportunities that will be there.

For example, we are going to be granted an Angling Guide License, for those members of our Nation who may wish to get involved in the area of recreational sport fishing. We are going to be granted a guide outfitters license and a guide outfitters certificate. When I hear about these things of this nature coming on stream, to me, it's an opportunity for individuals to get in on what is already happening throughout the province. This is something new.

Are there any other challenges?

Another big challenge that needs to be met, not only for the Nisga'a but for British Columbians as well, is to diversify away from the fisheries and forestry sectors on which we are so heavily dependent. In my view, we will need to be able to diversify, so when harvesting goes down, or when the need for raw forest resources overseas diminishes, we don't take a shellacking. We need to have developed other areas so that we will be able to continue to operate. This is where the value-added initiatives and products come in, and these will certainly be beneficial to our people.

Will there be additional opportunities in tourism and hospitality?

That continues to increase in our area. Our roads aren't that great. Our roads will be upgraded to regular highway standards within a two-year period. One of our isolated communities, Kincoleth, will finally be connected. That means easy access by those who may wish to come into our territory for tourism. This will bring opportunities when the road to Kincoleth is connected. There is a great deal of recreational fishing happening down in that area.

Is there a concern among members of the Nisga'a Nation regarding opening up

these areas, and about development generally?

There is always concerns expressed, I think, not only by Nisga'a, but other British Columbians as well, when an area is opened up, because they are concerned about the state the area will be in once development has taken place. The environmental concerns must be looked at. That is one of our greatest concerns, is the environment. It will effect our people, not immediately, but sometime in the foreseeable future. Whatever happen today will effect us 10 and 20 years down the line. Our people have expressed concerns in that area.

How do you think that the realization of the Nisga'a Treaty will effect future Treaty negotiations in British Columbia? Do you think that you are paving the road, and ironing out some of the kinks?

I'm viewing the work that we have done, in bringing negotiations to a close with respect to the Nisga'a land question that we will hopefully be easing the way for other tribal groups. Not necessarily for those tribal groups to follow exactly what we have done, but to further expand on what we have done. They know what has been accomplished to date, and hopefully their view is "how can we improve on this?" To a large degree that what's the Nisga'a Treaty has done.

The Nisga'a Treaty and the Treaty negotiation process provides a ray of hope, to Aboriginal tribes in British Columbia. It says that, yes, things of this nature can be accomplished in a peaceful way by way of negotiations rather than by court litigation cases, court challenges, road blockades and armed stand-offs. Most people realize that issues of this nature can be resolved in a peaceful fashion. The Nisga'a Treaty has done this. It says to people that yes this can be done. It can be accomplished.

And I suppose that once we find that it works, those people who oppose the Treaty and the Treaty process will finally come on side as well.

Yes, but unfortunately our opponents are trying to link everything to the Nisga'a Treaty. I don't think that everyone will come on side. It will happen to a certain degree, but I think that some people will see through what the opposition is trying to accomplish, and see that what is happening today in B.C. will not happen with respect to what will be required in the Nisga'a Treaty. We will try to avoid what has been happening, similar to the Musquem issue.

Unfortunately, my view in that area is that the finger is being pointed in the wrong direction. The finger should be pointed at our fiduciary. Canada, I think, must take all of the blame. They should have known what was going to happen in the foreseeable future, that land and land values don't remain stagnant. And that the values are constantly on the increase.

And then, unfortunately, there is a connection made by the people who are upset about that to the Nisga'a Treaty.

We view that situation as a landlord and tenant dispute.

Why do you think people like provincial opposition leader Gordon Campbell and newspaper owner David Black oppose the Treaty to the extent that they do?

We've always had Indian fighters in the past. I've mentioned that in several of my presentations. We've always had Indian fighters right from day one. These are people opposed to Indian people improving their lot in life. They would like to see the Aboriginal people remain where they are. To stay under the Indian Act, so to speak. But we know what the Indian Act has done to Aboriginal people. The Indian Act severely restricts their ability to do things. The Minister of Aboriginal Affairs has almost total and absolute power.

What are these people afraid of, really?

I don't know. I think that it is just a restrictive view with respect to opportunities that will become available to our people.

Do you think that they are afraid of the competition?

Absolutely. Take a look at just one sector, the fisheries for example. Some of the most successful fishermen on the B.C. coast today are Aboriginal people. They know the opportunity is there, they work well in that sector, in their environment, and they succeed. They succeed over everybody else. And that's what scares the hell out of other people. Boy, you give these

guys the opportunity, and they are going to take it and run for all it's worth to try to improve their lot.

You have been at this a long time. What is your vision for the future of your community, and Canada as a whole?

I don't view the Nisga'a Treaty as creating a Utopia on day one. Once the Treaty comes on stream. It has taken us about 130 years when the Indian Act was imposed — and I use the word `imposed' quite liberally — on Aboriginal people. It has taken us over 130 years to be in the situation that we are in at the moment.

When the Treaty comes on stream, then the opportunities will be provided and then we will be able to take advantage of these opportunities. But this will happen over a period of time. We will gradually see people taking over, and investing, and creating jobs and opportunities for themselves and other people in the Nisga'a communities. I see that happening over a period of time. I don't expect a Utopia on Day 1.

What is your vision of Canada 50 to 100 years from now?

Oh Boy… Do I have a vision! Compared to where we came from. I have to continuously make the comparisons and look back to where we came from. From the lack of opportunities that existed. As opposed to 10 years from now. And what will happen 50 years from now. I see a great deal of opportunity for our people. Opportunities that were never, never there before. They will be there, and they will be made available. And it will be up to our people to take advantage of that. It will be up to us to take advantage of that.

If you wish to learn more about the Nisga'a agreement, please visit the following web site: http://www.inac.gc/subject/agree/nisgaa/index.html

CANDO Aboriginal Economic Development Recognition Awards

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

Anna Classen

The Legend of the Flood

The Cowichan tell of a time when they, the Saanich, Kuper Island, and Nanaimo people were so plentiful that hunting became scarce, and they began to quarrel over boundaries. The wise men of the community became troubled about certain dreams that foretold the destruction of the people through a great flood. They decided to build a huge raft of many canoes tied together, and attached the canoe to the top of the Cowichan Mountains with cedar-bark ropes. Not long afterwards the rain started, the river rose, and soon all the valleys, and even the mountains were under water. The wise people, and the friends who believed, took their families and placed them on a raft, and the raft rose with the water and was the only thing seen for many days.

> *How terrified they all were, and could not divine why this terrible calamity had been sent for. They prayed to the Great Spirit for help, but none came.... At length the rain stopped, and they felt the water going down, and their raft rested on the top of Cowichan Mountain, being held by the anchor and the cedar rope. Then they saw land, but what desolation met their eyes. How their hearts were wrung with anguish. It was indescribable, but they took courage and landed and went where their old homes had been. They began to rebuild the village and take up their old life again. After this they increased rapidly, and soon filled their lands with people. Then they quarreled among themselves so bitterly that they agreed to separate, and in this way the world was peopled.*

History and Folklore of the Cowichan Indians; Harris — Douglas, Martha, Department of Agriculture; The Colonist Printing and Publishing Company; Limited Liability, Victoria BC, 1901.

Anna Classen, Council for the Advancement of Native Development Officers.

It has been a while since the world was peopled. And the influx of European settlers into the Americas of the last couple of centuries, coupled with the globalization trend we're all so familiar with, has made it increasingly difficult, if not impossible, to live and work in isolation from the rest of the world.

At its annual President's Dinner in Vancouver BC, November 27 1998, CANDO presented Recognition Awards to four outstanding examples of sound and innovative Aboriginal economic development projects. Representing a broad range of initiatives, approaches, and outcomes, each of these award winners developed strong partnerships outside of their communities while maintaining the cultural integrity, and meeting the needs and expectations of their community members. The leaders of each of these initiatives recognized the importance of developing positive working relationships at the community, government, corporate, and international levels.

The **SIIT Call Centre** of the Asimakaniseekan Askiy Reserve provides call out and information gathering services in Cree, Dene and Saulteaux on a fee-for-service basis to public and private sector organizations.

The **Khowutzun Development Corporation** of the Cowichan Tribes in Duncan B.C. has entered into a joint venture to install gas lines in BC, has developed a forest services company, and operates the Cowichan Native Village, a tourist resort.

The **Blood Tribe Agricultural Project** in Standoff, AB, is a state-of-the-art irrigation system that is used domestically and marketed internationally.

Finally, the **Campbell River Indian Band** (CRIB) was elected the 1998 *Economic Developer of the Year* for its joint venture to develop and construct a 360,000 sq. ft. shopping centre. Robert Duncan, CRIB Business Manager mused: "It has taken some getting used to on the part of First Nations management that the majority of partnerships are now being formed with non First-Nations. Clearly, there is still baggage and history on both sides, but not every non First-Nation person who comes along is going to rip you off anymore. Those days are numbered."

Each of these award winners have reached their goal by entering into mutually beneficial partnerships with government, corporations, and other communities and countries without compromising the cultural, social, or environmental integrity of the communities they serve. Here are their stories.

1. 1998 CANDO ECONOMIC DEVELOPER OF THE YEAR

Campbell River Indian Band
Campbell River, BC

I am sitting on the deck of the Tsa Kwa Luten Lodge[1], intermittently gazing across Discovery Passage to Campbell River, and watching the bald eagle off to my right survey the same view. I can't help but think the Campbell River Indian Band (CRIB) is on to something big. Three to four cruise ships float through these breathtaking summer waters almost every day on their way up the inside passage to Alaska. CRIB, through Robert Duncan, Business Manager, is currently conducting a feasibility study into the development of a deep-sea cruise ship port to capture the large and lucrative market of curious tourists on their way up the calm waters and rugged wilderness of the inside passage.

With the questionable reliability of Campbell River's primary industries in recent years (tourists aren't catching as many salmon, the coal mine has shut down, and the timber industry is in a slump), CRIB's desire to capitalize on eco and cultural tourism just might be the economic leap Campbell River is looking for. No doubt about it, there is great potential. From grizzly and black bear watching, to scuba diving, helicopter/plane tours, and shopping at the Wei Wai Kam House of Treasures[2], there is no shortage of things to do and places to see. Top that off with Aboriginal education tourism through excursions such as a canoe trip and traditional salmon

bake, and Campbell River might have more to offer than even Juneau or Ketchikan.

it is a huge undertaking, but CRIB is not inexperienced when it comes to making a big idea a big success. Twenty years ago, Chief Bill Roberts saw economic development as essential to successful treaty negotiations. He believed that the more self-sufficient the band was, the more they would be able to bring to, and demand at the bargaining table. He, and the people he worked with, started making plans to build the band's economic capacity by capitalizing on what Campbell River and area had to offer.

The band first looked into the possibility of developing a recreational marina, and after much to and fro with the Department of Fisheries, delivered on its first business venture. With a $3 million bank loan, CRIB built Vancouver Island's largest marina with 1200 berths (200 of which are commercial), that generates upwards of $600,000 per year, along with all the benefits associated with the employment it created.

CRIB was ready for its next venture, and it wasn't without vision that they started to explore the idea of building a shopping complex just off the marina, looking out across the water. The band began to seriously pursue the idea around 1990, and conducted a feasibility study that had promising results. They applied a commonly used retail 'formula' that compared the town's spending power to the availability of retailers that could meet consumer demand. The band found that Campbell River was in fact under-retailed, and that many Campbell River residents were going south to Nanaimo or Victoria on weekend shopping excursions.

Having now determined that the shopping centre was a viable business idea, and decided that they wanted to go ahead with the plan, CRIB started showing its feasibility study and proposal to prospective shopping centre developers. In CRIB's initial contact with the first three potential developers, all parties were thinking along the lines of the traditional land lease arrangement. The band would enter into a 99 year land lease agreement with the developer, and would wash its hands of all the decision-making, liabilities, and profits associated with the venture.

Three years, and three uncommitted developers later, a leasing agent for Beaver Lumber introduced CRIB to Northwest Group of Companies. Representatives of CRIB and Northwest met, talked, went over the plans and feasibility studies, and Northwest Group came back with a proposal for a joint venture. After the initial surprise subsided (Northwest President Klaus Richter believes this to be a retail industry first[3]), CRIB took a step back to review what impact this type of arrangement would have on the band. They took the time needed to seriously weigh the risk factor, and went through some very stringent analyses of the business plan, both on their own, and in consultation with their legal advisors. Then CRIB stepped up to the bargaining table and shook hands on a fifty/fifty partnership with the Northwest Group of Companies, sealing their commitment to be involved in every aspect of the formulation, development, management, and financing of the Discovery Harbour Centre.

Robert Duncan admits that in retrospect, they really had no idea about what they were getting into, but he is emphatic when he says he wouldn't have it any other way. It has been a good ride, one filled with frustration, anxiety, a steep learning curve, and the simple pleasure of standing at the TD Bank, surveying the Discovery Harbour Centre, smiling at a job well done. We talked about it.

Interviewer: Can you tell me about the master land agreement and how it came to be?

Robert Duncan: There was the natural reserve boundary and another area where there was beach. The band started out with the idea for a recreational marina (back in the late 70s, early 80s), but Fisheries was reluctant to agree because of the habitat concerns (this paved the way for the reclamation project).

> CRIB undertook a reclamation project[4] to build the shopping centre. Although they had to alter the natural habitat, filling in land and dredging out the shore created a basin with crabs and prawns.

Part of the land that the complex is developed on is reserve land, and part is fee simple land. The band was reluctant at first to look at the fee simple land, but it has turned out to be more attractive to provide security to lenders, and the band was able to use it as collateral. The province, the band, and the federal government were all signatories.

The master land agreement was the milestone.

> CRIB purchased 32 acres of fee simple land through the master land agreement. Fee simple land and leaseholds were combined to form part of the required equity.

Interviewer: Could you describe CRIB's relationships with the municipality, the Department of Fisheries, Indian and Northern Affairs Canada, and the province?

Robert Duncan:

Municipality — Overall, the relationship was pretty good because there were very positive elements for the city. There was a great deal of cooperation. They like to show this off just as much as we do. They took a proactive rather than reactive approach. In terms of the planning department with the city, it was tough for us to convey the idea of motifs and poles. When it was done though, they sat back and said 'wow'.

Fisheries — Relations with Fisheries was bumpy at first. Because of the estuary, Fisheries felt they had jurisdiction, and because of the Reserve, INAC felt they had jurisdiction — there was lots of back and forth over this.

> CRIB posted a bond of $300,000 for habitat conservation.

Fisheries basically had a 'no net loss' policy and we accommodated this. We hired an environmental consultant to develop a plan that showed how we would replace the habitat, and Fisheries said that was acceptable. They are now quite happy, and show this project off as an example of how it can be done.

INAC — There was never much consistency. We went through four different land managers over the course of negotiations, and this created a lot of frustration on our part. I attribute $300,000 of our legal fees to sorting things out with INAC alone. For things to get better, I really think there need to be some major policy changes, and it doesn't look like that's going to happen any time soon.

> Although legal fees would have run around $150,000 under normal circumstances, $1.3 million and five firms were required in this case.

Their biggest downfall is the time it takes to process paperwork. It is ridiculous. And to say that it is because they're overworked and understaffed is unacceptable as far as I am concerned.

Because of all these problems, it is really important to have a good understanding of land and resource management going into it.

Province — Relations with the Province worked out well. Our dealings with them were mostly related to highways — we had to move highway access so that it would go past the complex. This cost highways $5 million.

One of the guys I worked with was really appreciative at the end because of what he learned about Aboriginal communities and the issues they face. We had lots of arguments, but in the end everything worked out well. In fact Igors[5] and I had a strategy worked out to deal with them — I would play bad cop, and then Igors would call them up and try to smooth the waters by explaining things.

As an example of how things take time and we have to be patient, it took eight months to negotiate a left hand turn into the Junior Strip (the first phase of the development) across from Discovery Harbour Centre.

Interviewer: Was it difficult to secure the loans you needed? How many other agencies did you approach?

Robert Duncan: We developed the plan and then flew to Toronto and did the dog and pony show

with everybody. Our partners were very surprised that OMERS (Ontario Municipal Employees Retirement System) would even entertain the idea. This was a unique relationship, as they very rarely loaned to developments outside of Ontario, and had not entered into a relationship with a First Nation. But they called a week and a half later and asked to come see what we had planned. We flew them around the potential development, showed them all the other things Campbell River could give, and they said okay, if we could keep it under $25 million.

Because they are such a huge firm, and because of the special nature characteristics of this deal, their commitment fee ($1/2 million) and interest rates were high. But both parties are satisfied with the outcome.

OMERS was the first lending agency, and provided $25 million. The band was still short, so we approached PenCorp for the remaining $8 million. We therefore had a mezzanine funding arrangement — even though PenCorp was the secondary funder, it made the first commitment by providing for the start-up construction costs. So their money was spent first.

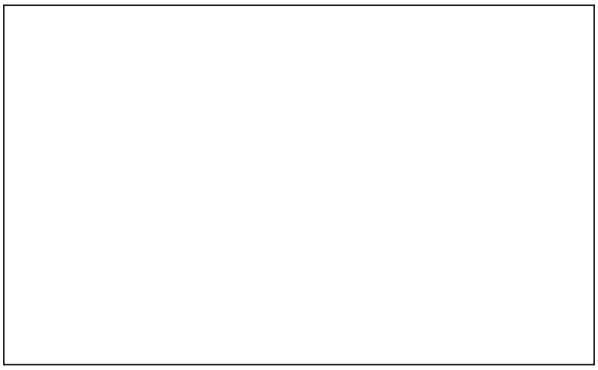
Interviewer: What steps did you take to promote the employment of band members in the development?

Robert Duncan: The employment placement officer was hired before the project was started. We wanted to identify the qualifications people would need to enhance their ability to participate in the development. We applied for training dollars through HRDC, which was more than happy to help out because of the job creation forecasted. The Band offered training programs for cashier services, security, industrial first aid, construction, and others.

We ask tenants to help us out in job creation for our Band members, but there are no hiring requirements or policies. We ask people to go out and get the qualifications if they want a job. As far as I am concerned, that's the only way to go. That's where I think some communities make a mistake. We're stronger if we take the high road than the low road.

For the most part things are going well, and we simply didn't have enough members to fill all the jobs. The truth is, anyone who's ready, willing, and able to work out there, is.

At the beginning, there was not much expertise in the community that we could draw on. But the cultural component guided us through. Many of the partners didn't have a good understanding of these issues, and community members were integral to communicating that.



Weiwaikum artist Bill Henderson guided the artistic direction on mall design, and Band members carved all the columns.

Interviewer: I've read that there was some opposition to this development. What kind of opposition did you encounter, and how did you address it?

Robert Duncan: Local businesses of course weren't too thrilled about the development because of the competition. But surprising to us, we had a great deal of support from the community as well. There were the petty, goofy concerns too, like one guy was really concerned that the band was going to own the city. My response was 'so what'? Times change.

Hotels and motels in Campbell River had what's called a 'shoulder' season the first year the complex was open. One motel said they were planning to expand because of it.

Others were upset because they had this idea that the Band doesn't pay taxes. So not true. We paid $1 million in taxes to the district alone, not to mention the tax revenues that a thousand new jobs creates.

Someone else thought that the federal government was paying for this. I just smiled when I told him we get $20,000 a year for economic development. (This is an area I think we really

need to improve on. Economic development is so important).

Some people, especially Band members, were frustrated at the time it was taking because we were paying taxes on what was essentially a big sandbox ($90,000 in first year, to $180,000). We have our first SK(1)[6] framed on the wall. By the time the project was done, we were at SK (241). If you want people to accept the project, you have to address these fears and concerns though. I did a lot of presentations for community organizations like the Rotary Club, etc. It was a matter of promoting and getting people used to the idea.

There was a lot of negative media coverage at the beginning that I thought was unfair. So I just called up the editor of one of the papers one day, and we got together and had a heart-to-heart on the matter. I laid all my concerns on the table, and he accepted that. The coverage after that changed dramatically. The other paper took a little longer to come around, but now that the complex is up, running, and working, they realize that it is probably best for them to be on side.

Stores like Zellers and Superstore brought in some competition that was good for Campbell River. Consumers now have a choice, and have access to competitive prices that just weren't there before.

Each of the businesses in the complex have a specific lease. Some pay a flat rent, while others pay a lower base rent plus a percentage of revenues above an agreed-upon amount.

Interviewer: If you knew then what you know now, would you do anything differently? And do you have any advice for others?

Robert Duncan: Be patient. Don't get too frustrated at the time it takes to get things done. If you have a clear understanding at the outset of the process and the time it takes, that will help. A lot of time is spent on paper work.

It is also important to identify options and have a good discussion and debate within the community because you will need their support.

Be creative.

I personally take a win-win approach so that everyone comes out with something. As far as I am concerned, taking a confrontational approach really doesn't do much for anyone, it just doesn't seem worth it. If you're negative, that's probably what you're going to end up with.

I was fortunate enough to be in the trenches. I learned so much being a part of this. Every day was different; every day was a new challenge.

For a band that was just learning as it went along, the 385,000 square foot, $60 million shopping complex is certainly a model example of innovation and industry firsts. The largest new shopping centre built in BC since Metrotown (an enormous Burnaby, BC complex built in the late eighties), the Discovery Harbour Centre entitles the 560 member Campbell River Indian Band to all the kudos it gets.

The Discovery Harbour Centre was a successful venture for a number of reasons. First, the Band and Council started the ball rolling with a strong vision and motivation for economic development. It has always been well understood that CRIB's push for development was to increase the economic capacity, and self-sufficiency of the band. Second, the band was not afraid of developing creative solutions to work around the roadblocks that presented themselves — and there were many. Finally, CRIB made good use of expert consultants and worked hard at developing cooperative relationships with all levels of government and their partners.

Ultimately, they didn't look at what everyone may have done in the past; they built their own path based on their specific needs and special circumstances. They were determined to

make this work, and their willingness to pursue creative solutions to the problems that presented themselves was what pulled them through.

2. 1998 RECOGNITION AWARD WINNER

Saskatchewan Indian Institute of Technologies Call Centre Saskatoon, SK

The Saskatchewan Indian Institute of Technologies is governed by Saskatchewan's First Nations, but also operates within the Saskatchewan provincial post-secondary system. One of the first First Nation controlled post-secondary institutions in Canada, SIIT was first established in 1976 as the Saskatchewan Indian Community College, and changed to its current name in 1985. SIIT initially delivered adult academic upgrading, introductory skills and trades, and basic management training to First Nations adults through the province. The programming mixture has evolved to include certified technical, vocational, and trades programming. SIIT continues to develop unique programming to meet the growing vocational and technical training needs of First Nations communities.

As part of its mandate to meet these ever evolving needs, SIIT submitted a proposal in July 1995 to SaskTel for the establishment of the SIIT Call Centre. In April of 1996, SIIT and SaskTel signed a five year contract to provide Aboriginal people in Saskatchewan (both on and off reserve), information on SaskTel's products and services in the customer's Aboriginal language. In return, SaskTel has provided instruction and work-based learning opportunities for Aboriginal employees.

The Call Centre has also established strong partnerships with corporations and businesses throughout Canada, and maintains the Saskatchewan Aboriginal Business/Residential database. SIIT continues to build on this database within the province and in conjunction with other provinces for future market expansion. The Call Centre also boasts the following clientele:

Saskatchewan Indian Gaming Authority (S.I.G.A.)

Provides inbound international phone services to S.I.G.A.'s 1-888 number published in various magazines throughout North America. Representatives provide information regarding S.I.G.A.'s four Native-run casinos.

Friesen's Wholesale

Provided outbound telemarketing services for Friesen's Wholesale company who specialize in wholesale office and school supplies. The target market was First Nations schools and band offices throughout Saskatchewan.

Canada Post

Provided outbound calling through a survey on behalf of Canada Post to determine the quality of service for Aboriginal residents living in northern Canada.

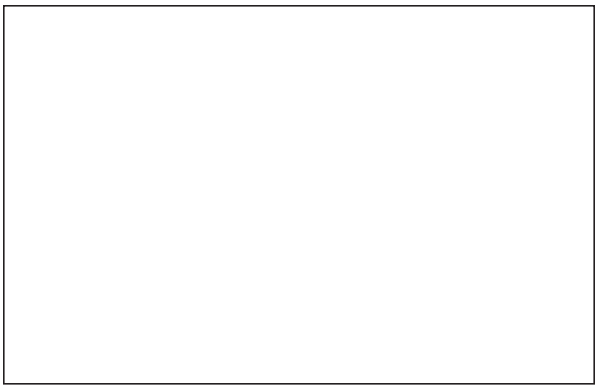
The first partnership and project of its kind in Canada, the SIIT Call Centre has evolved to provide high tech professional inbound and outbound calling services to the national and international marketplace. The Call Centre is a business unit that employs a skilled group of agents and telephone representatives to conduct specific transactions with customers. The Call Centre now provides services in Cree, Dene, Saulteaux, and English, and plans to expand these languages as demand grows.

3. CANDO 1998 RECOGNITION AWARD WINNER

Khowutzun Development Corporation Duncan, BC

The Cowichan are part of the Coast Salish Nation of Southern British Columbia and Upper Puget Sound in Washington State, and speak the Hul'qumi'num' dialect. At the time of first contact with European settlers, the Cowichan people numbered around 6,000 and lived in 12 villages in the Cowichan Valley. Today, the Cowichan Tribe is the largest in BC with almost 3,200 members. A Tribal Council of elected Chief Lydia Hwitsum and 12 Councillors administers business for an amalgamation of six of the original twelve villages. Over 6,000 acres of the Cowichan Valley next to Duncan, BC on the southeast corner of Vancouver Island, house the Tribe's seven Reserves.

The Cowichan Tribes incorporated the Khowutzun Development Corporation (KDC) in 1993 to manage their economic development activities. The groundwork for one of their most successful projects had already been laid by the



time KDC was formed, however. In 1989, Chief Dennis Alphonse sat down with Art Willms, President of Westcoast Energy, wanting to know how the Cowichan Tribes could benefit from the introduction of natural gas on Vancouver Island.

Several other First Nations and non-Aboriginal communities have profited from natural gas pipelines by selling right-of-way access. But Chief Alphonse wanted to try something different. Less than a year after that initial meeting, Chief Alphonse and Art Willms signed a letter of agreement pledging their commitment to work cooperatively to look into natural gas business opportunities for the Cowichan Tribes. The Cowichan worked quickly, and by 1991 had formed a joint venture partnership with Northern Pipeline Ltd. The Khowutzun Pipeline Construction Corporation was formed, with the Cowichan benefitting from 25 percent of the profit, and Northern Pipeline the remaining 75 percent.[7]

Over the next five years, the Cowichan and Northern Pipeline Ltd. would work together to build the Tribe's ability to deliver on all aspects of distribution installation. Northern Pipeline is an internationally certified "total quality" company. This means that they subscribe to a vision of business that encourages all involved in the company to work toward standards that have been developed for each of the specific components of the company. Some of the fundamental management principles to which total quality companies subscribe include:

- work to improve product and service to become competitive, stay in business, and provide jobs
- institute training on the job
- break down barriers between departments — all must work as a team
- institute a vigorous program of education and self-improvement
- encourage pride of workmanship[8]

The Cowichan learned the importance of doing all parts of pipeline installation well, but took this a step further and placed their emphasis on forming relationships with their clients. First-time visitors are always struck by the neatly manicured lawns and beautiful gardens found throughout Victoria. Doug Halverson of Westcoast Energy recalls reading through stacks of letters from Victoria homeowners, describing their encounters with the Cowichan pipeline installers, remarking on the fact that after the construction was done, they couldn't tell their gardens had been disturbed.

Toward the end of their five year partnership, the Cowichan Tribes decided that they wanted to form their own independent company, and conducted research into the best way of going about this. For a variety of reasons, the Cowichan Tribes decided that their best option would be to form a limited partnership. A limited partnership consists of a general partner, and one or more limited partners. Benefits of a limited partnership are that:

- Legal liability of a limited partner is restricted to the individual investment.
- Legal liability of the general partner is contained in a corporation.
- The partnership itself is not taxable as the income is divided among the partners at the end of each year and taxed (or not taxed) in their hands, depending on individual circumstances.
- It provides the potential to separate participants controlling the business from those sharing the profits.[9]

Khowutzun Mustimuhw Contractors Ltd. (KMC) became a 100 percent First Nation owned limited partnership in 1996. Not only did the Cowichan Tribes ensure they had the technical and management training they needed before forming the company, they also made sure that they developed the best possible framework within which to form their company. It must be stressed, however, that even with all this careful planning and preparation, it is not easy to get a business started and profitable. The KMC has come up against some serious challenges that may have caused some to walk away in exasperation, but the company and its shareholders have

been determined to make this work from the beginning.

> The KDC was still busy trying to finalize financing for equipment and vehicles days before the start date of its first contract with Centra Gas. But instead of throwing up their hands in despair, KMC crews were out digging trenches on day one — using shovels instead of the backhoes that hadn't yet been delivered. KMC's other partners came through too, with Coast Tractor and Equipment Ltd. and Ditch Witch of BC providing loaner equipment in the interim. With an investment of $187,000 from the Khowutzun Development Corporation, and an $800,000 loan from Peace Hills Trust[10], the equipment needed to install pipelines was purchased shortly thereafter. Today, KMC's equipment holding company, Khowutzun Pacific Pipeline Ltd., has a full fleet of trucks, backhoes, and other equipment.

Although it recorded no profits in the first year of operation, KMC was highly successful in its contract bidding from the beginning. It was KMC's expertise and competitiveness that secured its first contract with Centra Gas, but they have run into some problems in recent years because most clients want them to be bonded. KMC bid on a $75,000 contract with BC Hydro, but had to be bonded to win the job. They started looking around, but because of the perception on the part on most bonding organizations that property can't be seized on reserve land, they had a great deal of difficulty finding an organization that would put up the bond. They finally found a company that was willing to do this — with a certified cheque from KMC for the full $75,000 which would be returned to them on successful completion minus a $4,000 service fee.

This is clearly a serious problem for on-reserve companies that are trying to be competitive in the off-reserve market, but once again, the KMC has proved to be up to the challenge of finding a better way. They have started conducting research with the federal government into what can be done around this issue for both themselves and other on-reserve corporations across Canada.

Khowutzun Mustimuhw Contractors Ltd. has already captured 35 percent of Vancouver Island's natural gas distribution system installation contracts, and has created jobs for as many as eighty-five employees in peak season, 90 percent of whom are Aboriginal. Successfully completed projects include a Centra Gas contract to build a portion of the $12 million natural gas pipeline to Whistler, BC; and a $70,000 BC Hydro contract to strengthen the walls of a tidal channel at BC Hydro's Sansum Narrow site near Duncan, BC.

KMC isn't the Khowutzun Development Corporation's only successful venture though. The KDC now also manages the operations of Khowutzun Forestry Services, Cowichan Native Village, and a Tempo service station in Duncan, BC. Khowutzun Forestry Services works with Forest Renewal BC and private industry to create employment in forestry for First Nations people. Cowichan Native Village offers tours to visitors from around the world, introducing them to the history, and future, of the Cowichan and Canada's Aboriginal peoples. Visitors can view and purchase Native art at the Quamichan House, admire the 15,000 kg Red Cedar beams of the Cowichan longhouse, and watch local artisans carve a totem pole, mask, or war canoe in the Khenipsen House. The Village also offers a multi-media show on the Cowichan, story telling, and traditional salmon barbecues and entertainment.

The KDC is currently looking into other venture possibilities, and is seriously pursuing developments in the area of construction, recycling, and provision of gas utilities. With KDC's commitment to training and hiring Cowichan Tribe members, the corporation now has a skilled pool of employees to draw upon to implement these new projects.

4. 1998 RECOGNITION AWARD WINNER

Blood Tribe Agricultural Project Standoff, AB

> We Bloods have had to adapt to white man's ways. BTAP is a way we can overcome obstacles and succeed without losing who we are. We've done it before. The horse and the gun brought us great prosperity. The Indian way of life was improved greatly. Our people lived well.
>
> After the buffalo were wiped out we had to change again. The buffalo was everything to us. It was the heart of all our culture and traditions. When it was gone, the Blackfoot people had to change. Smallpox killed our people and whisky wrecked the lives of many. The Bloods got back on their feet, though. They raised cattle and they went into farming on their own, in their own way. They traded their horses for cattle, they bought a steam engine and plow and broke their land. They farmed their own land in their own way, with no government assistance.
>
> Tractors and big equipment put the Indian farmers out of business. We leased the land to white farmers. We, the landowners, are the best stewards of our land. We care for the land because it is our children's land. It's right for us to manage our own land. The Creator put the land and the water there for us to use. Years ago, we could let nature take care of itself and of us humans who are a part of nature.... Now, there are so many of us, we have to care for the land differently. BTAP is one way we can use the land and the water the Creator has give us to sustain ourselves. It's a way to self-sufficiency.
>
> At first BTAP was a dream. We set goals so big no Blood Indian had ever thought of doing them. Now, we've made it a reality. We're proving to the white man and to the world that we can do it. We're proving it to ourselves as well. BTAP is a source of confidence in ourselves. We're achieving our goals, ourselves, in our own way. This project is working, bringing in money and good jobs into the community.
>
> Bringing BTAP from a dream to reality has taken almost 50 years and a lot of work from a lot of very good people.... Doing things our own way is important. Turning back to our own spirituality has helped many of us improve our own lives and those of our communities. In the same way, bringing our own culture and beliefs to irrigation and agribusiness, as we have at BTAP, allows us to succeed on our own terms. BTAP has entered into world trade with its agreement with Sumitomo Corporation of Japan. Our Blood traditions have guided us in the development of this international relationship with its promise of prosperity for many of our people.
>
> We Bloods can use this project as a springboard for agribusiness and other enterprises. BTAP proves we can be successful. We just have to build from here. We have to thank many people, from Chief Jim Shot Both Sides and his council, through Chief Roy Fox and his council who negotiated with the politicians, to Francis First Charger and his staff who turned that dream into a reality.
>
> Chief Standing Alone
> BTAP Annual Report, 1997/98

History

When the Bloods signed their first treaty (Treaty 7) in 1877, they didn't think they would ever need to give up their nomadic, bison hunting lifestyle to settle on reserve.[11] It wasn't long, however, before the buffalo were nearly extinct, and land came to have a greater importance. In 1881 Chief Red Crow renegotiated with the federal government to settle on the land between the Belly and St. Mary's Rivers, all the way to the Rocky Mountains, and a new treaty was signed on July 2nd, 1883.[12] In 1889, Chief Red Crow planted crops of oats, wheat and turnips. He was one of the first Blood Indians to use horses to plow his fields, and paved the way for the Bloods' agricultural future. Over the next several years, the Bloods continued to develop their agricultural skills, learning to adjust to their new way of life.

Fifty years ago, the Federal Government asked the Blood Tribe to surrender 5,800 acres of land to accommodate construction of the St. Mary's dam and reservoir in the southeast portion of the reserve, and another 1,677 acres to allow for the construction of the distribution canal from the Belly River. Chief Shot Both Sides agreed to both requests, but demanded access to water to irrigate 25,000 acres of Blood lands in exchange. The "Big Lease" was established in 1957 for lease on behalf of Blood Tribe members.

> "Chief Shot Both Sides started the whole thing to provide employment for our children and our future people. This whole project is for our children. We're working for the next generation so they can fit into the world."[13]

In 1978, the Blood Tribe presented a brief to Alberta Environment's Oldman River Basin water management study. They outlined the reserve's social and economic depression, and highlighted the potential benefits of their involvement in future agricultural and irrigation development. The Council's final report urged the federal and provincial governments to support on-reserve irrigation development.

An Agreement Is Signed

The Blood Tribe first met with Provincial cabinet ministers in February of 1980 to discuss irrigation development on the reserve and formed a Tripartite Committee of federal, provincial, and Blood Tribe officials. In 1981 through 1983, the Blood Tribe, Agriculture Canada, and Alberta Agriculture conducted a multi-disciplinary study to assess the feasibility of irrigating the "Big Lease", the northeastern portion of the Blood Reserve.[14] The completed report (1983) found that the project was feasible in all areas, but it was not until 1986 that further discussions took place between the three parties.

From the beginning, Band membership played an important role in the development of the project. A November 1988 referendum asked whether they would allow the Government of Canada to transfer the lands originally surrendered in the 1950s to the Province of Alberta. Although a seemingly innocuous question, it was clear in all the informational literature that this was a referendum on the Blood Indian irrigation project. An agreement could be signed only if the land was transferred to the province. Band members said yes.

The Blood Tribe Irrigation Project Agreement was signed February 24, 1989 by:

- Government of Canada
- Province of Alberta
- Band Council of the Blood Band
- Blood Tribe Agricultural Project Inc.

Funding agencies and Tripartite Committee members included:

- Blood Tribe
- Government of Canada through the Department of Indian and Northern Affairs, Agriculture Canada, and the Native Economic Development Program
- Province of Alberta through Alberta Agriculture and Alberta Environment

Two subcommittees of the Tripartite Committee were formed to ensure the success of the project. The Implementation Advisory Committee (IAC) was formed to facilitate project implementation, and has an advisory role in project construction and financial management. The Environmental Advisory Committee (EAC) focuses on environmental mitigation, monitoring, and enhancement measures as outlined in the recommendations of the Environmental Impact Assessment Report.

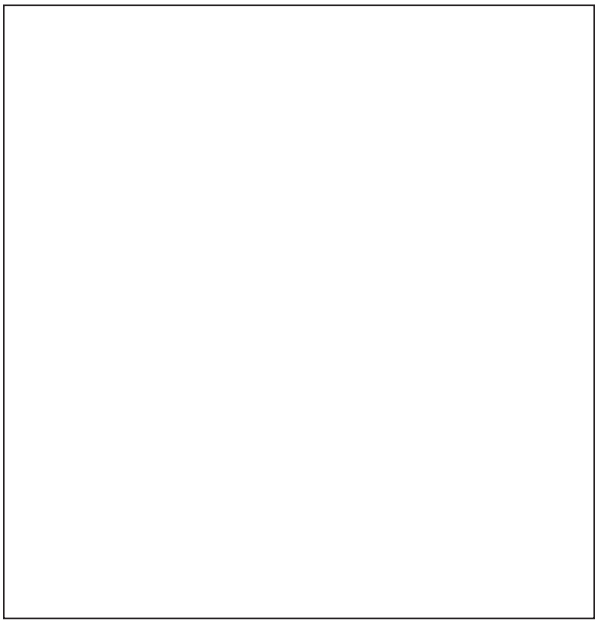
Finally, the Blood Tribe incorporated the Blood Tribe Agricultural Project to oversee construction, operate the Irrigation Project once completed, and ensure that Blood Tribe members benefitted from the project in a variety of ways. With an estimated total cost of $64.5 million over the next ten years, the irrigation project would prove to be an enormous undertaking.

The Blood Tribe Irrigation Project

On June 9, 1994 the water was turned on and flowed through the newly built canals, drop structures, reservoirs, and pipelines, the pivots spraying some 2300 acres for the first time.

Over the last ten years, BTAP has been responsible for administering and implementing the irrigation project, has coordinated the installation of 98 pivots and is now responsible for irrigating 19,000 acres of the Big Lease. Although the construction schedule was in large part dictated by the weather's cooperation (or lack thereof), the Blood Tribe Irrigation Project has largely been on schedule and on budget.

The Blood Tribe Agricultural Project (BTAP)[15] leases land from the band, and then turns around and re-leases most of it as fully serviced irrigated land to off-reserve farmers. The irrigated land is leased at about $100–$150 per acre, which may seem high at first blush, but is an all inclusive rate.



BTAP staff run the entire irrigation system, set and fix the pivots, and ensure that the right amount of water is delivered at the right time. The system is monitored and operated by a state-of-the-art network of computers

BTAP also strove to ensure that the project was implemented in a way that did not compromise the environmental integrity of the Big Lease. Following the recommendations of the Environmental Advisory Committee, BTAP ensured that:

- water for on-farm irrigation flowed underground
- all pipes used in construction were plastic
- canals were designed to reduce seepage
- erosion control was addressed
- soils were tested for salinity, water erosion and waterlogged conditions
- farming practices that reduced the loss of topsoil were encouraged

BTAP has met its targeted 1999 construction completion date, and is the biggest single-owner irrigation project in Canada with 98 pivots and 19,000 irrigated acres.

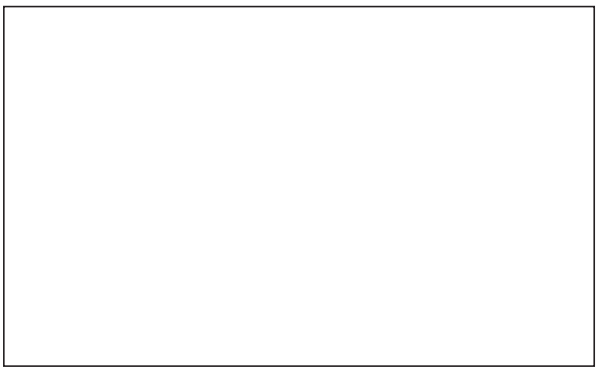
Training, training, training

In December of 1989, Chief Roy Fox stated that his primary concern was to ensure that as many Blood Tribe members as possible were put to work on the project. The Blood Tribe negotiated a clause in the irrigation agreement that made it mandatory for outside contractors to hire as many Reserve tradesmen and labourers as was feasible. BTAP also decided to select contractors through invitations to tender; they would then be able to select from a number of contractors who were willing to make a commitment to hire a 75% reserve work force.

And BTAP was successful in this endeavour. More than $5 million in payroll has gone out to Blood residents through wages and construction contracts. But BTAP did not hire unqualified people to do the work. A comprehensive human resources plan was developed in 1992 that outlined the number of positions required over the next ten years, and the skills needed to fill those positions. BTAP then started gearing up.

Francis First Charger (past BTAP General Manager) spent a great deal of time and effort recruiting the right people and then investing in the training needed to make that person a part of the team. BTAP employees were often recruited one to two years before they would be asked to fill the position, and would be trained in the interim. BTAP set up personalized training programs through Red Crow College, Lindsay Manufacturing, Nebraska Central Community College, University of Lethbridge, Lethbridge Community College, Cremona hay plant, and many other educational and industry partners.

Agriculture Canada through the First Nations Resource Council supported an international exchange where BTAP personnel travelled to the Ak-Chin Indian Community, Maricopa, and the Gila River Farms in Arizona to learn about other on-reserve irrigation projects. Employees spent six months in Arizona working with flood irrigation projects that have been running since 1968.



"I have a lot of responsibility, if a pivot breaks down, we have to be able to get it running again. Everybody just pitches in to keep ahead of farmers and get the job done" (BTAP employee, 1997/98 Annual Report).

BTAP has also started investing in future generations by sponsoring and organizing a yearly summer camp for Aboriginal youth that focuses on alcohol and drug abuse prevention, and offers various camping and cultural activities. About 50 youth aged 11 through 14 have participated each year.

Timothy Hay Processing Plant

In October 1996, eleven BTAP delegates travelled to Japan on a trade mission sponsored by Aboriginal Business Canada, Ipex, and New-Way Irrigation in Lethbridge. BTAP representatives met with the head office of Sumitomo Corporation[16] to discuss partnership possibilities. BTAP had the opportunity to promote its development, and became the first supplier to see the entire end-use process.

Because of Japan's large and dense population, there is not much room to farm large agricultural crops. There are many dairy farms in operation, though, and timothy hay is in high demand for cattle and race horses. Valued at $90–$190 per tonne in Canada, timothy hay is worth $330 (US) in Yokohama, Japan, and Japanese farmers pay a price of around $450 per tonne. The Sumitomo Corporation needed hay that could meet the Japanese Government's stringent import regulations,[17] and that could be compressed into bales 40 percent of normal size. BTAP felt they could deliver.

As a result of this trade mission, the Blood Tribe, Transfeeder Inc. of Olds Albers, and the Sumitomo Corporation of Japan signed a forage processing and export agreement on October 27, 1997. Blood Tribe Forage Processing (BTFP) started running on June 1st 1998, and within two weeks had filled two separate orders to Japan, the first of which was ahead of schedule by two days. Operations at the plant are currently on schedule, with three shifts running per day, and an employment roster of more than 40 people. The BTFP export agreement will eventually process and ship up to 30,000 tonnes of timothy hay per year.

International Partnerships

In addition to the partnership with Sumitomo Corporation of Japan, BTAP has shown off its irrigation model to people representing more than thirty countries including, among others: USA, China, Sudan, India, Uruguay, Egypt, St. Lucia, Zimbabwe, Pakistan, Taiwan, Australia, France, Israel, Mexico, Hungary, and Spain.

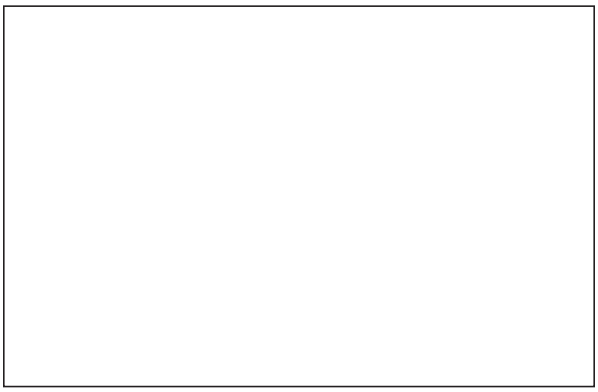
Lee Mapplebeck of the Bank of Nova Scotia in Lethbridge said that the irrigation project has become the model for all First Nations on how to plan, implement, and operate a commercial venture on reserve. BTAP has also become a model for the development and operation of large irrigation projects around the world.

"BTAP has opened a lot of doors, not just in agriculture, but in telecommunications, business application and international investments for our people. It is a source of pride for all of us" Narcisse Blood, Tribal Councillor.

Pride

One could point to a number of factors that have contributed to BTAP's success — hard work, good partnerships, government support through training programs and funding. But I think more than anything, BTAP has been successful because of the pride that BTAP staff and the Blood Tribe have taken in their work on the irrigation project.

Regular newsletters starting in 1989 have provided comprehensive updates to Band members on BTAP staffing, progress, and financial status. Photos of countless smiling Band mem-



bers working on various stages and components of the project are proudly displayed. Blood elder Pete Standing Alone and Susumo Ono[18] stand hand in hand at Mr. Ono's induction into the Kainai Honourary Chieftainship. And Chief Roy Fox, on the Grand Opening of the irrigation project remarked "Watching the water flow down the canals and spray onto the fields was an experience I will never forget. Even today, as I view the continued construction, I am proud to be a Blood Indian."[19]

NOTES

1. Owned and operated by the Cape Mudge Band on Quadra Island.
2. Discovery Harbour's high-end shop of Aboriginal West Coast art.
3. "The project marks the first time in British Columbia that a real estate company and a native group ... have created a joint venture to develop and own a shopping centre on aboriginal land, said Mr. Richter" *The Globe and Mail*, "A mall with a native touch" by Ann Gibson, Wednesday, June 3, 1995.
4. Part of the Band lands under water was filled in to accommodate the development.
5. Igors Sigalias, Senior Vice-President, Westcoast Group of Companies.
6. Architechtural drawing.
7. Northern Pipleline took 75% of the profits because it owned all of the equipment. This was later to prove to be a major factor in the Cowichan Tribe's decision to invest in their own equipment and set up their own pipeline company.
8. W. Edwards Deming started the total quality movement. These come from his 14 Points for Management. More information on total quality managment can be found by looking for W. Edwards Deming's writings, contacting the International Organization for Standardization (ISO) at <www.iso.ch>, or the Standards Council of Canada, phone: (613) 328-3222, fax: (613) 995-4564, E-mail: info@scc.ca, Web site: <www.scc.ca>.
9. Al. Solheim, *The Unlimited Potential of Limited Partnerships*, CANDO, 1999, p. 12.
10. An Alberta based Aboriginal financial company.
11. Hugh Dempsey, "Beginning of the Blood Reserve" *Official Opening, Blood Tribe Agricultural Project, June 9, 1994, Souvenir Program*, p. 28.
12. Although the Bloods believed that the 1883 treaty simply confirmed Chief Red Crow's understanding, they did not get all the land between the rivers to the mountains. This was a source of a bitter dispute with the government for many years, and many still believe today that the Bloods received far less than they were entitled to.
13. BTAP employee 1997–98 Annual Report.
14. The partners studied ten components: mapping, land classification, agricultural potential, engineering, groundwater and salinization, economics, environmental and social impacts, implementation, and conclusions and recommendations.
15. The incorporated arm that administers the irrigation project.
16. Japan's largest bank and trading company.
17. Japan wants to ensure that no disease or parasite enters their country, so if a bale has a single head of quack grass, mold, or soil on it, the entire shipment will be sent back.
18. Manager of Sumitomo Feeds and Fertilizer Division.
19. Chief Roy Fox, 1994, on irrigation Grand Opening — BTAP newsletter Winter 1994.

Editor's Introduction

David Newhouse

What does a carefully reasoned analysis tell us? Can we use it to guide our efforts? Can it offer clues to actions that we can take? *Painter/Lendsay/Howe* have undertaken a careful analysis of the current and future economic circumstances of Aboriginal peoples in Saskatchewan. They conclude that in the province of Saskatchewan that most of the growth in the provincial labour force over the next 50 years will come from Aboriginal communities. They see a growing Aboriginal employment gap over the next 50 years, growing from 2.9% of Saskatchewan GDP in 1995 to 7.7% in 2045. Closing the gap, they reason, is the responsibility of all Saskatchewan peoples, led by Aboriginal peoples. They conclude that for the gap to be closed that Aboriginal people must be competitive with the rest of the world in human capital.

Mann and Newhouse examine the environment within which Aboriginal human capital development is occurring. Mann argues that the practise of capitalism is responsible for the dis-empowerment of Aboriginal peoples. *Newhouse* argues that Aboriginal peoples do

not want to reject capitalism but want to make it work in ways that make sense, culturally to them. Both raise Interesting questions. Can Aboriginal peoples tame the beast that was responsible for the loss of lands and territories? Can Aboriginal peoples make it work for them?

Managing Saskatchewan's Expanding Aboriginal Economic Gap

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

Marv Painter

Kelly Lendsay

Eric Howe

Introduction

Saskatchewan's Aboriginal people[1] have experienced some of the worst social and economic conditions in Canada. In Saskatchewan, compared to the Non-Aboriginal community, Aboriginal people have had higher mortality rates, higher incarceration rates, higher poverty levels, higher homicide and suicide rates, chronic unemployment and lower education levels. Although some conditions have improved in recent years, the current social and economic outlook for Aboriginal people in Saskatchewan does not look bright.

Currently, amongst Saskatchewan Aboriginal people, the poverty level is high, education levels are low, relative to the Non-Aboriginal population, and the estimated unemployment rate is 53% (Lendsay, Painter, and Howe, 1997). Compounding the problem, population growth in Saskatchewan is significantly higher for Aboriginal people than it is for Non-Aboriginal people. Whereas Aboriginal people represented 13.3% of the Saskatchewan population in 1995, it is projected that they will represent 32.5% of the population by the year 2045 (Lendsay, Painter, and Howe, 1997). If Aboriginal people continue to be under-educated and under-employed, there will be significant social and economic consequences for Saskatchewan. We address those concerns by assessing the current and projected economic gap for Aboriginal people in Saskatchewan, the implications of the growing economic gap, and the possible approaches to managing the economic gap.

Objectives of the Study

The first objective of the study is to assess the current income, employment, education, and economic gaps for Aboriginal people in Sas-

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Marvin Painter is an Associate Professor in the Department of Management & Marketing, College of Commerce, University of Saskatchewan. Kelly Lendsay is President of the Aboriginal Human Resource Development Council of Canada and a member of the Graduate Aboriginal Business Programs, College of Commerce, University of Saskatchewan. Eric Howe is a Professor of Economics at the University of Saskatchewan.

katchewan and to forecast those gaps over the next 50 years (1995–2045). Each of the gaps is estimated as the difference between average Aboriginal income, employment, education, and economic levels and the corresponding levels for the total Saskatchewan population. The second objective is to discuss the economic and social implications of the growing and unsustainable Aboriginal economic gap in Saskatchewan by assessing the impact on Aboriginal people, non-aboriginal people, governments, and the business community. The third objective is to discuss possible approaches for managing the Aboriginal economic gap over the next 50 years.

Methodology

The economic forecast for Saskatchewan (1995–2045) was prepared using PREMOS, a medium-sized macroeconomic model developed by Eric Howe.[2] PREMOS examines economic scenarios from a Saskatchewan provincial perspective only. It makes projections about the overall Saskatchewan economy and the relationship between economic variables.

PREMOS predicts Saskatchewan's economic future using a system of over one hundred simultaneous equations. Many of the equations of PREMOS are common sense. For example, the consumption function shows how consumption in Saskatchewan varies in response to disposable income; the government spending equation shows how government spending varies in response to government revenues and the demand for government services; and the migration equation shows how migration depends on the relationship between provincial labour demand and supply. The model forecasts the major provincial economic variables such as gross domestic product, consumption, investment, employment, disposable income, and industry employment. There are four exogenous components: the federal government, the natural resources industry, interest rates, and the Canadian labour market. There are five endogenous components: population, expenditure, labour demand, income, and provincial government revenue and expenses.

The output from PREMOS was combined with empirical data gathered from a variety of sources, including Statistics Canada, Federal Department of Indian and Northern Affairs, Aboriginal Business Canada, Aboriginal Peoples Survey (1991), Report on The Royal Commission on Aboriginal Peoples, and the Government of Saskatchewan Indian and Metis Affairs Secretariat. These data were used as a starting point for the economic forecast as well as to disaggregate the economic output variables into Aboriginal and Non-Aboriginal categories.

Macroeconomic Forecast

The Saskatchewan Real Gross Domestic Product (GDP) is expected to increase by 1.9% per year over the forecast period (1995–2045). Employment is forecast to grow at 0.7% per year, somewhat more slowly than real GDP, due to increased labour productivity. Population is forecast to grow at 0.5% per year. With provincial employment growth of 0.7% per year and population growing at 0.5% per year, there will be some increase in the provincial labour force participation rate.

Saskatchewan Population Forecast

Over the 50 year forecast period, Aboriginal population growth is significantly greater than Non-Aboriginal population growth. The Saskatchewan population is forecast to grow at 0.55% per year, the Non-Aboriginal population at 0.04% per year, and the Aboriginal population at 2.36% per year, over the forecast period. The population forecast for Saskatchewan indicates that by the year 2045, it is expected that Aboriginal people will make up 32.5% of the Saskatchewan population, compared to 13.3% in 1995. Figure 1 shows that the Aboriginal population in 1995 is 135,000 people compared to 838,000 Non-Aboriginal people, or 13.3% and 86.7%, respectively. By the year 2045, the Aboriginal population is expected to increase from 135,000 to 434,000, or 32.5% of the total population. The Non-Aboriginal population grows from 883,000 to only 903,000 over the same time period.

Saskatchewan Labour Force Forecast

The labour force age group is defined as the population in the 15 and over age category. The labour force age group is a proxy for the total number of people in the population who are able to be employed. Since the Aboriginal population is growing faster than the Non-Aboriginal population, the Aboriginal labour force age group is growing faster than the Non-Aboriginal labour force age group. The forecast 50 year

FIGURE 1: Saskatchewan Population Forecast 1995–2045

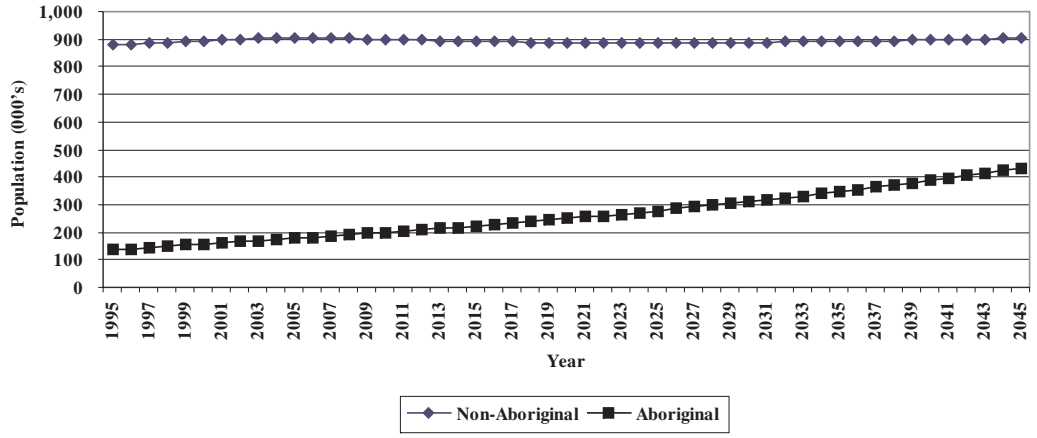
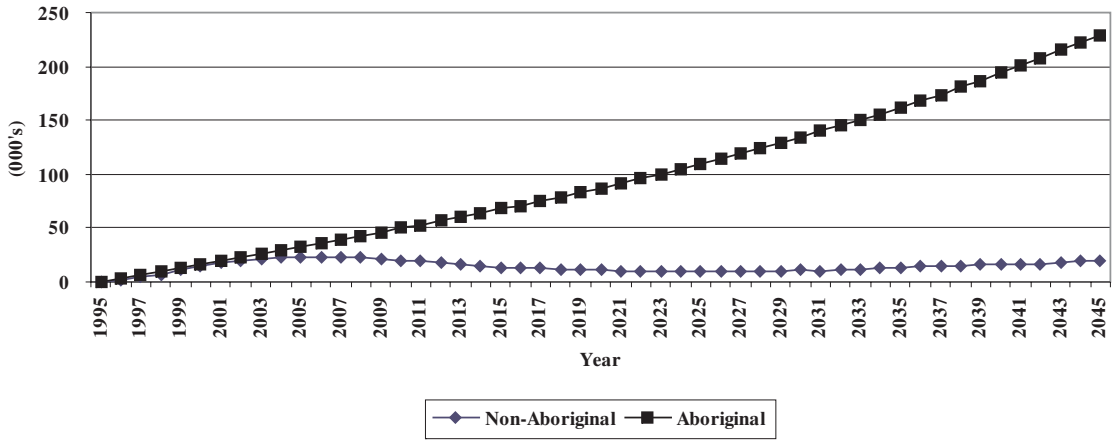


FIGURE 2: Cumulative Change in Labour Force Age Group from 1995 to 2045



average growth rate for the Saskatchewan labour force age group is 0.6% per year. When broken down, the average growth in labour force age group is 0.1% per year for Non-Aboriginal people and 2.7% per year for Aboriginal people. The Aboriginal proportion of the labour force age group in Saskatchewan is 11% in 1995 and increases to 31% by 2045. Figure 2 illustrates the cumulative change in labour force age group from 1995 to 2045 for Saskatchewan Aboriginal and Non-Aboriginal people. The difference mirrors the expected changes in population for the two groups. This forecast indicates that most of the growth in the Saskatchewan labour force over the next 50 years is expected to come from Aboriginal communities. This is significant for government and business when planning for job placement and training in the future.

Saskatchewan Employment Forecast

The total number of jobs for Saskatchewan is projected in the aggregate economic model and broken down by Aboriginal and Non-Aboriginal employment. The rate at which employment occurs is forecast to be the same for both Aboriginal and Non-Aboriginal people, where the number of jobs for both groups will grow at an

TABLE 1
Saskatchewan Employment Rates (% of Labour Force Age Group Employed)

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Aboriginal	31%	24%	19%	16%	13%	11%
Non-Aboriginal	65%	70%	73%	77%	82%	88%
Saskatchewan	62%	63%	63%	64%	64%	64%

Source: Lendsay, Painter, and Howe (1997)

TABLE 2
Average Saskatchewan Employment Income (Constant 1995 $)

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Aboriginal	15,210	16,856	17,465	18,476	19,890	21,631
Non-Aboriginal	22,393	24,816	25,713	27,201	29,283	31,847
Saskatchewan Average	21,988	24,368	25,248	26,709	28,754	31,271

Source: Lendsay, Painter, and Howe (1997)

average rate of 0.7% per year over the forecast period. There is expected to be increasing employment in construction, mining, public administration, services and wholesale and retail trade while there is expected to be decreasing employment in agriculture. The number of Saskatchewan jobs is expected to increase from 460,000 in 1995 to 641,000 in 2045.

The employment rate is defined as the percentage of the labour force age group that is employed, either full-time or part-time. Table 1 presents the forecast employment rate for Saskatchewan, broken down by Aboriginal and Non-Aboriginal people. The forecast is predicated on the assumption that there is no change in the current (1995) economic conditions.

Table 1 illustrates the impact of an increasing Aboriginal population and labour force age group while Aboriginal employment growth remains constant. Aboriginal population is expected to grow by 2.36% per year and the Aboriginal labour force age group is expected to grow by 2.7% per year, while Aboriginal employment is expected to grow by only 0.7% per year. This is the most important result of the forecast, which suggests a significantly decreasing employment rate in Aboriginal communities if nothing is done to change the rate at which Aboriginal people attain employment.

Saskatchewan Employment Income Forecast

Average employment income represents the average of both full-time and part-time jobs, without weighting for full-time equivalency. Therefore, the average employment income, calculated in this way, represents the average employment income received by anyone who is employed. Table 2 illustrates projected Saskatchewan employment income levels over the 50 year forecast period, in constant 1995 dollars. There is real growth expected in employment income, however, the employment income gap between Aboriginal and Non-aboriginal people remains constant in the forecast. The average rate of real growth in employment income for Aboriginal and Non-aboriginal people is projected at 0.7% per year.

Saskatchewan Personal Income Forecast

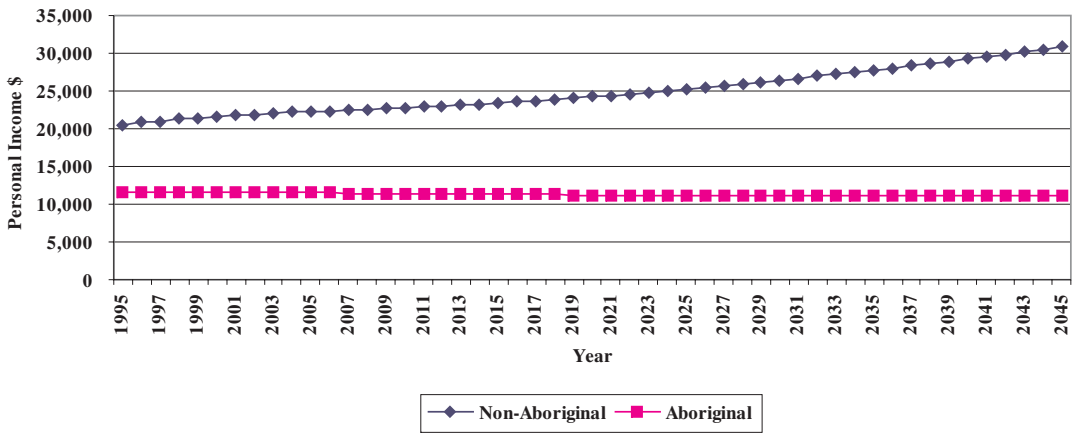
Personal income is defined as total income, or employment income plus non-employment income. Average personal income is total personal income divided by the population in the age 15 and over category. Total Aboriginal employment income was calculated in the eco-

TABLE 3
Average Saskatchewan Personal Income (Constant 1995 $)

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Aboriginal	11,481	11,527	11,292	11,198	11,165	11,158
Non-Aboriginal	20,396	22,268	23,403	25,255	27,755	30,801
Saskatchewan Average	19,735	21,547	22,644	24,437	26,856	29,802

Source: Lendsay, Painter, and Howe (1997)

FIGURE 3: Average Saskatchewan Personal Income 1995–2045 (Constant 1995 $)



nomic model by multiplying the average Aboriginal employment income by the expected Aboriginal employment figures. The next step for calculating average Aboriginal personal income was to project average Aboriginal non-employment income, which includes government transfers and assistance to individuals as well as investment income. The 1995 non-employment income for Aboriginal people was estimated by using total Aboriginal personal income ($941 million) and subtracting total Aboriginal employment income ($382 million) to get 1995 Aboriginal non-employment income of $559 million. Average Aboriginal non-employment income per person, estimated at $9,830 for 1995, was projected to increase each year over the forecast period at the expected rate of inflation (no real change).

While it is expected that average Aboriginal employment income will grow at the same rate as average Non-Aboriginal employment income, Aboriginal real personal income per capita is expected to decline over the 50 year forecast period. The reason for the decline in personal income is the decreasing Aboriginal employment rate. As the employment rate falls, the proportion of Aboriginal people who are unemployed increases, where the unemployed receive a much lower income. This has the effect of reducing the average personal income of Aboriginal people. Table 3 illustrates Saskatchewan personal income levels projected over the 50 year forecast period.

Figure 3 presents the average personal income levels for Aboriginal and Non-Aboriginal people in Saskatchewan and illustrates the increasing gap between the two groups. Over the 50 year period, Non-Aboriginal personal income is growing at an average annual real rate of 0.8% while Aboriginal personal income is declining by 0.1% (negative real growth).

The Saskatchewan Aboriginal Employment Gap

The Aboriginal employment gap is referred to as the number of new jobs required to bring the

FIGURE 4: Saskatchewan Aboriginal Employment Gap (1995–2045)

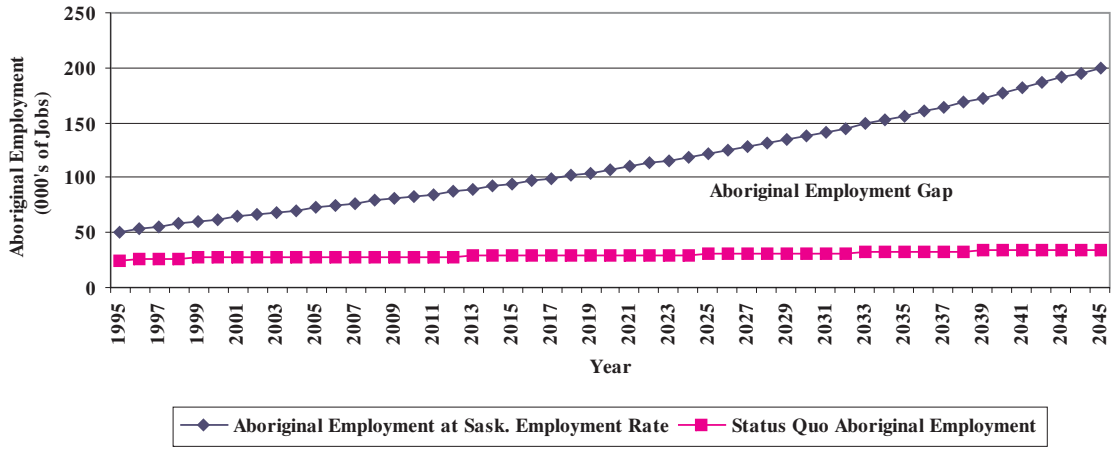


TABLE 4
Aboriginal Unemployment (000's) and Aboriginal Unemployment Rates (%)

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Aboriginal Labour Force Age Group	82	115	150	191	244	311
Sask. Participation Rate	66%	66%	66%	66%	6%	66%
Aboriginal Labour Force	54.1	76.0	99.3	126.4	161.5	205.9
Aboriginal Employment	25.1	27.7	28.7	30.1	2.3	34.9
Aboriginal Unemployment	29.0	48.3	70.7	96.3	129.2	171.0
Aboriginal Unemployment Rate	53.6%	63.5%	71.1%	76.2%	80.0%	83.0%

Source: Lendsay, Painter, and Howe (1997)

Aboriginal employment rate up to the average employment rate for the province. For example, the average employment rate for Saskatchewan in 1995 is 62%. That is calculated by dividing the total number of Saskatchewan jobs (460,000) by the total population in the labour force age group (747,000). The average employment rate for Aboriginal people in 1995 is 31%. That is calculated by dividing the number of Aboriginal jobs (25,100) by the population in the Aboriginal labour force age group (82,000). If the Aboriginal community had the same employment rate as the average for the province, there would be 82,000 x 62% = 50,840 Aboriginal jobs in total. Since there are only 25,100 Aboriginal jobs, the employment gap is 50,840 – 25,100 = 25,740 jobs. In 1995 it would take 25,740 Aboriginal jobs to close the Aboriginal employment gap.

Figure 4 illustrates the forecast Aboriginal employment gap over the next 50 years. While the average employment rate for Saskatchewan as a whole is expected to be between 62% and 64% over the forecast period, the Aboriginal employment rate is forecast to decline from 31% in 1995 to 11% in 2045. This results in an ever increasing Aboriginal employment gap.

Forecast Aboriginal Unemployment

The Aboriginal employment gap has been described in terms of employment rates. The employment gap can also be described in terms of unemployment rates for Aboriginal people over the 50 year forecast period. To calculate the Aboriginal unemployment rates, the average Saskatchewan participation rate has been applied to the Aboriginal labour force age group to

get the Aboriginal labour force. The unemployment rate is then calculated as the number of unemployed Aboriginal people divided by the Aboriginal labour force. The Aboriginal unemployment rate is presented in Table 4 and is estimated to be 53.6% in 1995, increasing to 83% by 2045.

The Saskatchewan Aboriginal Income Gap

The Aboriginal income gap is referred to as the extent to which average Aboriginal employment income is less than Saskatchewan average employment income. Average Saskatchewan employment income in 1995 is $21, 988 when averaged over all jobs, full-time and part-time. The average Aboriginal employment income, calculated in the same way, is $15,210. The Aboriginal income gap for 1995 is $21,988 – $15,210 = $6,778. Over the 50 year forecast period, Aboriginal employment income is expected to increase at the same rate as Non-Aboriginal employment income, therefore, the income gap grows at the real rate of employment income growth.

Using 1991 census data, full-time employment ratios were calculated for Aboriginal and Non-Aboriginal people in Saskatchewan. The full-time employment ratio is the number of full-time jobs divided by the total number of jobs. The full-time employment ratio for Aboriginal people was 33.2%, and for Non-Aboriginal people it was 52.8%. The income gap is a function of lower full-time employment ratios (relatively more part-time work which carries with it lower employment income) and lower rates of pay for Aboriginal people. For example, in 1991 the average Aboriginal full-time employment income was $24,685 while average Non-Aboriginal full-time employment income was $28,006. Average Aboriginal part-time employment income was $8,603 while average Non-Aboriginal part-time employment income was $12,150. Therefore, the Aboriginal income gap is caused by lower rates of pay for Aboriginal people as well as the lower Aboriginal full-time employment ratio.

The Saskatchewan Aboriginal Economic Gap

The Aboriginal economic gap refers to the additional economic activity and employment income that would be created if both the Aboriginal employment and income gaps were closed. Table 5 illustrates the calculation of the Aboriginal economic gap for Saskatchewan. The economic gap can be calculated in two steps. The first step is to calculate the dollar amount required to bring employed Aboriginal people up to the average employment income level in Saskatchewan. This is referred to in Table 5 as 'Economic Gap I'. The second step is to calculate the dollar amount required to bring the Aboriginal employment rate up to the average Saskatchewan employment rate, at the average Saskatchewan employment income level. This is referred to in Table 5 as 'Economic Gap II'. The Total Economic Gap is the sum of Economic Gap I and Economic Gap II.

The Aboriginal economic gap in Saskatchewan can be viewed as lost opportunity for the Aboriginal community, or Aboriginal employment income that could be gained if the employment and income gaps could be closed. The economic

TABLE 5
The Aboriginal Economic Gap for Saskatchewan

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Number of Aboriginal Jobs (000's)	25.1	27.7	28.7	0.1	32.3	34.9
Aboriginal Income Gap	6,788	7,512	7,783	8,233	8,864	9,640
Economic Gap I (m $)	170	208	223	248	286	336
Aboriginal Employment Gap (000's)	25.4	45.0	66.2	1.5	124.0	165.2
Average Saskatchewan Employment Income	21,988	24,368	25,248	26,709	28,754	31,271
Economic Gap II (m $)	558	1,097	1,672	2,444	3,566	5,166
Total Economic Gap (millions of $)	728	1,306	1,895	2,693	3,852	5,503

Source: Lendsay, Painter, and Howe (1997)

TABLE 6
The Aboriginal Economic Gap as a Proportion of Saskatchewan GDP

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Saskatchewan GDP (constant 1995 m $)	25,456	32,017	38,756	47,351	58,054	71,200
Aboriginal Economic Gap (millions of $)	728	1,306	1,895	2,693	3,852	5,503
Economic Gap as a Proportion of GDP	2.9%	4.1%	4.9%	5.7%	6.6%	7.7%

Source: Lendsay, Painter, and Howe (1997)

TABLE 7
The Aboriginal GDP Gap

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Saskatchewan GDP (constant 1995 m$)	25,456	32,017	38,756	47,351	58,054	71,200
Sask Employment (000's)	460.0	508.2	524.2	551.4	590.8	640.6
GDP/Employed Person	55.3	63.0	73.9	85.9	98.3	111.1
Aboriginal Employment Gap (000's)	25.4	45.0	66.2	91.5	124.01	65.2
Potential Increase in Canadian GDP (m$)	1,405	2,837	4,896	78591	2,185	18,361

Source: Lendsay, Painter, and Howe (1997)

gap of $728 million in 1995 is approximately 2.9% of total Saskatchewan GDP, a relatively small amount. However, given the forecast growing employment gap, the Aboriginal economic gap grows to $5.5 billion by 2045, or 7.7% of GDP at that time. Table 6 illustrates the economic gap over the forecast period, relative to total Saskatchewan GDP.

The Aboriginal GDP Gap

Table 7 presents the projected Saskatchewan GDP and the potential increase in Canadian GDP if the Aboriginal economic gap is closed. The potential increase in Canadian GDP (called the Aboriginal GDP Gap) is calculated by applying the average GDP per person employed to the Aboriginal employment gap. For example, in 1995 the Aboriginal employment gap is estimated to be 25,400 jobs. Also for 1995, the average Saskatchewan GDP per person employed is $55,339. The potential increase in Canadian GDP is estimated by multiplying the Aboriginal employment gap by the average GDP produced by an employed person. Therefore, the potential increase in Canadian GDP is 25,400 x $55,339 to arrive at $1,405 million.

Because the population of Saskatchewan can easily migrate, we cannot say how much of the potential increase in Canadian GDP would attribute to Saskatchewan. It is possible that closing the Aboriginal economic gap would mean that more Aboriginal people are employed in Saskatchewan and less Non-Aboriginal people, leaving total Saskatchewan employment and GDP unchanged from the forecast amounts. In that case, we would expect that Canadian GDP would increase, but it is not possible to say which area of Canada would be the beneficiary. However, it is also possible that in closing the Aboriginal economic gap, economic activity is created in Saskatchewan that would not otherwise have been present. For example, this would be true if the new economic activity is a result of Aboriginal culture, Aboriginal specific initiatives, or Aboriginal industries that would not otherwise have been created.

The Economic Cost of Aboriginal Unemployment

There are two important economic costs associated with Aboriginal unemployment. The first is

TABLE 8
The Costs of Social Assistance for Aboriginal People (Constant 1995 $)

Year	*1995*	*2005*	*2015*	*2025*	*2035*	*2045*
Aboriginal Labour Force Age Group (000's)	82	115	150	191	244	311
Aboriginal Employment	25.1	27.7	28.7	30.1	32.3	34.9
# of Aboriginal People Receiving Federal Assistance	12.4	19.0	26.4	34.9	46.0	60.0
# of Aboriginal People Receiving Provincial Assistance	17.3	26.6	36.9	48.9	64.4	84.0
Average Social Assistance/Person	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Total Fed Social Assistance to Aboriginal People (m$)	98.8	151.7	210.9	279.5	367.9	479.8
Total Provincial Social Assistance to Aboriginal People (m$)	138.4	212.4	295.3	391.5	515.2	672.0
Total Social Assistance to Aboriginal People (m$)	237.3	364.1	506.2	671.0	883.1	1,151.8
Sask Gov't Budget (m$)	5,200	5,901	6,589	7,503	8,657	10,068
Provincial Social Assistance (% of Sask Gov't Budget)	2.7%	3.6%	4.5%	5.2%	6.0%	6.7%
Total Social Assistance to Aboriginal People (% of Sask Gov't Budget)	4.7%	6.2%	7.7%	8.9%	10.2%	11.4%

Source: Lendsay, Painter, and Howe (1997)

the waste of human capital resources that could otherwise be employed to enhance Canadian and Saskatchewan GDP. This cost has been illustrated by presenting the employment, income, economic, and GDP gaps. The second economic cost associated with Aboriginal unemployment is the government cost of social assistance for those who do not have a job. As Aboriginal unemployment increases over the 50 year forecast period, the government cost of social assistance will also increase. Table 8 presents the projected number of people in the aboriginal labour force age group who are unemployed and the expected average real cost of social assistance. In Saskatchewan, the current social assistance received by a single person is $465 per month, or $5,580 per year. Individuals who are in families with children receive greater amounts, depending on the number of children. The amounts paid by the federal government for on-reserve Aboriginal people is similar to the provincial amounts.

To forecast the cost of social assistance (welfare only, not including employment insurance), current data on Aboriginal social assistance was received from both the Saskatchewan Department of Social Services and Indian and Northern Affairs Canada (INAC). For the Saskatchewan provincial government, there were (in March 1997) 17,304 Aboriginal adults receiving social assistance, at an average annual amount of $8,183. For INAC, there were 12,356 Aboriginal adults receiving assistance at an average annual amount of $7,928. This totals to 29,660 Aboriginal adults receiving social assistance, at a weighted average amount of $8,076 per year. As a proportion of the Aboriginal labour force age group, there were approximately 36% receiving social assistance from either Saskatchewan Social Services or INAC. As a proportion of unemployed Aboriginal people, there were approximately 52% receiving social assistance. For the forecast, we have estimated the average government assistance to be $8,000 per recipient for 1995, increasing each year at the expected rate of inflation (no real growth). We have also assumed that 52% of unemployed Aboriginal people will receive social assistance over the forecast period. Table 8 presents the projected costs of social assistance for Aboriginal people in Saskatchewan, over the 50 year forecast period.

Table 8 illustrates the increasing government social costs as Aboriginal unemployment increases over the 50 year forecast period. It shows the increasing real dollar cost of social assistance to the Federal and Provincial governments. It also shows the increasing social cost proportion of the Saskatchewan provincial budget. If the Saskatchewan provincial government continues to share the cost of Aboriginal social assistance with the federal government,

TABLE 9
Educational Attainment of the Employed Labour Force in Canada (thousands of people)

Educational Attainment	*1990*	*1996*	*Annual % Change*
Did Not Complete High School	3,377	2,658	–3.9%
Received High School Diploma	2,857	2,949	0.5%
Some Education After high School, Including Trade Certificates	6,338	8,069	4.1%
Total	12,572	13,676	1.4%

Source: Labour Force Annual Averages

TABLE 10
Educational Attainment of the Employed Labour Force in Saskatchewan (thousands of people)

Educational Attainment	*1990*	*1996*	*Annual % Change*
Did Not Complete High School	137	111	–3.4%
Received High School Diploma	111	110	–0.2%
Some Education After high School, including Trade Certificates	201	241	3.1%
Total	449	461	0.4%

Source: Labour Force Annual Averages

at the current federal/provincial proportions, by 2045 the proportion of the Saskatchewan budget going towards Aboriginal social assistance is forecast to be 6.7%, compared to the current 2.7%. If the Saskatchewan government takes total responsibility for Aboriginal social costs, the proportion of the budget going towards Aboriginal social assistance is forecast to increase to 11.4%.

The Aboriginal Education Gap

Part of the reason for the Aboriginal economic gap is the lower than average education level in the Aboriginal community. An educated workforce is important for future employment in Canada and Saskatchewan. Table 9 shows the educational attainment of Canadian employees and the change in those levels of attainment thus far in the 1990's. Note that employment of people who do not complete high school has fallen by 3.9% per year. The primary reason for this change is the increasing skill, knowledge and training requirements demanded in the labour force. Employment of people who have some education beyond high school has increased 4.1% per year. Employment of people whose highest level of educational attainment is a high school diploma increased, but only moderately. In fact (although the table does not include unemployment rates) during the period 1990–1996, the unemployment rate for people with only a high school diploma went from being significantly less than the Canadian average unemployment rate to being somewhat higher.

Table 10 shows that the educational requirements of employment in Saskatchewan are similar to that of the whole of Canada. Employment of people with less than a high school education decreased by a large amount, 3.4% per year. But employment of people with some education after high school increased by 3.1% per year. Employment prospects for people with a high school diploma decreased moderately.

Tables 9 and 10 show that education is required in order to obtain a job in Saskatchewan or elsewhere in Canada. Moreover, even if an individual with a lower education level manages to obtain a job, their rate of pay will be less. That is a problem for Aboriginal people because there exists an education gap between the average levels of education for Aboriginal and Non-Aboriginal people, as shown in Table 11.

TABLE 11
The Aboriginal Education Gap in 1991 (population % age 15 and over)

Educational Attainment	*Aboriginal*	*Non-Aboriginal*	*Education Gap*
Did Not Complete High School	60.4%	44.5%	15.9%
Received High School Diploma	6.6%	11.5%	–4.9%
Some Education After high School, including Trade Certificates	41.7%	55.3%	–13.6%

Source: Aboriginal Peoples Survey (percentages do not add to 100% due to overlap)

In the Aboriginal community, 60.4% of the population 15 and over have not completed high school; people who haven't completed high school have difficulty finding jobs and are paid at a lower rate if they are employed. Less than half of Aboriginal people 15 and over have any education after high school; people with some education after high school have a much better chance of finding a job and are paid at a higher rate when they are employed. The problem of the Aboriginal education gap is compounded by the fact that the Aboriginal population is growing at a significant rate. Consequently, enrollments in educational programs must increase at a rate to match the emerging population rate and an additional increase is required to close the education gap.

The Economic and Social Implications of the Forecast Aboriginal Economic Gap

The forecast provides a bleak picture of the economic and social future of Saskatchewan. The forecast is predicated on a scenario where the growth in the Aboriginal economic and education gaps is unabated. The most obvious economic consequence is the loss of economic potential and GDP due to the waste of human capital resources, which is illustrated by the high and growing Aboriginal unemployment rate. The potential increase in economic activity that could be derived from closing the Aboriginal economic gap is very significant for Saskatchewan's economy. While the whole province would benefit economically from closing the Aboriginal economic gap, the largest beneficiaries would be Aboriginal people and Aboriginal communities, as more Aboriginal people were employed and average Aboriginal personal income increased.

Another important economic consequence is that the cost of government social assistance will increase significantly if the Aboriginal economic gap is allowed to grow. Since the Saskatchewan and Federal governments are responsible for funding welfare, either Saskatchewan taxes will increase significantly or the increase in welfare spending will displace funding of other government programs, such as health care or education. In either case, Non-Aboriginal people, governments, and the business community will be affected. If the growing Aboriginal population experiences an increasing unemployment rate, the burden on the wealth producing sectors of the Saskatchewan economy will become greater and greater, which could cause a serious out-migration of taxpayers if Saskatchewan's tax rates increase significantly, relative to tax rates in other jurisdictions. The Saskatchewan business community could face increased provincial taxes and severe shortages of skilled labour and management, which could lead to out-migration of important job-producing companies.

The social implications of the growing Aboriginal economic gap are no less serious than the economic implications. The most striking social consequence of a growing Aboriginal economic gap is the abject poverty within Aboriginal communities. The forecast illustrates that average personal income of Aboriginal people is $11,481 in 1995, compared to $20,396 for Non-Aboriginal people, which indicates that average Aboriginal personal income is only 56% of Non-Aboriginal personal income. Given that this is a serious problem today, the forecast illustrates that it could get much worse in the future. The forecast average Aboriginal personal income for 2045 is only $11,158 compared to $30,801 for Non-Aboriginal people. At that point average Aboriginal personal income is only 36% of Non-

Aboriginal personal income. Forecast average Aboriginal personal income does not increase but rather decreases over the 50 year period, implying that the poverty situation in Aboriginal communities would be even worse than it is today, if the gaps are not addressed.

Confounding the economic gap and growing poverty situation is the Aboriginal education gap. It is clear that increasingly higher education levels are required to attain employment. If Aboriginal people have consistently lower levels of education, then they will continue to bear the brunt of the unemployment in Saskatchewan and Canada. Unemployment leads to welfare dependency and, over time, can lead to a welfare mentality or what is often referred to as the 'welfare trap'. People may tend to give up trying to become employed after years of not being able to get a job. Children who are raised in such an environment may come to believe that welfare dependency is simply a fact of life and that education is not important or necessary. So the dual problem is that with inadequate education, Aboriginal people will be unemployed, but if they are unemployed, there is a greater chance that Aboriginal education levels will continue to be lower than average. Therefore, Aboriginal unemployment and Aboriginal education must jointly be considered in any strategy designed to decrease and eliminate the economic gap.

Managing the Aboriginal Economic Gap

Developing initiatives to close the Aboriginal economic gap is the responsibility of all Saskatchewan people and organizations. It is the Aboriginal people and Aboriginal communities who have the most to gain or the most to lose. If nothing is done to change the current trend of increasing Aboriginal unemployment, Aboriginal people will suffer the most. Therefore, Aboriginal organizations, governments, and leaders should be at the forefront in developing strategies and programs to manage and eventually eliminate the economic gap. It is absolutely crucial that Aboriginal individuals, families, and communities become involved in this process. Aboriginal people must be committed to solving the unemployment problem. If they are not, strategies, programs, and initiatives will fail. Ultimately, it must be Aboriginal individuals, families, and communities who will close the economic gap, but they need assistance in doing so. That is where other stakeholders have a role to play.

The role of Aboriginal governments and leaders is to develop strategies and initiatives that will help Aboriginal people to increase their education levels, create economic activity through Aboriginal economic development, and attain jobs. In assisting with education, Aboriginal orga-

TABLE 12
Aboriginal Post-Secondary Enrollment in Saskatchewan (1996)

First Nations Institutions	*Enrollment*
Saskatchewan Indian Institute of Technology	809
Saskatchewan Indian Federated College	1,542
Teacher Education: ITEP, NORTEP	504
Metis Institutions	
Gabriel Dumont Institute	120
Dumont Technical Institute	136
Teacher Education: SUNTEP	144
Non-Aboriginal Institutions	
Saskatchewan Indian Institute of Applied Technology	2,321
University of Saskatchewan (All Colleges except Education)	651
College of Education	1,611
Total Number Enrolled	**7,838**

Source: Lendsay, Painter, and Howe (1997)

nizations have made significant gains in recent years through increasing enrollment in Aboriginal post-secondary programs. Table 12 provides a sample of Aboriginal post-secondary enrollment figures for 1996. There are other Aboriginal students enrolled in other non-native institutions and native programs that were not included in this sample.

Aboriginal communities also need to increase the number of students who complete high school. One improvement in this area is the increasing number of Aboriginal teachers in Aboriginal communities and schools. In addition to having more Aboriginal teachers, Aboriginal leaders, parents, and community organizations need to continuously stress the value of education to Aboriginal children. The formula for success and an essential component of any strategy aimed at closing the economic gap is education, education, education. Aboriginal governments, along with federal and provincial governments, must ensure that the proper educational infrastructure is in place so that there are no barriers to completing high school and moving on to post-secondary training. The final responsibility for ensuring that young Aboriginal people become educated rests with parents and the communities, who must provide on-going encouragement for achieving higher educational levels and the community respect and recognition to individuals when those levels are achieved.

Besides education, the other important area that must be considered is Aboriginal economic development, which will create jobs for Aboriginal people. Once again, there is a role for the federal, provincial, and Aboriginal governments in facilitating economic development initiatives and job creation. Ultimately, it must be Aboriginal people, in conjunction with the Saskatchewan business community, who will sustain any economic development initiatives. Governments can and should facilitate job creation but they cannot solve the unemployment problem by simply hiring people because that is not economically sustainable. Governments can best facilitate Aboriginal economic development and job creation by ensuring a good educational infrastructure, providing assistance with market research and development, feasibility analysis, and business planning, and providing assistance in obtaining financing. All of these can be part of an Aboriginal economic and business development strategy that involves, and is possibly led by, governments.

The objective of an Aboriginal business development strategy is to create jobs for Aboriginal people by providing a path for individuals and communities to invest their time, human capital, and financial capital into successful business ventures. The economic forecast indicates that over the next 50 years, there is expected to be increasing employment in construction, mining, public administration, services, and wholesale and retail trade. There is expected to be decreasing employment in agriculture, where agriculture is defined as grain and livestock production. The economic forecast indicates that by 2045, 44% of all Saskatchewan jobs will be in the service sector, with the second largest employer being the wholesale and retail trade industry. Aboriginal communities should consider targeting these two industries and plan to have Aboriginal businesses provide services and retail products in their own communities, at a minimum. If Aboriginal businesses have a competitive advantage in Aboriginal communities, then, because of the growing Aboriginal population, supplying Aboriginal people in the services and retail industries should experience significant growth as well. A reasonable target and expectation is to have Aboriginal businesses provide services and retail products to Aboriginal people in Aboriginal communities. This is no different than expecting that Aboriginal teachers will provide education in schools located in Aboriginal communities.

Capabilities and competitive advantage should be used for long term community business planning. Capabilities refers to the human capital available to the community or region. The human capital development plan is critical for business development. Every business and industry requires certain skills and knowledge, which means that the education and training programs must be linked to the business development strategy. The long term community plan should show education and training integrated with business and economic development. Economic development cannot occur without human capital development. Capabilities must be developed through education and training before economic development can occur. Each community should take an assessment of their human capital inventory, which is an assessment of their capabilities, before they begin to plan the business development.

Each Aboriginal community should also assess the areas in which they feel they have a

competitive advantage. For example, ownership of natural resources provides a competitive advantage when it comes to mining, forestry, and processing. A construction company located in the community should have a competitive advantage when it comes to building homes, since its operating costs should be lower than construction firms outside the community. Retail firms in the community should have a competitive advantage because they are closer to their customers. A community may have a competitive advantage in tourism if the community is located near forests, lakes, rivers, or other natural sites that attract tourists. A community may have a competitive advantage if it has a strong historic, cultural or social component. And, a community may have a competitive advantage in a labour intensive business, if it has a good supply of skilled workers who are able to provide their skills to a business at a reasonable unit labour cost. Each Aboriginal community should consider where its competitive advantages exist and develop their long term business development strategies around those advantages. The communities should also be aware of those initiatives and businesses in which they do not have a competitive advantage. Those business initiatives should not be pursued.

The base for a community or regional Aboriginal business development strategy should be the capabilities assessment and the competitive advantage assessment. The plan should include business development over time, as well as capability development (education and training) to match the business development. The capabilities and business development should be integrated in the overall economic and business development plan.

Conclusion

The growing Aboriginal economic gap in Saskatchewan is a serious problem. By the end of the 50 year forecast, only eleven percent of the Aboriginal labour force age group is employed assuming socio-economic conditions remained unchanged. The economic impact of this is devastating for Aboriginal people and the Province of Saskatchewan.

Positive changes have been implemented in Saskatchewan. The focus on education and training has resulted in more students completing grade twelve and more students entering post-secondary education and training programs. Partnerships between educational institutions and the private sector can help to address the education gap.[3] Focusing and concentrating on the positive strategies and initiatives must continue in order to slow and reverse the growing economic gap.

We have concluded that Aboriginal education and economic development strategies must be continued (those that are in existence) and developed in order to manage and eventually close the economic gap. For Aboriginal communities to close the economic gap, Aboriginal people have to be competitive with the rest of the world in human capital. Increasing the level of Aboriginal human capital will assist business and government in creating economic activity. Both Aboriginal and Non-Aboriginal companies can assist in decreasing the Aboriginal economic gap by recognizing Aboriginal human capital in their business planning.

NOTES

1. Aboriginal People includes the Inuit, First Nations and Metis peoples of Canada as defined by Section 35(2) of the Constitution Act 1982.
2. The methodology of empirical macroeconomic model building is discussed at length in Almon (1989), Fair (1984 and 1994), and Treyez (1993). There is an annotated list of macroeconomic models in Uebe and Fischer (1992). PREMOS is described at length in Howe (1995).
3. For example, the Saskatchewan Indian Federated College and the College of Commerce at the University of Saskatchewan have an MBA Program that provide students with the opportunity to concentrate on Aboriginal issues. The Scotiabank provided funding to the College of Commerce to establish "The Director of Aboriginal Business Programs-Scotiabank Directorship"; a position dedicated to further the development of Aboriginal business education.

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Capitalism and the Dis-empowerment of Canadian Aboriginal Peoples

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Michelle Mann

Introduction

It is generally acknowledged that European colonialists sought to establish new colonies in North America, from approximately 1500 onwards, for the purposes of trade, expansion and settlement. However, the role of capitalism as a driving force behind the dis-empowerment of Aboriginal peoples both past and present, is not generally acknowledged. In Canada, both on a general level and in particular cases, we can see how the needs of capital direct the interaction between Aboriginal peoples and the state.

Historical Background

The initial period of European contact in Canada ranges in time from approximately 1500 AD to the early 1800s and is the period of the first treaties between the British Crown and Aboriginal nations. When British colonialists first made contact in Canada, they encountered "organized" Aboriginal communities, with their own forms of governance and economic systems. Contact during this period was generally marked by a spirit of co-operation between the two nations, and respect for each other's sovereignty.[1] The reasons for the colonialists initial co-operation and respect for the sovereignty of Aboriginal peoples were practical, rather than theoretical. As noted in the Report of the Royal Commission on Aboriginal Peoples (RCAP): "Relations were established in a context in which Aboriginal peoples initially had the upper hand in population and in terms of their knowledge of the land and how to survive in it".[2]

Initially, Aboriginal peoples were also partners in the colonialists' economic endeavours, trading fish, furs and material goods, and reaping trade benefits from pursuing their traditional way of life: hunting, fishing, trapping, trading, canoeing, and transportation.[3] Yet another reason behind this early spirit of co-operation was the colonialists' need for Aboriginal nations as military allies both against each other, and against the United States. At this stage of the colonial / Aboriginal nations relationship, the support or neutrality of an Aboriginal nation could only be gained by diplomacy rather than force.[4] Thus, despite the imperial ambitions of the Europeans, the early stages of this political relationship between European and Aboriginal nations were significant for the fact that European powers recognized Aboriginal peoples as autonomous political nations, capable of governing themselves and of entering into relationships with others.

However, towards the end of this period, there was the beginning of a shift in how the

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Michelle Mann, LL.B., independent consultant, is currently working for IDASA (Institute for a Democratic Alternative for South Africa) in Cape Town, South Africa.

colonial powers viewed the Aboriginal nations with whom they were dealing. Government policy reflected an increasing trend towards assimilation, dis-empowerment and enfranchisement of Aboriginal peoples from approximately the mid 1700s through to 1970. By 1876, the first *Indian Act*[5] had been enacted as had various other legislative instruments of enfranchisement and assimilation. This is also the time period in which Aboriginal peoples were increasingly confined to life on reserves, in order to free up their traditional lands for colonial development.

How did this change in colonial attitude come about, and what purpose did it serve? It is not surprising to find that legislation pertaining to Aboriginal peoples throughout the period of 1500 to 1970 indicates that an overwhelming concern of the colonialists was land, and much less so the autonomy or well being of Aboriginal peoples. By the end of the eighteenth century, several factors had evolved which cleared the way for the colonialists to act on their ambitions. By the late 1700s, Aboriginal populations had drastically declined as a result of imported diseases, while the colonial population was continually increasing due to immigration from both the colonial countries, as well as a rapid influx of loyalists after the American Revolution.[6] These new immigrants pursued agriculture and the export of timber, particularly in the Maritimes, leading to incursions on the Aboriginal land base.[7]

In other areas of Canada, such as Upper Canada, the immigrants' need for land led to the Crown negotiating treaties for the purchase of Aboriginal lands, which the state then made available for purchase by the immigrants.[8] Further, the end of the War of 1812 and the normalization of relations between the United States and Great Britain meant that the colonialists no longer needed the Aboriginal nations as military allies.[9] Finally, the colonial economic base had shifted, as the fur trade declined, and immigrants increasingly desired both land with which to undertake agricultural pursuits, and access to natural resources in order to meet their own needs and that of markets elsewhere.[10]

In fact, not only had the colonial economic base shifted but during the period of the late 1700s up to approximately the mid 1800s, the economic system of England had undergone revolutionary change. The concurrent development of industrialization and *laissez faire* economics in England had parented a new form of capitalism.[11] Prior to the late 1700s, England's capitalism had been held somewhat in check by mercantilism, an economic philosophy which allowed the state extensive powers in regulating and controlling the economic life of the nation.[12]

Towards the end of the eighteenth century, mercantilism came increasingly under attack, as critics decried the role of government in regulating economic life.[13] Adam Smith, the preeminent critic of the time, argued that the government's primary function was to maintain competitive conditions, for only under such a government would the unrestricted self-interest of the individual operate for the public good.[14] The industrial revolution in Britain, combined with *laissez faire* economic theory, gradually forged a new model of capitalism in which free enterprise reigned and capitalists experienced relative freedom from government control. By the mid 1800s, the incentive for private enterprise was no longer encumbered by the state.

It was against this historical background that the way of life of the Aboriginal and non-Aboriginal cultures increasingly became incompatible, as the colonialists resolved that the Aboriginal way and claims to the land, would not interfere with their progress. As stated in the RCAP report, "... Aboriginal people came to be regarded as impediments to productive development".[15] The question then, of how the Aboriginal-colonial relationship went from an initial spirit of "contact and co-operation" to one of dis-empowerment and assimilation, involves a closer examination of the goals of capitalism and their centrality to the colonial effort.

Goals of Capitalism

Capitalism must, by its very nature, expand, seeking new markets and labour forces, in order to keep generating profit and new capital. This need for new markets and the expansion of trade fueled colonialism, as European powers sought to continue their economic growth abroad. As noted by Michael Parenti, "What is unique about capitalism is its perpetual dynamic of capital accumulation and expansion — and the dominant role this process plays in the economic order.[16] In order to generate revenue out of the new territory, colonialists required land on which to base their expansion. As noted by Adam Smith, the success and affluence of a new colony is dependent upon one economic factor, the availability of "plenty of good land".[17] Land in

Canada in the 1840s was described as "no lottery, with a few exorbitant prizes and a large number of blanks, but a secure and certain investment."[18] However, not only was it necessary that land be available for use, but also that it be owned and controlled in order to satisfy the needs of capitalists.

Economic power under capitalism can be defined as the "control, authority or influence over others which arises from the ownership of property".[19] Indeed, the right of ownership in productive assets is one of the three basic institutions of capitalism.[20] "Private property is a person's socially enforceable claim to use, or to exclude others from the use of, or to receive the benefits of, certain rights".[21] Thus, not only did capitalism necessitate that land be available for the colonialists, but also that it be subject to private ownership. Under capitalism, inequality in economic power is equivalent to inequality in political power. Even more simply put, domination over things equals domination over people.

The state in capitalist society has as its principal task the legitimation and enforcement of property rights.[22] Those with capital created the capitalist state to guard the rights capital has appropriated, and to protect those rights from the antagonisms of society at large.[23] Historically, one can see how capital controlled the state via the institution of property qualifications for the right to vote, and the right to hold office.[24] Focusing on the concept of property ownership as the power to exclude others, reduces the concept of property to one referring to relationships rather than things. Property rights then, like human rights, become rights of an individual *vis a vis* other individuals.[25]

These ideological dimensions of capitalism were in direct conflict with the belief systems of the Aboriginal peoples the colonialists encountered. Private property concepts and their accompanying power imbalance have fostered an individualist interpretation of collective interests in capitalist society. Shared rights and obligations are of marginal importance, and exploiters of the community are supported by the state.[26] In contrast, Aboriginal peoples traditionally functioned as a collective, governed by the interests and survival of the group. Private property and the exclusive ownership of land or resources were not part of the Aboriginal way of life. This interconnectedness of all things has been well documented:

> Aboriginal cultures are non-Anglo-European. We do not embrace a rigid separation of the religious or spiritual and the political. We have extended kinship networks. Our relations are premised on sets of responsibilities (instead of rights) among individuals, the people collectively and toward land.[27]

Thus, in addition to capitalism requiring that the land itself be subjected to private ownership, there was a corresponding theoretical imperative of overriding the communal way of life of Aboriginal peoples. In furtherance of private property, capitalism requires the subsumption of all earlier property forms. The capitalist state is constantly engaged in the process of creating private property for capitalists out of communal property. This is achieved by creating conditions whereby capital can realize itself by overcoming barriers imposed by alternative systems of production.[28] This involves the transformation of "the social means of subsistence and of production into capital".[29] In addition to its role as supplier of land, the new colony also had a role to play in increasing trade for its home country. "Foreign countries in North and South America, which accounted for one-thirteenth of the total British export trade in 1821, took more than one-seventh in 1831; the exports trebled in value during these years.[30]

First Nations' Case Studies

It is within the context of the land and resource rights of First Nation peoples, including hunting, fishing, and harvesting, that we can see more clearly the state role as legitimator and enforcer of private property rights, both past and present. In this context, there emerges a continuing pattern of state interference in transferring common property into state property, and finally, into private property. Since the early stages of colonialism in Canada, the state has engaged in the process of alienating land from Aboriginal peoples as a collective group, transferring land to state control. The state then created private property out of this land, transferring much of it to corporations such as the Hudson's Bay Company, and the Canadian Pacific Railway.[31] This exemplifies the pattern of property transfer; from common to state to private.

Perhaps nothing so blatantly emphasizes this state role as section 25 of *The Indian Act*, *1876* (and its precursor, the *Royal Proclamation, 1763)*

which required, by law, that any Aboriginal surrender of reserve land must be in the name of the Crown.[32] Subsequent to the surrender, the Crown could then act to transform the surrendered land into private property. While the government purpose behind this section was said to be the protection of Aboriginal peoples from unscrupulous colonialists, the state role in the transfer of property from communal to state to private is clearly evident. Further, this provision remains in the current *Indian Act*.[33]

Not long after this legislation was enacted, a case came before the Privy Council of Britain which highlighted the state role as protector of the interests of capital. At issue in the case of *St. Catherine's Milling and Lumber Co. v. R.* (1888), was whether certain Aboriginal lands which had been surrendered belonged to the province or the Dominion of Canada. The St. Catherine's Milling Company had received a cutting permit from the federal government for the land in which the province claimed to hold beneficial interest. In 1873, the federal government had entered into a treaty with the Saulteaux Ojibway which provided that the First Nation surrendered their right and title to certain land in exchange for specific considerations. One very important treaty provision was that:

> ... subject to such regulations as may be made by the Dominion Government, the Indians are to have the right to pursue their avocations of hunting and fishing throughout the surrendered territory, with the exception of those portions of it which may, from time to time, be required or taken up for settlement, mining, lumbering or other purposes.[34]

Thus, while the First Nation surrendered their title to the land, they were to retain the right to hunt and fish in their traditional territory. However, the limitation placed on this right which excepted areas taken up for mining and lumbering proved problematic for the First Nation. While the First Nation may have meant to preserve some semblance of their traditional way of life in the form of maintaining hunting and fishing rights, it is evident that the government retained control over this right, rendering it a "qualified privilege", dependent on the "goodwill" of the Crown.[35] Given the discretion of the Crown, the First Nation had little protection when the lumbering company sought and received a permit from the government to cut away one million feet of lumber from the land.[36]

This early case, essentially a battle between the federal and provincial Crown as to who had the jurisdiction to award the lumber licence, does not consider the damaging effect that the cutting away of one million feet of lumber would have on the area wildlife and on the treaty right to hunt. While the federal licence at issue was held to be invalid, and had to be reissued by the province, the rights to the lumber ended up in the control of a private company, without consideration of the First Nation's hunting and fishing rights.

This case illustrates the pattern of the transfer of property rights from communal to state, to private. While the title to the land remained with the Crown, the permit given to the private company effectively overrode the First Nation's communal interests in the property. Further, the provision in the treaty which excepted areas of land required or taken up for settlement, mining, lumbering or other purposes from the First Nation's hunting and fishing rights, meant that the licence given to the lumbering company was to the exclusion of the rights of the First Nation. Thus, the lumbering company had a right both to use, and to exclude others from the use of, certain rights relating to the land.

Further, capitalism as a system was served by further reducing or eliminating the extent of the First Nations rights to hunt and fish and thereby engage in alternative systems of production. Through the transfer of this land from the First Nation to the state, and the issuance of a licence to private business, the Aboriginal means of subsistence and of production was effectively transformed into capital.

Similarly, in British Columbia, where much of the land and resources are subject to comprehensive claims based on Aboriginal title, the First Nations have found themselves battling state supported private corporations for the preservation of their rights. Many of the Aboriginal claims to land and resources are subject to a lengthy treaty making process engaged in with both the federal government and the province since 1993. With this process underway, BC Indian Chiefs issued a demand to the government that development be halted on lands subject to a claim for Aboriginal title.

This request was denied by the Aboriginal Affairs Minister for British Columbia as "irresponsible" because it would send the wrong signals to investors and "could harm investment or job creation in B.C.".[37] Further, the Minister

stated that "We intend to carry on with our responsibility, which is to keep the economy vibrant and healthy".[38] As a result, the First Nations lost their bid to have the province stop issuing Crown logging and other resource permits until the implications of the Supreme Court of Canada decision in *Delgamuukw* could be ascertained.[39]

More specifically, the Haida of B.C. went to court in an attempt to protect their lands and resources from a private logging company, MacMillan Bloedel, given exclusive rights to cut on Crown lands. The Haida claim Aboriginal title to a large area of British Columbia, much of which was subject to a provincial tree farm licence issued to Macmillan Bloedel. Once the original 25 year licence expired the government renewed it in both 1981 and 1995. The Haida went to court by way of judicial review seeking to set aside the decisions of the Minister of Forests to replace the licence in 1981 and 1995.[40]

The case centred around the question of whether or not Aboriginal title and rights constituted an encumbrance within the meaning of the B.C. *Forest Act*, thereby preventing the Minister from issuing the licence. The Court concluded that the Aboriginal title and rights did indeed constitute an encumbrance, and allowed the Haida's appeal, thereby preventing the province from giving logging companies exclusive rights to Crown land where Aboriginal rights and title had been established.

However, the Haida desire to end MacMillan Bloedel's licence to log on about 190,000 hectares of their claimed homeland altogether. As stated by the lawyer for the Haida: "What's at stake ultimately is the Haida culture, ... the continuing right of Haida people to access our forests to keep our culture alive".[41] She further noted that the exclusive nature of the provincial licensing system is at odds with Aboriginal title, creating the prospect for "fundamental change".[42] It is important to note that while this case was a victory for the Haida, it was determined on the hypothesis that the Aboriginal title and rights claim of the Haida had been established. The question was determined by the court on the assumption that the Haida had title and other Aboriginal rights over the area in question, including the land, water, flora, fauna and resources.[43] This reaffirms that the government and the courts are not willing to protect areas subject to a claim for Aboriginal title or rights pending their determination.

In Vancouver, the Saulteau First Nation commenced an action for judicial review against decisions of the Ministry of Energy and Mines and the Ministry of Forests concerning permits that had been issued to the gas conglomerate Amoco Canada. The Saulteau, a small Treaty 8 Band from Northeast B.C., opposed the issuance of permits to Amoco for the development of an exploratory gas well by Energy and Mines, and for cutting timber by the Ministry of Forests, on land subject to Aboriginal treaty rights and title.[44] Against the protests of this First Nation, Amoco had begun exploratory drilling in a watershed area for which the First Nation had been seeking legislated protection for several years.[45] The corporation expects to find a "world class" deposit of deadly but very valuable sour gas.[46] If successful in this endeavour, the corporation plans to establish more exploratory and development wells, along with pipelines and processing plants.

The goal of the Saulteau in this court action was to have the two Ministerial decisions set aside and for orders requiring the respondent Ministries to consult further with them before any new decision was made regarding Amoco's application to develop an exploratory well and for the necessary cutting permits to provide access to that wellsite. While there had been extensive consultations between this and other concerned First Nations, and the Ministries and Amoco, the Saulteau felt these consultations were inadequate and continued to oppose the development of an area accepted by the court to be a spiritual site for the First Nations.[47] The court found that while the Saulteau First Nation "are adamant in their opposition to this project, they have been afforded the fulfilment of the duty upon the Crown to be consulted."[48] The First Nation's petition was consequently dismissed.

Accordingly, the Chief of the Saulteau First Nation questioned:

> ... how can Glen Clark [Premier of B.C.] say he's respecting and looking after out Treaty and Aboriginal rights and interests when he stands to gain hundreds of millions in royalty revenues if Amco is successful. I'd say he's in a clear conflict of interest![49] (emphasis added)

Further he added:

> They've completely missed the point ... we're trying to protect the water, wildlife and pristine ecosystem which still exists

> there–it's where our Elders prophesied a hundred years ago, we must depend upon the future for our basic sustenance — that's something money just can't buy.[50]

The comments of this Chief accurately reflect the conflicted role of the state as the guardian of Aboriginal and treaty rights, and the promoter and protector of capitalism.

And while the state has "missed the point" on the values and way of life of this First Nation, it only too well recognizes the point of capitalism: to maximize profit, while simultaneously overriding alternative systems. In fact, the B.C. government has openly acknowledged that a motivating factor behind their negotiation of treaties in British Columbia is the creation of a stable climate for economic development.[51]

Across the country, in Quebec, the Grand Council of the Crees of Eeyou Istchee undertook an action in the Quebec Superior Court in July 1998, to prevent the destructive forest management practices in that area, and challenge the state support of this exploitation.[52] The Grand Council is also seeking a court order requiring the Quebec government to abide by the terms of the James Bay and Northern Quebec Agreement and to respect its own *Forestry Act*. Their position is that from the signing of this agreement onwards, the Quebec government has not respected its commitment to the Cree people to ensure that forestry development is conducted in such a way as to protect Cree rights.[53] The 1975 agreement promises:

- A procedure whereby environmental and social laws and regulations and land use regulations may from time to time be adopted if necessary to minimize the negative impact of development in or affecting the Territory upon the Native people and the wildlife resources of the Territory;
- The protection of native people, societies, communities, economics, with respect to developmental activity affecting the Territory;
- The protection of wildlife resources, physical and biotic environment, and ecological systems in the Territory with respect to developmental activity affecting the Territory.[54]

The Crees contend that the terms of this modern day treaty are not being fulfilled, and are in fact being ignored by Quebec in the implementation of policies, laws and regulations determining how forestry operations may be undertaken.[55]

As a result of this neglect the Crees contend that the Quebec forestry industry is mining out Eeyou Istchee, clear cutting forest habitat, and rapidly depleting Cree hunting territory. While under the treaty, development must incorporate the commitment of government to protect the Cree traditional way of life and the environment, this has not occurred. Cutting is taking place in the absence of land-use planning, and without consultation with the affected Cree communities. The result is that "An age old system of land management and social organization is being destroyed".[56] As the Grand Chief of the Grand Council of Crees, Matthew CoonCome stated:

> *It is intolerable that the solemn promises of Quebec to the Crees be left up to industry to determine.* The Agreement of 1975 calls for laws and regulations in this situation and Quebec has failed to put into place the required protections. This attack on our rights has been systematic, and long-term and has survived successive governments in the Province.[57] (emphasis added)

The Crees are asking that the court prohibit the defendant Corporations from carrying out forestry practices that violate Cree international, Aboriginal, and treaty rights throughout the Eeyou Istchee. They are also seeking an order requiring all forestry operations in the area to undergo federal and provincial impact assessment. Finally, they seek damages for breaches by Canada and Quebec of their Constitutional, Treaty and other duties.[58]

Again, this case illustrates the state role in furthering the goals of private capital. Despite having entered into a modern day treaty in 1975 with the Crees, the state continues to support private capital even where that necessitates breaching treaty and Aboriginal rights. The Grand Chief highlights the fact that the government's obligations towards Aboriginal peoples are often effectively, if not formally, left to the determinations of private industry. As well, this case evidences the role of the state in supporting the success and profitability of capital, particularly where the sacrifice is "an age old system of land management and social organization". The Cree way of life, and its alternative systems face absorption, driven by the needs of capital to continue growing and expanding whatever the human or environmental cost.

Further east, there is increasing conflict in New Brunswick as First Nations communities

declare their rights to harvest trees on Crown land. The Maliseet and Mi'ikmaq First Nations contend that their 18th century treaties with the Crown prove that the Crown lands of New Brunswick were never ceded or surrendered and are still Aboriginal lands.[59] In the words of one First Nations logger, "the land belongs to the native people and we have the right to harvest the natural resources".[60] This issue came to the forefront when a Mi'ikmaq was charged with unlawfully cutting bird's eye maple, under section 67 of the *Crown Lands and Forests Act*.[61] The accused was originally acquitted at trial and on appeal by the Crown, with the appeal judge finding that the First Nations had land and treaty rights which included the right to harvest trees on Crown lands.[62]

Briefly, the facts of the case are that the accused had cut three logs of very valuable Bird's eye maple on Crown land with no authority from the Minister. The land where the logs were cut was licensed to Stone Consolidated Inc.[63] The Crown appealed the judge's decision to the New Brunswick Court of Appeal, which reversed the previous courts, concluding that on the evidence provided, the defence had established neither a treaty right nor an Aboriginal right to commercial harvesting.[64] Leave to appeal this decision to the Supreme Court of Canada was subsequently denied.[65]

While the legal issues in this case concern the relevant treaty provisions and the question of the existence of an Aboriginal right to commercial harvesting, it is interesting to consider the parties involved and the interests at stake. In this case, Mr. Paul cut three logs on Crown land that was licensed to a major timber company. It is clear that it is the interest of this company and other logging companies to have a monopoly on tree harvesting in the area as this maximizes their profit. The restriction of an Aboriginal right to harvest commercially is clearly not in the interests of the impoverished Aboriginal communities. Nor does it appear to be in the interests of the community in general as there is no mention of any environmental or conservation concerns in the various judgments.

However, as discussed above, it is the role of the state to protect the interests of capital in order to perpetuate the system. The charging and trial of this First Nations person for cutting three logs on an area licenced to a major corporation brings to mind a quote from Adam Smith:

> When some have great wealth and others nothing, it is necessary that the arm of authority should be continually stretched forth.... Laws and governments may be considered in this and in every case as a combination of the rich to oppress the poor and preserve to themselves the inequality of the goods.[66]

It is also noteworthy that at the Court of Appeal level, several lumber companies were granted intervener status in the case.[67] What possible interest could these corporations have in Aboriginal and treaty rights, other than that of protecting their profit margin?

In response to a recent report generated by the New Brunswick government on this issue, one Aboriginal owner of a logging company commented:

> What I wanted to see in this report was more willingness to share the resource.... They should have recommended that some of the big companies drop a portion of their annual allowable cut, maybe 10 per cent apiece. There should have been some compromise.[68]

It comes as no surprise that most of New Brunswick's six million hectares of forest land is owned by or reserved for big forestry companies.[69] The Aboriginal peoples who lived in New Brunswick long before European settlers made contact, have not only been deprived of their rights to the land itself, but also to its produce. These peoples who now live in a state of high unemployment and poverty, are being denied even the most basic Aboriginal rights to natural resources over which they once had free reign. Even absent a detailed discussion of Aboriginal and treaty rights, it is clear whose interests are being protected in this case. It is not the interests of the environment, and it is most definitely not the interests of the Aboriginal people in the area. Rather, it is the interests of private capital which seek to be preserved via the protection of the state. For the large lumbering companies to "share" the resource or "compromise" would translate into loss of profit, rather than the growth of capital.

Conclusion

Given the historical and constitutional importance of treaty and Aboriginal rights, it is appropriate that these issues take centre stage in the debate. However, an examination of which inter-

ests oppose the rights for which Aboriginal peoples seek recognition, can be instructive. The question of whose interests are being served is one that should be asked in order to understand what exactly Aboriginal peoples face in their struggles for recognition.

Not only are corporations granted property rights by the state, but they also have the capital, and thus the political power to enforce those rights. In contrast, many First Nations find that their Aboriginal rights are largely unrecognized and unprotected because the people as a whole are economically, and thus politically dis-empowered. Given that the state is in the contradictory role of protector of capital, and guardian of Aboriginal and treaty rights, it is worth considering the role of capitalism as a basis for the dis-empowerment of Aboriginal peoples historically, and present day. It may be that the origin and continuance of Aboriginal dis-empowerment is largely economic, having less to do with the race or culture of the occupiers of the land, but more to do with the land and resources themselves.

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MODERN ABORIGINAL ECONOMIES
Capitalism with a Red Face

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

David Newhouse†

Introduction

In March, 1993, Victor Buffalo, Chairman, Peace Hills Trust Company spent a few days as our Distinguished Visitor. He spoke to several classes and gave a public lecture about the Samson Cree Nation, the problems that it faces, and the role that Peace Hills Trust plays in helping to resolve these problems. After one of the lectures, a few students approached me and my colleagues to express their indignation that Mr. Buffalo had been invited to speak. They explained that Mr. Buffalo was not an Indian because he had not once used the word sharing in his presentation, he was wearing a suit and he was exploiting his own people. The exploitation was the making of a profit through the loaning of money. Mr. Buffalo's company loans money to Indian bands on the basis of cash flow, using the contribution agreements of the government as a form of collateral rather than the usual collateral of plant, equipment and land. His company has been able to do things that non-aboriginal bankers have been reluctant or unwilling to do.

A decade and a half ago, I chaired, for a short time, the Department of Indian Affairs and Northern Development's Ontario Region Indian Economic Development Loan Board and saw many of the early attempts at business development on Indian reserves in southern Ontario. I remember being struck by the projects that I saw and their differences from mainstream businesses. On the surface the proposals looked the same, they contained cash flow and profit projections, investments in plant and equipment, the usual things that one expects to find in business plans. The heart of many of the proposals was not profit in the normal accounting sense but the creation of jobs. Profits were the way in which more jobs could be created and hence more people employed.

There have been enormous and significant changes within aboriginal society within the last generation. We need to reflect upon them in order to discern their meaning and impact. I present these stories as examples of the type of change of the last two decades as prelude to my topic. I have been asked to write on the unique perspectives that aboriginal belief systems have for development, how these can be preserved, and what lessons these might have for future development efforts both within aboriginal communities and the mainstream. These are difficult questions and I'm not sure that they can be

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† Associate Professor, Native Management and Economic Development Program, Department of Native Studies/Administrative Studies Program, Trent University, Peterborough, Ontario.

answered satisfactorily in the short time available to prepare this paper. I want, however, to provide some clues to the answers and suggest, not that further research be undertaken in this area, but, that the processes that are underway within aboriginal communities be supported through the development of aboriginal institutions.

The Modernization of Aboriginal Societies

My premise is that Aboriginal societies are undergoing a process of modernization. I have written about this process in a previous paper (The Development Of Modern Aboriginal Societies, October, 1992). This process is resulting in the development of new identities, and new social, political, cultural and economic institutions within aboriginal societies. These institutions, in my opinion, will be primarily western in nature and will be adapted to operate in accordance with aboriginal traditions, customs and values. One only has to look at the rapid development of organizations over the last decade to see evidence of this process. The 1990 Arrowfax Directory of Aboriginal Organizations lists 3,000 for-profit business and 3,000 not-for-profit businesses. The 1992 edition of the same directory showed a significant increase in the number of listings. A 1997 report by Aboriginal Business Canada shows 14,000 Aboriginal Businesses. Many of these organizations were not in existence a decade ago. At the same time, there is a growing desire to attempt to base the organizational cultures upon the contemporary interpretations of traditional ideas.

In addition to the growing set of organizations akin to Drucker's idea of a society of organizations, there are other indicators of the modernization of aboriginal society: a steady growth in the off reserve population, continuing convergence of Indian birth rates and family size to the Canadian norms, adoption of English as a lingua franca, adoption of western-style elected governments, (most evident in the band councils on Indian reserves), an increasing number of aboriginal students attending secondary and post secondary education institutions, and a move towards textual transmission of knowledge rather than oral transmission. There are now two generations of aboriginal people who have not lived on reserve and for whom reserve life is unknown. There is also a small but emerging aboriginal urban middle class. In some ways, Aboriginal life is qualitatively different than it was two decades ago.

I don't know if this process of modernization is good or bad. The rapid rate of change , however, is causing a certain amount of social dislocation and problems, which we read, see or hear about in the various media of Canada. While the pace of change may be rapid, it would be unfair to say that it proceeds evenly across all aboriginal communities.

The million or so aboriginal people in Canada live in the midst of 30 million others. It is impossible for aboriginal people not to be affected by this contact and not to be changed by it. Aboriginal people are also surrounded by a capitalist economy and because of its strength and appeal will be affected by it. The question I have been asked to address needs to be placed in that context. The result is a slightly different set of questions: Given this context and given that capitalism is an extremely adaptable system, what unique perspectives do aboriginal people bring to the ongoing debate about the practise of capitalism? How will aboriginal people's adapt themselves to capitalism? Can aboriginal peoples find a way to adapt capitalism to their own particular world views?

I think that this is already occurring around us. I call this resultant aboriginal adaptation **capitalism with a red face,** for nowhere have I seen an outright rejection of capitalism by aboriginal people. In fact, I see a desire to adapt this particular political-economic system and to make it work in accordance with aboriginal belief systems. In addition, I see the adoption of policies and programs, by all governments, both aboriginal and not-aboriginal, all designed to further the development of this system within aboriginal society.

What Is Capitalism?

Capitalism is a way of life first of all and foremost. Then it's a worldview and finally it's a political-economic system. Many people focus only on the economic aspects of capitalism and believe once they describe how this feature works, that they understand it.

At the heart of capitalism is a particular view of man and a notion of social progress. Man is viewed as a being who is continually striving to improve his material and social well being. Progress is measured through a continual improvement in individual material position.

Most importantly, this progress occurs as the result of the actions of individuals, each of whom engages in this constant striving. It is the collection of individual effort which results in improved collective well being. Individuals possess capital or labour which can be used to produce profits or surpluses. The goal of every individual is to produce an economic surplus, which can be saved for use at a future date, spent on consumables, or invested in order to produce additional surpluses. Individuals may pool their surpluses and use them for that group's good, or governments may appropriate them in the form of taxes in order to produce public goods which are available for all.

This notion of individual effort and social competition is important for it is what drives capitalism. Without it, much of the gains would not be possible. One could argue that the work of this Royal Commission is paid for through the collective surpluses of individual workers.

Capitalism has proven to be a remarkably adaptable and versatile system and currently appears to be the preferred economic system throughout the world today. Cultures as varied as Japan, the United States, India and now members of the former USSR are adapting it to their various cultures. Many are also involved in the search for a solution to one of capitalism's most difficult problems: achieving an equitable distribution of wealth in a society.

Aboriginal people in Canada appear to have accepted the fundamental premises of capitalism: the notion of progress as defined through social competition and the notion that one possesses either capital or labour, which can be used to produce surpluses.

There is no fear that capitalism cannot be adapted to aboriginal realities. In fact, it is being done throughout Canada where economic programs, community infrastructures and education programs are encouraging its adoption. Individuals are being encouraged to use their own capital to establish enterprises to make profits, the rules of access to capital are being examined and revised, capital investment institutions (trust companies, caisse populaires, cooperatives, aboriginal capital corporations) are being established, governments are setting up small enterprise assistance programs for aboriginal individuals and communities, and some First Nations governments are tentatively thinking about some form of taxation and user fees on individual and corporate incomes.

It has been a popular belief in recent years that aboriginal people did not engage in economic activity, that somehow this type of activity was inconsistent with aboriginal culture and values. The historical record shows a much different picture: Aboriginal people were active in the fur trade, assumed a major role in it (the Hurons were said to have been responsible for 50% of the fur trade in the 1600s), and were good traders. One of the names of the Micmac was "Taranteens", which meant trader and which reflected their role as excellent middlemen between the hunters of the north and the agriculturalists of the south.

Cree businessmen in the late 1800s in northern Saskatchewan were excellent business people, so good in fact that many of the surrounding business people wanted to restrain their ability to trade. In fact, throughout the whole of contact, aboriginal people have engaged in trade with those who arrived here and prior to that, with each other. For example, Oolichan grease was traded far into the interior of the country along trails which became known as "grease trails." In the present day, one only has to examine the huge powwow circuit that has grown up over the last few years or the rapid growth in the sale of cigarettes on Indian reserves to see the great increase in the number of people who are engaging in trade and making a profit: that most fundamental of capitalist activities.

With this background, the questions to be asked become clearer: what can aboriginal belief systems contribute to the practise of capitalism in aboriginal communities, what adaptions will be made to it, and what can governments do to assist in this adaption process to mitigate against the inequities of the capitalist system?

Aboriginal Belief systems

In 1991, the Manitoba Public Inquiry into the Administration of Justice and Aboriginal People reported "Aboriginal peoples do not adhere to a single life philosophy, religious belief or moral code. Indeed, there are and have been considerable differences among tribes. That the aboriginal peoples of North America, for the most part, hold fundamental life philosophies different from those of the dominant European-Canadian society is now taken for granted." (p. 20).

At the core of aboriginal belief systems is a difference in the perception of one's relationship with the universe and the Creator. In the Judeo-

Christian tradition, which is arguably the philosophical basis for much of European-Canadian society, there is the notion that humankind (mankind in some interpretations) was to fill the earth and to have dominion over it and all that was contained within it. In Ojibway thought, which is taken to be representative of traditional aboriginal thought in general, mankind does not have dominion over the earth and all its creatures but is dependent upon all parts of the creation for survival. In this view, man is the least important entity of the creation.

Despite the differences in traditional lifeways, James Dumont in a 1992 presentation to the Royal Commission on Aboriginal Peoples argued for a set of generalized Native primary values which he defined as arising from vision, ie. a special way of seeing the world as a native person and a capacity for holistic or total vision. With this ability to see the whole comes respect: respect for creation, respect for knowledge and wisdom, respect for the dignity and freedom of others, respect for the quality of life and spirit in all things, and respect for the mysterious.

From this core of vision and respect, he argues that there arises 7 primary traditional values:

1. **kindness:** a capacity for caring and desire for harmony and well-being in interpersonal relationships;
2. **honesty:** a necessity to act with the utmost honesty and integrity in all relationships recognizing the inviolable and inherent autonomy, dignity and freedom of oneself and others;
3. **sharing:** a willingness to relate to one another with an ethic of sharing, generosity and collective/communal consciousness and cooperation, while recognizing the interdependence and interrelatedness of all life;
4. **strength:** conscious of the need for kindness and respecting the integrity of oneself and others, to exercise strength of character, fortitude and self-mastery in order to generate and maintain peace, harmony and well-being within oneself and in the total collective community;
5. **bravery:** the exercise of courage and bravery on the part of the individual so that the quality of life and inherent autonomy of oneself and others can be exercised in an atmosphere of security, peace, dignity and freedom;
6. **wisdom:** the respect for that quality of knowing and gift of vision in others (striving for the same within oneself) that encompasses the holistic view, possesses spiritual quality, and is expressed in the experiential breadth and depth of life;
7. **humility:** the recognition of oneself as a sacred and equal part of the creation, and the honouring of all life which is endowed with the same inherent autonomy, dignity, freedom and equality.

These values should be interpreted and translated into community processes, institutions and codes of behaviour. Another important factor to consider is the collectivist orientation of aboriginal society. While the interpretation of this value orientation varies quite widely, its usual interpretation is that the needs of the group, whether it be the family, clan or nation, take precedence over the needs of the individual. It is also important to realize that traditional aboriginal people viewed life as a journey. The practise of capitalism within aboriginal society will be affected by these factors as well as modernizing trends as described earlier. It is this worldview and value set that aboriginal people bring to the debate about the practise of capitalism.

There is and will continue to be considerable debate about whether traditional values are indeed compatible with capitalism. Within the aboriginal community, there is a considerable effort underway to ensure that traditional values are understood and made the centre of aboriginal life again, a process which sociologists call revitalization, but which I call retraditionalization. It is this process of relearning and reinterpreting traditional values within a contemporary context which offers some hope for the development of aboriginal economies that operate in accordance with aboriginal ideas and values.

However, the achievement of this ideal: an aboriginal economy operating with traditional values is made difficult. Many aboriginal people have bought into the fundamental premises of capitalism and of its promises of a better material life. Yet I think that there is sufficient desire to try to create something that is uniquely aboriginal out this blend of traditionalism and capitalism, what I call: red capitalism.

What Will Red Capitalism Look Like?

Aboriginal values and worldviews will affect the practise of capitalism and hence the process of economic development in the following ways:

1. The concept of personal and social development itself will be much broader. Using a holistic view, development will be viewed as encompassing 4 dimensions: physical, mental, emotional and spiritual, the same dimensions as contained within the Cree Medicine Wheel. The development process itself will have to include all 4 elements at the same time and not just along the economic (physical) dimension.
2. Development itself will be seen as a process and not a product. Based upon the aboriginal view that life itself is a journey, the development process will be seen as a journey, not as an end state to be achieved. This is not to say that movement along the journey cannot be measured but that the emphasis will be upon the quality of the journey rather than the specific place to be reached. This view of development may mean that there will be a willingness to pursue long term results over short term improvements.
3. Development will be seen as a joint effort between the individual and the collective and its institutions, in this case, the community and government. The process itself will tend to be collaborative rather than competitive. One can see this happening in the manner in which individuals who attempt to start businesses without the legitimizing support of either community or governments are treated or dealt with.
4. In addition to the notion of joint effort and somewhat along the same lines, development will be seen as a partnership between the individual and the world. In a world in which the fundamental value is respect, one needs to have permission of the world in order to change it, to transform it into something else. If one sees oneself as an integral part of the world, indeed as its least important creation, then one would hesitate to act in a way which shows a lack of respect. This will affect the choice of development projects engaged in and the type of technology employed.
5. The development effort will emphasize human capital investment rather than individual capital accumulation. This focus on the human aspects of development will cause developers to explicitly consider the effects of their activities upon the quality of life which includes the environment and will affect development choices. Decisions may be reviewed by Councils of Elders. Decision criteria may be established which explicitly require an analysis of these aspects.
6. Traditional wisdom as interpreted by the elders will be used to guide planning and decision making. Elders may be accorded a formal place in planning and development efforts through a variety of mechanisms: Councils of Elders who must approve plans, advisory councils which set at the same table as Councillors, or as advisors to individuals.
7. The issues surrounding wealth distribution will be tackled using aboriginal values of kindness and sharing. There will be expectations that individuals who have or who are accumulating wealth will somehow share it with community members.

   Indeed, the current notion of success as defined by capitalism in material terms will be challenged and broadened. The adaption of capitalism will also alter traditional systems for determining social status. At present, elders who possess knowledge and experience of traditional lifeways are highly revered. The continued use of a material definition of success in aboriginal society may change this hierarchy as those who have material wealth move to the top of the social scale.
8. The economic institutions which are established will be primarily western in nature with adaptions to ensure that they operate in a manner which is appropriate to the local aboriginal community. This means the development of a wide range of western looking organizations: cooperatives, individual proprietorships, partnerships, corporations owned by individuals and governments, joint ventures, in fact the myriad of ways in which economic activity can be undertaken.

   In addition to this infrastructure of primarily economic institutions, there will develop a whole range of secondary economic support institutions such as

development agencies, management advisory groups, loan funds, etc., whose primary function is not economic activity itself but increasing the efficiency of the economy.

9. The desire to arrive at decisions by consensus will guide the development of community and organizational structures and processes which are consistent with this value. This has implications for the development planning process itself. Planners and decision makers will not be able to proceed with plans unless a consensus, using an acceptable process, has been reached that this is what should be done. In addition, decision makers will not be able to make decisions without ensuring that broad community consensus exists for a particular direction and course of action. The current business approach to decision making which is based upon "number crunching", ie. quantitative information, will be broadened.
10. The notions of honesty and respect will result in a heightened sense of accountability for economic institutions and decision makers. This accountability will be focussed on two issues: (1) adherence to the direction as consensually agreed upon and (2) adherence to aboriginal notions of holism and development.

Much of this is now happening. A quick glance at recent developments within aboriginal society will show evidence of these developments:

1. an increasing number of primary and secondary economic institutions: small and medium sized businesses; financial institution such as trust companies, caisse populaires, credit unions, aboriginal capital corporations, economic support organizations such as sectoral support programs, community development corporations, training and development organizations, consultants and advisors, etc.
2. elder stewardship in decision making through advisory councils, inclusion as board members or advisors in organizations
3. adoption of community economic development models with their broad notions of development and the subsequent development of indicators to permit communities to gauge their movement
4. continued and expanded use of programs designed to provide aboriginal people with the skills, knowledge and capital to participate in the broader Canadian economy.

The desire for a much improved material quality of life, the recentness of the above developments, the general lack of understanding of the workings of aboriginal economies, the acceptance of the fundamental premises of capitalism by many Aboriginal peoples and the tentative acceptance by Canadians of the notion of aboriginal self government indicates that great care needs to be taken in the choice of interventions by governments and outside agents in order to support the development of a capitalism that is consistent with aboriginal ideas and values.

What Can Be Done to Assist in This Development?

The process of modernization and the adoption of capitalism as the dominant political-economic system within aboriginal society is well underway. It would be sheer folly to attempt to reverse the process or to attempt dramatic shifts in direction. I would argue that the forces of modernization are much too great to resist, especially in this area. The question however remains what should our strategy be and what can we reasonably do to influence the future course of events?

There are, in my opinion, 3 possible courses of action:

1. One could do very little at this time. One could take the view that the process is underway, aboriginal people are gaining access to the Canadian economy and are participating in it in increasing numbers in contrast to the recent past when economic participation was legally ruled out.

   The adoption of this approach, given the fragile nature of aboriginal economies would, I think, prolong the current situation for an indefinite period. Development would continue but at a very slow pace not keeping with the demand for an improved quality of life. In addition, aboriginal values would probably have a difficult time in surviving given the highly competitive nature of the Canadian and global economy.
2. One could increase the level of effort within existing programs. The reasoning would be that an increased level of effort will directly result in a quicker improvement in the quality of life for aboriginal individuals. The adoption of this approach

would permit an increased level of economic activity but does not do much to support aboriginal values and world views.

3. One could adapt a strategy of institution building within aboriginal society, i.e. it could make its focus the building of institutional capacities within aboriginal communities which could then begin to deal with the various problems and issues of aboriginal life.

This is the course of action that I suggest for the economic development area.

A society's values are reflected in its institutions just as much as in its day to day practises. In fact, institutions assume a large role in the preservation and transmission of culture and values. Much of the thinking that needs to be done with respect to aboriginal economic development and values needs to be undertaken by aboriginal people. On an individual and collective basis, aboriginal people are making daily decisions based upon their understanding of their values. Much needs to be done to support that decision making.

It would be useful to establish an economic research and policy development institute whose main function is to identify issues such as those I've raised in this paper and to research them on behalf of aboriginal individuals, communities, organizations and governments. It would develop the culturally appropriate tools and make them available for use by individuals and communities. It would also be able to provide policy analysis and advice to aboriginal governments using aboriginal perspectives and values.

At the present time, an institution of this sort does not exist. This is not to suggest that there is little being accomplished in this area. In fact, there is a considerable amount of research and experiential learning that is taking place. Much of this needs to be captured and fed-back into the community in a form that is usable and viewed as legitimate. An institute of this sort could do that.

The question, then as I see it, is not one of preserving aboriginal worldviews and values but finding ways to assist in the creative interpretation of these worldviews and values in the contemporary reality, a process which is already underway.

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Reviews of Current Books and Literature

Editor's Introduction

David Newhouse

There is a growing literature on economic development in the world. We will endeavour to bring you short reviews of the best and newest of this literature as well as opinions and commentary on older texts that may or not be still relevant to the contemporary situation. Our goal is to provide you information on books and articles that may interest those who are working, teaching or researching in this field.

This issue we bring you reviews of two books: Frank Tough's *As Their Natural Resources Fail*, an economic history of Aboriginal People's in Northern Manitoba in the early confederation period. It gives much insight into a long neglected subject matter and helps us to understand better the contemporary efforts in Manitoba in particular and Douglas Elias' *Northern Aboriginal Communities: Economies and Development* which focuses on the complex question of development in the north and issues surrounding identity and development.

We invite you to send us suggestions of books and articles that you have found useful and insightful and that you feel should be brought to the attention of others.

Book Review

Community Development Around the World: Practice, Theory, Research and Training

by Hubert Campfens

University of Toronto Press, Toronto, 1997

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David Newhouse

Campfens undertakes an impressive and difficult task: to review the practise of community development (CD) from a global perspective in order to provide us with a broad understanding of the state of the art in CD practise and theory. His text, directed towards policy makers, program planners, leaders and students of CD, consists of a historical overview of the development of the CD approach and its use as an alternative to state directed planning; a series of twenty case studies from 6 different countries in two groupings: three in the industrialized north: Canada, Netherlands, Israel and three in the third world: Ghana, Bangladesh and Chile; and a final section which compares the various CD experiences and draws some conclusions on how to improve its workings.

Each of the six chapters which describes and analyses the practise of CD in the six countries follows a similar format: a short introduction which describes the roots, history, and political context of CD in the country, a section describing the current practise of CD using case studies, a discussion of the institutions and programs which support the use of CD, and sections discussing issues surrounding education and training, developments in research and theory.

The case studies, all prepared by practitioners and scholars of the countries they are writing about, describe the use of CD in a wide variety of situations: in large urban centres such as Toronto (The Canadian Centre for Victims of Torture) and Vancouver (Entre Nous Femmes Housing Society), Amsterdam (Flesseman Project: Neighbourhood Services for the Elderly), in rural communities (Nandanpur Farmer's Co-operative Society in Bangladesh, the Integrated Community Centres for Employable Skills in Ghana). This is an insiders' view of CD practise and theory within each country.

The final chapter is an excellent attempt at pulling together the varied contexts and interpretations of CD into a framework theory that is useful for policy development, program planning and CD practise, that is grounded in contemporary economic, political and social realities and that takes into consideration differences in cultures and systems. He argues for the central importance of context, ie that the environmental context will determine the CD that one practises.

The text also discusses two issues which are often not mentioned in discussions about CD: the first relates to the institutions and programs that are required to support the practise of CD. The second relates to the education and training

of CD workers. Both are important issues and central to making CD effective. Often we don't think of what is needed in order to create an environment supportive of CD. Campfens et al. provide excellent insight into these issues.

The one main weakness of the text is its lack of attention to the practise of CD in Canadian Aboriginal communities. CD, including CED has been the development approach of choice since the early 1970's. One of the first Aboriginal statements on development within Indian communities: Whabung, Our Tomorrows by the Indian Chiefs of Manitoba reads like a classic CD statement. This absence is surprising but indicative of the lack of attention paid to Aboriginal development issues outside of small group of practitioners and public policy makers.

One of the main contributions of the text is showing us a way to make some sense of the environment (political, social, cultural) that is helpful in thinking about approaches to CD. The diverse CD environments that Campfens et al. describe have some elements in common with Aboriginal environments in Canada. There are lessons here for policy makers and practitioners of Aboriginal CD. The first is to connect Aboriginal community development issues to broader global development issues which permits perhaps a more strategic cd approach; the second is to give some hope that we are achieving something and that the approach that we favour is also favoured by a great number of people around the world and is highly effective.

I like this text. It provides sufficient detail so that I have a feel for the social, political and economic context of each country as well as the various approaches to CD practised there. I like the way in which Campfens attempts to pull it all together so that it all makes sense and is useful for policy makers and practitioners. It helps me to think more carefully about the development situations facing Aboriginal peoples, to analyse the environment in a systematic and discipline way and to think through the choice of a development approach. This is an excellent guide to the global practise of CD.

Book Review

Market Solutions for Native Poverty: Social Policy for the Third Solitude

by Helmar Drost, Brian Lee Crowley and Richard Schwindt
C.D. Howe Institute, Ottawa, 1995

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John Loxley

This is a peculiar book. In a foreword by the President of the C.D. Howe Institute, we are told that Canada has to re-evaluate its approach to social programs because the debt burden is too high, 'transfer dependency' is growing and taxes have hit their ceiling. One might then have reasonably expected a book with this title and from this conservative think-tank to argue that the Aboriginal community should be exposed to less state support and more market pressures as a panacea for the problems that it faces. In fact, none of the three essays in this book makes that argument. Indeed, the first, by Helmar Drost, on 'The Aboriginal-White Unemployment Gap in Canada's Urban Labor Markets', could be interpreted as an indictment of the failures of market solutions.

Drost argues that between 1941 and 1991, the level of urbanization of Aboriginal Peoples rose rapidly, from 3.6 per cent to over 40 per cent, as did the share of urban Aboriginal Peoples living in larger urban centres, especially in western Canada. Drost then finds that unemployment rates are much higher for Aboriginal Peoples than for others and participation rates much lower. These patterns are more pronounced among Aboriginal Peoples claiming a single ancestry. The Aboriginal workforce tends to be younger, more female and less represented in higher paying professional and managerial jobs. So far, nothing new here. Market driven migration, a leading cause of the increase in urbanization, by itself is clearly no panacea for Aboriginal Peoples.

Drost then undertakes a multivariate analysis on 1986 Census data and concludes that being young, female and having children and working in construction increases the prospects of unemployment. Generally, education reduces the incidence of unemployment as does working in the service sector, much of which, for Aboriginal People, takes the form of administration. Still nothing new. He then finds that 50 per cent of the difference between unemployment rates among Aboriginal Peoples and 'whites', as he mistakenly calls all non-Aboriginal People, is explained by the higher concentration of Aboriginal peoples in western census metropolitan areas (CMAs).

Professor, Department of Economics, University of Manitoba.

He speculates that this difference may be caused by 'a relatively high residential segregation of Aboriginals in neighborhoods with high poverty levels', but provides no evidence for this. He is saying: Aboriginal people don't get jobs because they live in poor neighborhoods or Aboriginal people don't have jobs so they live in poor neighborhoods. So it's either the neighborhood or the lack of a job that is the problem. He also ends up with 36 per cent of the difference in unemployment rates being unexplained and speculates that this may be the result of differences in work habits, aspirations, health, quality of schooling.....cultural and family background'. He acknowledges that labour market discrimination may also be a factor. Interesting enough, the Royal Commission on Aboriginal Peoples found similar levels of unexplained difference using the 1991 census data.

In terms of policy prescriptions, he argues that 'educational policies, though important, are not a panacea'. Significantly, for a book on market solutions, he acknowledges that 'aggressive affirmative action efforts' might be needed if youth are more restricted to low paying, unstable secondary labour market jobs. But when it comes to his major finding, about the importance of city of residence to unemployment prospects, he has absolutely nothing to say in terms of policy because the residency variable has no single explanation; it could be explained by industry concentration or by residential ghettoization and he did not test for this. Neither did he test for other possible explanations such as possible higher residency turnover in western cities because of slum landlordism, aggressive child and family service workers, differential polices with regard to social transfers etc. In short, Drost's analysis, while interesting as far as it goes, does not go far enough to permit useful policy recommendations. It does suggest, however, that improved levels of social services, from education to child care, from training to job search assistance may be called for, as well as state interference in the labour market in terms of 'aggressive' affirmative action programs, all of which seem to be inconsistent with the market centred approach of the C.D. Howe Institute.

The second paper by Brian Crowley argues the case for individual property rights in Aboriginal society and proposes a new approach to self-government which extends to Aboriginal individuals 'the right to a protected sphere, based on property and autonomy, analogous to the one communities are claiming for themselves'. Crowley develops the notion of a Talking Circle Society (TCS), a corporate body to which ownership of the resources of First Nations, and perhaps all funding for social services, would be entrusted. Individual members of the First Nation would own equal shares in the TCS and would govern the TCS on the basis of one person, one vote. Their individual rights would be protected both by contract and by the requirement that the TCS would have to stand ready at any time to buy back shares at fair market value. The TCS could advance loans to individuals for business or education and issue non-voting shares publicly which would expose it to market discipline.

Crowley admits that 'this exercise in imagination takes no account of political realities or existing institutional obstacles'. One could equally argue that it does not take into account the economic and financial realities of most First Nations which face a limited resource base and pressures for social services which cannot be met from inadequate state funding. For most, raising outside capital is very difficult and for infrastructure and housing could only reasonably be done against government guarantees of future funding. How a TSC would be able to raise the cash to buy out dissatisfied or emigrant shareholders is a also mystery. Though carefully hedged, it is apparent that the TSC would be a bridge to privatizing land, resources and infrastructure in First Nations. There is considerable opposition to this in Aboriginal society precisely because it is seen to be bound up with the survival of Indian culture which, contrary to Crowley's view, is widely held to be more important than simply 'one choice among several'.

Crowley's paper does, however, raise legitimate questions about the relative weight to be assigned to individual versus collective rights under Aboriginal self-government and First Nations must begin to address this issue. Even in the collective sphere, there is an obvious need in many First Nations for greater accountability in decision-taking but it is unlikely that the proposed market solution will have much to offer here.

The third paper, by Richard Schwindt, is, as the author puts it, 'as much about fish as it is about Indians'. It contains a fascinating review of the operations of the Pacific salmon fishery and of the difficulties of managing this common property resource. It argues that the net returns

to the fishery are negative once costs of government services and seasonal unemployment insurance drawings by fishers is taken into account and that the fishery is neither economically nor ecologically sustainable. Policies of buying out the licenses of fishers to transfer to Indian fishers are very costly to government, yet Indian fishers have a legitimate historical claim to greater access to the fishery. The solution advocated is to withdraw commercial fishing rights without compensation and grant exclusive rights to Indian fishers. There would be a positive impact on the government budget, the industry would be more efficiently managed and long-standing grievances would be addressed. Indian fishers would have to work out distributional arrangements and play a big role in policing and resource management.

While much of the impetus behind these recommendations comes from a desire to reduce government spending and withdrawals from the UI fund, there is also a clear desire to accommodate the legitimate claims of Indian People and to improve resource management. Moreover, there is a belief that Indian fishers could do a better job than has been done to date. Given the current disputes in Atlantic Canada over the Marshall decision, Schwindt's confidence is encouraging. Three questions remain unanswered, however. First, what would be the political ramifications of these proposals and how likely is it that government would risk the wrath of non-Aboriginal fishers by moving in this direction? Secondly, if government did proceed, what would happen to the non-Aboriginal fishers and what would be the likely costs to the government of dealing with their adjustment? Thirdly, would funds be transferred to Indian fishers to enable them to police and manage the resource properly or would they be expected to meet these costs out of net returns?

Only at the end of the book, in a short, superficial commentary by John Richards, is the main ideological message in the foreword applied vigorously to federal funding of First Nations. Richards argues that Indian poverty is now the result of 'the relative generosity of transfer programs'. Social assistance payments and the federal funding of services and administration on reserve are excessive and, together with tax-exempt status, unduly bias 'the locational choice of aboriginals towards remaining on reserve'. Richards' solution for all this is the introduction of workfare. Richards does not, however, seek to explain how this proposal would be implemented on reserve nor how it would square with the findings of Drost on unacceptably high levels of unemployment among Aboriginal People living in urban areas. In short, Richards trivializes some very complex problems and in doing so brings the message of the book more in line with that of the sponsors.

COMMENTARY

Editor's Introduction

David Newhouse

From time to time, we come across presentations, papers, talks, articles at the last minute that we think would be of interest to the readers of the journal. In this issue, we present a short talk by one of the editors, *David Newhouse* which we thought would be of interest to you. It's a good summary of the positive developments that have occurred within the Aboriginal community since 1969. It also outlines how one can use some of the latest thinking on Aboriginal economic development to move from fragility to strength. We hope that you enjoy it.

THE CARE AND SUPPORT OF ABORIGINAL ECONOMIES
Comments to Creating Economic Networks Conference Ministry of Culture, Citizenship and Recreation October 26, 1999

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David Newhouse

PART I: THE CONTEMPORARY CONTEXT OF ABORIGINAL ECONOMIC DEVELOPMENT

One of the most difficult things that we try to do is to try to make sense of the times that we live within. It's hard because we are so immersed in the daily reality of our lives, our works, our joys and pain. At the end of the 20th century, we are captives of what I call "capitalist time": an ever increasing pace of life pushed by the demands and desires of commerce. Our time for pause, for reflection, for contemplation is almost non-existent.

In the aboriginal world, we perhaps are more attuned to the realities of the world but I sense too that we often forget to take the time to reflect upon where we've come and where we're going. We too are caught up in the daily struggle for rights, resources, equality, equity, healing. And we also get caught, like those we deal with, in the rhetoric of woe and pain which causes us to ignore the changes that we see around us.

A few weeks ago I had an opportunity to meet a minister of the Ontario Crown; some one whom I thought would be familiar with the history of the people he was working with. I mentioned that I believed that there had been many changes in the past 30 years since the introduction of the 1969 White Paper by the Federal Government. He remarked: I heard something about that. Astounding. Yet many of the Aboriginal people, many of them young, seemed to share the same level of understanding.

This is not surprising: The economic system which we live within causes us to look forward with vigour and enthusiasm and to forget the past as something that has happened and that can be improved upon. Capitalism requires a constant innovation and a continual search for the better way of doing things, the newer product, the newer market. We are taught to discard the old and to ignore the past, except when it has instrumental value in helping us to better understand the economic and business worlds we live within.

What I want to do is to review political and economic developments with our communities over the past thirty years. I think that this is an appropriate interval to use to step back and see if we are achieving our goals of creating self-sustaining healthy communities. As we move forward into a global economy, it is important to examine the foundation on which we stand. I think that it is important as well that we understand the context in which our economic development is occurring. Afer all, economic development is as much a political project as it is an economic project. In our societies, aboriginal and newcomer alike, the two are interwoven no matter how much we try to separate them.

On January 7, 1998, the Minister of Indian Affairs and Northern Development, the Honourable Jane Stewart, stood up in a room in the House of Commons and read a statement of reconciliation. We can debate whether or not it was an apology and what the words meant. We can also debate whether or not she should have said it, whether it was sincere, whether it went far enough, and what its effect, if any, will be. And I think that these things should be debated and discussed. However, if we step back a bit and look at the statement in another light, this is how we could see it. This is the first statement by a government of the New World which acknowledges that it has been wrong in its treatment of the people that it encountered:

> *The Government of Canada today formally expresses to all Aboriginal people in Canada our profound regret for past actions of the federal government which have contributed to these difficult pages in the history of our relationship together.*

No other government in the New World: the United States of America, Mexico, Brazil, Argentina, Peru nor any government of the Old World: England, Spain, France, Portugual has made any official statement which comes close to the sentiments expressed here.

What is also important is the view of history that the statement contains. It says explicitly that Aboriginal peoples have lived here for thousands of years, had their own forms of government, were organized into nations with distinct national cultures and made contributions to the development of Canada. It also says that there has been a deliberate attempt, based upon attitudes of racial and cultural superiority, to suppress Aboriginal cultures and values and to dispossess Aboriginal peoples of their lands and territories. And that this was wrong. It vows to change that. It also paints a picture of Aboriginal peoples as having remarkable strength and endurance.

We can be cynical about the statement but we should know that at least in its ideas it conforms to the position held by many Aboriginal peoples. We should also know that it was prepared mostly by Aboriginal peoples working within one of the major Aboriginal political organizations.

This is the remarkable thing: a statement of apology prepared by Aboriginal peoples read in a public forum by a Minister of the Crown-in-Canada. Thirty years ago, this would have been inconceivable. What has happened in the last 30 years that enabled this to happen? We must remember that economic development does not occur within a vacuum. It occurs in a particular context shaped by cultural, political, social and economic forces. Understanding the context helps us to choose our actions more carefully just as much as understanding our development tools allows us to choose the right one for the job.

Post-1969 Aboriginal Society

I want to talk about the post-1969 Aboriginal society because I believe that the period 1969-1972 was a critical and profound period in Aboriginal history. It is in this time period that we can begin to see the marshalling of the Aboriginal political energy into a strong force for change and we can begin to see the glimmerings of an unease with the status quo and a desire to try to do something to solve the "Indian Problem."

On June 25, 1969, the government of Canada introduced, for public discussion: "A Statement of Indian Policy" — now commonly referred to by its generic name: The White Paper — an ironic name because that was what it largely proposed — that Indians should become, for all intense purposes, white. The paper proposed a repeal of the Indian Act, the dissolution of Indian reserves and the turning over of responsibilities for Indian affairs to provinces, among other things.

The introduction of the White Paper and the subsequent Indian and white responses which lead to its withdrawal was to have profound effects upon Aboriginal peoples' thinking. The late Sally Weaver, a professor of anthropology at the University of Guelph in Ontario has

written an excellent account of the politics of this period in a book entitled: *Making Canadian Indian Policy: The Hidden Agenda 1968–1970*.

The White Paper remains still in many Indian peoples' consciousness and became over the next three decades the defacto standard against which all government policies were measured. We used to say, when presented with proposals from governments: "Is this just the White Paper in disguise?". In 1996, it was replaced by RCAP. Now we say: "How does this accord with RCAP?"

Thirty years on, it is hard to imagine what that 1969 world was like. The National Indian Brotherhood, now the Assembly of First Nations ,was just starting. The word "Aboriginal" wasn't used to describe the original inhabitants of this land. The term "First Nation' didn't exist. We talked of Indians and Eskimos and Metis and non-status Indians. Aboriginal rights were not part of the popular vocabulary nor was there any talk of government. Self-determination was the order of the day.

During the latter part of the 1960s, there were changes afoot within North America society. In 1969, humans had landed for the first time on the moon. This was the dawning of the Age of Aquarius which was to usher in 1000 year era of peace and love. Everywhere in North American, old traditional ways of doing things were under attack: women were burning their bras, young people were telling their fathers and mothers: make love, not war; blacks were proclaiming: Black Power; Gays were resisting police oppression and the American Indian Movement was shouting : Red Power: societal power structures were being challenged and anyone over 30 was in serious doubt of their life. It seemed appropriate that there would also be changes afoot in Indian-White relations as well as we got caught up in this new desire for peace, love and social change.

In 1970, the Indians, with the support of mainstream activists started to talk back. The Indian Chiefs of Alberta issued their response: Citizens Plus, now called the Red Paper.

The Red Paper said:

> *To us who are Treaty Indians there is nothing more important than our Treaties, our lands and the well being of our future generations. We have studied carefully the contents of the Government White Paper on Indians and we have concluded that it offers despair instead of hope.*
>
> *Indian Lands must continue to be regarded in a different matter than other lands in Canada. It must be held forever in trust of the Crown because, as we say, the true owners of the land are not yet born.*

The Union of British Columbia Indian Chiefs issued theirs: A Declaration of Indian Rights in the same year; and in 1971, the Association of Iroquois and Allied Indians presented their Position Paper. They rejected all that had been proposed and more importantly, set out their own vision of their place in Canadian society and the steps that needed to be taken to move forward. That vision is captured best by the 1971 Manitoba Indian Brotherhood response: *Whabung: Our Tomorrows*.

The Manitoba Chiefs said:

> *The Indian Tribes of Manitoba are committed to the belief that our rights, both aboriginal and treaty, emanate from our sovereignty as a nation of people. Our relationships with the state have their roots in negotiation between two sovereign peoples.... The Indian people enjoy special status conferred by recognition of our historic title that cannot be impaired, altered or compromised by federal-provincial collusion or consent.*

Whabung also called for a comprehensive approach to development of Indian communities, both as an economy and as a community central to Indian life. It called for development not to proceed in bits and pieces but according to a comprehensive plan on several fronts.

There were three elements to this strategy:

1. A plan to help individuals and communities recover from the pathological consequences of poverty and powerlessness. This means a focus on individual and community health and healing. Adequate health services and community infrastructures were needed for this task.
2. A plan for Indian people to protect their interests in lands and resources.
3. A concerted effort at human resource and cultural development.

The MIB plan had at its heart the idea that if change were to lead to increased self-sufficiency, it ought to be directed by Indian people themselves, so that Indians could consider both individual and communal interests.

The White Paper was formally withdrawn in 1971, although it remains a potent political icon within Aboriginal politics. The Indian reac-

tion to the White paper was informed by ideas expressed in the 1968 consultations around revisions to the Indian Act. While there was no consensus about changes, there was consensus from Indians about the way forward: recognize the special rights of Indians, recognize the historical grievances over lands and treaties, deal with them in an equitable fashion and give direct and meaningful participation in the making of policies that affect their future.

Indian reaction to the White Paper and its subsequent withdrawal led to profound changes in thinking and our conceptions of ourselves: We do have some power, we can use it to influence government policy, we can use it to create change. We now think differently about ourselves then we did in 1969: In 1969, self-government was not part of the language of Indian people; In 1999, it is now part of the language of the country. The White Paper galvanized the Indian community in a way which no other event has, with the exception of Oka in 1991.

The White Paper was also the point for the marshalling of the effort of many non-Aboriginal voices in support of Aboriginal peoples desire to remain culturally distinct, and to be supported in that desire. The Indian-Eskimo Association of Canada, later Canadian Association in Support of Native Peoples (CASNP) emerged as the main leader of these forces, joined a bit later by a new and different ally: the judicial system, primarily the Supreme Court of Canada.

What the White Paper also did was to create strong and loud Aboriginal voices that insisted upon speaking and being heard. The response also gave voice to our own aspirations and created the political organization necessary to advance them in a more collective and powerful fashion.

In 1973, the Supreme Court of Canada ruling in the Calder course, while rejecting the Nisga'a claim on a technicality, six of the judges felt that aboriginal rights and title exist but were split on how these were to be interpreted and dealt with. This case sets in motion a whole series of actions by politicians and gives fuel to further court cases and more favourable rulings over the next 2 decades.

In 1975, The Dene Nation of the Northwest Territories made their declaration of nationhood.

In 1976, the government of Canada signed the first modern day treaty with the Crees of Quebec. This agreement created a form of self government for the Crees in Quebec and gave them varying degrees of control over resources.

In 1977, Jack Beaver released his report on economic development: To Have What Is Our Own. He also argued for a policy of self-direction as the fundamental basis for economic development of Indian communities. He argued that the development of Indian (we didn't use the term Aboriginal at that time) communities should be under the guidance of Indian peoples.

In the early 1980s, the Constitution of Canada was repatriated and was written to recognize Aboriginal peoples as including Indian, Inuit (formerly Eskimo), and Metis. The constitution also affirmed existing Aboriginal rights. It also called for a series of constitutional conferences between Canada, the provinces and Aboriginal peoples to try and determine what these rights were and what self-government meant.

In 1983, The House of Commons Special Committee on Indian Self-government issued its report. It said that Indian people were nations before the arrival of Europeans and had a tradition of government that had been removed. The report also recommended the establishment of a new relationship with Indian people. A key element of this new relationship would be the recognition of Indian self-government. The Penner Report was adopted by the House of Commons in a show of all party support in November 1985. This appears to the first official recognition of the idea that Aboriginal peoples had an right to govern themselves. It recommended that Indian self-government within the Canadian federation be supported. The government of Canada agreed.

In the mid and late 1980s, two rounds of constitutional discussions tackled the questions surrounding Aboriginal self government. There were endless discussions of what it meant, how it should be recognized, how it should be implemented, what powers they should have, etc.

In the mid 1990s, the Royal Commission on Aboriginal Peoples recommends that self government within the Canadian federation should be implemented. It recommends the reconstitution of Aboriginal nations and their governments and the creation of a new relationship between Aboriginal peoples and Canada.

The land claims process as well occurs during this period. While it gets off to a slow and tentative start and lumbers along over the last 2 decades to much criticism and suspicion, it is at

the very least some evidence of talk and reluctant willingness to consider the idea of sharing. No one said that it was going to be easy. Time Magazine in Feb, 1999 said it was one of the boldest experiments in social justice in Canada's history. And so we move from James Bay to Nisga'a in the space of 20 years with 80 self government negotiations ongoing and hundreds of small specific claims being discussed. This level of discussion was inconceivable in the early 1970s.

The land claims process was also based upon the principle of negotiated settlements which brought Aboriginal peoples and governments together in a protracted prolonged set of conversations that seem destined to last forever in one form or another.

And in the early 1990s, the government of Canada agrees to divide the Northwest territories into two: the west, the new NWT and the east to be known as Nunavut, where the majority of residents are Inuk. It is viewed as an Aboriginal territory with an Aboriginal government; a public government comprised of both Inuit and other northeners.

Between 1965 and 1992, there are hundreds of reports containing thousands of recommendations on what to do to improve the condition of Aboriginal peoples in Canada. Aboriginal issues are on the agenda of virtually every government agency. There is an extraordinary level of bureaucratic attention being paid to Aboriginal issues.

In 1995, the Government of Canada announced that it would support the policy of the inherent right to self-government for Aboriginal peoples of this country. And in 1996 the Royal Commission on Aboriginal Peoples underlined the importance of this policy and make a central recommendation the reconstitution of Aboriginal nations and their governments. In a series of consultations regarding Indian Policy in 1966–68, Indian people were not involved except as informants for the federal committee. The RCAP consisted of four Aboriginal commissioners and three non-Aboriginal Commissioners.

When talking of this period, we would do a disservice to the historical record if we did not also talk of the courts, which have played an enormous role in securing a legal footing for aboriginal rights: Calder, 1973; Baker Lake, 1980; Guerin, 1984; Sparrow, 1987; Sioui, 1990; Bear Island, 1991; Van der Peet, 1996; Gladstone, 1996; Delgamuukw, 1997, Marshall, 1999, to name a few of the more well known ones. Without the courts which forced politicians to stand and take notice and to start to consider Aboriginal claims seriously, it would be fair to say that many of the political achievements may have been quite different.

And public opinion over this period too played a role in these achievements. It would be fair, I think, to say that, in general, publics were desirous of doing something to improve the situation of Aboriginal peoples. The solutions envisioned, I daresay, were not always the ones that were set out by Aboriginal peoples and often conflicts occurred, not over the desire to do something but in the specific act of doing something, as we witnessed more recently in Southern Ontario in the case involving the Caldwell First Nation and its claim for an Indian Reserve. It appears that the public says: do something but not too much or as long as it doesn't involve any change for us. I would characterize the situation with respect to public opinion as 'push me, pull me.'

The achievements of the last three decades are remarkable achievements in such a short period of time. And we often forget what we have achieved and how we have achieved it. It has been achieved mainly by Aboriginal peoples speaking, organizing and pushing hard for their own ideas and winning in the public debates of courts, legislatures, and policy fora and by creating and working with allies in many places. Politically, we have indeed come a long way.

When we look around at our communities, these political achievements are masked still by the poverty and its effects that we see in most places. In a short period of 27 years, from the White Paper in 1969 to the Royal Commission in 1996, we have moved from an official government policy of termination and assimilation to a reluctant acceptance of the inherent right of self government and the maintenance of cultural distinctiveness. This shows the remarkable strength, clarity of vision, and determination of Aboriginal peoples.

These political developments have been parallelled in other areas:

In the arts, we have seen the development of the woodland school based upon the work and techniques of Norval Morriseau as well as new forms of carving, painting, and pottery. There is now a recognized genre of art know as Aboriginal art which includes a wide variety of expression: Inuit stone carving, Iroquoian soap

stone, Haida masks, Miqmaq baskets, Ojibway quills, postmodern Aboriginal expressionism (Carl Beam, Joanne Poitras).

There is also music beyond Winston Wuttanee and Buffy Saint Marie: We have Kahstin, Red Power, 7th Fire, Robbie Robertson, Shania Twain. Aboriginal Voices Magazine now prints the top ten albums in Indian country.

There are also writers galore: Thomas Highway, Jeannette Armstrong, Scott Momaday, Sherman Alexi, Drew Hayden Taylor, Thomas King.

CBC shows two regular series having aboriginal peoples: North of 60 and The Rez. CBC radio launches the Dead Dog Café. For a brief period of time, CBC radio also had a weekly public affairs show on Aboriginal issues.

And in September 1999, with the approval of the CRTC, the new Aboriginal Peoples Television Network is launched into every cable viewer's home across Canada.

There is also the National Aboriginal Achievement Foundation, formerly the Canadian Native Arts Foundation, which gives out awards each year for outstanding contributions to Aboriginal peoples. It has no difficulty in finding nominees and regularly receives many more nominees than it can possibly give awards.

In the area of health and healing, we have seen the emergence of a wide spread healing movement that effects just about every Aboriginal person in this country as well as the establishment of Aboriginal health centres in many locations across the country.

In education, there is now one aboriginal university and 17 aboriginally controlled post secondary institutes. The last federally run Indian residential school was closed in the 1985. All public schools on Indian reserves are now under Indian control. In urban centres, there are Aboriginal survival schools.

In large urban centres, there is an extraordinary array of service and cultural organizations serving large urban aboriginal populations. There are now almost 130 Aboriginal Friendship Centres located everywhere.

It is not my intent to tell you that things are good. They are not. It is my intent to tell you that we have come a long way in 25 years and that we are laying a solid foundation upon which those who come after us can build

In the economic development policy area, there has been a convergence of the government position to the Aboriginal position. Governments seem to have accepted the principle of Aboriginal self determination, even though it may be honoured more often in talk than action. There has also been a broadening in government economic development programs from an initial focus on business development to community development, financing options, sectoral development, institutional development and broad human resource development through education and skills training.

The reports that I read on economic development that come in from everywhere in Canada tell me that there are still many problems: still inadequate access to financing, still lower levels of management skills, inappropriate interference of governments and businesses in each others' affairs, overt and subtle racism, too few large businesses, too few entrepreneurs, too much interference by Aboriginal governments in business, not enough after start up care, undefined authorities of Aboriginal governments, inadequate funding for equity contributions, Aboriginal capital corporations, training, service and support organizations.

And the reports are correct. These are indeed problems. I see these however as technical problems, which have solutions, albeit the solutions may take some work and time to arrive at. And I am convinced that we will solve these problems as we encounter them. The historical record indicates that we are a creative people.

I teach in a Native Studies Department and over the last seven years have seen much of the academic literature written on Aboriginal peoples and the solutions to the Aboriginal problem. And I've had a chance to look some of the historical literature on Aboriginal peoples. What I see is frightening. I see that we have been portrayed with almost a complete lack of human agency. I see us reacting against government policy. It is rare to see us portrayed as human beings attempting to build our communities. We react in the historical literature like some form of insect. We rarely act on our own in pursuit of our own interests, we act mostly in defence or in reaction to the actions of others. Even when we write about the last 25 years, we are written out of the central part of the play. We become actors against government policies. Yet this has never been the case. We see over and over again Indian people setting out their views in a positive forceful manner fully cogniscent of what is happening to them.

I like to interpret these last few years in this light. Whabung, while it may have been a reaction against government policy, was a positive statement of principle and value by Aboriginal leaders. It outlined a vision of how they wanted the future to unfold. It was an act of a human agency. This act has begun to have enormous effect.

We now are starting to think about something which we call an "Aboriginal economy" or "Aboriginal economies." We can now start to think about the nature and functioning of these economies and the appropriate micro economic policies to develop them. We don't know much about these economies yet. I was reading an Aboriginal Business Canada report the other day. It reports that it is impossible to state the size of the Aboriginal economy, the employment created or to define the relative size of entrepreneurial business in comparison to community-based business or on-reserve business. While we don't know these things, the questions are starting to be asked and that is important.

We are also starting to move away from the old idea that business or trade or profit or hard work was not part of our past. We have seen excellent work by Frank Tough, a University of Saskatchewan professor who wrote an economic history of Native people in Northern Manitoba, Rolph Knight of the University of British Columbia who wrote a history of B. C. Indians in the labour force around the turn of the century; Sarah Carter documented the trials and tribulations of prairie Indian farmers in the last century; Fred Wien of Dalhousie wrote of the economic history of the Micmac in Nova Scotia and Douglas Elias has written a history of Aboriginal economic development. Wanda Wuttunee of the University of Manitoba has written of Aboriginal entrepreneurs in the north. Pamela Hill writes of the way in present-day corporations conduct their relationship with Aboriginal peoples. And Stephen Cornell and Joe Kalt of the Harvard Project on American Indian Economies have written a seminal work on Native American economies.

These works all have as a premise an economic history and economic life of Aboriginal peoples. They are a start in our journey to understand this part of our history. Indian economic history has generally been relegated to discussions of the fur trade and only a little work has been done on other more contemporary aspects of this history. It is encouraging to see some people across the country begin to examine this part of our history.

We have begun to understand that the enormous effort of developing Aboriginal economies is not just the task of economists and businesses. We now accept the validity of the need for higher levels of education, good health, good housing, and good governments, among other things. We need to add to that a sense of agency, a sense that we can affect the present and the future and that our ideas count.

And this, I believe, has been the legacy of the last 25 years. We have begun to have confidence in ourselves and we have begun to again believe that we can do things for ourselves and that we can affect our future. We convinced the government that our approach is the right one for us. And we convinced the RCAP that it was fundamentally right. We argued for a comprehensive approach, we argued for self-determination, we argued for Aboriginal capital corporations, increased loan funds and equity contributions. And in part the government listened and started to respond.

This then is the context and foundation of modern aboriginal economies: confident, aggressive, assertive, insistent, desirous of creating a new world out of aboriginal and western ideas.

PART II: THE CARE AND SUPPORT OF ABORIGINAL ECONOMIES

Fragility

While context is important, we also need to have some understanding of aboriginal economies and a way of thinking about them that allows us choose our policy interventions with some care and nuance.

Frank Herbert in his Dune series says: Beginnings are dangerous times. It's important to get the balance right. This is where I think we are: in the early stages of Aboriginal economic development and in the restoration of jurisdiction. The early stages, as Herbert reminds us, are times of fragility. Let me lay out where I think we are:

1. The past three decades have been a time of extraordinary political development. Despite the difficult battles, the philosophical debate about self-government has been engaged and has been won in many places.

What we are debating for the most part in many places is the details. There seems to be a widespread acceptance of the notion that Aboriginal peoples should govern themselves. How that is to be accomplished still needs much work and will be the work of continuing generations. After all, government building is long slow arduous and continuous work.

Despite the widespread acceptance of the notion of self government, support for it is still thin and fragile, both within and outside Aboriginal communities.

2. The skeleton of an infrastructure that is supportive of economic development has been put into place. In 1991, the second year of the now defunct Arrowfax Directory, there were about 6,000 Aboriginal organizations across the country, about half in the private sector, half in the public sector. There is now an infrastructure of businesses, governments, community development organizations, training organizations, education institutions, consultants, capital corporations, caisse populaires, financial co-ops, sector organizations, professional organizations, etc. that support economic development.

3. Attitudes toward economic development are changing and becoming more positive. There is a small but growing business class within Aboriginal society. Aboriginal Business Canada reports that in 1997, there were some 14,000 Aboriginal businesses across the country. Many of these are very small local businesses with limited potential for growth but which do excellent jobs at serving local markets. While I haven't seen any estimates of its overall size, my suspicion is that the emerging Aboriginal private sector has not yet begun to reach the size of the Aboriginal public sector, either in terms of capital or in terms of employment.

4. Access to resources such as land, capital, and labour has improved as land claims are slowly settled, government support programs evolve, employment equity program and legislation appears and disappears, and as participation in education and training increases dramatically.

Despite all of this infrastructure and attitudinal support, the state of economic development is fragile. It's fragile because first of all it's so new and still much dependent upon government largesse. The institutions of support are largely underfunded, and most importantly, because the distribution of benefits is so uneven it is hard to change the culture of poverty that has enslaved people for at least 3 generations. It is also fragile because the idea of a well-off successful aboriginal person is still an anomaly within Canadian society and because there is still resistance in many places to the idea of resource sharing, if we take the debates surrounding the Nisga'a treaty and the East Coast fishery as indicative of a general underlying suspicion.

I am under no illusion that future gains will be easy. Creating the current state of fragility has taken three decades. Keeping it going and making the benefits more widely available will continue to be difficult.

So the Question Becomes, How Do We Move from Fragility to Strength?

We do it with care, with carefully thought out interventions from the aboriginal communities, governments, aboriginal and Canadian, the private sector and the education and training sectors.

I want to layout some ideas as to how one can do this. To do so, I want to focus on two fundamental questions:

1. What do Aboriginal economies look like now?
2. What are the critical factors that need to be considered to convert fragility to strength?

1. What do Aboriginal economies look like now?

□ MANY NOT ONE

The Aboriginal economy is not one entity that extends throughout Canada. Rather, it consists of many local and regional entities spread throughout the country. While many people categorize the different economies as northern, southern, traditional, subsistence, market, I think that it is useful to think of Aboriginal economies as consisting of two distinct and different types of economies: enclave and interwoven. The factors of geography can then be laid over them to give more precision to the analysis.

Enclave economies

Enclave economies are economies which have a clearly defined and bounded geographic location with a central Aboriginal government authority. These economies are usually Indian Reserves and Métis Settlements. One defining characteristic of these economies is a federal legislative and regulatory framework which makes the rules regarding land and resource use, access to credit, etc., more difficult without government (either federal, provincial or Aboriginal) involvement and intervention. It may be the Indian Act for Indian Reserves, the Metis Settlement Act in Alberta, the Sechelt Act in British Columbia, the James Bay and Northern Quebec Act in Quebec.

These economies are linked to the surrounding regional economy, usually as a purchaser of goods and services and sometimes, as the producer of selected goods. Local individuals may also participate in the surrounding regional economies as member of the labour force. An example of an enclave economy is the economy of the Six Nations of the Grand River in Ontario or Paddle Prairie in Alberta.

Interwoven economies

Interwoven economies are economies which may have a defined geographic location but do not have a central Aboriginal government. These economies are usually urban but can also be rural or remote economies or Inuit economies in the north where reserves do not exist and public governments exist.

The central feature of these economies is its interwoven nature with the mainstream economy and lack of central co-ordinating institution. There is usually not a special legislative or regulatory framework which affects interwoven economies.

An example of an interwoven economy is the economy of the urban Aboriginal people who live in Vancouver, British Columbia. This economy will consist of several businesses selling goods and services to both the local Aboriginal population and to mainstream residents. Local Aboriginal residents also participate in the local labour markets mainly as employees. A well-developed infrastructure of Aboriginal service organizations such as Friendship Centres, social service organizations or community development organizations, around which development activities occur, may also exist.

What does this mean?

The implication of this categorization for policy and programming is that one can strategically focus the economic development approach to the type of economy that one is focussing on. For example, one needs different equity and loan instruments in an enclave economy than one needs in an interwoven enclave. The approach to economic planning is difficult in an interwoven economy where there is no central authority such as a government. In this situation it may mean the creation of an agency that co-ordinates the efforts of several different groups.

A more focussed effort should result in improved economic results: increased business formation, improved economic planning; more focussed and supported local development effort, improvements in the level and quality of employment, improvements in local standards of living and more opportunities for local control.

□ MANY DEVELOPMENT PATHS

The second important factor to recognize is that Aboriginal economies have chosen different development paths. These paths are based upon differing cultural traditions, differing ideas about the role of governments and the individual, different emphases on private or public ownership, etc.

Some are choosing to develop using mostly publicly owned businesses, others are choosing to foster the development of a small business community which consists mainly of individually owned businesses. Some are working closely with natural resource companies (mining, minerals, oil and gas, etc.) to develop both opportunities for businesses and employment. Others are choosing to emphasis traditional forms of harvesting activities (farming, fishing, forestry). Some are encouraging individuals to pursue high-tech careers or careers in mainstream organizations. While the paths that Aboriginal economies are choosing are different, most are encouraging the development of a business community as one of the primary driving forces for economic development.

One way of thinking about Aboriginal economies may be categorize them by the nature of the dominant economic institution:

A small business economy consists primarily of small individually or community owned enterprises servicing primarily local markets. Development assistance will focus small businesses startup, access to small amounts of capital through programs like lending circles, micro-

business lending programs, equity contributions for both start up and growth, assistance in economic and business planning and local training programs to develop entrepreneurs. Establishing mentoring programs may also be necessary and after start-up programs to help individuals through the first turbulent years of business.

The primary focus of the development effort for this type of economy is small business stimulation, through encouraging either individuals (or groups of individuals) to start businesses or by starting them directly as publicly owned enterprises. They can accomplish the encouragement effort through the establishment of a development corporation which then undertakes to identify opportunities and individuals who may be interested in pursing these opportunities.

Either the development corporation, the local Aboriginal government (if one exists), or a local community service organization can act as an advocate for business development, forging links with other businesses who may have opportunities for small businesses, or gathering information on government procurement programs (at all levels: federal, provincial, municipal or Aboriginal) or any number of other tasks designed to stimulate and encourage small business development.

A community enterprise economy consists almost exclusively of publicly owned enterprises. Collectivities (First Nations, Tribal Councils, Development Corps) can usually undertake larger projects. These will require access to higher amounts of capital, perhaps some specialized expertise in marketing, production and political assistance in creating a climate of acceptance among regional mainstream businesses who may perceive local Aboriginal businesses as unfair competition. If a community has chosen public ownership of businesses, providing assistance in the development of appropriate institutions and mechanisms to separate business decision making from governance and political decision making plus developing policies and regulations aimed at creating an orderly market will be necessary.

Business information needs increase in complexity: more marketing information is needed by businesses, more and timely financial information is needed by the owners and creditors. The use of the Internet/world wide web as marketing tools becomes more important, especially if the company has a highly specialized product.

The primary focus of the development effort for these two development approaches is encouraging and assisting in the development of larger businesses from the smaller ones which have been created, if possible. This role can again be undertaken in a number of ways: by a development corporation, local service organizations or local governments.

A resource dependent economy which, generally, may develop as a result of a particular opportunity surrounding natural resources and a mainstream company will require specialized expertise in negotiating agreements on items such as employment, resource rents, licensing, rights of way, training and education, and the like. Here specific expertise in the development of joint ventures, partnerships, national and international business agreements would be helpful as well as support for the development of small businesses.

□ DIFFERING RESOURCE ENDOWMENTS

Aboriginal economies have very different human and natural resources and hence have different economic development potential. For example, those enclave economies which are located near urban centres may have excellent opportunities for business development as may interwoven economies in urban centres.

Enclave economies which are located in northern or remote areas may have limited opportunities for development. In addition to different natural resource endowments, there are wide variations in human resources or access to human resources. Again, large enclave economies may have highly skilled, educated or trained people readily available. Small enclave economies in remote areas may not have ready access to the same skill sets.

What does this mean?

What this means is that government programming must be flexible in nature and able to respond to different needs at the same time. For example, It should be able to respond to the need for highly developed import/export financing as well as micro lending to a small individual entrepreneur.

□ ONE PREFERRED APPROACH

The third factor to consider is that the preferred development approach by most Aboriginal communities is community(based) economic development (CED). This approach places the greatest amount of control over local development with local communities. This approach also

considers development in a holistic perspective, not isolating business development from social, cultural, political development.

The CED approach is a planned, comprehensive, and thoughtful approach based usually upon a rigorous analysis of a community's strengths and opportunities. It generally requires a high degree of cooperation and collaboration between governments and community institutions.

Some examples are the Saskatoon Tribal Councils Economic Development Corporation, the Kitsaki Development Corporation, and the Winnipeg Inner City Initiative.

What does this mean?

It is highly unlikely that Aboriginal communities will deviate or move from this position, which has remained consistent since the 1960s. Federal policy and programming have show a remarkable convergence to this position over the past 30 years as it has come to include loan guarantees, business assistance, training programs, economic planning support, business planning support.

The CED approach requires a high degree of economic planning at the local level and the development of a local capacity, either individually through entrepreneurs or local established business people or collectively through publicly owned enterprises to implement the plans. This highly centralized and planned approach, which can be quite effective for some economies may be seen as a constraint for others, particularly those that favour a small business local entrepreneurship approach.

□ SUMMARY

The point that I am trying to make here is two-fold: first, we need to understand the nature of the Aboriginal economy that we dealing with in order to be able to assist effectively in its development; secondly, our approaches and interventions must be consistent with these understandings. For example, it does little good to talk of collectively owned enterprises in most Iroquoian communities; Every collectively owned enterprise at Six Nations has failed, primarily for ideological reasons. In an Anishnawbe community, there is a high degree of comfort with mixed approaches that combine community owned enterprises along with some individually owned enterprises.

A CED approach in an interwoven economy may require the establishment of a co-ordinating agency whereas in a enclave economy that may be done through a committee of Council or a body reporting to Council.

The development of Aboriginal peoples' economies involves a highly complex set of tasks. Aboriginal economies, while usually thought of as a single entity, in reality, consist of a series of economies strung out across the country in a number of different environments with different resource endowments.

It is clear that a multifaceted, flexible development approach is required. It is impossible to consider economic development independent of the context within which it is to occur. In many Aboriginal communities, as a result of the holistic view of development and the social and health problems that occur, social development measures must be considered a critical and concurrent part of the overall approach to economic development.

We also need much more research in order to understand the dynamics of a particular economy, to understand the assumptions and values and beliefs upon which it operates as well as its structure of economic institutions.

Now we can turn to the second question.

2. What are the critical factors that need to be considered to convert fragility to strength?

□ INVISIBILITY

Aboriginal economies exist within the scope of the broader Canadian economies. In this sense, they are affected by national economic policies and hence are in a way interwoven into the economic fabric of the country. However, for the most part, Aboriginal economies have not been perceived as distinct economies, nor have Aboriginal people, either in enclave or interwoven situations, had the tools and mechanisms to guide their own development and participation. In fact, for the vast majority of Canadians, Aboriginal economies are invisible. This invisibility has made it hard to gather and analyse data to guide policymakers. This invisibility has also made it difficult for mainstream Canadian businesses and governments to consider Aboriginal economic development interests in their decision making processes except after the fact.

It is this single critical fact of invisibility that needs to be considered before all others. Without visibility, it will be hard to draw positive attention to development possibilities.

Finding ways to make aboriginal economies visible to policy makers is critical to success.

□ THE NEXT GENERATION

The upcoming generation will enter adolescence and early adulthood with a more positive sense of identity and a sense that it is possible to be Aboriginal in many different ways. The Maclean's magazine of September 27, 1999 reported on this new sense of Aboriginality. It reported a major shift in attitudes among members of this generation: a desire not to be trapped in the cycle of dependence of the previous generation and a desire to move away from the victimization of the past. This upcoming generation appears to be more confident of itself and its abilities than the previous. This sense of pride may lead to increased willingness to take risks, essential qualities for business development.

The post-1969 generation will want to do things differently. Economic development is seen as a key to increased stewardship and a key to self-government. There is a very strongly held position that governments have a lead role to play in the facilitation of Aboriginal economic development activity. One can begin to detect a rejection of the dependency syndrome that was built up over the last 60 years.

Public and secondary school completion rates have increased steadily over the past two decades as has participation in post secondary education. Demand is at an all time high for training. This increasingly educated cohort will be well placed to make an excellent contribution to Aboriginal economic development.

There are currently 40,000 Aboriginal individuals who attending colleges and universities. Aboriginal participation rates in areas of study related to economic development are approximately 1/3 to ½ of those for the Canadian population as a whole. For example, in 1991, 1.82% of Canadians between the age of 15 and 49 were enrolled in Business and Commerce programs; 0.96% of Aboriginal people of the same age were enrolled in similar programs.

As part of economic development strategy, it will be necessary to encourage young people to pursue higher levels of education, particularly in the business/commerce areas. It will also be necessary to adjust curricula at the primary and secondary school levels to present students with education about aboriginal economic histories in order to attract more of them to study in this area.

□ THE BABY BOOM LAG

Demographically, the Aboriginal baby boom is about two decades behind the mainstream baby boom. The mainstream baby boom has moved past the need for huge investments in education and housing; It now requires huge investments in health care and other services required of an aging population. The Aboriginal baby boom generation still requires huge investments in education and housing along with employment development. The lack of synchronicity will make it harder to garner the public resources necessary to facilitate Aboriginal economic development.

□ URBANIZATION

In addition to the movement of the Aboriginal baby boom through the period of highest household formation and job requirement stages over the next 20 years, there is also the slow but continuous urbanization of the Aboriginal population. Approximately 60% of the total Aboriginal population in Canada lives in urban centres.

However, only 40% of the status Indian population live in cities. This means that for a significant portion of the Aboriginal population, their experience with the economy will be in urban centres and hence in interwoven economies. One then has two large groups of people to deal with: Status Indians who live on reserve and Aboriginal people who reside in urban centres.

□ DEVELOPMENT INFRASTRUCTURE AND SUPPORT

In some communities, the basic infrastructure necessary for economic development is in place: small businesses, supportive local governments, banking and financial services, public utilities such as electricity, water, waste disposal, roads, communications, community development organizations and trained labour force. Those communities where these exist have good opportunities for growth and development.

There is still a huge public investment necessary to ensure that all communities have basic infrastructures to facilitate economic development.

The type of intensive and highly interventionist approach to economic development practised in the past three decades and which is still required in the Aboriginal economy will become more difficult to obtain and to sustain. It will be necessary to think in terms of more partnerships with the private sectors, working collec-

tively to ensure larger markets and other innovative approaches.

Governments at all levels are moving away from the provision of direct business assistance and business support programs and moving into a highly selective and focussed approach which is focussed on partnerships with the private sector. Government assistance is more and more targeted toward projects which can demonstrate a viable business case.

□ PRIVATE SECTOR LEADERSHIP

The Canadian private sector is expressing an increasing interest in doing businesses with Aboriginal businesses in ways that move beyond the mere selling of goods and services to them. There are an increasing number of joint ventures and partnerships between Aboriginal businesses and mainstream businesses. Partnerships are now seen as the way of the future and are a key element of the Aboriginal economic development strategies of the Ontario government.

The Aboriginal Banking Group is searching for creative and flexible solutions to the problems of financing. A number of sectorial groups have recognized the Aboriginal business sector and have adopted policies and created positions to encourage their members to do business with Aboriginal peoples. Organizations like the Canadian Council for Aboriginal Business, The Conference Board of Canada, the Council for the Advancement of Native Development Officers, and the Native Investment and Trade Association encourages their greater cooperation and collaboration between Aboriginal and non-Aboriginal businesses.

□ ABORIGINAL COMMON MARKET

There have been increasing discussions about the creation of an Aboriginal common market which would see Aboriginal communities from across the country enter into some form of trade agreements with each other as a way of stimulating economic development and reducing the 'bungee effect' of local expenditures in which funds flow into communities and quickly out of communities with little multiplier effect.

□ THE RCAP RECOMMENDATIONS

We cannot ignore the recommendations of the Royal Commission on Aboriginal Peoples. It behooves all of us to consider them as part and parcel of our work.

RCAP recommends a fundamental shift in the nature of the relationship between Aboriginal peoples and Canada: this new relationship would recognize Aboriginal peoples as "Aboriginal nations" within Canada and recognize their governments as a third order of government within the Canadian federation. Aboriginal nations would consist of culturally distinct groupings such as Micmac, Cree or Haida, have a defined territory and the right to exercise a closely defined set of governmental power within them. One of these powers is expected to be the stewardship of its economy, ie, the government of "Aboriginal nations" would have the responsibility for the development of its economy in all its facets.

These recommendations are consistent with the findings of the research carried out by the Harvard Project on American Indian Economies over the last decade. This research had found that one of the most significant factors in economic development was the ability of a local tribe to assert and exercise its sovereignty, ie, when tribes took stewardship over local economic development, planned the type of economic activity that they wanted, developed the institutions and operated these within a moral and ethical framework considered legitimate by tribal members, that local economies flourished.

RCAP proposes that Aboriginal peoples should have control of and access to significant and substantial lands and resources. It argues that control of a critical mass of land and resources is crucial to the rebuilding of Aboriginal economies. This control should come through a continued settlement of land claims, a renewal of existing treaties and the negotiation of new treaties as is currently underway in British Columbia. It would be fair to characterize the Commission's approach as based upon the principles of "fair share, fair play and fair power."

RCAP recommends a focus on economic development as one of its first priorities for spending over the next five years and then a shift to the settlement of land claims over the next ten years. If this approach is adopted, there are excellent opportunities for improved Aboriginal economic growth. RCAP recommends the following, among others:

(a) the signing of multi-year long term development agreements with Aboriginal governments. These agreements would transfer resources from the federal government to Aboriginal governments for use in economic

development. These agreements would replace project by project funding and provide a block of funds for economic development and more autonomy for Aboriginal development authorities.

(b) mainstream businesses which are located in traditional aboriginal territories to work to ensure that aboriginal peoples obtain more benefits from these activities through contracting out, spin-off benefits, employment, purchase of services, etc. especially in the natural resource development areas. Revenue sharing is the key.

(c) improvement of banking services within Aboriginal communities through networks of banks, trust companies, credit unions and caisse populaires.

(d) improvement of financial services and access to capital. While the development of a network of banks and other related financial institutions is a necessary first step, it is also important that there be other types of financial services available: micro-lending programs, revolving community loan funds, government equity programs, improvements to the Aboriginal capital corporations, Aboriginal venture capital corporations.

(e) a national Aboriginal development bank: The commission argues that there is an n emerging commercial need for medium and long term investments and loans that go beyond the capacity of individual Aboriginal capital corporations. This bank could issue Aboriginal development bonds or investment certificates, serve as a broker to bring together those who need capital and those who have it and provide technical and managerial advice to larger Aboriginal commercial projects.

(f) establishment of an Aboriginal economic development institute within a proposed national Aboriginal university. The Commission recommends that a part of the proposed national Aboriginal university be devoted to the study of Aboriginal economic development and that its research findings be used to guide future public policy efforts.

(g) improved business services and entrepreneur support: recognizing that entrepreneurs need to be supported, the commission has recommended that business advisory services, which combine professional expertise and detailed knowledge of Aboriginal communities, be strengthened and built into the emerging economic development institutions of Aboriginal nations.

(h) more focussed and strategic employment development initiatives: Recognizing that participation in the mainstream labour market is important and critical, the Commission has recommended that employment development efforts be more focussed, intensive and strategic, ie, they should be focussed on real employment opportunities for which people can be trained, should be an intense marshalling of resources to deal with a rapidly emerging problem and should be strategic in that it focuses on areas where the largest growth in jobs is expected to occur.

What does all of this mean? How do we convert fragility into strength?

Based upon the work of the Royal Commission and economic development experience in Aboriginal communities in Canada and the United States over the previous three decades, there are five factors which appear to be critical to fostering Aboriginal economic development.

1. *restoration of power and control over lands and resources;*

The RCAP report reinforces the fundamental axiom — that without a critical mass of land and resources coupled with the authority (and related governance machinery) to exert control over their use — little development can occur. It is important that local Aboriginal governments have ownership and stewardship over lands, natural and fiscal resources. Local governments must have ways of defining ownership of lands and resources, describing the rights that accrue with ownership, transferring ownership, and similar registrar functions, defining and collecting taxes and other fees, and regulating the use of land and resources.

2. *the development of a positive and encouraging social/political/cultural climate for Aboriginal economic development*

The work of the Harvard Project on American Indian Economies indicates the need to create a positive and supportive climate for development. It must provide a degree of stability for business people, provide security of assets for companies from appropriation by governments or others, and be consistent with the cul-

tural norms of the community. It is important to develop within the community a sense of legitimacy for economic development and its related activities. Forms of ownership must be consistent with cultural understandings as well. Community members must be assured that development will occur within the broad ethical guidelines of the culture.

3. *the development of enabling instruments for use in surmounting the problems facing Aboriginal economic development*

Aboriginal economic development initiatives face unique difficulties in several areas: accessing capital, pledging collateral and acquiring credit, accessing banking services in remote areas, accessing management and technical advice away from major urban centres among others. It is important that there be the development of enabling instruments which will assist Aboriginal people to deal with these problems. For example, recent changes to the Indian Act have made it easier to use reserve lands in development projects without losing control of them; some innovative lending circle and micro lending projects have made it much easier for micro-businesses to acquire start-up capital; some community development organizations have entered into agreements with local community colleges or universities for the provision of management and technical business advice using senior and graduate students.

4. *the development of a skilled and positive forward-looking labour force*

A trained, skilled and experienced labour force is important to economic development. The resulting businesses and related enterprises need individuals who have a broad range of skills to work within them. It is important that these individuals have a solid base of technical skills as well as a positive attitude toward economic development. There should be an effort made to match training initiatives with local needs. It is important that there be some mechanism which connects local labour markets with local governments or organizations so that this matching can occur with a degree of certainty.

5. *an acceptance and willingness to engage in economic activity by the mainstream in collaboration with Aboriginal people*

The RCAP report indicated that most of the Aboriginal economic activity is invisible to mainstream Canada. It also found that many Canadians continue to see Aboriginal people in historical terms and rarely see them in contemporary terms as capable of contributing to the development of their own communities let alone the rest of Canada. Many industry/sector organizations are starting to see Aboriginal economic development activity as an opportunity for their members to become involved in new markets, new products, new ways of doing business, etc. Some are actively encouraging their members to become involved with Aboriginal businesses for a variety of reasons. It is important that these efforts be encouraged and assisted as they can be the foundation of new enterprises and increased economic activity.

What do we do?

1. We first of all recognize that the situation facing us is different than it was three decades ago. We have been following the Whabung report now for two decades and are slowly starting to see the results of our efforts, however uneven they may be. Land claims are being settled, slowly; basic economic infrastructures are in place in many areas; resources are being gathered and built up; skill levels are improving, attitudes towards development are changing.

2. There is still an enormous task ahead of us. The RCAP recognizes that it is at least the work of a generation. It called for a generation of concerted effort directed at rebuilding Aboriginal nations, communities, economies and individuals. It argued for the use of long term economic development agreements as the base for the development effort. We need to remain optimistic and make that optimism infectious.

3. There is a tremendous desire on the part of many Aboriginal peoples to ensure that traditional viewpoints and values form the core of and are reflected in the development effort. I agree that this is important. The use of traditional values affirms us and reinforces us.

   This desire should be jealously guarded and protected. We live in a market economy. And we live in a capitalistic society. The dominance of the market in our lives and the use of the market as the fundamental resource allocation mechanism in our communities means that traditional values will be hard to hold onto. Capitalism is a

social and moral order. The market is a valuing mechanism. It use tells us how to value things. Anything that cannot be valued is of little interest to the market. As a result of its central importance to our economic system, we will tend to adopt market values as the basis of valuation in our society. And we will begin to approach North American values.

The challenge then is to ensure that we keep our own traditional values visible. And that we be seen to use them in our decisions. We will need to develop ways of ensuring this.

4. Another challenge will be to find ways of ending our isolation from each other and from the mainstream of the Canadian economy. Many of our reserve communities are too small to support much economic effort. In the rural areas, we are similarly isolated. In urban areas, we often invisible except in poverty. We will need to find ways to bring us together to take advantage of the economies of scale. We will need to be able to find ways of increasing our visibility to the mainstream so that they think of us as important players in the economic communities.

5. We will need to find solutions to the technical problems that confront us on many fronts: the application of laws, the relationship between the economy and government, access to capital and training and education, among others.

Can we do these things? I am heartened by what I have heard from my students over the past couple of years. They say to us: we know the story of woe, pain and suffering. Some of us have lived it. We want to create a new story. Based upon the evidence of the last 25 years, I am more hopeful than ever.

Journal of Aboriginal Economic Development

Submission Guidelines

The Journal of Aboriginal Economic Development is a peer-reviewed journal for practitioners and scholars working and researching in areas relevant to aboriginal economic development. Its intent is to explore ideas and build knowledge in the field of aboriginal economic development theory and practice. The journal prefers a broad interpretation of research and knowledge and encourages a wide variety of forms of contributions in this area.

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Manuscripts should be sent to: Kevin Fitzmaurice, Assistant Editor, Journal of Aboriginal Economic Development, Department of Native Studies, Trent University, Peterborough, Ontario, Canada, K9J 7B8. A copy of the final revised manuscript, in WordPerfect® 5.1 or later or Microsoft Word® format, saved on an IBM-compatible disk should be included with the final revised paper copy. Research submissions should conform, where practical, to the *Publication Manual of the American Psychological Association* (4th edition), however the journal is flexible in its format and encourages creativity and innovation.

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