

THE CARE AND SUPPORT OF
ABORIGINAL ECONOMIES
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**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. After 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, Portugal 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 case, 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 be 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 lingers 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 northerners.

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 paralleled 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 known 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 emphasize 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 to 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 pursuing 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 encour-

aging 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 1/2 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 behoves 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 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 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 are 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.