

THE NEW FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT

A Review and Call for Responses

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The federal government has introduced what it describes as a “new and vastly improved”¹ Federal Framework for Aboriginal Economic Development (FFAED). It is expected to “bring fundamental change” in the way the federal government will support Aboriginal economic development in the years to come. The new framework focuses upon opportunities and being responsive to new and changing conditions in the economy in order to leverage partnerships and achieve results. It anticipates enhanced business leadership skills and training, more access to Aboriginal-owned resources, as well as increased coordination among federal departments and agencies in implementing FFAED and the programs that are expected to be generated from it.

The National Aboriginal Economic Development Board² is expected to play an increased role in the implementation of the FFAED as it did in developing it. The new Framework establishes two broad sets of expectations as they apply to government and to “Aboriginal Canadians”.

On the government end, FFAED is expected to tighten a whole-of-government approach to realize government priorities. This entails linking partnerships, which would be driven by economic opportunities. The Framework would further define the role of the federal government in Aboriginal economic development by focusing on results and accountability. The objectives of the Framework are to communicate the federal approach, to guide the development of programs, and to act as a comprehensive assessment tool.

On the “Aboriginal Canadians” side, the new Framework expects to capture the full extent of the Aboriginal economy through ongoing engagement and co-ordination. The objective is to increase Aboriginal people’s economic development by enhancing self-reliance and being more responsive to opportunities.

The new Framework intends to address many issues. These include current barriers in the legal and regulatory environment, accessing resources, limitations affecting labour participation in the private sector, infrastructure and

¹ <<http://www.ainc-inac.gc.ca/ai/mr/spch/2009/spch000000372-eng.asp>>

² All members of the NAEDB are appointed by the Governor in Council. The NAEDB is created by the federal government, and it reports to the federal government. The NAEDB Web site: <<http://www.ainc-inac.gc.ca/ai/arp/app/lor/nae-eng.asp>>

communications, access to commercial capital, capacity deficits in businesses, Aboriginal leadership, and shortage of professional expertise in institutions. The Framework plans to accomplish these changes by putting to work the whole-of-government response for Aboriginal economic development.

In the wake of the new FFAED, programs will be redesigned and new programs might be developed to meet with the new framework requirements. The new approach will move interventions and programs from untargeted equity-based programming to targeted investments for opportunities in Aboriginal resources. The new FFAED will link to the private sector, which will drive investments, lending, and major projects. The aim is to increase Aboriginal business competitiveness against non-Aboriginal private sectors by providing a "level playing field". This is to be achieved through greater discipline, more of a focus on financial levers, and more effective actions in developing Aboriginal human capital in the domains of education, social assistance, and labour markets.

These measures would define the role of the federal government based on its constitutional and fiduciary obligations, on good public policy, and on strong partnerships. The Framework perceives the key enablers of these undertakings in terms of opportunity-ready communities, good governance, return on investment, and viability of businesses and skilled labour to interact with the mainstream economy to capitalize on major opportunities and resources owned or controlled by Aboriginal peoples.

Other guiding principles of the new Framework include flexibility, cultural sensitivity, and sustainability. The whole of the Government of Canada's Framework vision is to ensure that "Aboriginal Canadians" enjoy the same opportunities for employment, income, and wealth creation as other Canadians.

The government has committed to invest \$200 million on accessing commercial capital, promoting Aboriginal procurement, increasing Aboriginal participation in resource development, and accelerating economic use of lands owned or controlled by Aboriginal peoples.³ The gov-

ernment has already allocated \$70 million over two years for measures supporting the new framework.

The new Framework was elaborated through a literature review, "engagement sessions", and numerous bilateral and multilateral meetings. The resulting information, including those from the National Aboriginal Economic Development Board led by Chief Clarence Louie, served as inputs into the Framework's design. The new Framework was initially published in 2008 and formally introduced by Minister Strahl of Indian and Northern Affairs Canada (INAC) in June 2009.

Two of the questions that the new Framework raises are as follows:

1. What is new in the new FFAED that was not determined and achievable through the Canadian Aboriginal Economic Development Strategy of 1989 (CAEDS)?
2. What happened to the government-to-government relationship in the FFAED so that First Nations, Inuit, and Métis will effectively govern their economy?

We will briefly discuss but not fully answer these questions here. This is intended to bring attention to the new Framework and to initiate discussions on its design and implementation.

There are expectations that FFAED will assist in resolving some of the ongoing issues First Nations, Inuit, and Métis are facing in realizing their economic self-determination and autonomy. The FFAED has presented itself as a positive effort by the government to modernize CAEDS and to address its challenges.

Despite its stated good intentions and limited consultations, the new Framework is based upon serving the political platform of the government. In response to this it could be argued that the role of the government is to govern. A counter response to this could be that government cannot govern effectively and cannot do it all by itself without the formal and meaningful participation of those Aboriginal institutions invested with the responsibility to govern and develop the Aboriginal economy. The Framework may have been developed with some level of consen-

³ <<http://www.ainc-inac.gc.ca/ecd/ffaed1-eng.asp#chp1>>

sus by decision-makers within the government and by selected stakeholders. However, the process did not include many of those who govern themselves.

If any substantive, sustainable change is to be accomplished by the Framework, then it is critical that there be a substantial level of buy-in by those who would implement it. To achieve buy-in by those who should be brought into the process, it is often critical that they believe they are an integral part of it. An alternative way of achieving buy-in and obtaining the needed support for implementation is for those affected by a new approach (in this case the new Framework) to clearly understand how they would benefit from it. Have these objectives been sufficiently explained in the new Framework? Hopefully, future action will be taken to demonstrate that the new Framework will significantly facilitate Aboriginal economic development. More collaboration in the implementation of the Framework may help to achieve this goal.

Additional aspects of FFAED that should be addressed include the following:

- (a) What are the implications of moving from "untargeted" to "economic opportunities for Aboriginal resources"? Funding for economic opportunities in the new Framework is proposal-based, while the current Community Economic Development Program (CEDP) is a core funding process, which allows decision making at the community level. The proposal-based programs appear

to be subject to a decision-making process controlled by the government and away from the Aboriginal authorities. What are the funding implications for the employment of economic development staff under community-based institutions? How will a community be able to implement this?

- (b) What happens with communities that have limited access to economic opportunities because of their small population and remoteness or limited access to the resources that the mainstream economy is looking for?
- (c) What kind of structure does INAC need to deliver services and programs? What kind of economic development structures are needed for Aboriginal economic development at the local, regional, and national levels?
- (d) What are the potential costs and benefits of expanding eligibility to funding to include all Aboriginal people, notwithstanding their place of residence—whether on reserve or elsewhere? This may double the potential Aboriginal clientele. What are the implications of this on the actual financial resources available for economic development?

The impact of the FFAED is yet to be seen. We hope this article will bring attention to this new Framework and generate further discussion on its design and implementation.