

Indigenous Business Toolkit Project

Indigenous Economic Development: The Philosophy

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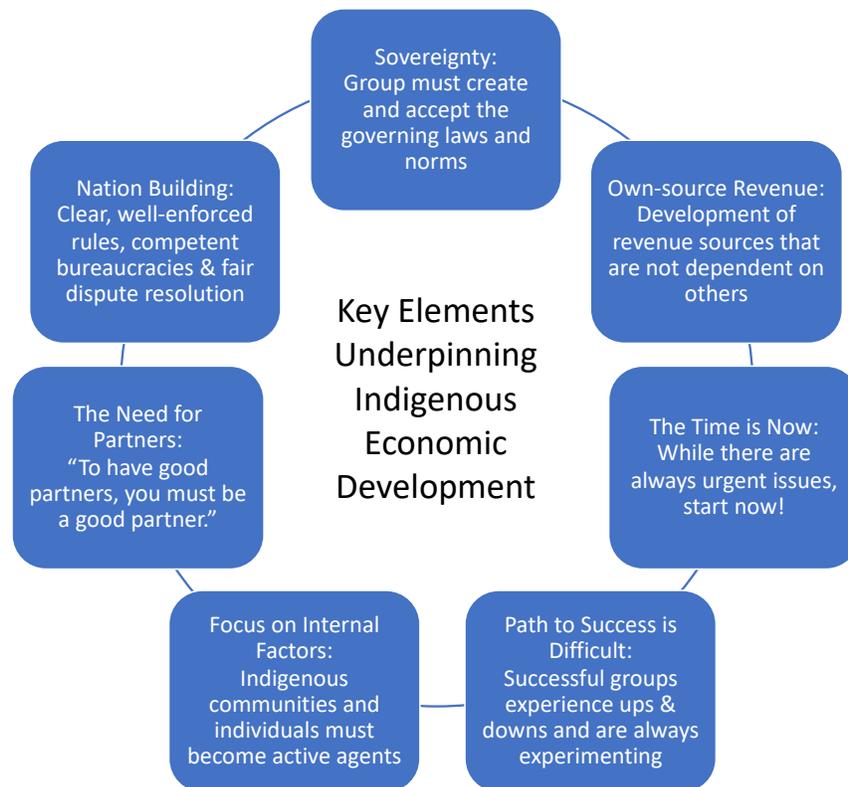
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Summary

The Indigenous Economic Development Toolkit (the Toolkit) has been developed to provide Indigenous communities and individuals with the practical tools they and their advisors can use to undertake successful economic development. Indigenous economic development takes many forms – everything from the establishment of economic development corporations to investment in businesses owned by community members. Regardless of the form, economic development creates wealth, builds careers, and serves as a foundation for nation building.

The purpose of this module is to lay out some of the elements of the philosophy of Indigenous economic development – i.e., “What is the purpose of Indigenous economic development, and how should it best be done?” The key elements of the philosophy covered in this module are shown in the figure below. These elements are: Sovereignty; Nation Building; Own-source Revenue; Focus on Internal Factors; The Time is Now; The Path to Success is Difficult; and The Need for Partners.



The Philosophy of Indigenous Economic Development

The philosophy of Indigenous economic development lays out the overall vision for economic development and answers the question, “What is the purpose of Indigenous economic development, and how should it best be done?” Since there are many answers to this question, it is not possible to explore them all. Nevertheless, it is possible to examine some of the key elements that underpin Indigenous economic development.

1. **Sovereignty:** Sovereignty is defined as the ability of a group of people to govern themselves using laws and norms created and accepted by the group.¹ The ability to govern depends on the ability of the group to fulfill certain obligations and responsibilities, including the ability to provide jobs and economic opportunities.² Thus, economic development is a critical element of Indigenous sovereignty.
2. **Nation Building:** Nation building is the process by which Indigenous nations establish the set of rules necessary for a society to flourish. As outlined in the Nation Building module in the Toolkit, nation building is a key underpinning of economic development. At the same time, successful economic development is a key feature in nation building. As a result, there is a positive feedback relationship in which successful economic development leads to nation building which leads to successful economic development.
3. **Own-source Revenue:** An important part of sovereignty is the development of revenue sources that are not dependent on the actions of others. While government transfers, for instance, are important and have their place, especially with respect to ongoing rights, they typically come with strings attached. Own-source revenue provides greater freedom for Indigenous communities to look after their needs and interests rather than those of the funders. As the “Golden Rule” states, “Those with the gold make the rules.” Making their own money allows Indigenous communities greater freedom and control in making their own rules.
4. **Focus on Internal Factors:** The success of the Indigenous nation-building process depends on a host of external (e.g., existing laws and policies; societal attitudes and beliefs) and internal factors (e.g., leadership and decision-making capacity; own-source funding). While the external factors are important and need to be addressed, doing so takes time. In the interim, it is important to address the internal factors – i.e., the ones over which the community has direct control. Economic development can address these internal factors by providing Indigenous communities and individuals with the opportunity to become active agents and to make a difference. Leadership skills can be recognized and nurtured, skills can be developed through employment, and own-source funds can be generated.
5. **The Time is Now:** The best time to engage in economic development is now! Yet doing so is difficult: there are always urgent issues that demand time and resources; there is always something to be learned by waiting and watching what others do; there are

always reasons why today is an inopportune time. But, as the saying goes, “The best time to plant a tree was 20 years ago. The second-best time is today.” The successful groups – the ones with the well-known names and stories – that started many years ago faced circumstances like the ones of today. There was nothing in the environment then that clearly said, “This is the right time to start.” Instead, these groups went ahead despite the challenges they faced.

6. **The Path to Success is Difficult:** Economic development is challenging and difficult. While there are principles to follow, achieving economic development success does not happen immediately or automatically, the process is far from linear, and it does not come with a clear sightline. Instead, successful groups experience ups and downs; they are constantly experimenting and engaging in trial and error. Success today does not automatically generate future success; indeed, most groups have business failures along the way until they discover the model that works for them.
7. **The Need for Partners:** While the internal factors are important for economic development success, external factors – everything from government policy to the economic and political environment – also play a critical role. One of the important external factors is the relationship that Indigenous businesses have with their partners. Two important partner groups are customers and input suppliers, since it is difficult to run a successful business without good relationships with these entities. Ownership partners are also important. Although some groups, particularly those that are well-established, have the knowledge and expertise that is needed to start and operate their businesses, other groups need partners with expertise in activities such as operations, finance, and marketing. Ownership partners are also important to spread the risk. Regardless of the nature of the partnership, the best relationships are win-win. Business relationships where one party (customer, supplier, or owner) feels like they are being taken advantage of will not last in the long term. Doing business means making sure everyone’s needs and interests are being met. In short, “To have good partners, you must be a good partner.”

Resources

Missens, Richard. 2008. Sovereignty, Good Governance and First Nations Human Resources: Capacity Challenges. Research Paper for the National Centre for First Nations Governance May. Accessed January 3, 2024 at https://fngovernance.org/wp-content/uploads/2020/09/richard_missens.pdf.

Pratt, A. 2004. Treaties vs. Terra Nullius: Reconciliation, Treaty-Making and Indigenous Sovereignty in Australia and Canada. *Indigenous Law Journal at the University of Toronto*, 3, 43–60. Accessed March 14, 2024 at <https://jps.library.utoronto.ca/index.php/ilj/article/view/27693/20423>.

Endnotes

¹ Pratt (2004).

² Missens (2008).

Indigenous Business Toolkit Project

The Indigenous Business Toolkit Project is designed to provide Indigenous communities and individuals with the practical tools they and their advisors can use to undertake successful economic development. Indigenous economic development is more successful when everyone – community members, community leaders, consultants, business professionals, employees, and/or potential partners – understands its many aspects.

The Toolkit provides step-by-step instructions on selected aspects of economic development based on the best practices of leaders in the field. The modules in the Toolkit cover everything from the role of economic development in nation building, to the importance of business charters, to the various legal forms that can be used to pursue economic development, to the steps needed to identify and negotiate beneficial partnerships, to the governance challenges that economic development must address.

The modules are available for free and for use by anyone. The full set of Toolkit modules can be found at: <https://www.schoolofpublicpolicy.sk.ca/research-ideas/projects-and-labs/indigenous-leadership-governance-and-development-project.php>.

The Indigenous Business Toolkit Project is part of the larger Indigenous Leadership: Governance and Development project designed to support long-term Indigenous economic development. In addition to the toolkit, the larger project involves capturing the economic development experience of Saskatchewan Indigenous communities through a series of case studies. The case studies, along with a description of the larger project, can be found at the website listed above.

Disclaimer

The information contained in this document is designed to provide an overview of a particular topic and should not replace legal and other expert advice. Groups wishing to use the concepts discussed should receive the appropriate professional advice necessary to ensure their specific goals and circumstances are considered and recognized.

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