

# **Indigenous Business Toolkit Project**

## **Nation Building**

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March 2024

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## Summary

Nation building is the process by which Indigenous nations strengthen their “capacity for effective and culturally relevant self-government and for self-determined and sustainable community development.”<sup>1</sup> Nation building is viewed as a necessary condition for strong economic development – without nation building, attempts at economic development are unlikely to be successful.

Five pillars have been identified as being the foundation of nation building. These pillars are: Practical Sovereignty; Institutions; Cultural Match; Strategic Decision Making; and Leadership.<sup>2</sup> Communities and nations that can develop these pillars are more likely to succeed culturally, socially, politically, and economically. Indeed, the success of nation building is that it addresses the fundamental challenge faced by all human societies, namely, how to establish the set of rules necessary for a society to flourish (including rules about when and how the rules can be changed) while ensuring the rules will be followed.



**Pillars of Nation Building**

## Introduction

The economic development of Indigenous communities was traditionally understood as a problem of a lack of resources. As a result, community leaders and policy makers typically focused their efforts on “jobs and income” by attracting businesses that would create employment and/or large profits that could be distributed.<sup>3</sup>

Research by the Harvard Project on American Indian Economic Development over the last 35 years has shown that this strategy will not stimulate Indigenous economic development. Instead, the key underpinning of economic development is nation building.<sup>4</sup>

As the Native Nations Institute outlines:

Native nation building is the process by which a Native nation strengthens its own capacity for effective and culturally relevant self-government and for self-determined and sustainable community development. Nation building involves building institutions of self-government that are culturally appropriate to the nation and that are effective in addressing the nation’s challenges.<sup>5</sup>

Through the nation building/rebuilding process, Indigenous nations assert their sovereignty and improve their ability to make culturally appropriate decisions, which in turn provides the conditions for better economic and social outcomes.<sup>6</sup>

## Nation-Building Pillars

Research by the Harvard Project on American Indian Economic Development and the Native Nations Institute has identified five pillars that are particularly important for nation building: Practical Sovereignty; Institutions; Cultural Match; Strategic Decision Making; and Leadership.<sup>7</sup>

The five pillars of nation building address the elements that need to be in place in a community so that people find it attractive to reside, work, invest, start businesses, raise children, and retire – in short, to live – in that community.

First, the communities must be seen as having practical sovereignty – i.e., places where the leaders of the community have the authority and ability to set a vision and establish policies to achieve this vision.

Second, the community must be able to set up effective institutions. The rules, practices, codes, and relationships that govern a nation must be clear and well-enforced, bureaucracies must be competent, and dispute resolution mechanisms must be fair. Effective institutions provide people with an idea of what they can expect in their dealings with the nation. If people expect to be treated fairly, they will be much more likely to want to live and invest in a community.

**Table 1. The Five Pillars of Nation Building/Re-Building<sup>8</sup>**

<b>Pillar</b>	<b>Description</b>
Practical sovereignty	The major decisions – e.g., determining the rules that will govern the nation, setting a vision, establishing guidelines and policy – are made by the community or the nation. While input to these decisions can be sought from outside the community, ultimately it is the nation that establishes the institutional framework within which day-to-day decisions are made.
Effective institutions	Institutions establish the rules, practices, codes, and relationships that govern a nation. Effective institutions make the rules and rights clear, ensure the rules are followed, establish what behaviour is encouraged and discouraged, and provide people with an idea of what they can expect in their dealings with the nation. Effective institutions require that the nation can back up its authority with competent bureaucracies and fair and effective dispute resolution mechanisms.
Cultural Match	Governing institutions are viewed as legitimate and are more likely to have the support of the nation when they "match" a community's beliefs about how authority should be organized and enforced.
Strategic Decision Making	Decisions are made with long-term priorities in mind. Development is understood to be a way of building a community that will work and be sustainable for the long term. Rather than focusing on the symptoms of a problem, the focus is on delving into the root causes and addressing them.
Leadership	Nation building and effective economic development require people who recognize the need for fundamental change and who can work with the community to make this change occur. These leaders need to walk a fine line between pushing for change and recognizing the challenges this change presents for people in the community.

Third, a key element of effective institutions is their match with the culture and values of the community. Governing institutions are more likely to have the support of the nation when they fit with a community's beliefs about how authority should be organized and enforced. In short, people must see themselves and their culture in the governing institutions.

Fourth, while effective institutions are important, they are not enough. In addition, nation building requires people to make decisions based on a long-term view rather than on quick fixes. These strategic decisions examine and then address the underlying reasons for a problem rather than focusing only on the symptoms.

Fifth, nation building also requires effective leaders – people who see the need for change and can enact this change with the support of the community. While effective institutions, cultural match, and strategic decision making are important aids for the leaders in their work, leaders must be able to step outside the current situation and see opportunities. They must also have personal attributes and values that convey excitement at possibilities and trust in their ideas and their work.

## Resources

Cornell, S., & Kalt, J. P. 1998. *Sovereignty and Nation-Building: The Development Challenge in Indian Country Today*. Harvard Project on American Indian Economic Development. Kennedy School of Government, Harvard University.

<https://hpaied.org/sites/default/files/publications/PRS98-25.pdf>

Cornell, Stephen. 2015. “‘Wolves Have A Constitution:’ Continuities in Indigenous Self-Government.” *International Indigenous Policy Journal* 6 (1): Article 8.

Jorgensen, Miriam, ed. 2007. *Rebuilding Native Nations*. Tucson: University of Arizona Press.

NNI. 2023. Native Nations Institute. The University of Arizona. <https://nni.arizona.edu/what-native-nation-building/>

## Endnotes

<sup>1</sup> NNI (2023).

<sup>2</sup> Jorgenson (2007); see also NNI (2023).

<sup>3</sup> Cornell and Kalt (1998).

<sup>4</sup> Cornell and Kalt (1998).

<sup>5</sup> NNI (2023).

<sup>6</sup> Cornell (2015).

<sup>7</sup> Jorgenson (2007); see also NNI (2023).

<sup>8</sup> NNI (2023), Jorgenson (2007), and Cornell and Kalt (1998).

## **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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