

Summary

SERC 2: Natural Resources, Local Development, Social Economic Enterprises and Rural Revitalization in Alberta

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DRAFT Overview of First Nation Co-operatives in Canada¹

Introduction

Until 2001, a comprehensive statistical study of Aboriginal co-ops in Canada was lacking.² This left a significant gap not only in research on Aboriginal issues but also related to social economy enterprises. The following examines some of the research and conclusions on Aboriginal Cooperatives presented in the “Socio-Economic Profile of Aboriginal Co-operatives in Canada” (January 2001)³, and “A Report on Aboriginal Co-operatives in Canada: Current Situation and Potential for Growth” (March 2001).⁴

¹ Aboriginal co-operatives are members of other co-operative organizations that form the membership of the national co-operative organizations, Conseil Canadien de la Coopération and the Canadian Co-operative Association. In the case of the latter, Arctic Co-operatives, the wholesale and marketing agencies owned by northern (and mostly Aboriginal) co-operatives, is one of twenty-seven regional members of that organization. Through the two national organizations, Aboriginal co-operatives are members of the International Co-operative Alliance, whose basic statement of co-operative identity they affirm. A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth. Dr. Lou Hammondketilson Associate Profession Management and Marketing College of Commerce and Centre for the Study of Co-operatives. University of Saskatchewan and Dr. Ina McPherson., Director, British Columbia Institute for Co-operative Studies. University of Victoria (March 2001). <http://www.coopscanada.coop/pdf/GAP/aboriginal/MainReport.pdf>

² According to the report on Socio-Economic Profile of Aboriginal Co-operatives in Canada. Bachir Belhadji (January 2001) Co-operatives Secretariat. Government of Canada. http://coop.gc.ca/pub/pdf/abor_e.pdf only two other paper provided information on social economic enterprises. The first paper was sponsored by Aboriginal Business Canada (ABC): “The road less traveled: Aboriginal entrepreneurs building economic independence of the 1990s”. ABC, January 1998. The second document is by Caldwell, D. and P. Hunt: “Aboriginal Businesses: Characteristics and Strategies for Growth”. Occasional paper No. 20. Ottawa: Industry Canada, July 1998.

³ Socio-Economic Profile of Aboriginal Co-operatives in Canada. Bachir Belhadji (January 2001) Co-operatives Secretariat. Government of Canada. http://coop.gc.ca/pub/pdf/abor_e.pdf

Is there anything else linking to the validity of this statement? Check with Doug as SME.

⁴ A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth. Dr. Lou Hammondketilson Associate Profession Management and Marketing College of Commerce and Centre for the Study of Co-operatives. University of Saskatchewan and Dr. Ina McPherson., Director, British Columbia Institute for Co-operative Studies. University of Victoria (March 2001). <http://www.coopscanada.coop/pdf/GAP/aboriginal/MainReport.pdf>

Other important research informing the following analysis comes from the work completed by Elias (1995) “Northern Aboriginal Community: Economies and Development”. Within this body of work, Elias presents much compelling evidenced base research data that examined the outcomes of the Government of Canada’s Royal Commission on Aboriginal Peoples (1991-1993) which investigated the conditions within aboriginal communities and relationships between aboriginal people and larger Canadian societies. Within its investigations, the Royal Commission was specifically directed to examine the economic issues and concerns of aboriginal people in the North. In an extensive review of the Commission’s transcripts using key words and phrases associated with economic development, Elias (1995) provides an interesting look at the lack of emphasis of aboriginal enterprises expressed by community speakers. What Elias found was intriguing. When key words centring on business, commerce, entrepreneurs, industry and profit were reviewed in the transcripts little evidence supported traditional forms of economic development. Instead, information suggests that social economic enterprises could form the basis of emerging aboriginal economic strategies.

Clearly, whatever representations aboriginal people made to the Royal Commissions, the weight of concerns fell squarely on issues of community life and relations between aboriginal people and Canada. *The least used words in the transcript are associated with business and enterprise (Italics added).*

The Royal Commission Report was also important towards further clarification of the need for consideration of “collectivity” in the decision and planning of economic policy makers. Myths and assumptions of policy makers and the general public that the economic problems of Aboriginal communities can be resolved by strategies directed to individuals thought to be in need of assistance were no longer viable solutions. The common approach of defining the problem of Aboriginal individuals as not having access to opportunities for employment or business development in the larger Canadian society ignores the importance of the collectivity in Aboriginal society (the extended family, the community, the nation) and of rights, institutions, and relationships that are collective in nature. It also overlooks the fact that economic development is the product of the interaction of many factors—health, education, self-worth, functioning communities, stable environments, and so on.⁵

⁵ A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth p.21

Key Findings

In 2001, there were approximately 133 co-operatives in Canada in which the membership was identified as being predominantly Aboriginal. According to the report on the “Socio-Economic Profile of Aboriginal Co-operatives in Canada” (January 2001), Aboriginal co-ops were concentrated in Quebec. This finding supports other trends in the development and distribution of non-aboriginal social economy enterprises reviewed in the popular literature and academic research. In addition, co-operatives are also a popular form of Community Economic Development (CED) in the Northwest Territories. Together, these regions account for almost 55% (73 co-ops) of all Aboriginal co-ops in Canada. However, the “Report on Aboriginal Co-operatives in Canada: Current Situation and Potential for Growth” (March 2001), claimed that the largest number of Aboriginal co-operatives can be found in the northern regions of the Arctic, mostly among Inuit and Inuvialuit.⁶ Both reports, identified Aboriginal co-operatives as serving a wide variety of needs, the most common being the provision of food and supplies in remote communities. With respect to natural resources, co-operatives also acted as important opportunities for the marketing of arts and crafts, wild rice, fish, and shell-fish.

This analysis, however, does not take into account of informal kinds of co-operation that form the underpinnings of traditional co-operative enterprises. This includes various traditional communal activities; such as, the seal hunt, the harvesting of grains, the collective marketing of produce, the joint purchasing of food and supplies, mutual aid in times of adversity, the sale of art, the sharing of workplace skills, the collective provision of shelter, and community access to health services.⁷ These community-based co-operative activities do not result from the implementation of various forms of formal co-operative policies and planning, rather they manifest themselves from a much deeper understanding of the benefits of collaborative behaviour found in the cultures of communal people include the Aboriginal peoples of Canada. The common capacity among the behaviour of aboriginal communities towards collective and mutual benefits has offers much in the further development and strengthening of co-operative enterprises.

⁶ Closer examination of the data and methodologies of these two reports will be required to confirm these claims.

⁷ A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth p. 31

The Context of Aboriginal Co-operatives

Accessing Natural Resource and Co-Management Agreements

Since the early 1970s, the Canadian courts have gradually recognized aboriginal rights and interests in association with important community and economic development issues, including governance taxation, lands, resources, property and tradition (Elias 1995). The Supreme Court decision *Sparrow* 1990, which gave aboriginal food fishing precedence over commercial and sport fishing, has had the most impact on aboriginal affairs with respect to accessing natural resources for a variety of local subsistence as well as community economic development enterprises. Only the need for fisheries conservation has priority over aboriginal food fishing. “Since 1990, aboriginal groups have used *Sparrow* to gain access to all kinds of renewable and non-renewable resources, including game animals, forest resources, and water (Notzke 1994: 9, 24, 31 as cited in Elias 1995). In British Columbia, this has led to numerous co-management agreements. In Alberta case studies of “co-management” and “socio-economic partnerships” or loosely defined forms of First Nations SEE could be found in Alberta.⁸ A First Nations traditional timber harvesting SEE in the form of community development corporation set up in partnership with Alberta-Pacific (ALPAC). The communities involved included the Bigstone Cree Nation, a First Nation located near the community of Wabasca as well as the Chipewyan Prairie First Nation and Heart Lake First Nation.⁹ Bigstone Forestry’s ownership is a limited partnership structure, representing all the communities that comprise the Bigstone Cree nation. Overall management policy is set by a board consisting of three band members, two members from Al-Pac, one member from Weyerhaeuser and a neutral chairperson. All earnings are paid in the form of dividends to the aboriginal limited partners of the company through two government-registered trusts, the Evergreen Society and the Elder’s Society. The Elder’s Society directs where dividends should be allocated for the social and economic benefit of the entire Nation.

⁸ Also See. Aupers, Wendy (2007). Summary SERC 2: Natural Resources, Local Development, Social Economic Enterprises and Rural Revitalization in Alberta. Submitted by: Wendy Aupers, Graduate Student Researcher (December, 2007).

⁹ *Logging and Sawmilling Journal*, April 2003 http://www.forestnet.com/archives/April_03/logging.htm

The Little Red River Cree Nation - Tallcree First Nation Co-Management Agreement: *Working Towards Self-Sufficiency*¹⁰ is an example of a Cooperative Agreement that provides insights into how these communities are working to regain control over their traditional lands in northern Alberta. These First Nations want to protect the environment, create long-term employment, preserve important cultural sites, and become economically self-sufficient by developing a sustainable forest-based economy. In 1995, the two First Nations signed a Cooperative Management Agreement (CMA) with High Level Forest Products, a private company, and the provincial and federal governments.

The Horse Lake First Nation, has established a working relationship with Ainsworth Lumber Inc. and Horse Lake First Nation. Under this agreement, Horse Lake First Nation contractors harvested 15,000 cubic metres of deciduous fibre for the company in 1997. A similar contract relationship has been established with Weyerhaeuser Canada. A number of other First Nations in Alberta are in contract arrangements with forest companies for timber harvest, silvicultural projects, fire suppression and various other forest management activities. The Woodland Cree and Daishowa have entered into a capacity-development partnership to train First Nation members in the development of forest management plans that have an ecosystem approach and include community consultation. Whitefish Lake First Nation has a community timber allocation of 50,000 cubic metres annually which is supplied to Tolko.¹¹

Aboriginal community economic development has traditionally struggled against a range of social issues as a result of unacceptably low standards of living. Despite efforts by governments to encourage economic development among Aboriginal peoples, various strategies have not achieved the desired results.¹² “Since the late 1960s, aboriginal people have advocated a comprehensive approach to development that encourages simultaneous progress towards political, cultural, and economic goals” (Elias 1991: 1-38; Elias 1993 as cited in Elias 1995).

¹⁰ Little Red River Cree Nation - Tallcree First Nation Co-Management Agreement: Working Towards Self-Sufficiency http://www.ainc-inac.gc.ca/pr/pub/ep/envir3_e.html

¹¹ National Aboriginal Forestry Association. Aboriginal-Forest Sector Partnerships: Lessons For Future Collaboration A Joint Study by: The National Aboriginal Forestry Association and The Institute On Governance June 2000. <http://www.nafaforestry.org/nafaio3/nafaio3.php> This web-based resource provides extensive and detailed information about range of forestry based community social economy enterprises.

¹² Many individual who spoke before the Royal Commission on Aboriginal Peoples (1991-1993) stressed the need for more research, but not the kind of academic research that attracted so much critical attention in the past decades (prior to 1995). Instead Northerners wanted research that helps them direct development resources according to community priorities and needs (Elias 1995, p. 1).

This includes a preference expressed by Aboriginal leaders for economic development that use a processes that takes into the history, collective aspirations, economic diversity, and underlying realities of each Aboriginal community.¹³ The co-operative approach to community economic development enterprises approach conforms well with the aims and preferred methods for community development articulated by Aboriginal peoples.¹⁴

It should be pointed out that significance of economic development particularly within the historic and cultural context has a unique application to aboriginal enterprises and in particularly the North.

While Aboriginal economic development opportunities are increasing throughout Canada, the north is viewed as the one region where aboriginal people are most likely to construct a future dominated by aboriginal interests and lifestyles. In the rural North, aboriginal people are the majority population and are rapidly becoming the majority in regional towns and cities. Northerners still live in relatively pristine environments, they possess extensive land and resource rights, family and community relations are strong, and Northerners speak their ancient languages. New opportunities in an unspoiled environment may combine with rich traditions in new ways to defeat economic, political, and cultural challenges faced by aboriginal people throughout Canada” (Elias 1995 p. viii).

The success of northern aboriginal communities and economic development that focuses on the well-being of the community is well illustrated by the numerous award winning successes of the Fort McKay First Nation community. Fort McKay First Nation is a signatory to Treaty 8 and belongs to the Athabasca Tribal Council. The First Nation is composed of Cree and Dene people and is situated in the Regional Municipality of Wood Buffalo, approximately 65 kilometers north of Fort McMurray. Since the 1980s chief and council have developed and led many innovative

¹³ Over the years, Aboriginal leaders have reacted to the ways in which Aboriginal economic development has taken place. As far back as 1969, for example, the report issued by the Manitoba Indian Brotherhood, *Wahbung: Our Tomorrow*, called for development on each First Nation reserve to proceed not in bits and pieces but according to a comprehensive plan composed of three integrated elements: 1) a plan to help individuals and communities recover from the pathological consequences of poverty and powerlessness; 2) a plan for Indian people to protect their interests in land and resources; and 3) a concerted effort at human resource and cultural development.

¹⁴ A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth.

and potentially relevant social economy enterprise initiatives that could serve as models for the SERC 2 research.¹⁵ As noted on the Fort McKay website, “In the 2002 Census, Fort McKay First Nation has been rated as having the sixth highest standard of living amongst all First Nation communities in Alberta. Due to its economic success,¹⁶ Fort McKay First Nation provides yearly dividends to all of its members”.¹⁷

Similar ideas have been expressed in the report by Anderson (1999)¹⁸ :

Overall, individual First Nations and Inuit and Metis communities exhibit a predominately collective approach to economic development that is closely tied to each group’s traditional lands, its identity as a nation and its desire to be self-governing. This collective development approach is intended to serve three purposes: the attainment of economic self-sufficiency, the improvement of socio-economic circumstance, and the preservation and strengthening of traditional culture, values and languages. It is this strong collective aspect with its “national” focus and its emphasis placed on culture, values and languages that distinguishes the approach to economic development of Aboriginal people and communities from the approach of other Canadian communities of a similar size and in similar locations.

Race, Ethnic Origins and Aboriginal Co-operatives

One of the key things to note is that unlike other areas of the social economy where race and ethnic origins does not appear to be a factor influencing agreement towards who are the memberships, community organization or managers of cooperatives, Aboriginal Co-ops are subject to much greater scrutiny. They are also further disadvantaged by data collection that affects evidenced based decision making towards recommendations on the future direction of Aboriginal co-ops. It appears that proof of ethnic origin can be a stumbling block as a defining factor of aboriginal businesses in aboriginal communities. (Leaves one to wonder who, other than aboriginals themselves, in predominately aboriginal communities would be setting up aboriginal cooperatives? Stunning but this is how federal researchers apply some confounding logic ...or is this more about the potential for exploitation from external forces; or the risk of foreign ownership. For example, rights to timber, mining, oil and gas, water, fisheries and wildlife etc.)

¹⁵ (Interview Chief Jim Boucher as SME).

¹⁶ (What are the other SEE linkages?)

¹⁷ Fort McKay First Nation website “About Fort McKay” <http://www.fortmckay.com/Front-Page.html>

¹⁸ Robert Brent Anderson, *Economic Development among the Aboriginal Peoples in Canada: The Hope for the Future* (North York: Captus Press, 1999), pp. 13–14.

Definition of an Aboriginal Co-op

Who Are Aboriginal Peoples in Canada?

The department of Indian and Northern Affairs Canada defines the Aboriginal peoples as “the descendants of the original inhabitants of North America”. The Canadian constitution recognizes three groups of Aboriginal people – Indians, Métis people and Inuit (Inuvialuit are part of the Inuit people who live in the Western Arctic).¹⁹

Evidenced-based Decision Making and the Studying of Aboriginal Co-ops

In order to further study Aboriginal co-ops, the researchers examined the work conducted by the Secretariat.²⁰ It was discovered that the Secretariat analyzed several definitions but no formal one was agreed upon. Attempts to define Aboriginal Co-ops focused either on *ownership*, *communities*, or *management*. The *ownership definition* utilized by the by Aboriginal Business Canada (ABC) defines an Aboriginal business as one that has 50%+1 Aboriginal ownership. When examining co-ops, where owners are the members, this definition means 50%+1 Aboriginal members. Other definitions focused on the *community*: if the co-op serves an Aboriginal community, that co-op could be labelled an Aboriginal co-op. Limitation of applying this definition occurred because there because there is no specific criteria regarding the level of involvement required by the community. Other definitions reviewed focused on who holds the power of decision making. If management is primarily associated with First Nations members, then the co-op could be identified as Aboriginal. But again, there was no consensus as to the level of management or the proportion of Aboriginal managers.

As in other areas in studying the social economy in Canada, data for evidenced based decision making is incomplete or simply not gathered in any meaning full form. ABC’s co-op definition that focuses on aboriginal ownership appeared to provide the best alignment towards the meaning of cooperatives and membership, however, in terms of evidenced based applications. However, this too turned out to be impossible to implement because the Secretariat does not collect information on the ethnic origin of the members.

¹⁹ Socio-Economic Profile of Aboriginal Co-operatives in Canada

²⁰ Socio-Economic Profile of Aboriginal Co-operatives in Canada

To overcome the constraints of defining aboriginal cooperatives, the Secretariat used its broad knowledge of the co-op sector to select Aboriginal co-ops. (Or was this just common sense? Find First Nations communities and see if they had community cooperatives). Therefore the selection was based on the Aboriginal location of the co-op. The logic applied suggested that since Aboriginal co-ops are generally used by the members of the community, the definition is community oriented. No proportion numbers (e.g. the percentage of Aboriginal people in the community that are using the co-op) could be taken into account in this definition, that could therefore be described as *ad hoc*. The Secretariat cross-referenced this approach with appropriate provincial authorities for verification. With few corrections to the list and the Secretariat was able to utilize this approach to identifying and examining aboriginal cooperatives.

History of Aboriginal Co-operatives²¹

The first Aboriginal co-op was incorporated in 1945 in Saskatchewan, and focused on conducting business in the fisheries sector. Incorporations of Aboriginal co-ops were very popular in the 1970s and 1980s, and even to some extent in the 1990s (Various drivers and restrictions to Aboriginal co-ops in the north and south –both based on locality and government policies under the Indian Act reveal interesting insights into why Aboriginal co-ops have been established and the diverse range of successes as SEE)²². As with other popular literature reviewed of social economy enterprises, Aboriginal co-ops are concentrated in Quebec. In addition, co-operatives are also a popular form of Community Economic Development (CED) in the Northwest Territories. Together, these regions account for almost 55% (73 co-ops) of all Aboriginal co-ops in Canada. Compared to other forms business and commercial enterprises, however, Aboriginal co-ops are still not a popular form of community economic development.²³

²¹ Review this section with Doug Elias for more details and insights. His work begins in the 1960s and provide additional information and perspectives on policies and federal government programs, funding and cooperative development and management.

²² Northern co-ops have evolved in a similar institutional environment to that of all provinces in Canada. Inuit did not sign a treaty with the Canadian government as the Indians did. In 1954, the government rewrote the Indian Act, clarifying that the Act did not apply to Inuit (Section 4 Part 1). In addition to this, Inuit people have historically used the co-op model as a tool for economic development in their communities. On the other hand, southern Aboriginal co-ops have evolved within a different legal and socio-economic environment, sealed with the Indian Act and other restrictions. In most cases there was no co-op tradition among “southern” Aboriginal people, and setting-up a co-op inside a reserve was not necessarily encouraged by local authorities or governments.

²³ In 1996, only 35 co-ops served a population of 100,000 compared to 1,300 other forms of Aboriginal businesses. Socio-Economic Profile of Aboriginal Co-operatives in Canada. Bachir Belhadji. (January 200) Co-

Interestingly, aboriginal co-ops are found in the primary and retail sector with 71% of Aboriginal co-ops active in the retail sector which accounts for 93% of all business activities at \$230 million.²⁴

Membership in Aboriginal co-ops demonstrates growth that is linked to population increases. In 1997 there were almost 2,500 Aboriginal co-op members and by 1993 membership had grown to 20,000. Some communities have very high co-op membership, in particular northern communities, where almost everyone is a co-op member.²⁵ Inflation rate and increasing populations are limiting the purchasing power of Aboriginal co-ops to access basic necessities. The increase in the volume of food purchased through co-ops demonstrates this trend.

Employment by Aboriginal co-ops supports the aims of SEE that focus on economic development that support social well-being and employment opportunities. In 2001, the average Aboriginal business employing 2.6 full-time employees, while the average Aboriginal co-op employed approximately 12 full-time employees. The salary of Aboriginal co-op staff, however, remains lower than the average Canadian salary.²⁶ The business structure of Aboriginal co-ops also reflects the problematic issues associated with common experience of other SEE and access to credit. In 2001, the ratio of equity-to-assets of Aboriginal co-ops appeared higher compared to other co-ops (47.0% versus 32.6%). Explanations suggested highlighted the fact that Aboriginal co-ops have less access to debt and tend to substitute debt by equity. It should be noted that the kinds of consumer products available through Aboriginal co-ops demonstrates a focus on meeting the community's social needs as well as goods and services. Aboriginal co-ops offer a greater diversity of product lines not found in other Canadian co-ops (e.g. food, snowmobiles, taxi, hotel, cafeteria, etc.). With this level of community co-op servicing, the average member of an Aboriginal consumer co-op, in 2001, spent more (\$210 per week) than the average member of a consumer co-op in Canada (\$54 per week). As such, the diversity community level servicing provided by Aboriginal co-ops provide some interesting insights into

operatives Secretariat. Government of Canada. http://coop.gc.ca/pub/pdf/abor_e.pdf Also cross reference additional research with Elias, Peter, D. (1995) Northern aboriginal communities economies and development. Captus Press Inc.

²⁴ Look for updated statistics and reports for comparing and contrasting changes from 2001-2007.

²⁵ The growth in the volume of business of Aboriginal co-ops has been slightly higher (9.26% annually) than that of the whole co-op sector (8.64% annually) from 1993 to 1997.

²⁶ Reported in 2001, data from 1997 indicated that Aboriginal co-op salary were approximately \$19,515; compared to other Canadian co-op salaries at \$27,823.

the effectiveness and opportunities of structuring co-ops to service non-aboriginal small and remote communities elsewhere.

There are some market advantages of Aboriginal co-ops in their relationship and structure in the community. Many coops develop in response to the historic monopolies held by other non-aboriginal business enterprises like the Hudson Bay Company.²⁷ Community members seeking alternative community development and economic advantage along with fair pricing tend form co-operatives to overcome the traditional forms of accessing basic goods and services at inflated prices. In 2001, Aboriginal consumer co-ops were growing at a rate almost twice that of the retail sector or the other consumer co-ops.²⁸

One of the interesting trends in the active employment of Aboriginal co-ops compared to other labour markets. In 2001, North West Territories (NWT) co-ops were more active in the labour market than other NWT organizations²⁹; and co-ops were more popular in the NWT than elsewhere in Canada.³⁰ The 2001 research report on the *Socio-Economic Profile of Aboriginal Co-operatives in Canada* determined that Co-ops in the NWT deliver not only social benefits to the community, but are also an efficient form of business enterprise. Between 1994 and 1996, before tax profits accrued by co-ops in the NWT increased 10.1%, compared to 7.9% for all non-financial corporations in Canada.

In conclusion, it can be said that the co-op sector is a consistent form of social business enterprises among Aboriginal communities, particularly for northern populations. The devotion of Aboriginal communities to the social contracts and economic development that benefits the social well-being of their communities does not prevent these SEE strategies and models from being financially and economically viable forms of organization.

Aboriginal Co-operatives by Sector

Most of the Aboriginal co-ops represent the consumer sector. Other sectors such as fish,

²⁷ Follow up on work by Elias and Dribben. What exists?

²⁸ Their volume of business has been growing at annual average rate of 9.8%, while their competitors recorded a rate of 5.1% (retail sector) and 4.4% (all consumer coops).

²⁹ Between 1993 and 1997, NWT co-ops had annual increases of staff of 12.0%, while other NWT organizations employed about 3.9% more workers annually.

³⁰ In 1997, 20% of the NWT population were members of a non-financial co-op, compared to 15.7% at the Canadian level.

rural electric and housing have only a few co-ops. According to the report on the *Socio-Economic Profile of Aboriginal Co-operatives in Canada*, Aboriginal people are less likely to own a traditional business than other Canadians. However, Aboriginal co-ops demonstrate a trend to be more common when compared to other non-aboriginal co-ops. In 2001, there were 3 times more Aboriginal co-ops than any other co-op per population of 100,000. In the NWT, research data showed the number of co-op serving Aboriginal people is four times higher than anywhere else in Canada. This demonstrates the importance of co-ops to northern communities and to aboriginal communities in the NWT.

The newly formed co-ops in the 1990 focused on arts and crafts³¹ (approximately 50 new co-ops). Retail co-ops (mainly grocery stores) dominate the co-op sector, with an estimated volume of business of more than \$230 million. The fish sector is far behind with only about \$5.5 million; co-ops that are related to forest work have a volume of business close to \$4.5 million. The volume of business from “Bus Services” is in fact related to only one co-op in Alberta running a school bus service. Let us mention that a very big part of its volume of business comes from government premiums and subsidies.³²

A Report on Aboriginal Co-operatives in Canada; Current Situation and Potential for Growth.

Dr. Lou Hammondketilson Associate Profession Management and Marketing College of Commerce and Centre for the Study of Co-operatives. University of Saskatchewan and Dr. Ina McPherson., Director, British Columbia Institute for Co-operative Studies. University of Victoria (March 2001).

<http://www.coopscanada.coop/pdf/GAP/aboriginal/MainReport.pdf>

³¹ This sectoral asymmetry is historic and goes back to the times when the Aboriginal peoples decided to organize themselves (through Arctic Co-operatives Ltd., or ACL, and la Fédération des coopératives du Nouveau-Québec, or FCNQ) to increase their purchasing power for the basic goods. More competition resulted from the formation of consumer co-ops. The goal of these co-operatives was to use the two federations (ACL and FCNQ) as suppliers to local co-ops, so they could benefit from the economies of scale and thus lower their costs. Local Aboriginal co-ops are still very active in the consumer sector because of two reasons: first, the level of income of the Aboriginal population is still low and the need to satisfy the basic necessities consists of a big proportion of their disposable income. Second, some of these consumer co-ops are multifaceted co-ops and supply not only food, but also handicraft products, snowmobiles, etc. In recent years (1990s), there was an increasing preference for handicraft and arts products among Aboriginal co-ops, as we observe the majority of the incorporations in the arts and craft sector (see the previous section on the *Formation of Aboriginal Co-ops*). Aboriginal co-ops (like other Aboriginal businesses) tend to choose the art sector because they are looking for niches where they have the “know how” and where there is a growing market demand. *Socio-Economic Profile of Aboriginal Co-operatives in Canada* p. 9.

³² *Socio-Economic Profile of Aboriginal Co-operatives in Canada* p. 9.

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- Socio-Economic Profile of Aboriginal Co-operatives in Canada. Bachir Belhadji (January 2001) Co-operatives Secretariat. Government of Canada. http://coop.gc.ca/pub/pdf/abor_e.pdf only two other paper provided information on social economic enterprises. The first paper was sponsored by Aboriginal Business Canada (ABC): “The road less traveled: Aboriginal entrepreneurs building economic independence of the 1990s”. ABC, January 1998. The second document is by Caldwell, D. and P. Hunt: “Aboriginal Businesses: Characteristics and Strategies for Growth”. Occasional paper No. 20. Ottawa: Industry Canada, July 1998.