

SOUTH-EAST AREA

ASSOCIATION OF METIS AND NON-STATUS INDIANS OF SASKATCHEWAN

PRESENTATION ON ECONOMIC DEVELOPMENT

November 1982.

AMNSIS

South-East Area

PRESENTATION ON ECONOMIC DEVELOPMENT

I. Who Are We?

The Association of Metis and Non-status Indians of Saskatchewan (AMNSIS) is divided into 10 Areas with each area having a number of local organizations. Each area selects a member on the Provincial AMNSIS Board of Directors. The South-east Area covers the South-east corner of the Province from the eastern boundary to (but not including the city of) Regina and from the southern provincial boundary to Rayemore on the north. This area includes (?) local organizations and about 12,000 Metis and Non-status Indian people. A large part of our people can be characterized by the popular media image of native people (unemployed, under-educated, poor health, poor housing, high rates of alcoholism and suicides, welfare supported, increasing rates of family disintegration, and high rates of involvement with the judicial and penal systems) but we also have a number of people who are successful. Some of our people own and manage small businesses; increasing numbers have university degrees and increasing numbers are attending higher level educational institutions; we now have alcohol counselling programs; many of our people are upgrading their education level; some of our people are adequately housed. The fact that there is a very high percentage (50+ per cent) unemployment often overlooks the fact that this figure also means that there are a large number of our people who are employed. Progress is occurring but progress is slow -- often too slow to be easily recognized by our members and by our non-Indian neighbors. This slowness leads to many frustrations and misunderstandings, and sometimes to racial discrimination.

II. What Do We Want?

We want to develop as individuals so that we can function independently in the society in which we live. We should not be dependent upon governments for our income nor should we be recipients of health and social services at a rate higher than the surrounding community. We should be able to cope with the rapid changes which have occurred in our lives and which will continue to occur. In part, this means that we want to increase our participation in the economic and social life of the wider community. We want increasing numbers of our people to own viable businesses

and we want increasing numbers of our people to be employed in jobs which require high levels of skill and as a result are also higher paying jobs. We also want to rebuild the tradition of strong families among our people. Strong families can remove many of the social ills and problems with which we are confronted. We suspect that these goals are also shared by governments at all levels. However, we do not want these things if the price is to give up our cultural heritage as native people. We do not think that the choice is either one or the other but that there is a choice of having both. In fact, it is our contention that if we are to maintain our cultural heritage as a growing and dynamic heritage that it is imperative that our goals of economic development, employment and family strength are achieved.

III. Why the Lack of Success in the Past?

We often hear comments that there has been a lack of success in programs and projects in the past with the implication that money devoted to development of people of Indian ancestry is wasted. This so-called "lack of success" needs to be put in the perspective of the whole history of the relationship between the people of Indian ancestry and the non-Indian people of Canada as well as the relationships between the indigenous people of many nations of the world and the non-indigenous people. In Canada, the daily affairs of Status Indian people were almost totally controlled by non-Indians. Indians belonged on Reserves and under the control of their government administrators. Metis and non-status Indians were often categorized by the wider community as being the same as status Indians and therefore not belonging in the wider society. Metis and non-status Indians did not even have the advantage which the status Indians had of having a place to go (a land base). It is only in the past 15 to 20 years that native people of all types have had the opportunity to begin to administer their own affairs and to develop themselves. Progress in this direction has often been against resistance and has been done with a background of inexperience. When viewed in this perspective, progress has not been insignificant and success not entirely absent. Also when compared with other areas of the world, the rate of change has not been dissimilar.

This perspective does not mean that we should be satisfied with the rate of change which is occurring. We are not satisfied. There are a number of problems with the way development is occurring and some of them are as follows:

1. Community factors - We once believed, as many non-native people still believe, that if we became educated (if our young people achieved grade 12 education) that jobs would be available. This is not the case. In rural Saskatchewan the structure of the job market prevents this simplistic solution from working. There are relatively few jobs in rural Saskatchewan and what jobs there are, are mainly for women, with government as the employer, and what additional jobs that are available are in small family businesses where entry is difficult. This observation is substantiated by a recent study by the Saskatchewan office of the Department of Regional Economic Expansion. If we are to compete in the rural job market at all we must be very highly qualified in very specific skill areas. The alternative which many of our people have used in recent years is to move to the cities.

2. The design of programs - There are many government support programs intended to assist native people. Most of these programs are directed at individuals and tend to isolate a single native person from his or her extended family ties and from the remainder of the native community. This isolation in an unfamiliar environment creates loneliness, fear and frustration. The result has often been that the native person involved, when any problem occurs, feels the need to return to a familiar and supportive environment and the program then interprets this as a "failure."

Government programs also tend to be very fragmented, with differing qualifications, accountability procedures, and decision time frames. There is access to a training program in one place, an employment placement service somewhere else, a job creation program in another place and business development funding from several other sources. It requires a great deal of management sophistication simply to deal with the relationships among the programs if more than one program is to be accessed.

Accessible support programs for economic development also tend to be short-term, aimed at "job creation," under-funded, and operate somewhat like a "lottery" in making decisions. We have often attempted to use job-creation funds to begin an economic development project. The funds are allocated for the short period of the program and then run out. An application is then put in for the next period of the job creation program but because the project received support during the

last period of time it is now "someone else's turn." Other programs are approached for support but their qualification criteria are different. Projects are often under-funded in order to give more projects an opportunity to access the limited funds. Accountability is in terms of "expenditure for the purposes intended" and not goal achievement and therefore "expenditure" is rewarded and "achievement" (or success) is not.

Support programs also tend to be "reactive" and do not "initiate" action. They wait for proposals from the community. This is not a major concern in itself, but when this factor is coupled with the fact that there is no cohesive initiatory body at the community level and given the "lottery" nature of the decision framework, this factor makes it impossible for the program or the community to focus energy and efforts on a development objective. Funds and the more scarce resource of community energy are dispersed and thus dissipated. The results from a large effort therefore, tend to be minimal.

3. Our expectations - Our own expectations often defeat us. Having been told for so long that we are "inferior" we sometimes behave as if we believe it and do not expect ourselves to perform at the level we should. We accept a lower level of performance than would be accepted in a non-native setting.

We often expect more from a project than the project can produce. This comes about because, in order to be looked upon favorably when submitting a project proposal, we include only the most optimistic results that can be achieved in terms of employment and income. Because the funding agency wants to justify its expenditures in the best way possible they tend to behave in a way which says that they believe the optimistic forecast and so we tend to believe it too. When the project funding does arrive we tend to expect the optimistic results immediately and so too many people are employed for too high wages to be sustained and this affects the long-term viability of the project.

Sometimes, because we have been well trained in "development lotteries," we put in a very large project when a small start would be more viable in the long run. It is better to have a very large project which can impact on a large number of

people for a short time than to have a small project for a short time. Because some of these projects do not survive in the long term they are seen as "failures."

IV. What Have We Learned?

Although the past has not been as fruitful as we might wish and many "failures" have occurred (a large proportion of new business ventures in the non-native community also fail), there have been a number of lessons learned. Some of the lessons we have learned can be summarized as follows:

1. The nature of the job market in rural areas makes it difficult for native people to enter. We must therefore be highly qualified in order to compete and must create a significant proportion of our own jobs. In the recent past we have concentrated on getting our people into many of the jobs in agencies which service the needs of our people and in developing additional services provided by our own agencies. We are now shifting some of our emphasis to long-term economic development projects.

2. Goals - We have had some extensive experience with short-term "job creation" projects and have found that they do not bring permanent solutions but only continued dependence on the funding source. We want to shift our energy and resources into activities which bring long-term viability and self-sufficiency not dependence. It is our feeling that we would like to create some aspects of our own economy where we could turn money over three to four times before it leaves the native community and in this way build a number of strong and viable business enterprises which are independent of outside support.

3. Coordination - We have learned that it is not reasonable to expect government organizations to coordinate the delivery of their programs to meet the varying needs of a multitude of communities. We must therefore, create a coordinating capacity at the community level to carry this function as directed by the community. Government programs do not change rapidly or necessarily in a beneficial direction when they do change. Communities often just get organized to use a government program in

one form when the rules are changed and the community must devote a great deal of energy to readjusting their operations to meet the new requirements. This adjustment again makes a community level coordinating organization a necessity.

4. Separation of political and development organizations - We have learned that the political type of organization is not directly compatible with the development functions. Development is a very long-term activity and requires a consistency of attention and effort. Political activity, of necessity, is centred around the election cycle and if the political organization is charged with the responsibility of providing the development functions then the resources tend to get channeled into the political cycle and this reduces the effectiveness of the development effort. On the other hand, it is not desirable for the organizations to be entirely separated because the development desired by native communities is not entirely "profit" oriented. There must be some accountability by development organizations to the native community and this is best done through the political organizations. We do feel that it is legitimate to use political organizations and strategies (lobbies, pressure groups, demonstrations, etc.) as a last resort when our economic and human development objectives are stalled and cannot move forward by other means.

5. Accountability - There is a need for good accountability to the community and better accountability to funding agencies. Not just accountability for expenditure of funds but also accountability for production and results. Government agencies must also be made more accountable for the results obtained from the funding they disperse.

6. Size expectations - It is our contention that many small enterprises are better than one large enterprise. Small enterprises are more within the scope of our management ability and when a small enterprise fails it is not the major disaster which is perceived at the failure of one large enterprise. Small enterprises do have the disadvantage of not generating sufficient revenue to be able to purchase some of the more skilled and specialized services (management, accounting, and specialized skills) that a larger enterprise might be able to acquire and so some mechanism must be developed to make this sort of service accessible.

We have also come to realize that we cannot expect to generate sufficient economic activity solely within the native community to support the total native community. It is therefore necessary to have a major part of the economic activity which we undertake to be part of the wider economic system and be able to compete within that system. We cannot be satisfied with projects which are marginal in terms of their viability and we must be prepared to participate in joint ventures with non-natives in order to acquire capital, expertise and experience.

We have also learned that if we are to become a strong, independent economic force in our communities that we must integrate our business activities so that we can turn money over within our own communities as many times as possible.

7. Use of expertise - We have learned that it is desirable for us to own, operate and manage our own businesses and services but that it is not sufficient for success to simply be native and provide services to natives. It takes just as much expertise for a native to provide services to natives as it does for non-natives to provide services to non-natives. We often do not have that expertise and so must use non-natives to supplement our activities. In the past we have depended a great deal upon expertise from governments and, although this has been useful for some skills, we now feel that more expertise from the private sector is required.

8. Viability issues - In the past some of our lack of experience and skills, along with the type of funding we have used, has led us to pay insufficient attention to such issues as cash flow, accounting and long-term enterprise planning. This lack of attention has affected the long-term performance of our projects and contributed to some failures. We have also learned that we cannot be satisfied with participation in activities which have only a marginal economic viability. Each activity or program must be able to support itself in the long term. Even social programs must be "cost effective" in that they must be able to produce a superior service at the same or less cost than any competing service. In this way the service will be in "demand" by those agencies wishing to address the problems being met by that service.

V. What are we Planning?

Our future plans must include activities which will cope with the problems we have identified as well as incorporate the learning which has come from our past activities. We are in the process of separating our "development" activities from our "political" activities through the creation of an Area Development Corporation. The Corporation will have a Board of Directors, with a majority of the members being of Indian ancestry but with a number of non-native people as well. All will be selected on the basis of the contribution that can be made to the Corporation either from an "expertise" or a "constituency" point of view. The Corporation will have three major divisions. One division will deal with meeting needs in education, training, and career development. This division already exists in the form of the Kapeche Institute. A second division will be a Planning and Support Service unit and the third division will be dealing with Economic Enterprises and Development.

We are in the process of organizing this Development Corporation which will facilitate the creation of new small business which will be owned (in the long term) and operated by individuals or small groups of native people. The development corporation will explore business ideas and opportunities and assess their viability potential, identify potential native business managers and owners, invest directly in joint venture businesses, assist potential businessmen in locating other capital and operating funds, assist native businessmen in acquiring and supervising the necessary expertise and services to operate successfully, provide some supporting services as needed (e.g. accounting and management supervision), and counselling the native businessman as problems arise. The training arm will not only assist in the training support for the businesses created and the joint ventures entered into but will also seek out employment opportunities with governments and non-native employers and assist these employers in training native people and integrating them into their work forces.

These services should result in a much higher rate of success. Even if a potential native businessman decides, after embarking on a venture, that he is no longer interested, there is still the development corporation as a partner which can carry on the business until another partner can be found. The intent is for the development corporation to remain a partner until the native businessman is able to purchase the development corporations shares.

This ensures management supervision during the initial phases and then permits a transfer to full ownership by an individual or group as management and viability improves. These services coupled with the training support should be able to resolve a number of the major difficulties identified above and include most of the concepts that have been learned from past experience.

Although the intent of the Development Corporation is to assist individuals to acquire viable businesses, the Corporation will not be a passive organization but will actively search out opportunities by assisting communities and individuals to assess the potential in their local communities for business growth, by reviewing the potential of purchasing existing businesses and by exploring opportunities for joint ventures with existing and potential investors.

The Corporation will be accountable to its shareholders, participating communities, and funding agencies for achieving a pre-defined and agreed upon set of "performance objectives." These objectives will be defined in long-range terms (5 to 10) years and then detailed one-year objectives will be "contracted for" each year. In this way the Corporation will be accountable, not only for the money it spends but also for the results of that expenditure.

VI. Kapeche Institute.

The Kapeche Institute has been operating for over a year. It is incorporated as a non-profit corporation and owns a house with a large garage, both of which have been converted to classrooms and meeting rooms. The major activity of the Institute is a social worker training course but it is also involved in grade 5 to 10 upgrading, grade 11 to 12 upgrading, carpentry training and basic literacy. It has provided services to about 800 people to date. In the social worker training course agreements were reached with the Department of Social Services to employ graduates of an adequate training program. The training program was then developed using the actual job requirements defined by Social Services, and additional components on alcoholism, community economic development, community organization, and service to children, which are major problems of native people. The course is then put together recognizing the special learning requirements of native students. The components of the course were then reviewed with the University of Regina and an agreement reached that the University would deliver some components which are already in the regular social worker program, Kapeche delivers the specialized components, Kapeche selects instructors which

are then approved by the University and the University provides the appropriate credentials on successful completion of the course. It is likely that placement in employment will be relatively easy because the training is directly linked to the job market and employment opportunities are pre-identified.

This training model has successfully demonstrated that it can pull together the employer, the existing training institutions and native people into a cooperative effort. There is no reason that this same model cannot be used with other employers. The model also provides the career linkage between an individual native person and a significant employment opportunity. It allows employers to recruit skilled and trained native people because they are trained (to the employers specifications) and not just because they are "required for an affirmative action quota." The model also allows native people to participate in the three significant decision areas of training -- curriculum development, evaluation, and administration. Unless native people can participate in all three areas then the necessary accommodations to native needs cannot be met.

It is our intention to expand the fields in which we are providing training using this same model. We are not interested in becoming a general training institution but want to train only in those areas where we can identify a specific opportunity for employment of our people.

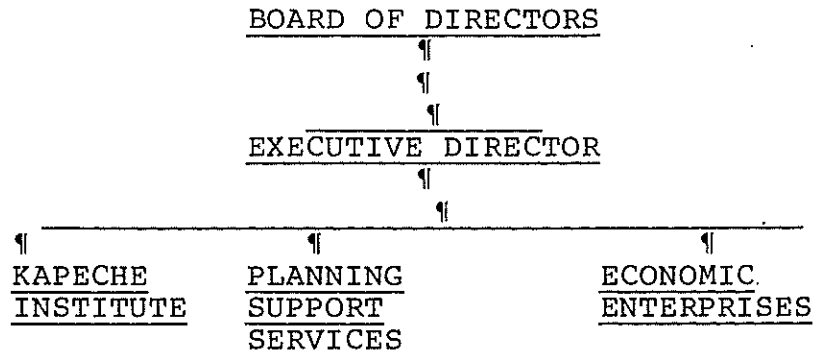
VII. Development Corporation.

It is our intention to create a development corporation which will be owned by the members of our South-East Area. Any member of our organization can purchase a share and shares can also be purchased by any Local or by the Area organization. The Board of Directors will be appointed at an annual meeting and it is our intention to have about 40 per cent of the Board be non-native people selected because of their expertise in the investment and development fields in which we are interested.

Reporting to the Board of Directors will be an executive director who will provide overall supervision to the three arms or divisions. In addition to Kapeche which will have its own Board of Directors there will be a Planning and Support Services Unit and an economic enterprise unit. The Planning and Support Services Unit will employ one person to begin with and will add other specialists as the demand for support services from subsidiaries make it economically justifiable. The Economic

Enterprises unit will also employ only one permanent staff to begin with and it is the intention to incorporate each project as an independent subsidiary of the corporation which will purchase services as required and which will stand or fall on its own merits. The Economic Enterprises Unit will work with individuals, communities, potential investors, and governments in identifying and exploiting development opportunities. It is the intention that the majority of subsidiaries will be joint ventures with individual native people, non-native businesses, major corporations, and co-ops. Social services will be undertaken as projects only where a fee-for-service or contracting arrangement make them economically viable.

The Development Corporation will initially hold title to the real property required by the projects and subsidiaries. The projects will pay a rental fee for the use of these assets and as a project becomes an independent entity then the assets are purchased from the Corporation. In this way some of the costs of operating the central administration of the Corporation can be recovered. Some assets are already available to the Corporation and these include a quarter-section of land, several houses, two lots and buildings in Fort Qu Appelle, a truck and a bobcat and trailer. The total value of these assets is approximately \$200,000.



VIII Projects Under Consideration.

The most immediate project which is under consideration is the Lebret Farm. This farm has been under discussion with the Provincial Government for some time and plans for this project are included as an appendix. We are looking to taking over the farm almost immediately. During the first year of operation we would lease the land to farmers in the district and would spend that year in detailed planning for the operation of the farm and

beginning to train people in its operation. During the second year we will operate part of the land ourselves as a grain operation. During the third year we will have plans and funding in place to begin one of the potential specialized operations (cow-calf, dairy, hogs, market gardening, etc.). The following years would see additional specialized operations undertaken following detailed planning and feasibility studies. We expect that the full development would be achieved in about 10 years. As specialized operations are developed and become established we see the potential of permitting the trained managers of these operations to forming an independent company and purchasing the operation from the Development Corporation.

Other projects under consideration and exploration include security services, child welfare services, oil recycling, construction company and a service station. These projects need some detailed planning before proposals can be made.

IX. Specific assistance sought.

1. Development corporation -

We require some financial support for the creation and operation of the Development Corporation. The contribution should be relatively small and should be tied to measurable performance objectives. It is also intended that the funding should decrease over time until, in about 6 or 7 years the central core staff of the Development corporation should be self-sustaining. This core funding activity should be sufficient to explore a number of specific project ideas to the stage where a proposal for planning or feasibility studies could be made to the appropriate agencies. It is expected that each project could be "sold" to funding agencies and investors (or bankers) on its own merits.

We would like to have some recommendations and advice from the provincial government on potential people to serve from the private sector on our Board of Directors.

We need to bring negotiations on the Leuret Farm to a rapid and successful conclusion. Your assistance in facilitating this objective is necessary.

- Recognize Kapachee as 'art
- Recognition AS training centre

2. Kapeche -

We need a continued commitment from the province to recruit heavily from the social workers graduating from our training program.

We would like a commitment that Provincial cooperation will be forthcoming in negotiating training programs in other skill areas where there are significant employment opportunities. It is our intention to use the same approach and model which we feel is bringing success in the Social Worker program.

We ask for your support as we negotiate with the Canada Employment and Immigration Commission and existing training institutions for funding and recognition.

3. General -

We would like a commitment from you that we will have the opportunity, likely on an annual basis, to meet with a representative part of the Provincial Cabinet. At such a meeting we would expect to submit an overall financial report on the Development Corporation, a report on the performance objectives achieved (or not achieved) in the past year, a review of our performance commitments for the next year, and a report identifying any major problems which we have had or foresee in our relationships with the Provincial Government.