

# The Purdy Crawford Chair

In Aboriginal Business Studies

Guiding Principles for Aboriginal Economic Development

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**Purdy Crawford Chair in  
Aboriginal Business Studies**

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**The Purdy Crawford Chair in Aboriginal Business Studies was established at Cape Breton University in 2010 in response to Aboriginal community leaders' expression of the need for entrepreneurship, business investment, and corporate skills training for the purpose of creating a model of self-reliance.**

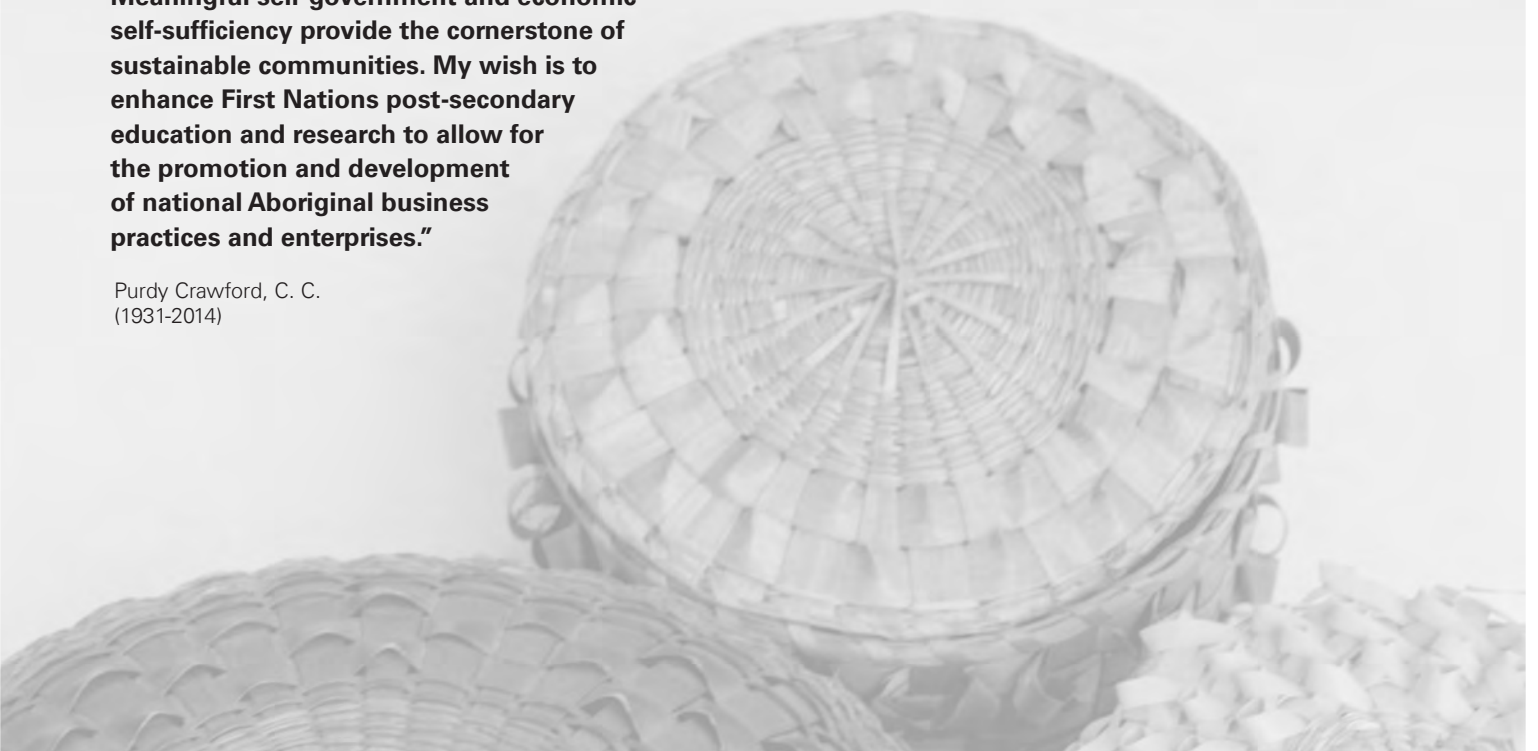
**Named in honour of Canadian lawyer and corporate boardroom leader, the late Mr. Purdy Crawford, the Chair aims to promote interest among Canada's Aboriginal people in the study of business at the post-secondary level.**

The Purdy Crawford Chair in Aboriginal Business Studies focuses its work in four areas:

- Research on what "drives" success in Aboriginal Business
- National student recruitment in the area of post-secondary Aboriginal business education
- Enhancement of the post-secondary Aboriginal business curriculum
- Mentorship at high school and post-secondary levels

**"Meaningful self-government and economic self-sufficiency provide the cornerstone of sustainable communities. My wish is to enhance First Nations post-secondary education and research to allow for the promotion and development of national Aboriginal business practices and enterprises."**

Purdy Crawford, C. C.  
(1931-2014)



## INTRODUCTION

While many case studies of Aboriginal businesses and economic development initiatives point to key factors or principles for success, the concept of best practices has only recently been applied in this context. Some authors cite discomfort with best practices terminology, noting that “[t]he term ‘best’ is a hierarchical, non-Aboriginal construct” (Thoms 2007: 12). As a result, alternate terminology, such as “wise practice” by Michael J. Thoms (and, following him, Wesley-Esquimaux and Calliou 2010), has been suggested as a more culturally appropriate alternative. Authors also note that the notion of best practices may not acknowledge the need for a culturally relative approach: “One problem with the notion of best practices is there are different conceptions of what criteria are to be used in defining a practice as a ‘best practice’” (Wesley-Esquimaux and Calliou 2010: 13). Further, it has been suggested that it may not be possible to replicate a best practice and its positive outcomes even in seemingly similar situations (Thoms 2007: 12).

At a round table discussion with Aboriginal business students from central Canada, Mary Beth Doucette of Membertou First Nation provided further insight into the reluctance to use best practices terminology. She explained that often Aboriginal people do not want to label what their community does as a “best practice”; rather, they prefer to share their “stories” about how they approached a particular situation or set of circumstances. For example, Membertou does not suggest that another community must approach development in the same way that they did, but offers it as one possibility for how to proceed (Mary Beth Doucette, Central Student Round Table, 24 January 2012).<sup>1</sup> It makes sense that following the long history of encounter and colonization in Canada, Aboriginal communities do not wish to be seen as dictating to others how to accomplish their goals. Such sensitivity is understandable given the cultural and historical context. Outside observers, however, have identified elements of Membertou’s model for development, which includes for example ISO certification, as best practices (see, for example, National Centre for First Nations Governance n.d).

The debate concerning best practices is not limited to the area of Aboriginal economic development. In the study of business more broadly, there are efforts to distinguish “good practices” or “smart practices” from best practices (see, for example, Bardach 2006: 28). Bardach suggests that the difference between a best practice and a smart practice is that one is deemed “worthy of emulation” based on empirical data (meaning, the financial implications) while the other seeks to “take advantage of some underlying potential that is not directly observable” (Bardach 2006: 43). He also notes that the two categories are not necessarily mutually exclusive, meaning a smart practice could also be a best practice (and vice versa).

The common denominator among such studies, however, is the desire to find better ways of doing business and economic development. So, nuances aside, whether one is

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<sup>1</sup> For more information on the student round table, visit <http://www.cbu.ca/crawford/special-events>

concerned with best, wise, or smart practices, the expectation is that such practices will improve how business is done and the outcomes of such practices (whether that means improved efficiency, lower operating costs, more environmentally sustainable practices, *et cetera*). More difficult is the relationship between key factors or principles for successful development and best practices. As the literature review below will demonstrate, the identification of a key factor does not necessarily provide a recommendation for a best, wise, or smart approach. Nevertheless, such literature remains significant to guide development.

The following essay attempts an overview of the major contributions to best practices and key factors literature in relation to Aboriginal economic development, drawing upon relevant related materials in the area of community development and governance. It then presents the best practices of five successful First Nations as shared in a national round table discussion. Finally, it evaluates the Membertou business model within the context of this literature review and new research, suggesting guiding principles for Aboriginal economic development.

## **LITERATURE REVIEW**

Literature on best practices in Aboriginal economic development is sparse. As such, it is necessary to approach best practices in development with a broader lens, encompassing the literature surrounding best practices in governance and leadership (see, for example, Wesley-Esquimaux and Calliou 2010; Whyte 2004). There is overlap between best practices in Aboriginal community development and Aboriginal economic development, and there are important shared factors for success held between the two; however, it is important to remain cognizant of the fact that they are not necessarily synonymous. While this review draws upon best practices in governance, they are not meant to be conflated with best practices in Aboriginal economic development; rather, good governance is one foundational block of successful development and can, therefore, inform this review. Indeed, what is good practice for governance is often good business practice (for example, transparency and accountability). Further, while key factors are identified and discussed, they do not necessarily constitute a best practice as framed.

In their literature review of best practices in Aboriginal community development, Wesley-Esquimaux and Calliou (2010) assess the publications of thirteen research initiatives and policy organizations. Following a critique of the expression “best practices,” the authors assert a “wise practices” model for developing leadership at the Banff Centre. They identify seven key factors that determine success in Aboriginal community development: “identity and culture; leadership; strategic vision and planning; good governance and management; accountability and stewardship; performance evaluation; and collaborations, partnerships, and external relationships”

(2010: 27).<sup>2</sup> As this demonstrates, key factors for success may provide direction as to wise or best practices, as suggested by the “strategic vision and planning” factor. However, while leadership is a factor that determines success and is related to other factors, without modifiers as to the type of leadership (“good” leadership, for example) it may not necessarily suggest a wise or best practice. As such, throughout this presentation of success factors, guiding principles, and best practices, it is essential to be attuned to details and nuances of each.

Much of the literature surveyed by Wesley-Esquimaux and Calliou (2010) was also reviewed and summarized by Whyte (2004) in his report to the Northwest Tribal Treaty Nations; however, he did not attempt to synthesize the material into his own list of best practices or key factors. Like Wesley-Esquimaux and Calliou, his approach reinforces the need to engage with literature on economic development, community development, and governance in the study of best practices.

Calliou and the Banff Centre hosted “A Forum to Explore Best Practices, Policy and Tools to Build Capacity in Aboriginal Business and Economic Development” in 2007. The conclusions emerging from that forum highlight the importance of long-term vision, risk-taking, and action by leaders; the need to build partnerships outside communities; the role of culture in development; the need for “open dialogue” in communities; and the significance of human capacity development for successful development (Calliou 2007: 34). One of the presenters at this forum was Yale Belanger, who spoke specifically about Aboriginal economic development in Canada. He noted five key elements for successful development: “local control, development from a holistic point of view, comprehensive planning, cooperation, and development of local capacity” (Belanger as cited in Calliou 2007: 10). He clarified that in the context of Aboriginal economic development, there is often emphasis on “the importance of history and culture; governance, culture and spirituality; community based qualities and values; [the] link between self-government and economic development; [and the] role and importance of traditional economies” (ibid).

At this same forum, Manley Begay Jr. presented on the American context, specifically the findings of the Harvard Project on American Indian Economic Development (HPAIED). Since the 1980s, HPAIED researchers have been concerned with the question of what conditions contribute to successful Aboriginal economic development on reservations in the United States. Begay presented a simplified summary of the project’s early conclusions, distilling the findings to four: “(i) genuine self-rule and local control; (ii) effective institutions that match their culture; (iii) strategic orientation; (iv) and strong leadership who take action” (Begay Jr as cited in Calliou 2007: 6). Publications of Cornell and Kalt provide more specific details. While recognizing that the historical and cultural context of each First Nation community is unique, Cornell and Kalt

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<sup>2</sup> Calliou’s applied research efforts have revealed the competencies required for successful Aboriginal leadership, which inform the program in Banff (see Calliou 2007: 18), and the characteristics of successful Aboriginal communities (Calliou 2007: 26).

identified common elements that were key factors for successful economic development and referred to their findings as the “nation-building” approach. They state that, above all, the assertion of sovereignty is key, explaining “economy follows sovereignty” (Cornell and Kalt 1990: 119). According to Cornell and Kalt, writing from an American perspective, sovereignty is the foundation for the establishment of “effective institutions, strategic direction, [and] decisions and actions” in any community (Cornell and Kalt 2003: 208). They highlight that effective institutions means the establishment of “stable institutions and policies,” “fair and effective dispute resolution,” and “a competent bureaucracy,” while separating ‘politics from business management’ and ensuring a “cultural ‘match’” (Cornell and Kalt 2003: 196).

In a study of lessons learned and best practices in Aboriginal economic development in Atlantic Canada, the Atlantic Canada Opportunities Agency (ACOA) and Canadian Institute for Research on Regional Development (CIRRD) identified six best practices or key factors for successful development. Recognizing that a strong foundation must be in place to support development efforts, community capacity is identified as the first factor, which encompasses “governance planning, using a holistic approach, choosing projects/initiatives that are in tune with communities [sic] desires and needs, linking projects together and not overlooking small changes that have big impacts within communities” (ACOA & CIRRD 2003, 5). Other success factors include human capital development (“having qualified people in place, capacity build within the community, building relationships based on trust, and engaging youth”); “control of resources”; the incorporation of culture (“making traditions work”); the development of networks for sharing experiences and facilitating cooperative work; and community-based entrepreneurship (ibid: 5-6).

In their study of *Aboriginal Women’s Community Economic Development*, Findlay and Wuttunee profile Neechi Foods Co-operative Limited. Neechi “[helps] stabilize community by serving residents, reducing income leakages and lessening dependence on external markets” (2007: 14). Neechi is guided by eleven principles: “use of locally produced goods and services, production of goods and services for local use, local reinvestment of profits, long-term employment of local residents, local skills development [especially leadership], local [participatory] decision-making, public health, physical environment [ecological sensitivity], neighbourhood stability, human dignity, [and] support for other CED initiatives” (ibid). Findlay and Wuttunee note that the principles outlined in this framework have been employed by other organizations “to assess their own initiatives,” such as the Assiniboine Credit Union and “even [. . .] the Manitoba government in its 2006 budget” (2007: 16). The authors suggest that the reason this approach is successful is because it is grounded in culture (2007: 18).

At the B.C. First Nations Community Economic Development Forum in 2007, discussion centred on three key issues First Nations face in successful development: “strategic vision and decision-making,” “constitution and governance,” and “establishing the role of economic enterprises” (*Restoring a Working Culture* 2007, 2).

Under these broad categories, a number of sub-factors emerge: community involvement and the creation of economic development corporations; governance structures; accountability and transparency in operations and the creation of industry networks; partnering with other Aboriginal communities for development and institutions to build capacity; identifying and creating alternative financing options (research); the sharing of information on best practices, governance, and policies; training in best practices, business, dispute resolution, and financial planning; outreach and accountability (via economic development and leadership forums); and the need for a “provincially established New Relationship Fund on the Economy” (ibid). Twenty-nine specific recommendations were made to encourage and improve development, such as “Find ways of engaging youth in economic development and fostering their leadership and involvement” or “Consider setting requirements for Chiefs such as requiring candidates for Chief being Councilors [sic] first, and perhaps considering demonstrated experience and education in leadership and governance. Leadership needs to be experienced and ready to lead” (ibid, 12). Again, while the themes and issues emerging at this forum recall many of the key factors for successful development already identified, none are framed as best practices.

While the Royal Commission on Aboriginal Peoples does not specifically address best practices or key factors for Aboriginal economic development, considerable space is devoted to the issue of economic development and recommendations emerging from the consultation and research process. Some of these recommendations suggest how provincial and federal governments may support Aboriginal economic development, while others suggest initiatives within the control of Aboriginal communities. The following stand out from the report: the need for strong leadership and vision, participatory decision-making in the establishment of development goals and plans, and self-government (control over decision-making); the need for institutions that reflect community values (culture), are accountable to the community, and are insulated from political pressures and interference; the need for development of human resource capacity and land resources (managed by the Nation); the need for procurement strategies that minimize economic leakage; the need for improved access to capital for development; and the need for improved community infrastructure (Canada 1996: II, 832-996).<sup>3</sup>

In a thesis focussed on the factors determining successful community economic development planning in Canadian Aboriginal communities, Collette Manuel developed a “Community Capacity Index . . . to measure socio-economic development” (2007: 11). The study identifies 27 factors for assessment, grouped into four categories: governance (leadership, institutions, accountability, land claims, protocols, pilot programs of the federal government, and land management); community capacity (informal leadership, citizen involvement, community support and volunteerism,

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<sup>3</sup> See also Newhouse (1999:74-75) for his assessment of the “critical factors for successful Aboriginal economic development” and Wien (1999: 102-119) for his overview of the recommendations emerging from the Royal Commission on Aboriginal Peoples.

organizations working together, community-based planning, and community communications); economic growth strategy (ownership of businesses, physical community land use plan, infrastructure and services, investment, business environment, community competitiveness, partnership, procurement, business support organizations, management, management of resources, and marketing); and respect for and incorporation of culture (language and culture) (Manuel 2007: 40). Representatives from nine successful First Nation communities were asked to identify their capacity for each factor by responding to statements such as, "Strategic plans are developed and updated on a regular basis for all areas" (ibid: 89). The results are significant as successful communities identified their greatest level of capacity in "informal leadership, partnership, management, citizen involvement, community based planning, business environment, leadership, accountability, protocols, community support and volunteerism, organizations working together, infrastructure and services, and marketing" (ibid: 51, 73). Thus, development of economic growth strategy and development of internal capacity were overarching factors for success in communities (ibid: 52).

A final resource specifically addressing best practices in economic development is Sloan and Hill's (1995) *Corporate Aboriginal Relations* which, following case studies from thirty-eight major corporations, presents a checklist of corporate best practices in the areas of organizational commitment and capacity, education and training, enhancing employment opportunities, Aboriginal business development, and community relations (241-49). It must be duly noted, however, that this publication is written for non-Aboriginal corporations in search of strategies to assist them in meeting employment equity targets and addressing "changes in demographic and political realities," such as an aging workforce, the growing Aboriginal population, land-use and resource considerations, and environmental impact assessment and consultation processes (xi). The authors suggest that Aboriginal communities, businesses, and development agencies will have an interest in the case studies as "concrete examples of the types of partnerships that can be forged between Aboriginal and non-Aboriginal organizations and practical ideas about measures that can yield mutual benefit" (xiv); however, the best practices are directed to non-Aboriginal businesses and, therefore, not necessarily applicable to the present study of best practices in Aboriginal economic development (though clearly informative for understanding the motivations of prospective non-Aboriginal business partners).<sup>4</sup>

While the preceding paragraphs have considered literature specifically concerning successful economic development, there is much to be learned through literature focussed on governance, leadership, and public works. In Canada, the National Centre for First Nations Governance has identified seventeen "principles of effective governance" that they refer to as best practices. These principles are grouped under five broad categories termed "components": people (strategic vision, meaningful

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<sup>4</sup> Sloan and Hill (1995) is not included in the summary of best practices/key factors below because of its orientation toward non-Aboriginal corporations.



information sharing, participation in decision making), the land (territorial integrity, economic realization, respect for the spirit of the land), laws and jurisdiction (expansion of jurisdiction, rule of law), institutions (transparency and fairness, results based organizations, cultural alignment of institutions, effective inter-governmental relations), and resources (human resource capacity, financial management capacity, performance evaluation, accountability and reporting, diversity of revenue sources) (National Centre for First Nations Governance 2009: v).

The National Association of Friendship Centres has published a report combining literature review and case studies related to eleven best practice "categories": board governance, executive leadership, staffing, volunteers, strategic planning, evaluation, adaptive capacity, external relations, sustainability, fundraising, and human resource management (Graham and Kinmond 2008: 2). Each category reveals a number of best practices. For example, the review and case study on governance highlights that boards should "[lead] the organization in strategic matters and [stay] out of day-to-day management," be "diverse and well connected in the community," have "clearly communicated roles and responsibilities," and "operate as a team" (ibid: 8). Rather than itemizing every emerging best practice in each of these categories, which would include a number of context-dependent practices and create an unwieldy list that inhibits straightforward comparison, it is more useful to examine the analysis emerging from all of these case studies. "Common trends" observed by Graham and Kinmond include: "strong executive [leadership with vision] and strong board," strategic "planning coupled with evaluation," "formal structure [clear roles and processes], but with flexibility," "combining service delivery and advocacy," "Aboriginal values" or culturally based management, and "financial diversification" (ibid: 69-72). Among their recommendations for future attention are the establishment of inter-governmental and inter-agency relationships and partnerships, and quality management ("a modified ISO" for Friendship Centres) to "[improve] accountability and transparency" (72-73).

Aboriginal Affairs and Northern Development Canada (formerly INAC) and Public Works and Government Services Canada (2002) identified "principles of good public works management" with case studies from six First Nation communities across Canada. Four key principles were identified: "vision and direction, effectiveness, accountability, and sustainability" (2002: 2). Through the case studies, a number of key success factors emerge that are specific to each community. Some of those relevant to the present study include strong and stable leadership (or "visionary leadership"), education and training (or "investment in people"), sound financial management/accounting, community involvement, "blending of tradition with innovation," partnering with nearby communities, and "effective use of outside resources" (ibid: 7).

The Conference Board of Canada examined ten Aboriginal businesses to determine the keys to their success. Sisco and Stewart note that "sound business practices," "leadership," and "strong relationships and partnerships" are keys to success, but that success is bolstered or impeded by context – physical location of the community,

“socio-economic circumstances, legislation, band governance, cultural influences, and cultural perceptions (2009: 3). A number of characteristics for each of the three key factors are identified as contributing to success, such as a leader who is a “strategic thinker” (ibid: 14) or a business that is “culturally responsive” (ibid: 23).

The Institute on Governance asserts five principles for “good governance” derived from the United Nations Development Programme (UNDP), several of which align with the principles identified by the National Centre for First Nations Governance: “legitimacy and voice,” strategic direction, performance (effective, efficient, quality, responds to needs), accountability, and fairness (“impartial and equitable,” separation of “judiciary functions from the political leadership,” and “adequate dispute resolution mechanisms”) (Graham and Bruhn 2009: 3; see also Graham and Mitchell 2009: 3-4; Graham et al 2003: 3-4). The United Nations Development Programme, upon which the IOG model is based, identifies nine “core characteristics” of good governance: participation (in decision-making), rule of law (fair and impartial), transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision (United Nations Development Program 1997; see also Graham et al 2003: 3). Neither of these formulations for good governance were specifically conceived for Aboriginal governance; however, IOG has applied them to First Nations contexts (for example, in Graham and Mitchell 2009, which addresses an Aboriginal Healing Foundation) and asserts that such principles are “universal” even though historic and cultural context will determine the shape they take in a given community (Bruhn 2009: 8).

## **SUMMARY OF KEY FACTORS EMERGING IN LITERATURE REVIEW**

In the above literature review, recurring key factors for Aboriginal development, whether pertaining specifically to economic development or community development and governance more generally, are observed:

- strategic (or comprehensive) vision, direction, or planning (13 of 14)
- incorporation of culture (11 of 14)
- human resource capacity (10 of 14)
- leadership (9 of 14)
- accountability (8 of 14)
- partnerships (7 of 14)
- good governance and/or management (6 of 14)
- participatory decision-making (5 of 14)
- dispute resolution mechanisms (5 of 14)
- transparency (4 of 14)

Less common factors include:

- self-governance (3 of 14)
- evaluation (3 of 14)

- good inter-governmental relations (3 of 14)
- separation of business and politics (3 of 14)
- procurement (3 of 14)
- land development/management (3 of 14)
- economic diversification or diversified revenue streams (2 of 14)
- brand or marketing (2 of 14)
- fairness (2 of 14)
- development of infrastructure (2 of 14)

Some of these key factors for success may also indicate best practices, such as the presence of a strategic vision, the incorporation of culture, or the diversification of revenue streams. The most striking aspect of this list is perhaps the ranking of culture, second only to strategic vision, direction, or planning, and ahead of human resource capacity and leadership. It is clear from the literature, then, that for Aboriginal economic development to occur, the incorporation of culture or establishment of a cultural match is critical.

## **BEST PRACTICES OF FIVE SUCCESSFUL FIRST NATIONS IN CANADA**

On 24 January 2012, the Purdy Crawford Chair in Aboriginal Business Studies at Cape Breton University held a national round table discussion following the Crown – First Nations Gathering in Ottawa. Chiefs and economic development officers from Membertou First Nation, Osoyoos Indian Band, Rama First Nation, Tsawwassen First Nation, and Westbank First Nation were invited to share two principal barriers faced by their communities while pursuing economic development and how these barriers were overcome, as well as three best practices employed in (or emerging from) their communities.<sup>5</sup> Representatives of the National Centre for First Nations Governance, Aboriginal Affairs and Northern Development Canada, and the Atlantic Policy Congress were also present.

Chris Scott, Chief Operating Officer for Osoyoos Indian Band Development Corporation, presented six principles which, in his experience, lead toward economic development: comprehensive community plan, leadership model, structure of the organization, leveraging of assets, joint ventures, and marketing. He noted that in Osoyoos, a comprehensive community plan was prepared along with a physical development plan, both with full community participation. Having already identified broad economic and cultural goals, this plan provided a means of achieving these goals and helped to minimize political issues. Osoyoos has been led by Chief Clarence Louie

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<sup>5</sup> It should be noted that while representatives were invited to present on three best practices, in some cases they spoke to more than three best practices in their communities. The author has chosen to represent the presentations as they were given instead of imposing her own assessment of which three were most important to communities. Consequently, the comparison between communities may be uneven.

since 1984 and, as Scott pointed out, such “continuity builds business confidence” (presentation, 24 January 2012). However, Chief Louie also has an entrepreneurial spirit and since the beginning has brought a special focus on economic development to the community. He embraces partnerships and is willing to take business risks, which has led to economic diversification in his community. Part of Osoyoos’ strategic planning has included the creation of a development corporation with an independent board of advisors. Financial accountability is ensured through annual reports and transparency is critical. As a result they are seen as a credible business entity, which is both good for banking and for attracting future joint ventures. Osoyoos leveraged its assets through land leasing, forestry, the development of a resort, residential and commercial leases, mining, and other initiatives, which resulted in cash flow and property tax income, utility income, and other revenue sources. The community has numerous partnerships and investments – hotels, winery, insurance, mining, ski resorts – which provide employment and capacity-building opportunities. Finally, Scott discussed the importance of a “branded proposition.” Osoyoos has a very strong brand that is coast-to-coast. It hires media consultants and markets itself, profiling Chief Louie and partnerships that are already in existence. This brings more business and interest in partnerships, and greater confidence. To conclude, Scott noted that for a First Nation economy to succeed there must be a commitment to good business practices (presentation, 24 January 2012).

In an overview of her community, Rama First Nation, Chief Sharon Stinson Henry noted that “Rama has always had great leadership.” Much of the employment and development in Rama has resulted from the establishment of the Casino Rama complex in 1996. Initially, the revenues from the casino were shared among Ontario First Nations; however, in August 2011 they reverted to Rama.<sup>6</sup> Like many other First Nations communities, Rama established an economic development department to oversee initiatives and partnerships. One such partnership is with Ktunaxa Nation and Samson Cree Nation. These three communities transformed a former residential school into the St. Eugene Resort, with a championship golf course and casino. Rama will eventually cease to be a partner, as part of the agreement involves Rama’s investment being repaid with interest. Chief Stinson Henry reflected that one of the best practices in her community was the production of a vision report for the community in consultation with community members. This report was used in the creation of a community plan. Chief Stinson Henry also pointed to the establishment of an investment committee with strong terms of reference to maintain a sound investment portfolio and help separate politics and business. Finally, she noted that Rama has created good business plans with feasibility reports prior to engaging in development and employs general principles of accountability and transparency (presentation, 24 January 2012).

Kim Baird, then Chief of Tsawwassen, began her presentation by noting that her community is on the brink of economic development, but does not have a long history

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<sup>6</sup> An overview of this earlier arrangement can be found in Campbell 1999.

of economic development like some other communities around the table.<sup>7</sup> As a result of treaty negotiation, Tsawwassen received cash transfers, land ownership, and comprehensive self-government powers (including exclusive jurisdiction of land management and broad law-making authority). For Tsawwassen, the primary barrier to economic development was the complex of political institutions of governance under the *Indian Act* – the community did not have the legal capacity to undertake economic development without costly workarounds. They also were unable to raise sufficient capital on reserve land. Due to the inefficient transaction framework under the *Indian Act*, development takes longer and therefore costs more. Their approach to dealing with these barriers has been to move out from under the *Indian Act* and engage in self-governance. Baird identified several best practices in Tsawwassen, including the governance structure and legal framework that they established. They established an economic development corporation that ensures there is a separation between business and politics. Partnerships are also a best practice in the community – partners from the private sector are selected for their ability to help the community achieve its vision. These partnerships lead to the access of capital and human capacity development opportunities. Planning and due diligence, as well as risk management frameworks, are critical to ensuring that the community's vision is achieved (presentation, 24 January 2012).

Raf De Guevara, Manager of Intergovernmental Affairs for Westbank First Nation, profiled his community as being prosperous despite its relatively small land base. He emphasized the community's vision, stable government, and self-government as key factors for their success. Westbank faces a unique challenge in that significant numbers of non-Natives reside within the community. One of the key barriers in the past to economic development was the fact that under the *Indian Act*, the minister for AANDC has the final decision regarding reserve land and its use. Self-government changed this. In addition to the self-government agreement with Canada, the community established its own constitution which includes controls for leadership and outlines decision-making processes. It guides how self-government occurs. The other barrier to development before self-government was land status. The community does not want their land to be fee simple, nor are they willing to give up their tax status. This made it difficult to attract business. Westbank's way around this has been to establish a legal, secure lease that creates certainty, which makes it possible to secure funding through banks. Best practices in Westbank include the development of a land use plan, the creation of a long-term economic development plan, and the establishment of laws and structures to facilitate orderly development.

Mary Beth Doucette, Director of Quality Assurance and ISO Compliance, presented on behalf of Chief Terry Paul and Membertou First Nation. She summarized the key elements to the community's success: their people; financial accountability and

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<sup>7</sup> Kim Baird served as Chief of Tsawwassen First Nation for six terms, from 1999 to 2012. Under her leadership, Tsawwassen negotiated an urban treaty and began engaging in economic development initiatives. She now operates Kim Baird Strategic Consulting.

stability; good governance and political stability; education; partnerships with various businesses; a sustainable economy; and a philosophy that what's good for Membertou is good for Nova Scotia and the rest of Canada, and vice versa. She specifically highlighted Membertou's ISO certification, noting that it gives Membertou's partners confidence in the community. She also emphasized that Membertou is always looking to diversify the economy beyond the gaming revenues upon which much of the early economic development was built, the resulting funds of which have been reinvested into the fishery, the creation of a heritage park, and other community development initiatives. To achieve that end, Membertou has established a development corporation. In 2010, Membertou First Nation partnered with Cape Breton University to establish the Purdy Crawford Chair in Aboriginal Business Studies. The goal of this initiative is to study and disseminate best practices in Aboriginal economic development, while recruiting more Aboriginal students to the study of business. One of the first projects of the Chair was a study of the Membertou model for economic development. This study identified seven key factors leading to Membertou's success: visionary leadership (both formal and informal leadership), the establishment of operational principles and processes (specifically ISO, which ensures transparency and accountability), the establishment of a corporate brand, the establishment of corporate partnerships and joint ventures, the development of infrastructure, commitment to human capacity development, and grounding in community culture (Brown et al. 2012).<sup>8</sup>

## **SUMMARY OF BEST PRACTICES EMERGING FROM ROUND TABLE DISCUSSION**

Not surprisingly, many of the best practices identified by participants in the national round table discussion are reflected in the list of key factors emerging in the literature review above:

- strategic (or comprehensive) vision, direction, or planning (5 of 5)
- partnerships (4 of 5)
- establishment of development corporation or department (4 of 5)
- leadership (3 of 5)
- accountability (3 of 5)
- transparency (3 of 5)
- stability, political or financial (3 of 5)
- participatory decision-making/community consultation (2 of 5)
- economic diversification or diversified revenue streams (2 of 5)
- human resource capacity (2 of 5)
- brand or marketing (2 of 5)
- self-governance (2 of 5)
- land development/management (2 of 5)

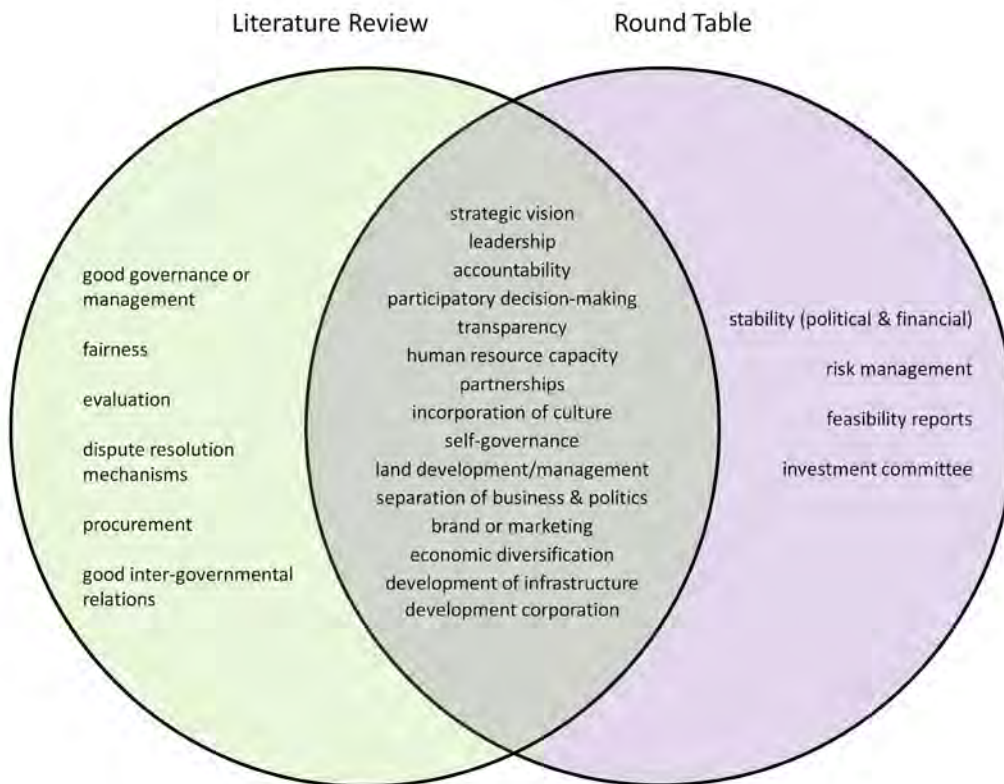
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<sup>8</sup> As Mary Beth Doucette has observed, it is possible to embed culture in procedures through the use of ISO, which allows for such flexibility. In such cases, culture may be explicitly stated in operating procedures (personal communication, April 20, 2012).

- separation of business and politics (2 of 5)
- incorporation of culture (1 of 5)
- risk management (1 of 5)
- feasibility reports (1 of 5)
- establishment of investment committee (1 of 5)
- development of infrastructure (1 of 5)

## CONCLUSIONS

Between the literature review and the data emerging through the round table, there are several shared factors: strategic vision, leadership, accountability, participatory decision-making, transparency, human resource capacity, partnerships, incorporation of culture, self-governance, land development/management, separation of business and politics, brand or marketing, economic diversification, development of infrastructure, and establishment of a development corporation or department.



Comparison of best practices and key factors for Aboriginal economic development from literature review and round table discussion.

Some factors, such as strategic vision, leadership, and accountability emerge as significant and with similar frequency in both the literature and round table data. Other factors occur less frequently (such as economic diversification or brand/marketing) or there is considerable discrepancy between the frequencies at which they occur (for example, the incorporation of culture and the establishment of a development corporation or department). The table below compares the percentage of sources reporting each factor in the literature review and the round table. As the table demonstrates, the greatest congruency is seen between the factors of strategic vision, leadership, accountability, and participatory decision-making.

Shared best practices/key factors between literature review and round table discussion.

Best Practice / Key Factor	Literature	Round Table
Strategic (or comprehensive) vision, direction, or planning	92.8	100
Leadership	64.2	60
Accountability	57.1	60
Participatory decision-making	35.7	40
Transparency	28.6	60
Partnerships	50	80
Human resource capacity	71.4	40
Incorporation of culture	78.6	20
Land development/management	21.4	40
Self-governance	21.4	40
Separation of business and politics	14.3	40
Brand or marketing	14.3	40
Economic diversification	14.3	40
Development of infrastructure	14.3	20
Establishment of development corporation/department	7.1	80

Given the prominence of culture in the literature review, it is surprising to see that in the round table data, the incorporation of culture or cultural match is noted in only 1 of 5 communities. It is unclear why the importance of culture appeared less frequently in the round table discussion. It is possible that the incorporation of culture may be an underlying assumption that participants felt did not need to be explicitly stated. It may also be that culture is more difficult to speak about in concrete terms. Alternatively, it may be that in asking communities to identify “three best practices,” participants engaged an interpretive lens focussed on more mainstream notions of best business practices or determined that cultural match was not as high a priority as other factors. This is one area where additional research in the future may provide insight into the seeming discrepancy. The other seeming discrepancy is the significant difference between sources regarding the creation of an economic development corporation; however, this is at least partly explained by the fact that such a factor would not be



relevant to some of the governance literature surveyed (for example, that of the National Association of Friendship Centres or the Institute on Governance).

Comparison of the principles shared between both the literature review and the round table discussions to those guiding Membertou's development reveals several congruencies. Membertou's model, though expressed using different terminology, addresses many of the principles outlined. The concept of visionary leadership addresses both the need for strong, stable leadership and strategic planning to achieve one common vision for the community. Membertou has also established operational principles and processes, specifically achieving ISO certification, which ensures transparency and accountability. Though participatory decision-making is not explicitly identified as a best practice, the notion of grounding development in community culture addresses this concern. Community consultation and decision-making occurs on a number of levels, for example by consulting Elders on the development of a cultural centre or sending the question of whether to pursue gaming on the reserve to referendum (see Brown et al. 2012). Membertou's commitment to human capacity development and establishment of corporate partnerships and joint ventures, have also been critical to its success. The Membertou model, then, consists of a number of best practices that have been demonstrated as significant for Aboriginal economic development more broadly. Whether and how the Membertou model specifically could be mobilized for use in other communities remains to be seen, but its congruence with the literature and practices of other successful communities suggests it could be promising.

The best practices and key factors for success emerging in this investigation are perhaps best thought of as overarching principles that can guide development. While the principles will be actioned in different ways depending on the community's unique historical, cultural, physical and temporal contexts, the core philosophy behind each suggests a better way of doing development and business in Aboriginal contexts. Improved economic development in Aboriginal communities will develop local economies, providing capital that can be invested in community and social endeavours, and may lead to further self-governance.

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