PATHWAYS TO INDIGENOUS ECONOMIC SELF-DETERMINATION

How resource development supports independence for Indigenous communities

Heather Exner-Pirot

May 2021
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Executive Summary

While there is growing recognition and affirmation of Indigenous people’s inherent right to self-determination in Canada, most of the work aimed at exercising those rights has been directed to its political and legal dimensions. Less attention has been paid to the need for economic self-determination: the ability to earn a good livelihood, generate own-source revenues, and determine and fund community priorities independently. Yet this set of circumstances is now evolving as Indigenous nations begin to focus on rebuilding their economies.

This report explores the evolution of Indigenous engagement in resource development and demonstrates how that sector offers amongst the best opportunities for Indigenous nations and peoples to develop their own economies and achieve greater self-determination in practice. The majority of First Nations are involved in resource development to some extent, including oil and gas, mining, forestry, hydro and commercial fisheries. Significant Indigenous engagement in the sector has resulted from legal rights, contractual demands, and the need for social licence, but also Indigenous business acumen and persistence.

Triggered in part by Supreme Court decisions outlining the Crown’s duty to consult and accommodate Indigenous peoples, the past 20 years have seen Indigenous communities gain significantly more influence in and benefits from the resource development sector. From impact and benefits agreements (IBAs) to equity ownership deals, Indigenous workers, businesses and nations have become heavily involved in that industry, earning billions in procurement contracts, royalties and revenue sharing each year.

The extractive sector provides the highest labour productivity in Canada, with oil and gas sector labour more than 11 times more productive than the Canadian average. Indigenous businesses are, in turn, 40 times more likely than the average Canadian business to operate in the extractive sector. All told, billions of dollars of contracts have been awarded to Indigenous businesses in the resource industry, creating a major incentive for Indigenous entrepreneurs to engage in that sector.
The natural resource economy also provides important benefits when it comes to employment income to Indigenous peoples. After all, the oil and gas and mining sectors represent eight of the top 10 highest paying occupations for Indigenous peoples for Canada, with oil and gas occupations paying Indigenous employees about four times the average wage across all sectors. The benefits accrued by Indigenous women is particularly noteworthy. For example, Indigenous women earned three to four times more in wages from occupations in oil and gas than from median wages across all industries. In fact, oil and gas related occupations represent the top six highest paying occupations for Indigenous women in Canada, with pipeline transportation the highest.

The relationship between resource companies and Indigenous communities has been exploitative in the past, and there is more work to be done to achieve fairness. But much of the current media narrative overlooks the progress that has been made, and ignores the agency of the Indigenous nations, entrepreneurs and workers who choose to participate. While the duty to consult doctrine opened up a new era of benefits for Indigenous communities, the trend in recent years has evolved towards nations asserting themselves as partners, owners and shareholders. This is often the most consequential way through which they can achieve economic self-determination and real leverage in how projects proceed, including having a more direct say in the environmental provisions of projects.

To help ensure that Indigenous nations that want to engage more fully in the resource sector are able to do so, the report recommends: (1) working with Indigenous nations to make it easier, not harder, for resource development to occur in their territories by removing the layers of regulation and extra steps for approvals that deter investment or make projects uncompetitive; (2) building the capacity of Indigenous nations to do due diligence into potential projects themselves, including risk analysis, business planning, and environmental assessment; (3) improving access to financing in order to participate as equity stakeholders in projects, including through government loan guarantees; and (4) putting as much energy into strengthening Indigenous economic rights as into political ones in order to establish the conditions under which Indigenous nations can say yes to development.

Self-determining nations need strong economies. The resource sector offers the most viable economic opportunities for many First Nations, Inuit and Métis communities. Canada needs structures and systems that better facilitate Indigenous engagement. When Indigenous nations have the right tools to be full partners in resource development, timelines will be shorter, approval processes will be clearer, environmental practices will be more robust, and investor uncertainty will be mitigated, unleashing much greater potential in responsible resource development for the benefit of all.
Sommaire

La reconnaissance et l’affirmation du droit inhérent des peuples autochtones à l’autodétermination ont fait des progrès au Canada, mais la plupart des efforts déployés pour l’exercice de ce droit ont porté sur ses dimensions politiques et juridiques. On a accordé moins d’attention au besoin d’autodétermination économique : la capacité de bien gagner sa vie, de générer ses propres revenus, de fixer les priorités de la collectivité de manière autonome et de veiller à son autofinancement. Pourtant, cet ensemble de circonstances change en ce moment, car les nations autochtones commencent à se mobiliser autour de la reconstruction de leurs économies.

Ce rapport explore l’évolution de l’engagement autochtone dans l’exploitation des ressources et démontre que ce secteur offre les meilleures perspectives de débouchés pour les nations et les peuples autochtones afin de les aider à développer leurs propres économies et parvenir à une plus grande autodétermination dans la pratique. La majorité des Premières Nations participent à l’exploitation des ressources dans une certaine mesure dans les secteurs du pétrole et du gaz, des mines, de la forêt, de l’hydroélectricité et de la pêche commerciale. L’engagement important des Autochtones dans ces secteurs résulte de droits légaux, d’exigences contractuelles et du besoin d’une licence sociale, mais aussi de leur sens aigu des affaires et de leur persistance.

En partie par suite de décisions de la Cour suprême relativement à l’obligation de la Couronne de consulter et d’accompagner les peuples autochtones, depuis une vingtaine d’années, les collectivités autochtones ont gagné beaucoup plus d’influence dans le secteur des ressources et ont tiré de ce secteur beaucoup plus d’avantages. Qu’il se soit agi d’ententes sur les répercussions et les avantages (ERA) ou d’ententes de participation au capital, les travailleurs, les entreprises et les nations autochtones se sont fortement impliqués dans cette industrie, gagnant chaque année des milliards de dollars en contrats d’approvisionnement, en redevances et en ententes de partage des revenus.
Le secteur extractif présente la plus forte productivité du travail au Canada, la main-d’œuvre du secteur pétrolier et gazier étant au-delà de 11 fois plus productive que celle de l’ensemble du pays. Les entreprises autochtones sont, quant à elles, 40 fois plus susceptibles que l’entreprise moyenne d’exercer des activités dans le secteur de l’extraction. Au total, des milliards de dollars de contrats ont été attribués à des entreprises autochtones dans l’industrie des ressources, une situation qui incite fortement les entrepreneurs autochtones à s’engager dans ce secteur.

L’économie des ressources naturelles présente également des avantages importants en matière de revenus d’emploi pour les peuples autochtones. Après tout, les professions les mieux rémunérées exercées par les Autochtones au Canada appartiennent, dans huit cas sur dix, aux secteurs du pétrole, du gaz et de l’exploitation minière, les employés autochtones y touchant un salaire quatre fois supérieur au salaire moyen de l’ensemble des secteurs. Les avantages obtenus par les femmes autochtones sont particulièrement remarquables. Ainsi, les salaires gagnés par les femmes autochtones exerçant une profession liée au pétrole et au gaz dépassent de trois à quatre fois le salaire médian de l’ensemble des industries. En fait, les six professions les mieux rémunérées exercées par les femmes autochtones au Canada appartiennent au secteur du pétrole et au gaz, le transport par pipeline venant en tête.

Les relations entre les sociétés de ressources et les collectivités autochtones ont historiquement été abusives, et il reste encore beaucoup à faire pour parvenir à l’équité. Toutefois, une grande partie du discours médiatique actuel passe sous silence les progrès accomplis et ignore l’action des nations, des entrepreneurs et des travailleurs autochtones qui choisissent d’être des participants. La doctrine de l’obligation de consulter a ouvert une nouvelle ère pour les collectivités autochtones, si bien que la tendance de ces dernières années a évolué dans le sens de l’affirmation des nations en tant que partenaires, propriétaires et actionnaires. Il s’agit souvent de la manière la plus cohérente pour elles de parvenir à l’autodétermination économique et d’exercer un réel pouvoir sur le déroulement des projets, notamment grâce à un droit de regard plus direct sur les dispositions des projets en matière environnementale.

Afin de s’assurer que les nations autochtones qui souhaitent s’engager plus pleinement dans le secteur des ressources puissent le faire, le rapport recommande de : (1) travailler avec les nations autochtones pour faciliter, et non pas entraver, l’exploitation des ressources sur leurs territoires en éliminant l’amoncellement de réglementations et d’étapes d’approbation qui découragent l’investissement ou menacent la compétitivité des projets; (2) renforcer la capacité des nations autochtones à exercer elles-mêmes une diligence raisonnable vis-à-vis des projets potentiels, ce qui comprend l’analyse des risques, la planification des activités et l’évaluation environnementale; (3) améliorer l’accès au financement de l’actionnariat autochtone, notamment
par le biais de garanties de prêt gouvernementales; et (4) consacrer autant d'énergie au renforcement des droits économiques autochtones qu'aux droits politiques afin de mettre en place les conditions permettant aux nations autochtones de dire oui au développement.

Les nations autodéterminées ont besoin d’économies fortes. Le secteur des ressources offre les possibilités économiques les plus viables pour de nombreuses collectivités des Premières nations, inuites et métisses. Le Canada a besoin de structures et de systèmes qui facilitent davantage l’engagement des Autochtones. Lorsque les nations autochtones disposeront des bons outils pour devenir des partenaires à part entière dans l’exploitation des ressources, les délais raccourciront, les processus d’approbation deviendront plus transparents, les pratiques environnementales seront plus robustes et l’incertitude des investisseurs sera atténuée, ce qui libérera un potentiel beaucoup plus grand d’exploitation responsable des ressources, au profit de tous.
Introduction

One of the more dominant political narratives in Canada today surrounds the perceived conflict between Indigenous peoples and the resource industry. There has been a tendency to portray Indigenous communities as victims of development rather than stakeholders, as evidenced most recently in media stories on Indigenous opposition to the Coastal Gaslink and the Trans Mountain Extension (TMX) pipelines, hydropower development in BC and Manitoba, mining expansions in Nunavut, and coal policy changes in Alberta.

This narrative consistently fails to appreciate that the majority of Indigenous nations are involved in the resource industry and have become sophisticated actors in the sector, increasingly as equity owners. While some disputed areas remain, these have evolved from asymmetrical power struggles to primarily legal matters, where Indigenous nations have significant authority to negotiate the terms under which resource development can occur in their territory. The story of Indigenous involvement in the 21st century is not the same as that of the 20th.

This is a transformation in Canadian politics and economics that deserves more attention, but is too often displaced by sensationalist headlines and dated stereotypes. And it is driven by the near universal desire of Indigenous nations to be self-determining, something that requires not just the legal recognition of rights by federal governments, but the ability to be economically self-sufficient. Indigenous nations have considerable scope in which to say “no” to development; but most are focused on articulating the conditions under which they will say “yes.”

This report examines the potential and actual contributions of resource development, with a focus on the extractive industries, to achieving goals of Indigenous economic self-determination in Canada. We present a brief overview of how resource development came to be a major economic driver for Indigenous communities, followed by an assessment of its impacts on Indigenous business development, own-source revenues, and employment.
Self-determination and economic independence

The concept of self-determination as a foundational human right and international legal focus arose in the wake of World War II, as colonial empires crumbled and a new state-centred global order emerged. Between 1945 and 1960, three dozen new states in Asia and Africa achieved autonomy or outright independence from their European colonial rulers, buoyed by the enshrining of self-determination as a guiding principle of international law in Article 1 of the United Nations Charter in 1945, and later the International Covenant on Economic, Social, and Cultural Rights in 1966.

The primacy of self-determination as an organizing principle was further entrenched in the *UN Declaration on the Rights of Indigenous Peoples* (UNDRIP) in 2007, which stated that “Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.” This marked a switch from self-determination being tied to the concept of statehood (with a specified territory and sovereign government) to one in which special rights and recognitions for unique communities who share territory, language, culture, and history could be accommodated within states. A parallel movement arising from the struggle for civil rights in the US in the 1960s, whereby discrimination of peoples on the basis of their race or ethnicity was no longer tolerated, further shifted social norms.

It was within this context that contemporary Indigenous activism in Canada grew and oriented itself, catalyzed by the rejection of the 1969 White Paper and its intention of assimilating Indigenous peoples into Canada’s body politic. Indigenous nations in Canada have always asserted their sovereignty, as evidenced by the Two Row Wampum Treaty in 1613 and in the negotiations and intent of the numbered treaties, and as affirmed by the Royal Proclamation of 1763. But the past 50 years have been marked by a resurgence of Indigenous political organization and focus. Modern treaties and land claims have been developed through innovative political arrangements. National advocacy organizations have been established and became powerful actors in Ottawa. The Royal Commission on Aboriginal Peoples (RCAP), Truth and Reconciliation Commission (TRC), and Inquiry on Missing and Murdered Indigenous Girls and Women (MMIWG) have captured public attention and spurred at least some action. And chiefs and other Indigenous leaders have been able to place Indigenous priorities at the top of federal policy agendas.

But it is also fair to say that the balance in efforts to promote Indigenous self-determination have focused on the political side rather than the economic one. Recent governance innovations and political influence have outstripped progress in Indigenous economic development and business expertise, a
break from the sophisticated economies of the pre-colonial and fur trade eras. This is largely a legacy of well-documented colonial practices that restricted the mobility of Indigenous peoples outside of reserve lands and controlled the selling and buying of goods by First Nations people,\(^1\) greatly hampering their ability to participate in the economy.

It is a truism that political self-determination cannot be achieved without economic self-determination. No nation on earth can provide prosperity, health, and well-being for their citizens without a well-functioning economy. Yet as a result of these policies, most First Nations now depend on federal transfers and other spending for the majority of their revenues, with all of the bureaucracy and restriction that it entails.\(^2\) It is not a system that generates optimal outcomes.

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**TABLE 1: LABOUR PRODUCTIVITY AND RELATED MEASURES BY SELECTED BUSINESS SECTOR INDUSTRY IN CANADA (2019)**

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>LABOUR PRODUCTIVITY, DOLLARS PER HOUR, (CHAINED 2012 $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All industries</td>
<td>60.0</td>
</tr>
<tr>
<td>Oil and gas extraction</td>
<td>699.7</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>195.9</td>
</tr>
<tr>
<td>Utilities</td>
<td>180.0</td>
</tr>
<tr>
<td>Information and cultural industries</td>
<td>100.2</td>
</tr>
<tr>
<td>Crop production</td>
<td>90.4</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>77.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63.8</td>
</tr>
<tr>
<td>Forestry and logging</td>
<td>54.9</td>
</tr>
<tr>
<td>Government sector</td>
<td>53.2</td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>50.8</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>50.5</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>45.9</td>
</tr>
<tr>
<td>Fishing, hunting and trapping</td>
<td>37.2</td>
</tr>
<tr>
<td>Arts, entertainment and recreation</td>
<td>27.7</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>22.8</td>
</tr>
<tr>
<td>Educational services</td>
<td>22.0</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada (2020).*
As such, many Indigenous leaders have begun to emphasize opportunities for economic development and revenue generation. For rural and remote communities, both Indigenous and non-Indigenous, the resource sector is the main economic driver and best avenue for development for reasons of geography and labour force composition. Distance from markets, sparseness of population, lower formal education attainment rates, and poor infrastructure make competing in secondary (e.g., manufacturing) and tertiary (e.g., services) sectors difficult and less likely. But Indigenous nations have huge natural assets within their traditional territories that they can leverage for development in the mining, energy, forestry, fishing, and agricultural industries.

This is not an economic model of low value, mere haulers and hewers. The extractive sector provides the highest labour productivity in Canada, with oil and gas sector labour more than 11 times more productive than the Canadian average, and mining and quarrying more than three times (Table 1). Natural resources also have the added benefit of providing a significant source of government revenues, especially oil, gas, and mining royalties. And while there are many cautionary tales about overreliance on resource rents and their implications of boom and bust cycles, many Indigenous communities have leveraged their position and expertise in natural resources to diversify into services all along the supply chain and beyond.

The goal of this report is to demonstrate how the resource sector offers amongst the best opportunities for Indigenous nations and peoples to develop their own economies and achieve greater self-determination in practical ways, not just legal ones; and to outline the continued barriers to accomplishing that financial independence.

The great stimulus: Duty to consult

While things have a way of evolving over time, it is fair to point to 2004-05 as a turning point in the involvement of Indigenous peoples in the Canadian economy. A trio of Supreme Court decisions changed the Canadian legal landscape: in *Haida Nation v. British Columbia* and *Taku River Tlingit First Nation v. British Columbia*, the Court significantly expanded the scope of the duty to consult beyond cases of proven infringements of established rights; and in *Mikisew Cree First Nation v. Canada*, the Court held that the duty to consult applies in relation to decisions that could affect a treaty right (Lavoie 2019).

The affirmation of the duty to consult and accommodate meant that the Crown had to engage meaningfully with Indigenous groups when it was contemplating actions or decisions that may affect their Aboriginal or Treaty
rights. Because these rights primarily relate to land use, including hunting, gathering, trapping, and fishing, the duty arises most often in the context of natural resource development.

What this brought about was a transition from negotiation and engagement as a nice to do by resource companies, to a need to do. This was manifested most clearly in the dramatic rise in the number of impact and benefit agreements (IBAs), which increased fourfold between 2001-05 and 2006-10; from 23 to 102 mining IBAs (Library of Parliament 2015). Today, there are 434 active agreements between Indigenous groups and companies in mining alone (Natural Resources Canada 2020). In forestry, as of 2015, 60 percent of Indigenous communities had put in place agreements or memorandums of understanding (MOUs) and 58 percent had a contract or partnership with a forestry company (Canadian Chamber of Commerce 2015).

Impact and benefit agreements are private contracts between Indigenous communities and project proponents. In oil and gas sector arrangements, they are more often called mutual benefit or collaboration agreements. They outline the benefits Indigenous partners can expect if they consent to the project activity in their territory, and typically contain some combination of royalties or fixed cash payments, employment and training provisions, business contracts, community benefits such as infrastructure or social or recreational programs, and environmental protection provisions.

The prevalence of IBAs gave rise to another post-duty-to-consult phenomenon: community-owned economic development corporations (EDCs). While Indigenous EDCs have existed in Canada since the 1980s and can likely be traced back to the model of native corporations in Alaska, they also took off post-2004. The Canadian Council for Aboriginal Business (CCAB) estimates that EDCs now number close to 500 (CCAB 2020). This is because many IBAs included provisions for procurement of services and goods from the affected communities; EDCs were set up as arms-length businesses to deliver these guaranteed contracts with the community members themselves as the shareholders. Today, EDCs have diversified their portfolios, moving from construction, field services, catering, transportation, and security into hotels, airlines, manufacturing, and retail, as just a few examples. And the structures have become more sophisticated with more businesses being set up as limited partnerships or joint ventures. But many of them started out with resource development contracts.
Indigenous business and resource development

Today, resource development continues to dominate the Indigenous business landscape. A 2016 survey by the Canadian Council of Aboriginal Business found that 39 percent of Indigenous businesses worked in extraction-related industries (e.g., mining and oil and gas) (CCAB 2016). In contrast, according to Innovation, Science and Economic Development Canada, less than 1 percent of Canadian businesses overall are engaged in the extractive sector (2019, 7). As such, Indigenous businesses appear to be more than 40 times as likely to be involved in the resource extraction sector as the average Canadian business.

In addition to provisions in IBAs and mutual benefit agreements (MBAs), two other things stand out as factors in the recent preponderance of Indigenous involvement in resource development. The first is geography: Indigenous communities are more often in rural and remote places where extraction takes place. As such they have some competitive advantages in terms of proximity and availability of a local workforce.

The second is the system of procurement that has been adopted by most major resource companies, which provides points or advantages to bids submitted by Indigenous-owned companies. While some procurement processes award contracts to the lowest-priced bid, most purchasers weight in favour of qualifications and other value-adds. Large resource companies typically either award some weight to bids by Indigenous suppliers or assign targets for particular percentages of their total purchasing to come from Indigenous suppliers, or both. Sometimes these commitments are stipulated in their agreements and regulatory approvals, and other times it is simply part of a corporation’s strategy to earn social licence from the surrounding region for the project. Indigenous businesses are often defined as those having 51 percent or more Indigenous ownership, as well as a minimum one-third Indigenous workforce. However, these standards can be different from company to company.

The result is that billions of dollars of contracts have been awarded to Indigenous businesses in the resource industry, creating a major incentive for Indigenous entrepreneurs to engage in that sector.

The oil sands stand out as the biggest combined purchaser of Indigenous goods and services. Companies generally self-report their Indigenous procurement as part of their annual reports. Amongst those that are significant and publicly available:

- Suncor has spent over $6 billion on Indigenous procurement since 1999, including $800 million (or 8 percent of its total spending) in 2019.
• Cenovus has spent $2.9 billion since 2009, including $139 million in 2019.

• Canadian Natural Resources awarded $550 million in Indigenous contracts in 2019.

• Imperial has invested $2.6 billion with Indigenous business since 2009.

Many mining companies have adopted equally ambitious Indigenous procurement strategies:

• Cameco, a uranium company, procured $3.6 billion from local suppliers in northern Saskatchewan, (an area with an 86 percent Indigenous population) between 2004-2017.


• Agnico Eagle, a gold miner in Nunavut, spent $408 million on Inuit businesses in 2019.

• Teck Resources spent $225 million on Indigenous procurement in 2019 across numerous projects.

And pipeline companies have become major players in Indigenous procurement in the past few years as well:

• Enbridge Line 3 Replacement Project spent a total of $440 million on Indigenous contracting and wages. Enbridge spent over $1 billion between 2014-19 across their liquids, pipelines, and gas transmission businesses.

• By September 2020, Coastal GasLink had spent $720 million on Indigenous and local contracts and it expects to spend $1 billion by the time its pipeline project is complete.

• TMX, when complete, will have generated over $1 billion in Indigenous-based contract awards.

Further east, hydro has played a major role in Indigenous economic development. Hydro Québec signed contracts worth over $1 billion with Cree businesses and workers between 2002 and 2011 on its Eastmain projects and nearly $500 million in contracts with Innu businesses between 2009 and 2016 for its Romaine complex. And Manitoba Hydro and Keeyask Hydropower Limited Partnership, a joint venture of four northern Manitoba Cree nations, have not only awarded over $700 million in contracts for Keeyask infrastructure and generation projects but negotiated a 75/25 equity split as well. A recent report from the First Nations Major Projects Coalition identified at least 17 electricity infrastructure projects with part or full ownership by Indigenous nations (First Nations Major Projects Coalition 2019).
This is just a sampling of the more high-profile projects. There are hundreds of extractive and resource projects in Canada with billions of dollars in Indigenous procurement spending.

This is clearly big business with economic impacts for Indigenous business and peoples, and it has grown exponentially in the past 15 years. But to highlight just how seriously the resource industry takes Indigenous procurement, one needs to compare that industry with its peers.

Indigenous Works, formerly the Aboriginal Human Resource Council, is a non-profit national organization founded in 1998 as a recommendation from the 1996 Report on the Royal Commission on Aboriginal Peoples. Its mandate is to improve the inclusion and engagement of Indigenous people in the Canadian economy. In 2017 it surveyed over 500 medium and large businesses in Canada to assess Indigenous engagement, which it measured by assessing companies’ awareness, readiness, strategies, consultations, and, where they exist, partnerships, providing a score of up to 100 points. A full 85 percent were in the lowest category of “disengaged,” while only 2 percent were seen as “committed partners.” Interestingly but not surprisingly, the highest scoring sector was the resource industry, especially companies based in Western Canada, with mining and oil and gas outperforming the agriculture, forestry, fishing, and hunting subsectors within the resource category. Manufacturing and retail sales scored the lowest of the seven identified sectors (Indigenous Works 2017, xii).

A 2021 analysis by Moody’s Investor Service further identified companies in the resource and infrastructure sectors as having the most significant programs for Indigenous engagement – concomitant with the highest investment risk for projects that fail to earn social licence (Moody’s Investor Service 2021).

If mining and oil and gas have better procurement and engagement performance than other industrial sectors, how do they compare against the public sector? The federal government has published its Indigenous spending record, and it is poor. In its evaluation of its Indigenous procurement, it found that of $18 billion in annual purchasing, the federal government procured less than 1 percent from Indigenous businesses ($93.5 million) through its Procurement Strategy for Aboriginal Business in 2015 (Indigenous and Northern Affairs Canada 2019).

To its credit, the federal government committed in 2019 to increasing its Indigenous procurement spending to 5 percent of its total, following lobbying from the Canadian Council for Aboriginal Business. More recent figures show slow progress, with an average of $440 million in Indigenous procurement in each of 2017-18, 2018-19, and 2019-20 of the federal government’s $22 billion, representing about 2 percent of its spending (Hannay 2021).
Royalties and other own-source revenues

Procurement spending is a vital economic development strategy because it builds capacity in Indigenous business, leading to transferable skills and expertise that can cross to other sectors, including public sector management within communities. However, one of the key benefits of engagement in resource development is the generation of own-source revenues for Indigenous nations, a phenomenon that is little understood in Canada.

Own-source revenues (OSRs) are the revenues that Indigenous governments raise themselves through taxes, resource revenues, and business and other income. These funds supplement federal transfers, which are generally inadequate to meet the full scope of needs of Indigenous communities. OSRs can be used to fund projects for which no government funding is available, and for priorities and timelines as determined by the community itself. Elder services, funeral costs, powwows and other cultural events, travel support, healing programs, language and education programs, new business opportunities, and investments or trusts are some of the ways these funds are spent.

According to the First Nations Financial Management Board’s (FMB) analysis, in the 2018-19 fiscal year First Nations generated $4.4 billion of own-source revenue; government business enterprises and partnerships controlled by First Nation governments generated gross revenue of $2.9 billion. OSRs account for about one-third of all First Nation revenues, with about one-third coming from Indigenous Services Canada and another third from other transfers (other federal departments, provincial governments, tribal councils, etc.) (FMB 2020). While it is not clear how much of that is natural resource-derived, it is likely to be significant.

Because IBAs, MBAs, and business revenues are private, it is difficult to ascertain the amount of natural resource OSRs that Indigenous communities receive. However, some companies have publicized their investments: for example, TMX has signed 59 agreements with Indigenous groups in Alberta and BC worth over $500 million. And the government of BC has published all of its agreements for several natural gas projects (including Coastal GasLink and the Prince Rupert and WestCoast Connector lines), from which it appears as though First Nations along the Coastal GasLink route received a signing bonus plus a commitment for $10 million for each nation annually in ongoing benefits directly from the province (British Columbia Undated). This highlights the magnitude of these projects.

In addition, there is public data on royalties received by First Nations producing oil and gas on reserve, although these are not disaggregated by community. The number varies from year to year, but most recently 38 nations had
on-reserve production. According to Indian Oil and Gas Canada (IOGC), the agency within Indigenous Services Canada tasked with managing and regulating oil and gas resources on reserve lands, during fiscal year 2018-19, IOGC received $55.0 million on behalf of First Nations. This is a significant decline in the $250 million per annum collected in each of 2008-09, 2010-11, and 2011-12. This royalty decline is primarily a result of lower oil and gas prices and differentials based on Alberta’s lack of crude transportation capacity, and not lower production, which has remained close to average levels (Canada 2020). Overall, between 2008-09 and 2018-19, First Nations collected $1.29 billion from IOGC for on-reserve production.

Many Indigenous communities have been able to negotiate fair royalties and revenues for development that occurs on their territories; these revenues have been significant – in the billions of dollars – and nations have used these funds to implement their own program priorities.

**Indigenous employment income from the extractive sector**

In addition to business income and own-source revenues, individual wages are an important indicator of Indigenous financial autonomy and material well-being. Two Statistics Canada datasets, the Census and the Labour Force Survey, provide the most robust description of this.

Statistics Canada uses the North American Industry Classification System 2012 (NAICS) to categorize industry sectors; this dataset includes 20 sectors (two-digit codes), 102 subsectors (three-digit codes), and 323 industry groups (four-digit codes).

Looking at 2016 Census data, the three top paying sectors for Indigenous employees are oil and gas related, while the eight top paying sectors are all extractive industry related (Table 2). Overall, oil and gas occupations pay Indigenous employees about four times the average wage across all sectors.

The lowest paying occupation across all NAICS sectors was hunting and trapping, at only $7144 a year.

While Census data is very comprehensive, it only comes out in five-year cycles. To gauge more recent Indigenous employment data, Labour Force Survey (LFS) data from 2019 was also examined, but with a custom tabulation of a smaller subset of NAICS sectors (LFS examines weekly average wages based on full and/or part time work, rather than annual employment income as per the 2016 Census).
### Table 2: Top and Bottom 10 NAICS Sectors by Median Employment Income for Workers with an Aboriginal Identity in Canada (2015)

<table>
<thead>
<tr>
<th>Industry - North American Industry Classification System (NAICS) 2012</th>
<th>Number of Employment Income Recipients</th>
<th>Median Employment Income in 2015 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 10 Sectors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4862 Pipeline transportation of natural gas</td>
<td>110</td>
<td>138,074</td>
</tr>
<tr>
<td>4861 Pipeline transportation of crude oil</td>
<td>195</td>
<td>124,203</td>
</tr>
<tr>
<td>2111 Oil and gas extraction</td>
<td>4770</td>
<td>117,615</td>
</tr>
<tr>
<td>2121 Coal mining</td>
<td>420</td>
<td>103,162</td>
</tr>
<tr>
<td>2122 Metal ore mining</td>
<td>6010</td>
<td>89,716</td>
</tr>
<tr>
<td>3313 Alumina and aluminum production and processing</td>
<td>455</td>
<td>89,558</td>
</tr>
<tr>
<td>2212 Natural gas distribution</td>
<td>605</td>
<td>88,627</td>
</tr>
<tr>
<td>3314 Non-ferrous metal (except aluminum) production and processing</td>
<td>425</td>
<td>85,096</td>
</tr>
<tr>
<td>3251 Basic chemical manufacturing</td>
<td>345</td>
<td>83,816</td>
</tr>
<tr>
<td>5211 Monetary authorities central bank</td>
<td>55</td>
<td>83,573</td>
</tr>
<tr>
<td><strong>Average (All Industries)</strong></td>
<td>725,120</td>
<td>30,246</td>
</tr>
<tr>
<td><strong>Bottom 10 Sectors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7225 Full-service restaurants and limited service eating places</td>
<td>43,660</td>
<td>10,759</td>
</tr>
<tr>
<td>4481 Clothing stores</td>
<td>6,120</td>
<td>10,751</td>
</tr>
<tr>
<td>1132 Forest nurseries and gathering of forest products</td>
<td>225</td>
<td>10,565</td>
</tr>
<tr>
<td>4482 Shoe stores</td>
<td>730</td>
<td>9,806</td>
</tr>
<tr>
<td>7115 Independent artists, writers and performers</td>
<td>1,375</td>
<td>9,246</td>
</tr>
<tr>
<td>8141 Private households</td>
<td>1,745</td>
<td>9,003</td>
</tr>
<tr>
<td>7114 Agents and managers for artists, athletes, entertainers and other public figures</td>
<td>105</td>
<td>8,751</td>
</tr>
<tr>
<td>7112 Spectator sports</td>
<td>460</td>
<td>8,285</td>
</tr>
<tr>
<td>7131 Amusement parks and arcades</td>
<td>310</td>
<td>7,662</td>
</tr>
<tr>
<td>1142 Hunting and trapping</td>
<td>310</td>
<td>7,144</td>
</tr>
</tbody>
</table>

*Note: Data analyzed included (1) employment income statistics, (2) for those declaring an Aboriginal identity, and (3) who are aged 15 years and over, and (4) who worked in 2015 and reported employment income in 2015.*

*Source: Statistics Canada (2018).*
We selected the NAICS sectors for this custom tabulation based on their prevalence in Indigenous economic development strategies. Tourism, artistic offerings, casinos, golf courses, and guiding are often promoted as viable economic opportunities for Indigenous communities, including as alternatives to the environmentally more disruptive resource sectors. In addition, the public sector is often a key employer in many First Nations communities. We compared wages between the resource sector and the main competing sectors for Indigenous economic growth.

- Mining, quarrying and oil and gas extraction (21)
- Oil and gas extraction (211)
- Support activities for mining and oil and gas extraction (213)
- Arts, entertainment, and recreation (71) (e.g., performing arts, visual arts, and artisans)
- Amusement, gambling, and recreation (713) (e.g., tourism offerings)
- Gambling industries (7132) (e.g., casinos)
- Other amusement and recreation (7139) (includes hunting and fishing guiding, golf courses, marinas)
- Public administration (91) (e.g., federal, provincial, territorial, municipal, and Aboriginal)
- Federal government administration (911)

In order to assess the relative wage fairness in addition to the wage level in each of these sectors, we analyzed data for both Indigenous and non-Indigenous employees.

Again, we found that wages in the extractive sectors topped those in every other category we examined, with average wages in oil and gas occupations more than double those across other selected sectors (Table 3). The extractive sector earns about three times as much for Indigenous employees as occupations in the arts, gambling, and tourism.

The gap in wages between Indigenous and non-Indigenous employees is roughly the same between the extractive sector and between the average across all industries, with Indigenous employees earning just under 93 percent of their non-Indigenous peers in both categories.

Finally, we looked specifically at Indigenous women’s wages from the same two datasets given the concerns raised in the MMIWG report. As Anna Aizer (2010) outlines, “[there is] support for a causal relationship between relative labor market conditions for women and violence… policies that serve to narrow the male-female wage gap also reduce violence and the costs associated with it” (Aizer 2010, 1858); and “women with annual income below $10,000
report rates of domestic violence five times greater than those with annual income above $30,000” (Aizer 2010, 1847-48).

In the 2016 Census data, we found that Indigenous women earned three to four times more in wages from occupations in oil and gas than from median wages across all industries. In fact, oil and gas related occupations represent the top six highest paying occupations for Indigenous women in Canada, with pipeline transportation the highest.

Female-specific data from the 2019 Labour Force Survey was also assessed, comparing oil and gas and extractive sectors against the NAICS codes encompassing tourism, casino, artistic, and public administration occupations.

As expected, oil and gas and extractive sectors offered by far the highest employment wage opportunities for Indigenous women there as well (Table 4). What is also interesting is that they represented the only sector, of those selected for the custom tabulation, where Indigenous women had a higher median weekly wage than non-Indigenous women (Table 5). This suggests that representative hiring and human resource policies in the oil and gas industry are finding success.

<table>
<thead>
<tr>
<th>NAICS SECTOR</th>
<th>AVERAGE WEEKLY WAGE ($) ABORIGINAL</th>
<th>AVERAGE WEEKLY WAGE ($) NON-ABORIGINAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas extraction (211)</td>
<td>1,937.7</td>
<td>2,141.2</td>
</tr>
<tr>
<td>Mining, quarrying and oil &amp; gas extraction (21)</td>
<td>1,720.5</td>
<td>1,854.5</td>
</tr>
<tr>
<td>Support activities for mining and oil &amp; gas extraction (213)</td>
<td>1,637.7</td>
<td>1,669.5</td>
</tr>
<tr>
<td>Federal government administration (911)</td>
<td>1328.10</td>
<td>1,427.6</td>
</tr>
<tr>
<td>Public administration (91)</td>
<td>1232.8</td>
<td>1,399.5</td>
</tr>
<tr>
<td>TOTAL ALL INDUSTRIES</td>
<td>944.7</td>
<td>1,017.8</td>
</tr>
<tr>
<td>Gambling industries (7132)</td>
<td>744.10</td>
<td>811.1</td>
</tr>
<tr>
<td>Arts, entertainment and recreation (71)</td>
<td>640.5</td>
<td>650.7</td>
</tr>
<tr>
<td>Amusement, gambling and recreation (713)</td>
<td>586.9</td>
<td>576.9</td>
</tr>
<tr>
<td>Other amusement and recreation (7139)</td>
<td>519.4</td>
<td>544.7</td>
</tr>
</tbody>
</table>

Source: Statistics Canada (2019).
## Table 4: Top and Bottom 10 NAICS Sectors by Employment Income for Aboriginal Women in Canada (2015)

<table>
<thead>
<tr>
<th>Industry - North American Industry Classification System (NAICS) 2012</th>
<th>Median Employment Income in 2015 ($) for Aboriginal Women in Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 10 Sectors</strong></td>
<td></td>
</tr>
<tr>
<td>4862 Pipeline transportation of natural gas</td>
<td>114,208</td>
</tr>
<tr>
<td>486 Pipeline transportation</td>
<td>105,468</td>
</tr>
<tr>
<td>211 Oil and gas extraction</td>
<td>84,710</td>
</tr>
<tr>
<td>4861 Pipeline transportation of crude oil</td>
<td>83,925</td>
</tr>
<tr>
<td>3253 Pesticide, fertilizer and other agricultural chemical manufacturing</td>
<td>74,262</td>
</tr>
<tr>
<td>2212 Natural gas distribution</td>
<td>71,447</td>
</tr>
<tr>
<td>2121 Coal mining</td>
<td>68,166</td>
</tr>
<tr>
<td>3314 Non-ferrous metal (except aluminum) production and processing</td>
<td>66,371</td>
</tr>
<tr>
<td>2211 Electric power generation, transmission and distribution (includes fossil-fuel electric power generation)</td>
<td>64,068</td>
</tr>
<tr>
<td>482 Rail transportation</td>
<td>62,896</td>
</tr>
<tr>
<td><strong>Average (All Industries)</strong></td>
<td>26,207</td>
</tr>
</tbody>
</table>

| **Bottom 10 Sectors** | |
| 711 Performing arts, spectator sports and related industries | 10,321 |
| 487 Scenic and sightseeing transportation | 9,801 |
| 7113 Promoters (presenters) of performing arts, sports and similar events | 9,077 |
| 814 Private households | 8,998 |
| 4872 Scenic and sightseeing transportation, water | 8,791 |
| 7115 Independent artists, writers and performers | 8,602 |
| 7112 Spectator sports | 6,336 |
| 3271 Clay product and refractory manufacturing | 6,207 |
| 1142 Hunting and trapping | 4,490 |
| 7131 Amusement parks and arcades | 4,267 |

*Source: Statistics Canada (2019).*
While Indigenous women employed in oil and gas related industries earn a high income, the industry is not a particularly significant employer of them, with approximately 1 percent of Indigenous women being employed in that sector. It stands to reason that a good strategy to empower Indigenous women is to create more employment opportunities in the oil and gas industry by expanding the sector.

**Table 5: Comparison of Weekly Average Wages for Aboriginal and Non-Aboriginal Women in Canada by Selected Sector, Full-Time and Part-Time Work, 2019 ($)**

<table>
<thead>
<tr>
<th>NAICS Sector</th>
<th>Average Weekly Wage ($)</th>
<th>Average Weekly Wage ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas extraction (211)</td>
<td>1972.6</td>
<td>1927.6</td>
</tr>
<tr>
<td>Mining, quarrying and oil &amp; gas extraction (21)</td>
<td>1499.4</td>
<td>1651.5</td>
</tr>
<tr>
<td>Support activities for mining and oil &amp; gas extraction (213)</td>
<td>1459.1</td>
<td>1223</td>
</tr>
<tr>
<td>Federal government administration (911)</td>
<td>1288.6</td>
<td>1360.6</td>
</tr>
<tr>
<td>Public administration (91)</td>
<td>1170.4</td>
<td>1302.5</td>
</tr>
<tr>
<td><strong>Total All Industries</strong></td>
<td><strong>833</strong></td>
<td><strong>892.3</strong></td>
</tr>
<tr>
<td>Gambling industries (7132)</td>
<td>680.8</td>
<td>785.3</td>
</tr>
<tr>
<td>Arts, entertainment and recreation (71)</td>
<td>573.9</td>
<td>604.9</td>
</tr>
<tr>
<td>Amusement, gambling and recreation (713)</td>
<td>519.8</td>
<td>535.9</td>
</tr>
<tr>
<td>Other amusement and recreation (7139)</td>
<td>450.9</td>
<td>504</td>
</tr>
</tbody>
</table>

Source: Statistics Canada (2019).

While the duty to consult era opened up a new phase of benefits for Indigenous communities, the trend in recent years has evolved to include nations as partners, owners, and shareholders. This is the most consequential way through which First Nations, Métis and Inuit peoples can achieve economic self-determination and it provides them with real leverage in how and when projects proceed, including having a more direct say alongside other partners and shareholders in the environmental provisions of projects.

**Partnership, ownership, and equity**
Notable deals in just the fourth quarter of 2020 include the purchase by a Mi’kmaq consortia to buy 50 percent of Clearwater Seafood, a billion-dollar company; the deal by a Cree consortium, Natural Law Energy, to own up to a $1 billion stake in TransCanada’s (now-cancelled) Keystone XL pipeline; the equity stake in the $1.5 billion Cascade Power Project through a holding vehicle owned by Alexis Nakota Sioux Nation, Enoch Cree Nation, Kehewin Cree Nation, O’Chiese First Nation, Paul First Nation, and Whitefish Lake First Nation; and majority ownership by the Haisla Nation in the Cedar LNG project. The TMX pipeline is likely to be purchased, in whole or in part, by a consortium of Indigenous nations at some point in the near future. Institutions such as the First Nations Major Projects Coalition (FNMPG) and the Alberta Indigenous Opportunities Corporation have been established to help First Nations finance or manage such deals.

It is hard to imagine Indigenous nations going back to a system of passively collecting royalties or revenues. But their involvement is not a threat to the resource sector in Canada. In fact for many projects it is a boon, as it can help proponents hit many “ESG” performance targets – environmental, social and governance factors – that their stakeholders and investors expect, and opens up new avenues for financing projects and managing risk.

Can Indigenous self-determination be achieved through capitalism?

The numbers indicate that Indigenous engagement in resource development as a strategy for economic self-determination is extremely compelling. There isn’t another sector where Indigenous nations have more established rights, with higher wages, procurement opportunities, or own-source revenue potential. And while some nations close to urban centres have made major economic strides in property development (for example Tsuut’ina Nation near Calgary, Enoch Cree Nation near Edmonton, Whitecap Dakota First Nation near Saskatoon, and Musqueam, Squamish, and Tsleil-Waututh Nations near Vancouver) for the vast majority of Indigenous communities situated in rural and remote areas, resource development is the only major regional economic driver.

That said, there is a strain of Indigenous intellectual and philosophical thought that rejects the idea of participating in capitalist structures and the extractive sector. As Brittain and Blackstock (2015) summarize, “many Indigenous thinkers and academics see capitalism and its accompanying relations of power – patriarchy, white supremacy and the state – as a system of exploitation and domination so destructive of Indigenous life and consciousness that it must be rejected in favour of transition to a land-based Indigenous resurgence” (Brittain and Blackstock 2015, 133). They cite Coulthard, who argues
that economic development strategies like “resource revenue sharing, more comprehensive impact benefit agreements, and affirmative action employment strategies” are untenable because they are dependent on “a predatory economy” that continues to destroy the land and environment that would serve as the foundation for economic resurgence (2014, 171). For Taiaiake Alfred, the only solution is to “return to the land and re-learn how to live as Indigenous people according to the original teachings that sustained people and the earth for thousands of years” (Alfred 2009).

Indeed, many Indigenous entrepreneurs, workers, and political leaders who engage in the resource sector are denigrated as “sell-outs” or corrupt. And the federal government has often implicitly sided with anti-development approaches. For example, in testimony regarding Bill C-48, the Oil Tanker Moratorium Act, then Transport Minister Marc Garneau called the testimony of the Aboriginal Equity Partnership and Indian Resource Council, large coalitions of First Nations, “private commercial interests” “not in the same category” as two coastal First Nations in support of the moratorium (Canada, Standing Senate Committee on Transportation and Communications 2019). And regardless of one’s personal feelings on fossil fuels, it was more than passing strange that the federal and British Columbia governments negotiated an agreement with only the Wet’suwet’en hereditary chiefs in the wake of the Coastal GasLink dispute, disregarding the elected chiefs of the five Wet’suwet’en First Nations (Crown-Indigenous Relations and Northern Affairs Canada 2020), several of whom subsequently called for the relevant federal minister’s resignation.

As Dale Swampy, the president of the National Coalition of Chiefs, iterated in a National Post commentary:

> Indigenous leaders are called on by their people every day to address poverty in their communities, through better housing, water, education and employment. But when they go and engage with industry to actually develop some economic development opportunities, they are often called sell-outs. This is made worse by the fact that those who are the loudest in opposition to working with oil & gas and mining are often elites in cities and institutions who don’t have to face the consequences of on-reserve poverty every day. (Swampy 2019)

And as Chief Roy Fox of the Kanai Nation (Blood Tribe) asserted in the Globe and Mail:

> If you were the elected Chief of any First Nation in this country for a week, I bet, and I hope, that you would find yourself out looking for good business and economic opportunities for your people. And you would see how inadequate it is to tell a young mother with hungry kids and no food in her fridge that money is a colonial construct, and
we are going to keep passing on major projects and opportunities in our territories until something that matches our high principles happens to come along. (Fox 2020)

These are very difficult and emotional issues. Indigenous communities have been marginalized and have suffered damages to their traditional territories by resource companies for many decades, with no consultation, benefits, or protection. The record has improved rapidly, but it is still far from perfect. And there are hard trade-offs for any society between economic development and environmental protection. Each Indigenous nation will need to determine for itself how economic development can support its own norms and values. But from a purely analytical perspective, the only realistic path to economic self-determination for the majority of Indigenous nations in Canada will include engagement in the resource sector.

**Recommendations**

To reach the goal of empowering Indigenous nations in Canada to achieve economic self-determination, we recommend the following strategies:

1. **Make it easier, not harder, for resource development to occur in Indigenous territories**

   There was a time, not long ago, when resource development proceeded unfettered in rural and remote Canada, often with tragic consequences for Indigenous peoples and the environment. The rise of awareness of human and civil rights and environmental movements curbed the most deleterious effects, and the Supreme Court’s affirmation of the duty to consult and accommodation introduced an era where Indigenous peoples benefit tangibly from development on their territories.

   Yet there is still burdensome and often redundant regulation on Indigenous lands as a result of often unique federal jurisdiction; and there is an evolving and thus uncertain standard for consultation, enhancing project risk. One only needs to look at the legacy – and continued impacts – of the *Indian Act* on on-reserve economic and lands development to see the problems inherent with this approach.

   If Indigenous peoples are seen as a community in need of protection, then layers of regulation and extra steps for approvals might make sense. If they are seen as potential proponents and owners of resource projects themselves, then these layers are problematic: they deter investment, make projects uncompetitive through their greater expense and timelines, and slow economic
development. Indigenous peoples, industry, and government should work together to make Indigenous territories an attractive place for development – when such development has consent from Indigenous governing authorities.

2. Build capacity of Indigenous nations to engage and be partners in resource development

Removing federal drags on resource development solves one problem – business competitiveness and attraction – but creates another: a vacuum in oversight. Indigenous communities need support to build capacity so they can do due diligence into potential projects themselves, including risk analysis, business planning, and environmental assessment. And they need better access to financing in order to participate as equity stakeholders in projects, including through government loan guarantees for viable projects.

One solution is to follow and build on the models provided by the First Nations Major Projects Coalition (FN MPC) and the Alberta Indigenous Opportunities Corporation. The FN MPC supports Indigenous groups with access to independent professional advice and counsel necessary to undertake due diligence on projects and assistance to conduct rigorous and robust environmental review processes that adhere to standards adopted by First Nations communities themselves. The FN MPC also advocates for better access to capital, such as competitive rates and loan guarantees, so nations can take advantage of equity stakes.

Building on the latter, the Alberta Indigenous Opportunities Corporation was established in 2019 with up to $1 billion in loan guarantees for Indigenous nations to participate in energy, mining, and forestry projects. Its first loan guarantee was to a consortium of six Alberta First Nations in September 2020 to enable their participation in the Cascade Power Project (Cascade), a 900MW combined-cycle natural-gas-fired power plant located near Edson, Alberta. Those First Nations will invest through a holding vehicle owned by Alexis Nakota Sioux Nation, Enoch Cree Nation, Kehewin Cree Nation, O’Chiese First Nation, Paul First Nation, and Whitefish (Goodfish) Lake First Nation. Other provinces are now looking at similar investment vehicles, which complement existing services that Aboriginal Financial Institutions have been providing for years.

When Indigenous nations have the right tools to be full partners in resource development, timelines will be shorter, approval processes will be clearer, environmental practices will be more robust, and investor uncertainty will be mitigated, unleashing much greater potential in responsible resource development.
3. Support the Indigenous right to economic development

Finally, to pave the path for economic self-determination, all Canadians need to shift their perspective about who and what being Indigenous means.

Too often, broader Canadian society has seen Indigenous people superficially as victims of industry who need to be protected, which has resulted in patronizing approaches of more government programs and spending as the solution, as opposed to removing the structural barriers that have kept many communities financially dependent for so long. Indigenous people have also been seen as drags on the economy, as unwilling or unable to work and a cost to the system, as opposed to an asset to our economy and society that has been impeded by racism and prejudice in their interactions in the labour force, with financial institutions, and with large resource companies.

While different Indigenous nations will adopt different approaches and priorities, the legal and regulatory environment that dictates the viability of resource development should not be influenced by only those who oppose development. Canada is not an easy place for Indigenous nations to compete in and succeed in business. They face barriers to attracting investment and advancing viable projects that other Canadians simply do not face. Canada needs to start putting as much energy into strengthening Indigenous economic rights as it does into strengthening political ones in order to establish the conditions under which Indigenous nations can say yes to development, as well as no.

Self-determining nations need strong economies. The resource sector offers the most viable economic opportunities for many First Nations, Inuit, and Métis communities. We need structures and systems that better facilitate their engagement as employees, contractors, partners, and owners.
About the author

Heather Exner-Pirot, a Fellow at the Macdonald-Laurier Institute, has fifteen years of experience in Indigenous and northern economic development, governance, health, and post-secondary education. She has published and/or presented on Aboriginal Economic Development Corporations, urban reserves, telehealth, Indigenous workforce development, First Nations taxation and own source revenues, distributed and distance education, Indigenous health care, Arctic human security, regional Arctic governance, Indigenous engagement in the Arctic Council, and Arctic innovation.

Exner-Pirot obtained a PhD in Political Science from the University of Calgary in 2011 and has held several positions at the International Centre for Northern Governance and Development, the University of Saskatchewan College of Nursing and its distributed sites in northern and rural Saskatchewan, and the University of the Arctic Undergraduate Studies Office. She currently works on strategy and research for pro-development Indigenous groups in Western Canada, and consults directly for First Nations and Métis clients through Morris Interactive. Exner-Pirot is also a Research Associate at L’observatoire de la politique et la sécurité de l’Arctique (OPSA) at the Centre interuniversitaire de recherche sur les relations internationales du Canada et du Québec (CIRRICQ).

Additionally, she serves as a Board member for the Saskatchewan First Nations Economic Development Network, the Managing Editor of the Arctic Yearbook (an international, peer-reviewed annual volume), a regular contributor to Radio Canada’s Eye on the Arctic, a Board member for The Arctic Institute and Chair of the Canadian Northern Studies Trust.

She has conducted research and policy analysis for various Indigenous and government stakeholders, including Global Affairs Canada, Battlefords Agency
Tribal Chiefs, the National Coalition of Chiefs, the Saskatoon Aboriginal Employment Partnership and the Northern Municipal Trust Association.

She has published over 35 peer-reviewed journal articles, book chapters, and edited volumes, and presented at over 40 conferences and events nationally and internationally. She has also chaired several provincial, national and international workshops and conferences, including the 2018 Canadian Rural Revitalization Foundation conference.

She currently splits her time between Calgary and Saskatoon.
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Case law and commissions

Haida Nation v. British Columbia (Minister of Forests), 2004 SCC 73 [Haida Nation].

Mikisew Cree First Nation v. Canada (Minister of Canadian Heritage), 2005 SCC 69.


Endnotes

1 See, for example, Carter (2019).

2 The percentage derived from federal transfers and spending varies significantly across the country, with some First Nations near large urban areas or with robust economic development and/or resource revenues obtaining a majority of their funding independently and with others, especially in rural or remote areas with limited economic activity, being highly dependent. The primary, though imperfect, source to evaluate individual First Nations’ revenues are the submissions of the audited consolidated financial statements available through Indigenous and Northern Affairs Canada (Undated). Under the First Nations Fiscal Transparency Act, First Nations were required to submit and post these financial statements from 2013/14 - 2014/15. Some have continued to do so voluntarily.

3 See also Desjarlais (2020).

4 The seven identified sectors ranked in order from highest engagement to lowest were: resources, transportation and warehousing, construction and utilities, hospitality, professional services, manufacturing, and retail and wholesale trade.

5 This included $41.9 million as a result of oil and gas royalties, $910,000 in bonuses, $12.1 million in compensation and rentals, $45,555 in royalties from Treaty Land Entitlement 5.08 lands, and $21,949 in interest (Canada 2020).

6 See also the Macdonald-Laurier Institute’s report (Coates 2020) that includes some Indigenous energy sector wage information.
What People Are Saying About MLI

I want to congratulate the Macdonald-Laurier Institute for 10 years of excellent service to Canada. The Institute’s commitment to public policy innovation has put them on the cutting edge of many of the country’s most pressing policy debates. The Institute works in a persistent and constructive way to present new and insightful ideas about how to best achieve Canada’s potential and to produce a better and more just country. Canada is better for the forward-thinking, research-based perspectives that the Macdonald-Laurier Institute brings to our most critical issues.

The Honourable Paul Martin

The Honourable Jody Wilson-Raybould

The Macdonald-Laurier Institute has been active in the field of Indigenous public policy, building a fine tradition of working with Indigenous organizations, promoting Indigenous thinkers and encouraging innovative, Indigenous-led solutions to the challenges of 21st century Canada. I congratulate MLI on its 10 productive and constructive years and look forward to continuing to learn more about the Institute’s fine work in the field.

The Honourable Irwin Cotler

May I congratulate MLI for a decade of exemplary leadership on national and international issues. Through high-quality research and analysis, MLI has made a significant contribution to Canadian public discourse and policy development. With the global resurgence of authoritarianism and illiberal populism, such work is as timely as it is important. I wish you continued success in the years to come.

The Honourable Pierre Poilievre

The Macdonald-Laurier Institute has produced countless works of scholarship that solve today’s problems with the wisdom of our political ancestors. If we listen to the Institute’s advice, we can fulfill Laurier’s dream of a country where freedom is its nationality.