

Aboriginal Economic Development in Winnipeg

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Over 60 per cent of the 129,000 Aboriginal people in Manitoba live in urban areas, around 50,000 of them in Winnipeg (Hanselmann, 2002, Loxley, 2000) where the Aboriginal population is growing at rates well in excess of the rest of the population. It is estimated that within 20 years, one in every four people entering the labour force will be Aboriginal (City of Winnipeg, 2001, p.13). The Aboriginal community is very heterogeneous and has representation in all walks of life including business, the judiciary, entertainment, education, government and the professions. Thus, for many Aboriginal people, the progression through education to employment is no different from that of non-Aboriginal people. But the community as a whole has much higher levels of poverty on average than the rest of society. Thus, in 1996, while the average rate of poverty among families in Winnipeg was 28.4 per cent, itself an unacceptably high rate, that for Aboriginal families was 64.7 per cent and for Aboriginal families living in the inner city, a staggering 80.3 per cent (Lezubski, Silver and Black, 2000). There are many reasons for this, including lower labour force participation rates and higher unemployment rates, in turn the result of lower educational levels, greater incidence of single parent families, poor health and living conditions, social instability and the barriers of institutionalized racism. What is clear, however, is the urgent need to address the problem.

Approaches to Economic Development

There are two clearly defined approaches to economic development in Winnipeg advocated by Aboriginal people.¹

a) The Incubator Approach

The first approach may be called the 'incubator' approach and it consists of providing a variety of economic functions from a central location, under one roof. The idea is that each venture would benefit from being in proximity to the next, sharing space, reducing overhead costs, having access to services and access to clientele. While the building would be under the ownership and control of an Aboriginal organization, the businesses housed there would tend to be privately owned. The origin of this approach can be traced back to Stan Fulham (1981) who envisaged a partnership between Aboriginal organizations and the state 'to establish and promote a private business sector for Native people' (p.74). Jointly, the Aboriginal and senior levels of government would create a Native Economic Development and Employment Council

¹There is, in fact, a third approach which comes to economic development through employment equity, affirmative action and human rights challenges to existing employment practices. This is dealt with in an earlier paper submitted to the Royal Commission on Aboriginal Peoples, 'Aboriginal People in the Winnipeg Economy', 1993 available also on CD in *For Seven Generations, An Information Legacy of the Royal Commission on Aboriginal Peoples*, Libraxus, Ottawa, 1997.

(NEDECO) which would, in turn, establish a Native Development Corporation (NDC). The NDC would operate a number of subsidiary companies, offering them financial and administrative services, and would create a Native Industrial Centre, a business complex to house companies. The Council would negotiate contracts with government, crown corporations and private business for Corporation subsidiaries to supply goods and services employing Aboriginal people. It would concentrate on labour intensive activities, would work with government to set up appropriate training schemes and would maintain an inventory of Aboriginal people, their skills and employment experience so as to maximize their employment opportunities, both within the Corporation and elsewhere.

The Native Industrial Centre would house a credit union for staff and businesses, and several other personal service enterprises, such as a cafe/restaurant, barbershop, hairdresser, shoe-repair shop. By sharing premises, both subsidiaries and other businesses would economize on costs (subsidised where justified), and would have ready access to managerial expertise and a source of finance. Fulham also advocates the 'setting aside' of government purchasing of supplies and services to benefit specifically Aboriginal businesses. While relying heavily on government resources, for purchasing and for training, and while drawing on community input for the Council and the Corporation, the underlying objective of this approach is to build an Aboriginal private business sector.

Fulham poses this strategy in opposition to affirmative action, which he views as a 'negative approach' (p.75) and, in this respect, his views are quite at odds with those currently held by Aboriginal groups in the city. Also at odds with contemporary thinking in the Aboriginal community is the degree of state supervision of the, quite cumbersome, institutional structure which Fulham envisages.

Some of Fulham's thinking embraces ideas put forward initially in 1969 by the Indian and Métis Friendship Centre for a native community in Winnipeg. The proposal was fleshed out in some detail between 1972 and 1975 as Neeginan - a Cree expression which can be translated as 'Our Place' (Damas and Smith, 1975, p. 10). This envisaged the creation of an ethnic quarter in Winnipeg for Aboriginal people to serve as a transitional milieu for those moving into the City. It would have its own housing, social service and economic facilities and would be run by Aboriginal people. A 1975 report went into considerable architectural detail for the community services centre which would be the focal point of the community, housing social service agencies, shops, schools, residential accommodation and Aboriginal political organisations. The report also examined alternative locations in the inner city.

Though formulated over twenty years ago, Fulham's views, and related proposals such as Neeginan, have had an important impact on contemporary Aboriginal policy and actions. The incubator approach (or 'franchise' as Fulham would have it) was influential in the proposal to establish the Aboriginal Centre of Winnipeg in what used to be the Canadian Pacific Railway Station which is located in the heart of the core area.

The idea behind the Aboriginal Centre was that it would bring under one roof a variety of Aboriginal organisations providing services to the community. Existing organisations would be encouraged to move their offices there. It would house an Aboriginal Institute which would

deliver existing and new employment and training related services. Attempts would also be made to bring in public sector agencies providing services to Aboriginal people. A restaurant and child care facility would be set up to cater for those working or being trained in the building. Finally, there was provision for light industrial activities, such as catering, printing and publishing, etc., and for conferences in the huge, 146,000 square feet building.

Considerable progress has been made in realizing this plan, which contains many elements of the Neeginan proposal, especially the community service centre component, without the emphasis on building a separate neighbourhood as such. The building was purchased in December 1992, initially by means of the CPR taking back a mortgage, and later by means of loans from the Assiniboine Credit Union. By 1999, the Centre had 25 tenants and was fully occupied. Aboriginal firms which have established there include a security company, a woodworking enterprise and an auto body shop (none of which are currently operational) an printer, a newspaper, a computer lab, a restaurant (which is in part a training initiative) and an art gallery. Many other tenants provide important services to the community, such as literacy, counselling, employment advice and training, and health and well-ness. The Aboriginal Council of Winnipeg, the Original Women's Network and the Manitoba Association of Friendship Centres are also located there as are a number of non-Aboriginal entities which provide services to the community, such as the post office, legal aid and human resources organisations of government. A number of large conferences are also held there. After many years of struggling, the building is now fully occupied and annual rents bring in over \$700,000 a year.

This represents a considerable accomplishment for the Aboriginal community of Winnipeg. The Aboriginal Centre will undoubtedly become a focal point for the community and represents the realization of an idea long in the making.

The Centre is not, however, without some potential dangers. The project is highly dependent, both directly and indirectly, on state funding for rental income. This is not, of course, unusual for Aboriginal institutions, but the centrality of that funding to the ongoing commercial viability of the Centre is, perhaps, somewhat unique. Diversifying the tenants helps reduce risk in this regard, as does diversifying the types and sources of state funding. In late 1999, there were 25 tenants drawing funding from the federal, provincial and City governments, as well as Aboriginal educational authorities, so one could argue that this risk has been recognized and addressed to some degree.

Secondly, the geographic concentration of Aboriginal organisations in one building limits the extent to which they can be incorporated into holistic, community development based on 'balanced growth' within neighbourhoods. It could be argued that this is a necessary, structural, weakness of the incubator approach.

Thirdly, the incubator concept has been only partially successful with regard to commercial businesses. The ones listed earlier are important initiatives but are not highly integrated, sharing little but a common roof. Some of the services which might have accomplished this and which were originally in the plan, have not materialized, e.g. the credit union, perhaps because of scale problems.

Finally, the large concentration of Aboriginal institutions, each with a different mandate and agenda, calls for a high degree of diplomacy in the handling of problems and disagreements among tenants and between tenants and the Centre. In the past, internal political dissension in the Aboriginal community has led to the loss of a key tenant and turmoil in the Aboriginal Council has, on occasion, threatened the stability of the whole enterprise. The Aboriginal Business Development Centre, a federally funded tenant which offered counselling to small businesses in an 'aboriginal friendly' environment also imploded for political reasons. The Centre appears, however, to have successfully overcome these challenges.

The biggest success of the Aboriginal Centre may prove to be that of resurrecting the Neeginan concept and pushing it through to implementation. The serious problems of the inner-city became apparent in the late 1990s with extensive Aboriginal gang activity, a rapidly deteriorating housing stock and an outbreak of arson. In 1999 the Pan Am Games were held in Winnipeg and the politicians decided that Main Street needed a face-lift. Proceeding with the Neeginan concept was felt to be a way of meeting several objectives at once; clearing up derelict hotels on Main Street; replacing them with an impressive structure celebrating Aboriginal strength and culture; placating the Aboriginal leadership and offering financial support (over \$6 million) to the community's own solutions to the economic and social problems it faces. Neeginan seemed to offer all of this.

Construction of the Thunder Bird House, Neeginan's home, was completed in early 2000. This strikingly impressive building was designed by Harold Cardinal who sees it as 'a place of rebirth and vitality; a place of healing and sharing'. It will have several components; a place for Aboriginal art and culture; a youth complex and a 'commercial complex/business incubator'. The incubator component is exactly the same as that envisaged for the Aboriginal Centre and Harold Cardinal describes it thus: 'In this village, we will provide stores which will offer an assortment of goods and merchandise such as: food, clothing, gardening equipment, leather goods, and other necessities. We will have banks, bookstores, video stores, pool halls, movie theatres, arcades, and restaurants' (Cardinal, undated).

While it has been a cultural success, Neeginan has not been able to develop the business side at all and it appears unlikely it will have more success in this regard than the Aboriginal Centre, which is located just across the street.

b) The Neechi Approach

The second, and contrasting approach to Aboriginal economic development in Winnipeg, is one which focuses on community economic development. It was put forward by members of the Neechi Foods Co-op Ltd (a worker owned cooperative community store) in their *Its Up To All Of Us* guide (Winnipeg native Family Economic Development, February, 1993). They laid down ten community development criteria (subsequently expanded to eleven) by which to assess proposed or actual community initiatives. The first three of these essentially advocate a 'convergence' approach to economic strategy as they provide for the use of local goods and services, the production of goods and services in the local economy and the reinvestment of profits locally. The point here is to emphasize the potential of the inner-city market to sustain economic livelihoods. This means that income **earned** in the inner-city should, as far as

possible, be spent there, and preferably on goods and services which are actually **produced** there. This contrasts with the current situation in which substantial inner-city income leaks away in expenditures elsewhere in the city on goods and services which are not produced in the inner-city. Neechi encourages both Aboriginal residents and non-Aboriginal residents and others earning incomes in the core, to use their purchasing power to the benefit the local community. The idea is to spend in such a way that leakages from the inner-city economy are minimised and economic linkages within it strengthened. This would reduce dependence on outside markets and build greater community self-reliance.

The fourth principle is to create long-term employment for inner-city residents, so as to reduce dependence on welfare and food banks, enable people to live more socially productive lives and to build personal and community esteem. In the process, of course, more income would be available for spending in the community. Related to this, the fifth principle calls for the training of local residents in skills appropriate for community development.

The sixth principle or guideline is the encouragement of local decision-making through local, cooperative, forms of ownership and control and grassroots participation. The aim would be to strengthen community self-determination as people work together to meet community needs.

Principles seven and eight recognize the importance of community development promoting public health and a safe and attractive physical environment. The ninth principle stresses the centrality of achieving greater neighbourhood stability by providing more dependable housing, encouraging long-term residency and creating a base for long-term community economic development.

The tenth principle is that the whole approach is premised on the safeguarding and enhancement of human dignity. While there is a personal dimension to this, in the form of promoting self-respect, much of the emphasis is social, recognising the need to generate community spirit, encourage equality between the sexes, and respect for seniors and children. The Neechi criteria also call for the promotion of social dignity regardless of physical or mental differences, national or ethnic background and colour or creed. Above all, community development should promote Aboriginal pride.

More recent additions to the principles provide for cooperation between CED initiatives for mutual benefit, for greater emphasis on income equality, and for provision for dispute resolution in the community.

This is an exhaustive and demanding set of criteria by which to evaluate community development proposals. Underlying it is a definite vision of both the **process** and the **goal** of community economic development.

The Neechi approach to economic development is not merely an intellectual one. It is rooted in and shaped by practical experience. The principles evolved during two training programs conducted in the early 1980's for Métis and Indian economic development and finance officers. Sponsored by the MMF and the All-Chief's Budget Committee of the AMC, but run independently, these programs have produced over 50 well trained Aboriginal staff, most of

whom are now employed by Aboriginal organisations in the Province. Out of these courses, which combined rigorous classroom work with practical on-the-job experience, came a series of community planning meetings in the summer of 1985, run by the trainees. Four projects were identified in these meetings as being high on the list of priority needs in the community in Winnipeg; a food store, a housing co-op, a commercial daycare and a crafts shop, and the trainees proceeded to appraise each, working in conjunction with project working groups. All but the last of these has now been implemented and, in the early years, were loosely 'federated' under the umbrella of the Winnipeg Native Family Economic Development (WNFED), a mutual support group.

Neechi Foods Co-op is an Aboriginal workers' co-op operating a grocery store and Aboriginal specialty shop in the inner-city. The objectives of the co-op are to offer Aboriginal people a better selection of food at better prices, to promote community health (which it does in a number of ways, e.g. by not selling cigarettes and by subsidising sales of fruit to children), to promote Aboriginal pride and employment, to keep money circulating in the community, to foster sharing, co-operation and local control and to create capital for new projects. The store employs four full-time and five part-time employees, all Aboriginal, and annual sales are now in the region of \$0.5 million. A move to open a second, high-end Aboriginal craft store in the fashionable Osborne Village part of downtown was, however, unsuccessful.

The housing operation affiliated with WNFED is the Payuk Inter-Tribal Co-op, which has a 42 unit apartment block and 5 duplex units. One of its aims is to provide a safe and supportive environment for Aboriginal women and children (e.g. alcohol is prohibited in the building). Rents are tied to ability to pay. The Nee Gawn Ah Kai Day Care is located in the Payuk building, has space for 30 children and employs six people.

The Ma Mawi Wi Chi Itata Centre, Canada's first major urban Aboriginal child and family support service which now employs 55, largely Aboriginal, staff was also associated with WNFED. This organization was the outcome of efforts by the Winnipeg Coalition on Native Child Welfare, which also worked closely with the Economic Development Training Program, underlining the holistic, integrated approach to economic and social reform subscribed to by an influential section of the community.

A number of collectively owned Aboriginal enterprises have been established in recent years which are quite consistent with the Neechi approach. A security company, mentioned above, was doing quite well and was a viable enterprise until it ran into unexpected problems with management. A group of women have set up a cooperative enterprise making star blankets while another operates a successful catering business.

The Neechi approach has clearly influenced the thinking of the Aboriginal Council in its formulation of an economic development strategy for Aboriginal people in the City. It argues for 'a community economic development planning process geared towards developing a convergent, self-reliant local economy based upon community economic development principles: maximising income retention, strengthening and promoting economic linkages, and maximising community employment.' (Aboriginal Council, 1992). It argues for the development of linkages between the urban Aboriginal community and reserves and rural Métis communities, but it

would also like to see treaty administration centres established in Winnipeg to meet the needs of off-reserve Indians. The Council puts a major emphasis on the Aboriginalisation of the staff and control of the social service delivery system catering to Aboriginal clientele. They see Aboriginalisation as an important component of community economic development and extend it to education (with calls for an Aboriginal school board and control over all aspects of urban Aboriginal education), health, services to women, seniors, youths, and ex-inmates; in short, to all sections of Aboriginal society. This 'decolonisation' would be based on the principle of participation by all sections of Aboriginal society and would be accomplished, ideally, in cooperation with the other political organisations. This strategy has, therefore, some unique features, but at root, as a convergence strategy, it is essentially that proposed by Neechi.

The Neechi/WNFED approach to economic development shares some things in common with the Fulham approach. They both recognize the importance of Aboriginal organisations in the process; they both stress the importance of developing linkages and mutually supporting economic initiatives, both within Winnipeg and between the City community and Aboriginal communities outside; they both recognize the importance of having support services available to Aboriginal businesses, and especially of appropriate training; both argue the importance of providing decent long-term housing; and both admit the social desirability of non-Aboriginal support for Aboriginal ventures even when more lucrative investment outlets or cheaper purchases could be had elsewhere.

There are, however, crucial differences between these two approaches which need to be highlighted. First of all, the Neechi approach is much more clearly grounded in grass-roots community activism than is the Fulham model and its variants, and envisages a much less significant role for Aboriginal political organisations in the economic development process. Secondly, the Neechi model attaches a much greater importance to community ownership and control than does Fulham, who is more wedded to the promotion of private Aboriginal business. Thirdly, the Neechi approach is a much more holistic one, in which economic development is seen as one aspect, albeit a very important one, of healthy communities, in which economic opportunity, health and educational development and social and environmental stability go hand in hand. Fourthly, and related, Neechi would attach less importance to the physical aggregation of economic enterprises under one roof, preferring more spatial balance and securing supportive services and economies of scale in other ways. Finally, the Neechi model promotes restoring economic balance and community self-reliance through economic restructuring which in some ways challenges the logic of the market economy. Fulham's approach, on the other hand, accepts the dominant market on its own terms and seeks to break into it with State assistance.

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