

ALL OR NOTHING: MODERNIZATION, DEPENDENCY AND WAGE LABOUR ON A RESERVE IN CANADA

Tony Haddad

Department of Sociology
York University
North York, Ontario
Canada, M3J 1P3

and

Michael Spivey

Department of Sociology
York University
North York, Ontario
Canada, M3J 1P3

Abstract/Resume

This is a case study of one Native community that attempted to end the cycle of poverty and underdevelopment by encouraging investment by a multinational corporation. The authors examine the impact the investment has had on social relations within the community. Specifically it is argued that this path of development has followed modernization principles similar to those undertaken in many Third World countries. While such investment creates jobs in the community, it also leads to economic exploitation and dependency, while furthering factionalization in terms of politics and culture.

On donne une étude d'une communauté autochtone qui a tenté de faire cesser le cycle de pauvreté et de sous-développement en encourageant l'investissement par une compagnie multinationale. Les auteurs étudient l'impact que l'investissement a eu sur les rapports sociaux dans la communauté. On discute explicitement que ce sentier de développement a suivi les principes de modernisation semblables à ceux qu'on a suivis dans beaucoup de pays du Tiers-Monde. Quoiqu'un investissement de cette sorte crée des besoins dans la communauté, il conduit aussi à l'exploitation économique et à la dépendance, en augmentant la factionalisation en termes de politique et culture.

Introduction

Over the past several decades, the agenda of self-determination has been at the forefront of many issues confronting Aboriginal peoples in Canada.¹ Framed within an historical struggle against forces of colonization and cultural genocide, the Aboriginal peoples of Canada have sought workable approaches to controlling their own destinies. These approaches have recently taken the direction of social and economic development. In this investigation, we question whether some of the models of self-determination now being implemented by various Bands—such as models put forward by the Institute of Cultural Affairs and The Canadian Aboriginal Economic Development Corporation—are not in fact merely new forms of assimilation based upon Modernization principles. The Modernization paradigm has been proven to be shot through with implicit notions of “civilizing the natives,” i.e., assimilation with the hidden agenda of political and internalized social control, all culminating in further alienation, domination and exploitation.

The aim of this inquiry is to examine the case of an Indian Reserve that is undergoing cultural and economic revitalization, based upon “Modernization” principles set out by an international development agency. Similar to initiatives undertaken in the Third World, “cultural and economic development” on this Reserve has included the setting up of social, economic and ideological contexts for the intrusion of capitalism along the lines of the “new international division of labour.” The major features of the new international division of labour are low wages, unskilled and labour-intensive jobs. From the perspective of the Band Chief, economic revitalization has been *“a way of community pride, a way to change our self image—it’s all or nothing at this point.”* From a more analytical and critical perspective, we explore several political, economic and cultural consequences of this model of development in a Native community. Central to this analysis is an examination of the contradictions between idealistic notions of progress, politics and culture, and the exploitation found in sweat shop labour arrangements on the Reserve.

Our objectives will be accomplished in the following stages. First, we provide an analytical framework which addresses the ideological trappings and idealism of liberal Modernization Theory. We argue that, when the model is amended by an examination of local political and cultural processes, the Dependency/World-Systems perspective is more adequate for understanding Native conditions in Canada. Second, we provide a literature review which stresses the problem of Native dependency. Third, we describe the setting and provide a brief historical account of the political economy of Native-White relations, with a focus on their developments in

Ontario. Fourth, we give a description of the start-up of the development plan and the consequences that followed. Finally, we discuss the implications of this development program in light of its broader ramifications for Native communities throughout Ontario.

Analytical Framework

A broad and extensive literature now exists which underlines the failures and ideological trappings of Modernization Theory. The groundbreaking works of the titular heads of Dependency/World-Systems Theory—A.G. Frank (1969) and Immanuel Wallerstein (1974)—are by now well known and respected for their damning critiques of the Modernization paradigm. The Modernization theorists made the claim that capitalism was a mighty engine for world development; all that was needed for development was the diffusion of “superior” western technological, cultural, and social values to the “backward” areas in order for them to “catch up” with the core. Frank and Wallerstein uncovered the ideologically conservative bias of Modernization Theory by examining the structural-historical nature of the relationship at the global level between the industrialized nations and the peripheral Third World. A myriad of case studies from a Dependency/World-Systems perspective have all but devastated the Modernization paradigm in academic circles. The Modernization perspective, however, lives on in the implicit ideology set forth in international development programs and institutions, based in the core industrialized nations. Mitter (1986:152) exposes the underlying ideology of the Modernization perspective:

The post-war flourishing academic discipline of 'Development Economics' was based on the unquestioned superiority of European societies. The socio-economic maturity of a non-European nation was measured against a norm prevailing and accepted in white society. The ethos of international agencies reflected the nineteenth-century social Darwinism that viewed all non-European cultures simply as poorer versions of European civilisation. Black societies were regarded as belonging to the childhood of mankind, whose maturity had been reached only in white societies. The desirability and the necessity of evolving one's own path of development, oriented towards a country's history, tradition and specific needs, were not seen as important... In this intellectual milieu, Trans-national Corporations were seen as welcome and universal levellers, as harbingers of modern and superior societies.

In short, these development agencies, while claiming to “motivate” Third

World peoples to help themselves through models of development, have, in effect, set the stage for further dependency. The liberal ideology that a little westernized reform will go a long way in bringing people out of poverty is based on the blindness to actual political, economic and cultural contradictions, as they have developed historically. The notions of class inequality and power arrangements are missing from the analysis.

Central to the Dependency/World-Systems perspective are the related concepts of “core” and “periphery.” The Dependency/World-Systems theorists designate the core areas of the world-system as those which display a high degree of autonomous growth in terms of industrialization and home markets. In the core areas of the world system (historically, areas such as England, Spain, France, and the United States), one finds economic activities which reflect a diversified economy based upon industry and differentiated agriculture. Labour control in the core areas is based upon skilled wage-labour and tenantry. In contrast to the Modernizationist’s claim that “backward” areas of the world are limited by a “lag” in terms of technology and modern cultural traits, the Dependency/World-Systems theorists insist that the structural-historical realities of the periphery are the direct result of the expansion of core capitalism into the periphery, in search of raw materials. In fact, the Dependency/World-Systems theorists provide historical evidence which suggests that the core areas were only able to develop through the direct exploitation and subjugation of the peripheral areas. Thus, Frank coined the phrase the “Development of Underdevelopment” in order to emphasize that development and underdevelopment were, in fact, two sides of the same coin, capitalism.

Another feature of the Dependency/World-Systems model which is pertinent for our discussion is the role played by the indigenous political and economic elites in the periphery as pawns of core capitalist interests. Since the peripheral elites share the ideology and interests of international core capital, they actually allow for the exploitation of peripheral labour. The way this process is played out, however, is left implicit in the model.

While the above Dependency/World-Systems model is heuristically valuable for analyses of underdevelopment in Native communities, a more specific framework is needed in order to examine contemporary forms of dependency relationships. The role played by multi-national corporations in the global economy has changed some of the basic features of the core/periphery relationship. As Allahar (1989:93-94) states:

By far,...one of the most common ways of cementing the link between dependence and underdevelopment in the periphery is via multinational corporations...Along with the exploitation of cheap labour, the MNCs also manage to secure attractive

concessions from local governments, for example, tax incentives, relaxed customs duties on imported technology, and certain monopolistic privileges...Economically, the dependence of the peripheral countries is maintained and deepened owing to the very presence of the multinational corporations and their role in reshaping the class and economic structures of the peripheral countries. For it is not the case today that peripheral countries are unindustrialized. Rather, their industrialization has followed a distorted or uneven pattern...The entire process of multinational-led "development" has been accompanied by economic denationalization, increasing social inequalities, and greater marginalization of the very poorest segments of society.

Allahar (1989:98-100) states that, while Canada cannot be properly defined as a dependent and underdeveloped country, it does share some of the features of a peripheral society, especially when analyzing the core/periphery relationship within Canada itself. Over the years, Canada has, to a large part, been economically dependent on the United States *vis-a-vis* branch-plant operations of multinational corporations. Operations which are highly vulnerable to market fluctuations and are characteristically labour-intensive (such as manufacturing and textile corporations), will generally search for areas which can supply the cheapest labour and more lucrative concessions. These areas are often found in, what the Dependency/World-Systems theorists call, the internal "hinterlands," or more appropriately for Native communities, "internal colonies" of the developed countries. While Allahar (*Ibid.*:98-99) does not address the issues of uneven development and dependency as they relate to Native communities, his description of the economic structures found in the Atlantic provinces provides a general comparison:

The economies of the Atlantic provinces are underdeveloped not because they lack resources, but because they are dependent on outsiders for technology, expertise, capital, and markets. Because such "outsiders" usually present themselves in the form of MNCs [multinational corporations], and because they do not necessarily have local interests at heart, the peripheral areas and single-industry towns become seriously disadvantaged...Within the underdeveloped regions of the country, the economic structures in place do not provide much opportunity for the advancement of the local populations. The jobs usually available tend to be of an unskilled or semi-skilled variety.

Finally, the new research on the “new international division of labour” informs two important features of the data presented in this paper, race and gender. Mitter's (1986) synthesis of the recent literature suggests that, because of the revolution in communications technology, corporations have been able to decentralize their production units. While the whole product used to be manufactured under one roof, employing a large labour force (mostly male), the communications revolution has made it possible for corporations to have the separate components of the product assembled in branch-plants which are dispersed throughout the world (generally, in the Third World), with the final assembly taking place in the core countries. The new production units tend to be small, employing on average 50 workers. The ability of multinational corporations to take up shop and move at will to any corner of the world has had the effect of undermining organized labour in the industrialized countries. Furthermore, this mobility of capital has made it possible for companies to avoid state regulations over their operations, furthering their capacity to exploit the most vulnerable and redundant sectors of the labour force in both the developed and underdeveloped countries, namely, women of colour. As Mitter (1986:6) puts it:

The outcome of the new strategy has been the massive integration of Blacks and women—and in many sectors Black women workers—into the global economy in a new way. These workers are precisely the ones who have so far been marginalised in the mainstream Labour movement. Their very vulnerability has made them a preferred labour force in an evolving pattern of business organisation that tends to rely on flexible and disposable workers. The transnational corporations, with their immense resources, engineer access to such workers by restructuring labour nationally as well as globally on the basis of race and gender. Colour and sex have thus become the main principles behind the most recent international division of labour.

The above analytical framework, which has been criticized as abstract and monolithic (Spivey, 1990), can only be useful, we feel, for understanding underdevelopment and dependency in relation to Native communities by way of the case study method. This method permits us to examine how larger structural features of the political economy shape but do not determine the relationships and identities that are negotiated at the everyday level within the communities. We view our case as strategic in providing a critique of economic development models based upon Modernization principles and the manipulation of Native identity and cultural values for their hegemonic implementation.

Socio-Economic Development in Native Communities: A Literature Review

A search of the literature on the processes and consequences of socio-economic development in Native communities reveals few critical examinations of the issues. One particularly analytical contribution is that of Lockhart and McCaskill (1986). As academics involved in the research and application of development models for Native communities, they warn of the shortcomings of developmental models “imported” from the outside, particularly from developmental agencies using generic strategies focusing mainly upon economic development and bureaucratic rhetoric. They caution Native communities attempting to incorporate these models for their own training programs (1986:161):

One response to this general lack of Native needs sensitivity...has been for some Native organizations to set up their own separate training facilities where cultural factors are included with imported technical training. However, as desirable as this may be from other perspectives, it must be recognized that in the absence of significant research, documentation and dissemination capacity, such “independence” may only ensure a continuing “dependence” upon mainstream technical models that contain culturally negating elements.

These authors go on to emphasise the vital need for development models that are sensitive to the holistic needs of the community, stressing that a neglect of the cultural aspect of development would lead to an increase in assimilation and dependency (1986:163). Lockhart and McCaskill conclude that (1986:167):

This is crucial not only because the acceptance of a one-way flow from the mainstream to the “needy” is the very epitome of colonial paternalism, but because it is abundantly evident that the mainstream of so-called “Western culture” is itself in desperate need of revitalization and renewal.

In an essay attempting to apply the dependency model to the case of Native communities in Canada, Frideres (1988:82) states, “A number of authors have assessed the problem of Latin American Natives in a similar vein...However, to date, this structural approach has not been applied to the Native situation in Canada.” He (1988:82-83) explains that the dependency model helps to overcome the long-accepted proposition that Natives are in the condition they are in because of some inherent fault in their cultural ideals and institutional arrangements:

[T]his perspective places an emphasis on the role of internal institutions as well as on external relationships in determining the socio-economic processes. For too long theorists have viewed the Indian Problem as “a problem Indians have.” They have not viewed it as a “white problem”. This has resulted in a failure to take into account the existence of external structural factors that have impinged upon Native people.

In addition to his historical analysis of Native dependency—starting with the fur trade, through the development of Reserves for the purpose of “educating” the Natives, to the appropriation and exploitation of Native lands—Frideres describes four attributes of dependency and applies them to the Native case in Canada. First, a structural feature of an underdeveloped society is dependency on an agricultural economy (1988:91):

Since before Confederation and continuing until today, there has been an insistence by the dominant group that Native people should develop their agricultural potential. The establishment of reserves, the terms of the Treaties, and the contents of the Indian Act all reinforce the ideology that Natives must be agriculturalists.

Yet the growth of Native agriculture has been stunted, and alternative types of employment have been restricted to part-time and seasonal work. “In Western Canada, where a 1,000 acre farm is considered small, it is evident that Natives have no real chance of increasing their agricultural production nor their land holdings” (1988:92).

The second major attribute of a dependent society is the creation of an internal “political-economic elite.” While Frideres's (1988:94-95) notion should be, we feel, qualified in the sense that individuals of a Native elite may truly carry the best intentions for their community, the structural feature, nonetheless, is analytically valuable for understanding Native dependency:

As pointed out previously, a Native elite is also created in most Native communities. These elites are able to derive high status and income from linking their interests with those of the dominant power elite. They can do so because their activities are generally associated with the developed economic structure and they (the Native elites) are willing to engage in direct exploitation of the Native masses. These elites, while perhaps legally defined as Indian, are culturally and socially integrated into the developed structures of the dominant economy...

A third indicator of dependency is a reliance upon outside social assistance. “Nearly one-half of the total Indian population receives welfare

assistance. Well over one-half (58%) of those receiving assistance are doing so for economic reasons" (1988:95). Native social dependency can also be seen in terms of the limited government funding for Native economic development (1988:95-96):

[T]he major source of funding for economic development is through the federal government. Indian Affairs has always had an item in their budget for economic development to develop and support projects and programs that deal with unemployment, undeveloped resources and dependency. A careful perusal of the total Indian/Inuit Affairs budget over the past three decades shows that the percentage allocated to economic development has decreased to its now historic low of 4%. In 1970, DIAND created the Indian Economic Development Fund in an attempt to develop capital-intensive projects on the reserve which they felt would become the "engines of future development." Since that time, less than \$150 million has been directed to those "large-scale" developments.

Finally, Frideres (1988:92-93) points to the Government-Business interface as a major attribute of Native dependency. In effect, the alliance formed between the federal government and the business sector keeps Native communities in a state of dependency. Government policy has made it virtually impossible for Native communities to develop their own paths to economic development leading to autonomy and self-determination. "The dominant group, in effect, is able to sustain the underdeveloped state of Natives by controlling the Natives' access to capital, technology and other resources necessary for industrialization to take place. This, in turn, perpetuates the relationship by not allowing Natives to become self-sufficient" (1988:93). While Frideres (1988:93) does not give a concrete example of how a multinational corporation would further Native dependency, he does provide a scenario:

Because Natives are unable to develop their reserves themselves, they must lease their lands to non-Natives at a lower rate than these developers would pay to non-Native land owners. The non-Natives then undertake the development and pay taxes as occupiers of Native land. The benefit foregone is in the forms of: 1) reduced lease rentals; 2) economic spread effects; and 3) opportunity costs.

We hope that our ongoing research will contribute to the scant literature by focusing on the consequences of the combined effects of outside development models, elite interests, and, what has been neglected most

of all, the effects of Multinational branch-plant operations when located on the Reserve, in furthering Native dependency. As Manuel and Poslums (1974:151) put it, "Real community development can never take place without economic development. But economic development without full local control is only another form of imperial conquest." Finally, while we do not have, at the moment, any comparative literature on branch-plant employment on Indian Reserves in Canada, the following quote (Jorgensen, 1978:62) on conditions for American Reservations reflects the patterns seen in this paper:

Private corporations have used Indian water, Indian capital, and other Indian resources, such as cheap labor, to expand...Indians do not maintain ownership or control, and the surplus white populations near the reservations have been sucking up most of the jobs that have been made available.

The importance of our research is to provide a critical analysis of this type of development which is espoused by Government and development agencies as a preferred model of self-determination. The question which frames our inquiry is, to paraphrase Dacks (1983:291): how can Native communities improve their material well being while maintaining their culture, self-esteem and solidarity as a group, within the context of a wider socio-economic system in which they have been marginalized? It is our hope that the outcome of our on-going research will assist in providing those with a stake in the issues with critical insight, both as a warning and in opening up possibilities for more appropriate alternatives.

The case we describe here represents a unique model, which has been deemed *the pilot project* for Natives in general by the government of Ontario, the development agency and the Band administration. The only other research undertaken in this community consists of a series of needs assessment studies carried out by private consulting firms. No critical inquiry has been undertaken of this particular development plan.

The Setting of the Research

The setting in which this research has been conducted is an Ojibwa Reserve located north of a large city in Ontario.² The Reserve is approximately 2,400 acres in size and is the home of over 500 status Indians. About twenty percent of the population consists of children under the age of twelve years.

The research began early in 1990. The methods utilized consisted of a triangulated approach including observation, informal interviews and archival research. Observations were conducted during approximately ten day-long visits to the Reserve; informal interviews were conducted with

seven key informants (two council members, the Band Chief, and four community members); and archival research consisted of reviews and analyses of reports and records of the Band's history and its development phases. Follow-up research was further conducted through telephone interviews with these members.

Historical Backgrounds

To understand the conditions of dependency of this community, it is important to give a brief overview of the historical development of the political economy of Native-White relations in Canada.³

The European presence in North America dates back to at least the 1400s, when fishermen from the industrializing metropolises of Europe sailed to the eastern coasts of North America to harvest cod and other species of fish. Most of this activity took place along the coasts of Newfoundland, Labrador, and New England. As extensive contact was made with the Aboriginal peoples living on the mainland, the fur trade emerged as a "causal adjunct to the cod fisheries" (Cronon, 1983:82). This situation changed drastically by the second part of the 16th century, as European demands for felt hats increased and European sources of furbearing animals had been depleted. As a consequence, "North America furs became a prime object of trade in their own right" (1983:82). This situation also marked the beginning of the subjugation of Canadian Natives to the world capitalist system.

According to Jones (1988), fur traders were the first Europeans to make contact with Indians in Ontario in 1622. The Indians were considered both economic and military partners during a period when Britain and France were in competition for control over North America, a geographic region important for its sources of raw material. Britain allied itself with the Iroquois Confederacy and France with the Hurons, profoundly affecting the social and cultural structures of the Bands involved (Wolf, 1982), and resulting in intense competition among Native groups over hunting territory. Growing antagonism over areas rich in fur bearing animals, especially beaver, resulted in a series of wars between the Iroquois and the Huron during the period between 1641 and 1701 (Tanner, 1987).

The fur trade also affected the settlement patterns of Indian Bands. Wars as well as the growth of White settlements forced many away from their traditional lands, often close to the tradings post and military forts of their French or British allies (Jones, 1988). These settlement patterns also permitted the establishment of missions (Jones, 1988). By the 1650s, French missionaries had set up among the Hurons along Georgian Bay. After the battles with the Iroquois, alliances between the Huron and the

Ojibwa resulted in the settlement of these Bands along the Northwest shores of Lake Ontario.

After the war of 1812, which resulted in the defeat of the British by the United States, along with disease that decimated a large proportion of the Indian population, Indians were no longer considered important military allies. This was also during a time when fur trade was declining. As a result, government control over Indian policy was transferred from the military to the civilian authorities and in 1830, the Reserve system was organised (Tanner, 1987).

The war of 1812 also convinced the Lieutenant-Governor of Upper Canada of a greater need for British emigration to farm and better defend the land against American invaders. Many of these migrants were granted land along the border with the United States, land which Indian Bands were forced to surrender. The continued migration of British settlers put pressure on many Bands to sell their land and move on to Reserves which were administered by the colonial government, with the funds generated from the sales.

The Ojibwa Band which is the focus of our study was one of three which voluntarily sold their land and moved, in an attempt to avoid the encroachment of White settlers (Shmalz, 1991). Having settled near Lake Simcoe around 1830 on Reserve land set up by the government in an attempt to force them to give up hunting and gathering and become farmers, the Band signed a treaty to sell the land and move away from the White settlements.

Unable to lead a farming existence and, as a result of White farmers' encroachment, unable to continue a hunting and gathering existence, the Band turned to a mixed economy of small scale farming, lumbering, hunting, fishing, trapping, guiding and craft production. With the growth of industry in southern Ontario, especially in the early 1900s, many also engaged in wage labour in local factories. In general, these economic activities permitted the Band to be self-sufficient, while at the same time remaining under the administrative control of Indian Affairs. Indian Affairs also maintained control over most of the Band's interests as well as most aspects of Reserve life (Sessional Papers of Canada, 1880-1910).

In 1876, the *Indian Act* was passed, with the specific intent of assimilation. Consolidating many pieces of legislation under one, the *Indian Act* was subsequently amended to decrease the autonomy of Bands and increase the powers of the Department of Indian Affairs. Essentially, this legislation remained intact until 1951.

After World War II, Indians attracted the attention of Canadian politicians. A point committee of the House of Commons and Senate was organised in 1946 to draw up policy recommendations for the administration

of Reserves and for amending the *Indian Act* (Ministry of Indian and Northern Affairs, 1978). By the 1950s, several amendments were made to the *Indian Act* as a result of the committee's report. As Weaver (1981) notes, the revisions to the *Act* were framed within the context of continued but less direct assimilation. For example, Indians were permitted to vote, their children were to be educated with non-Indian children, and women were to be permitted greater access to power and decision-making authority in the political and legal affairs of the Band (Miller, 1989).

By the 1960s, however, the condition of Indians in Canada remained unchanged. This led to the commission of what was to become known as the Hawthorn Report, to examine the situation of Indians in Canada. In a starkly frank manner, it attacked the Department of Indian Affairs as a "quasi-colonial government" which unjustifiably controlled most aspects of the lives of Indian peoples in Canada (Hawthorn, 1966:368). In a later report, the Statement of the Government of Canada on Indian Policy, 1969, which became known as the White Paper, the Canadian government argued against the maintenance of special status for Indians and for their integration into Canadian society through equality in terms of legal and political status. Essentially, the recommendations in the White Paper were aimed at relinquishing government obligations towards Indians (Miller, 1989). Protest led the government to drop the policy in 1973 (Miller, 1989). However, official Canadian Indian policy continues to focus on encouraging "economic self sufficiency" for Indian communities (Ministry of Supply and Services, 1989), all within the context of an historically present intent to absolve the government of its obligations to Indians.

It is within the context of this brief historical outline that we turn to the discussion of the data collected from our case study.

From Underdevelopment to Modernization

As a result of massive socio-economic upheaval experienced on this Reserve, the Band leadership organized a campaign to combat what they perceived as the sources of disintegration in their community. The high unemployment, suicide, alcohol and drug abuse rates, along with the growing racial tension between the adjacent White town and Reserve community, led them to request assistance from government agencies to "revitalize" their Reserve. In consultation with these organizations, it was agreed that a plan would be developed to meet their aims and simultaneously build a model upon which other Reserves in Ontario could base their development programs. This model of development had as its aim the economic and cultural revitalization of a community in crisis. The answer lay in the reconstruction of the infrastructure of the community, along with

a focus on social and cultural revitalization. As one Council member stated during an interview with a local newspaper, "*Things are changing on this reserve these days, as a core group of Natives, tired of a history of drug abuse, unemployment and accompanying social problems, strive to create a new atmosphere and self-identity...we are encouraging band members to improve their self-image, and the image the surrounding communities have of our community.*"

During 1980 and 1981, the Band developed a comprehensive community plan with the assistance of the District Office of the Department of Indian Affairs. The Planning Resource Team assisted the Band in documenting ideas with respect to the future development of the community. The final plan identified possible projects in such areas as recreation, capital expenditures, education, land, and social programs. The proposed projects pertained to both social and economic needs.

Early in 1982, the Planning Committee wanted to involve community residents in establishing priorities for development. They requested funding from the planning section of Indian Affairs and received a small grant of \$3,000. They assumed that sample participatory studies would be available from other Ontario Reserves, but found that this was not the case. Through discussion with the Department of Indian Affairs and a number of provincial ministries, it was discovered that such studies had not been done for Native communities in Ontario.

The Planning Committee had hoped that such a study would provide ideas and guidance in the development of their own project. Many of the government agencies mentioned above expressed interest in the proposed study, indicating a model project *could benefit other Native communities in Ontario.*

Based on this information and the recognition of their own needs, the Band Planning Committee worked with the regional tribal council and a local chapter of an international development agency to develop a "*community based*" planning strategy. This emphasis emerged from the conviction that intensive community involvement would be "*the key to generating the will to implement programs deemed necessary to meet people's needs,*" which in turn would lead to success in meeting the objectives of the reconstruction program.

According to the aims of the model, consent of the community, whose cooperation and participation in the project would be pertinent to success, had to be generated. Confidence had to be built in the aims and objectives of those behind the plan as well as the plan itself. This was accomplished through what was considered a "grassroots" or participatory approach, accomplished through group sessions, "kitchen dialogues," public meetings

and festivals, all organised by trained community facilitators. While maintaining that the program could only be achieved through the collective efforts of the whole Band, our own analysis of the documents in the Band archives suggests that the model was developed by an outside agency. The international development agency trained a core group of already influential members of the community in the techniques of rational bureaucratic organising. In reality, what was labelled a “grassroots” approach, we have interpreted as being implemented from the “top-down,” giving little heed to full community participation. This concern was eloquently articulated by one woman as documented in the minutes of a community gathering: “Some of the people are beginning to slide back in the old ways, making them feel unimportant. The people involved in the training sessions are the very ones that are already influential in the community.” That the model project was developed in a top-down, hegemonic fashion is further brought out during an interview with the Chief by a local newspaper reporter, at the first symposium held by the community leaders to discuss the development plans:

The 90 members who registered for the symposium represented almost 20 percent of the reserve's 500 permanent residents. It was a figure which clearly pleased [the chief]. “In some ways it was like 100 percent of the community because it's this group that forms the core group of people who want to get things done. This is the group interested in the whole participation thing.” [The chief] dismissed the notion that the symposium had been planned as a possible means of diffusing member dissatisfaction with the efforts of the reserve's band council.

The results of this development plan have shown objective signs of economic development. Economic development has consisted of the building of a craft shop, church, Band administration offices, day care centre, fire department, marina, and industrial mall. The mall, which was developed by the Reserve, has four tenants and provides a number of jobs for community residents. Cultural development paralleled the economic initiatives by focusing on the organization of a yearly calendar of community events aimed at building pride in culture as well as improving mutual understanding between the Reserve and the adjoining community through “public relations” events: *“It is a major public relations job to change both our way of life and how others think of us and we're doing it”* (quote from Band Councillor).

In the following sections, we focus on the consequence of economic and cultural development, stressing the tensions between modernization,

politics and culture.

Inside a Modernized Native Community: The Appearance of Progress

According to a Band Councillor and a prominent community leader, the community is engaged in developing its infrastructure with expenditures over the past few years averaging approximately three million dollars a year. With the completion of each project, no matter how small, a community celebration is organized to emphasize the importance of the development, as well as to keep the community spirit of solidarity alive. "The new development is great because it also shows everyone that we can succeed and that it is all in positive attitudes. Our community is growing and developing fast. It is more developed than any other. It is an exciting time to be an Indian" [quote from Band Chief].

From our many visits to the community, it is clear that the Band's objectives are outwardly being met. The community appears indistinguishable from any other in the main city, with well-kept houses and lawns, maintained roads, new public and industrial buildings, new residential divisions under construction, a church, several general stores, etc. A closer examination of the inside workings of the community, however, reveals contradictions between the appearance of success and the reality of economic dependency and further political and cultural factionalization within the community.

Labour on the Reserve

Perhaps the most conspicuous landmark on the Reserve is the Industrial Mall. A large building complex, it shelters four businesses. The largest of these businesses is an American branch plant manufacturing lighting fixtures. This plant employs nearly fifty workers, 60% of whom are Reserve residents and 40% of whom are non-Native. These proportions are not coincidental, but binding through a contractual agreement. This corporation was "lured" by the Band to operate on the Reserve, with the promise of below-market rental rates as well as a large pool of potential workers willing to accept wages of about six dollars and twenty-five cents per hour in 1986 (this was also the hourly wage during 1990/91). The plan, as set out by the model of development, is to attract as many well-established businesses as possible onto the Reserve, in order to decrease the large number of unemployed individuals who are supported by government social assistance, and to regenerate the community. This factory, built in 1986, has had a profound impact on the structure of labour and social relations on the Reserve.

During several of our conversations, a community facilitator spoke freely and vehemently about the factory. The major employer on the Reserve, he said, was “nice,” that it provided many jobs in the community and made those employed more responsible for their own economic well-being. Later, he began to elaborate on some of the shortcomings of this particular American-owned branch plant. It is one of three branches of a corporation which has other branches in Toronto and California. The workers on the Reserve are paid 6.25/hour, 30 to 40 percent less than the workers at the other branches. The workers have also not received a raise since the plant opened four years ago. Alienation, dissatisfaction, and a general “unhappiness” is the mood of the workers there at present. According to this informant, the situation is at a critical, breaking point on the shop floor:

They're trying to get going on slowdowns and even strikes there. It's pretty bad there right now.

During an interview with another informant, a plant employee, the complex nature of the tension was further highlighted:

Its mainly the guys that are trying to get us [women] into their stuff—you know, strikes and that. But we know it—the guys are being trouble-makers. They're never satisfied with anything. Before, most of them were on social assistance. We should be thankful for the jobs, not fight and get ourselves fired. I need this money to help clothe and feed my kids. I have responsibilities. Besides, they'll easily hire more people from [the adjacent White community].

The company has been firing young male workers because of their instability in coming late to work or absenteeism. This has become a near weekly trend, in which workers are fired and others automatically hired from the many unemployed on the Reserve. The strategy of the company is to telephone the Band Welfare Administrator and ask her to send clients for work on the factory line. One of the Council members recounted one of these episodes during one of our visits:

Just last week, five young men were fired and others hired from the welfare role. After a couple of days, these guys came to the band office and demanded that we make the plant give them their jobs back. We had to explain to them that the band council was the landlord not the owner of the company. We told them that we really didn't have the right to ask them to give their jobs back.

This expectation by the young men is not unwarranted. From our review of

the development documents in the Band office, the main theme of a number of community meetings concerned with economic development and self-government stressed “full control of our destiny” through economic development. This economic development was to be grounded in Native ideals of community participation. The Council member is aware of this contradiction:

This really came as a slap in the face for these guys—they expected that we had some control over the situation. It is really causing a setback. The word is being spread around that the band council has no say over what is going on...I wish we could help them because some of these guys are my friends. But they have to understand that is how business and industry work, you know. As the lawyers say, “it does not involve doing what is right, but doing it right.” Native notions of justice and fairness are simply not part of the deal when it comes to business enterprises. These young kids have to learn that. What bothers them is that they leave school at grade nine and go to work expecting to earn 40 000 dollars a year and buy a fast car, but then they realize that they cannot.”

As another community member and ex-employee of the plant confided:

I've lived here all my life and from what I know, the council and chief, and I am talking about now and before, don't really care about us. They care about their own votes and themselves looking good. The pay we got at the factory was glorified welfare. No wonder everyone is unhappy and down.

The corporation was aware that it possessed a captive labour force and was strategically manipulating it to its advantage. Openly and ritualistically firing workers deemed undesirable for any reason, whether behaviour, words, dress, etc., and replacing them instantly with those on the Band welfare rolls, the management has been able to tightly police its work force. The result, for the corporation management, has likely been the maximization of profits. At the same time, these strategies have had the effect of solidifying a large proportion of the male workers into an oppositional force. Those most directly victimized by the relationship of dependence were increasingly resisting this form of domination.

From this and other discussions with Band members, it is also clear that further political and cultural factionalization is taking place. It is evident to us that the confusion and anger felt by these young workers was a result of penetrating through the contradictions of what has been sold to them as “self-government” and “self-determination” through economic develop-

ment. The fact that this was clearly not the case is evidenced by the powerlessness of the Band Council to force the corporation management to rehire them. What had become clear to these young men, to paraphrase the facilitator, when it comes down to hard economic reality, Native culture does not enter the equation. The promise of participatory, grass roots development "from the bottom up, not from the top down" had been exposed as an illusion.

The relationship between the plant management and the Band administration is also at a critical point. The Chief stated that the plant had informed the Band that they had lost several million dollars at their other branches (the plant on the Reserve is the only one making a profit and actually carrying the other operations) and that they could not meet their contractual obligations in terms of rent (a 4% increase every year compounded). The company "complained" that they had not realized the meaning and implications of this obligation and could not afford it. That issue, along with worker agitation, is now leading to threats by the corporation to move its plant to Mexico. While the Band leader stated that other corporations had inquired about renting the industrial space from the Band (space which is priced at about half the rate available in the nearby town), if the California company ups and leaves, there could be major setbacks to the development plan. He expressed the view that the move by the corporation could lead to an economic crisis for the Band and a political crisis for the Band leadership:

They can leave if they want and they might. Mexico is where all the big companies are going. We could probably get another company here. But I know that if that happens, there could be trouble. People here depend on the work and they would end up without jobs. The whole system we have here is fragile. There could be trouble for us at the band office [becoming visibly nervous].

Ironically, instead of promoting community solidarity, the results of rapid economic development have been divisive and alienating. The company, the Band administration and the community seemed to be forming a triangle of oppositional forces. The company seemed, however, to be the only entity in full control of its destiny. This is further borne out in the following statement by a young worker who was recently fired from the plant:

I used to work at the plant on the reserve, but I was fired...The plant made a deal with the Band that it would hire 60% Indians and 40% White. But that's not the way it is at all. You find the plant hiring more whites than Indians...Mr. Cook is the plant manager. He's white...Mr. Cook is very mean to us. He looks

down on us...Once, during the Oka fight, me and a couple of friends of mine came to work with red bands tied around our arms, legs, and head in support of Oka. When we walked into work, Mr. Cook stopped us and asked what we were trying to prove. We told him that we were supporting the Indians at Oka. He got very angry and said that we better not say anything or start any trouble or else we would be fired...All we have to do is say something wrong and he will fire us.

While Duaine was telling us this story, one of the Band Councillors walked in. After Duaine left, this individual turned to us and explained,

I guess you can tell these kids have a lot on their minds these days. Guys like Duaine, who can't keep a job at the plant, are part of this group on the reserve who are arguing that Native culture is not a punch clock culture. They say that their ancestors never punched a clock or worked in factories. But, I tell them, their ancestors worked in industries and for wages since before World War II. They should remember that and be serious about working and keeping their jobs. I think there is Indian time but don't use it as an excuse to be lazy.

There is an emerging struggle over the meaning of Native culture in these voices. Despite the Councillor's attempts to downplay these conflicts, they are starkly evident: Duaine on the one hand is utilizing his understanding of Native culture to critique a foreign work ethic, one that is antithetical to Native notions of work; on the other hand, the Councillor is arguing in support of the economic development plan (of which he is one of the founders). Again, for those with a vested interest in the economic development model, Native cultural values are relegated to the margins.

In one of our last interviews, a Council member, in a mood of frustration, expressed in a succinct manner the paradox of bureaucratic rationality and Native values of community:

After the upcoming council elections, I may not be in my position anymore. It really has been frustrating. Many of the community members think that our job is to take care of all their personal problems. They don't understand bureaucracy. They come to us with all their personal problems expecting that we should mediate them. But we just don't have the time anymore. When I am gone, I won't miss it.

The above descriptions and quotes have provided a brief sketch of the complex problems that face one particular Native community as it strives towards self-determination via the use of dominant models of development.

While the present discussion of self-determination is wrapped in the liberal idealism of economic development as progress, the evidence we present shows the unintended consequences and pitfalls of such a strategy when put into practice. In particular, the factionalization based upon politics, culture, race and gender within a community in which inclusion, rather than exclusion, is a cultural value, makes for an especially poignant picture. It is in this context that we understand how antithetical and potentially damaging outside corporate management strategies can be for Native communities striving for self-determination via economic and cultural revitalization. What are the consequences, contradictions and alternatives in relation to this model grassroots project for self-determination? We address these issues in the following discussion.

At The Crossroads: Native Community Development And Run-Away Capital

Our preliminary findings suggest that the “model development project,” which the Government and the development agency hope will serve as a “model” for Native communities throughout Ontario, ill-serves the purpose of preserving Native cultural values and promoting genuine self-determination. Assimilation through economic development strategies is now a primary governmental objective. This is obviously seen in the new “national strategy for Aboriginal economic development,” which is spelled out in a Government of Canada booklet entitled *The Canadian Aboriginal Economic Development Strategy* (Ministry of Supply and Services, 1989). The state, with its control over development funding, represents the major constraint on exploring alternative paths for Native socio-economic development and self-determination. In light of the fact that the interests of the state and international capital are closely entwined, it is highly unlikely that the Government will side with Native communities in attempts to provide protection from “foot-loose” manufacturers. What our preliminary research indicates is the pressing need for a critical assessment of development programs and agencies which, while expressing all the “positive” and idealistic notions of modernization, do not critically inform the host community of the disruptive and culture-negating potentialities that lurk in the shadows of the international sweat shop economy.

What is urgently needed for those Native communities interested in a “grassroots” approach to development and self-determination is critically-informed knowledge about the imitation potentialities that can be associated with outside models which base their legitimacy on the “participatory” quality of their “organization skills training”. Our study of the training documents and the Band's records of the training sessions, provides insight

into how this one “participatory model” actually promoted a top-down, politically-rationalized community structure. We will now point out some of the problems with this model.

A major problem with the international development agency involved in this case is its size. The agency is a United-States based international consortium, oriented to rural development worldwide. From our reading of the training sessions recorded by the Band, it was obvious that the agency provided a standardized organizational model, which can be introduced to any community with little variation. The main theme of the “human development skills” training was participation, which emphasised “the holistic approach to social, human and economic development.” Yet, from the start, the training was geared to a “core group” (which are the community’s leading members). For all the rhetoric of concern for an “holistic” approach (which should entail a concern for the specificity of the political, economic, and cultural history of the community), the reality of the agency’s training is that of a generic dissemination of basic bureaucratic organizational skills, stressing, non-critically, the idealisms of “victory through imagination” and “positive thinking.” Through this process of building “positive attitudes and thinking,” the “trained core group” was directed toward “building consensus” and “sustained motivation” in order to overcome community factions. While the training stressed “creative problem solving,” critical thinking was not part of the training package: “cancel negativities,” “remain neutral on hot issues,” “do not engage in argumentation,” “don’t criticize, emphasize.” For all the rhetoric of “cultural revitalization,” the agency’s training only emphasised Native culture when it was pertinent to building consensus: commercialized “Pow-Wows” and other events stressing “Native traditions.”

We might ask how the training methods put forward by the development agency dovetail with the contradictions that capitalist relations have produced in the community. This is readily seen in the documentation of the training, where the Native facilitator spells out the components of his role. While the training was to be predicated on the notions of “participation” and “community consensus,” we can take notice of the authoritarianism and paternalism explicit in the facilitator’s listing of duties:

- 1) Be aware of all the latest techniques of Human Development and subsequently Community Development and be ready to apply them;
- 2) Motivate people with hard-hitting “cultural” stories to remind them of their Native upbringing and heritage;
- 3) Act as a guide to others and be as neutral as possible on hot issues to effect a “real” solution;
- 4) Teach people to be more responsible for their own fate, eg. waiting for welfare all the time.

What is indicated above is that the political leaders of the community are not innocent of perpetuating a political context which reinforces the exploitation of labour on the Reserve. For, without the political legitimation, the plant would not have acquired the legitimacy to operate in the fashion that it has. The facilitator training provided by the development institute had a profound “assimilationist” impact on the identities of the leadership as well. From our interviews and observations, we see how the acquired identity based upon “positive attitudes” towards dominant notions of development has been expressed in a highly ambiguous and conflict-oriented manner, as those with a vested interest have experienced the unintended consequences and ironies of development theory put into practice.

The overall result of the development project (while certainly making gains) has been, not the re-establishment of Native values based upon community, but the fracturing of community and the negating of Native beliefs. Underneath the rhetoric of “participatory community” lie the seeds of competition, hierarchy, paternalism, and the most negative characteristic of the western value of “individual effort”: “blaming the victims” for the necessities of capitalism.

In sum, the case study that we have examined provides support for the propositions of dependency theory and simultaneously permits an indepth criticism of its weaknesses. Most importantly, the theoretical framework highlights the similarities in inequality experienced by colonized groups, in the first, third and fourth worlds. This model further highlights the relationship between social relations and political economy. One of the main shortcomings of this model is its macro orientation: it leaves implicit the necessary local practices that are articulated through cultural meanings. Our study has demonstrated the importance of culture and agency for any model which attempts to understand the complex relationship among self-determination, dominant economic practices, and cultural identity. The study, while preliminary in nature, serves both as a critique of dominant ideology and a warning to First Nations of the dangers of economic, as well as cultural manipulation.

Looking to the Future

We will conclude our discussion with some suggestions for an alternative path to Native economic development and self-determination. To offset the negative potentialities that are associated with run-away factories, which carry the economic logic of “boom-bust-then-move-on,” Native communities (especially those which are located near developed urban centres) need much more “pre-developmental” information, which addresses seriously the “cultural fit” between business and Native values of community.

Dacks (1983) explores the inherent contradictions between corporate management values and Native community, laying out an alternative form of economic development which bases its logic on the sharing and non-hierarchical Native value system. While Dacks provides the details of such a model, we will provide only the broad outline of the model for purposes of contrast. Dacks proposes a business model based upon community ownership, profit sharing, and industrial democracy. The model stresses small-scale community-owned enterprises, which will help reduce the culture-negating potentialities of hierarchically organized production. As one of the strongest Native values is "individual self-determination," labour arrangements would not be rigid and formal, but informal. And, as the workers would decide jointly on all aspects of production and management, informal work arrangements could be made that would allow for as much individual autonomy as possible, while seeing to it that the business is run efficiently.

The type of development model fitted for community-owned business enterprises would, ideally, be developed by Natives themselves, with much attention given to pre-developmental research, which would stress true community participation. Such research should ideally provide more useful information, not only on the impact economic change will have on a community, but also ways to preserve and develop Native culture and a sense of community security as well.

In short, Native socio-economic dependency can only be overcome with the growth of alternative paths to development; paths which, in the end, do not negate but celebrate difference.

Notes

1. We wish to thank those members of the community who assisted us in our research by generously giving of their time. We also thank Alice Littlefield and Alexander Lockhart for insightful comments on earlier drafts of this paper. Finally, we thank our families for their love and support.
2. The community in which this study was conducted will remain anonymous. This decision was reached in consideration of the fact that the analyses set out represent those of academics on a very fragile set of social processes taking place within a community resisting domination.
3. The authors acknowledge Alan Jones, of York University, for helpful comments on earlier drafts of this section.

References

- Allahar, Anton L.
1989 *Sociology and the Periphery: Theories and Issues*. Toronto: Garamond Press.
- Cronon, William
1983 *Changes in the Land: Indians, Colonists and the Ecology of New England*. New York: Hill and Wang.
- Dacks, Gurston
1983 Worker-Controlled Native Enterprises: A Vehicle for Community Development in Northern Canada? *The Canadian Journal of Native Studies* 3(2):289-310.
- Frank, Andre Gunder
1969 *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*. New York: Monthly Review Press.
- Frideres, James S.
1988 Institutional Structures and Economic Deprivation: Native People in Canada, pp. 71-100, in B. Singh Bolaria and Peter S. Li (Editors): *Racial Oppression in Canada*, 2nd Edition. Toronto: Garamond Press.
- Hawthorn, Harry B. (Editor)
1966/67 *A Survey of the Contemporary Indians of Canada: Economic, Political, Educational Needs and Policies*, 2 Volumes. Ottawa: Indian Affairs.
- Jones, Alan
1988 *The Lake St. Clair Commercial Fishery: A Case Study of Walpole Island Indian Reserve and Independent Commodity Production*. Master of Arts Thesis, University of Windsor.
- Jorgensen, Joseph G.
1978 A Century of Political Effects on American Indian Society, 1880 to 1980. *The Journal of Ethnic Studies* 6(3):1- 82.
- Lockhart, Alexander and Don McCaskill
1986 Towards an Integrated, Community-Based, Partnership Model of Native Development and Training: A Case Study in Process. *The Canadian Journal of Native Studies* 6(1):159-172.

Manuel, George and Michael Posluns

- 1974 *The Fourth World: An Indian Reality*. Don Mills, Ontario: Collier-Macmillan Canada.

Miller, James R.

- 1989 *Skyscrapers Hide the Heavens: A History of Indian-White Relations in Canada*. Toronto: University of Toronto Press.

Ministry of Indian and Northern Affairs

- 1978 *Historical Development of the Indian Act*. Ottawa: Policy, Planning and Research Branches, Canada.

Ministry of Supply and Services

- 1989 *The Canadian Aboriginal Economic Development Strategy*. Canada: Ministry of Supply and Services.

Mitter, Swasti

- 1986 *Common Fate, Common Bond: Women in the Global Economy*. London: Pluto Press.

Spivey, R. Michael

- 1990 *A Sociology of the World-Systems Paradigm: Theoretical Overview and Critique*. Unpublished Master of Arts thesis: University of Central Michigan.

Schmalz, Peter S.

- 1991 *The Ojibwa of Southern Ontario*. Toronto: University of Toronto Press.

Tanner, Helen H. (Editor)

- 1987 *Atlas of Great Lakes Indian History*. Norman: University of Oklahoma Press.

Wallerstein, Immanuel

- 1974 *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. New York: Academic Press, Inc.

Weaver, Sally M.

- 1981 *Making Canadian Indian Policy: The Hidden Agenda 1968-1970*. Toronto: University of Toronto Press.

Wolf, Eric R.

- 1982 *Europe and the People Without History*. Berkeley: University of California Press.