

**WORKER - CONTROLLED NATIVE ENTERPRISES:
A VEHICLE FOR COMMUNITY DEVELOPMENT
IN NORTHERN CANADA?**

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ABSTRACT/RESUME

It is clear that land claim settlements in northern Canada will entail significant sums of money. This paper addresses the investment possibilities for such funds - or for funds derived from other sources before settlements are reached - in terms of economic value for native people and in the context of traditional native values. Small enterprises established in local communities and controlled by native workers are viewed as likely to be the most viable and culturally satisfying form of community development.

Il est évident que les décisions juridiques futures, relatives aux revendications des autochtones du nord du Canada, comporteront le transfert de sommes d'argent importantes. L'auteur examine les diverses possibilités de placement de ces fonds - et d'autres fonds qui seraient obtenus de sources diverses avant que ces décisions soient rendues - tenant compte à la fois de la signification économique de ces placements pour les autochtones, et des valeurs culturelles traditionnelles de la population. L'auteur est d'avis que de petites entreprises, établies à l'échelle des communautés individuelles et gouvernées par leurs ouvriers autochtones, constitueraient la forme de développement communautaire la plus efficace et la plus satisfaisante du point de vue culturel.

INTRODUCTION

The purpose of this paper is to consider native enterprises organized on the basis of industrial democracy as possible mechanisms for the native peoples of northern Canada to pursue their wish to gain the economic benefits of working in the modern economy without suffering unacceptable cultural loss as a result. The paper will argue that while the viability of worker-controlled native enterprises varies from situation to situation, where feasible they can significantly foster not only economic wellbeing, but also community development. To appreciate this argument it is first necessary to define community development and place it in the context of the contemporary Canadian north.

Community development is a process by which the members of a community increase their ability to define their situation and to decide upon collective responses to it which are accepted as legitimate by the members of the group. If the group is divided into subgroups which its members recognize as clearly relevant to the issues facing the community, the definition of community development requires a process which is viewed as equally legitimate by all of the politically relevant groups and outcomes of the process which all accept as just. Such a process is very difficult to accomplish in a biracial society such as that of northern Canada,² in which one of the ethnic groups, native people, ranks markedly below the other in terms of the whole range of standards which the society values. In such situations, not only do native people tend not to measure up to the mark, but in addition, the mark tends to be defined by non-native standards which usually denigrate the values and skills of the historically less powerful native people. This pattern has compelled native people to compete at a disadvantage. Until recently it has discouraged them from participating in the activities - political or economic - of the dominant society by which they might improve their situation. Even today, it confines their options.

For the native peoples of Canada's North, the most promising path to overcoming this inequality is economic. It may be argued that the redefinition of legal relations between Canada and its native people which may result from either settlements of native claims³ or revisions to Canada's new Constitution (Sanders, 1981) also promises to improve greatly the situation of northern native peoples. However, the evidence to date suggests otherwise. Several of the native claims have been on the table almost ten years with little sign of agreement on crucial issues such as self-determination for native people or the definition of "aboriginal right". The James Bay and Northern Quebec Agreement (1976) which Ottawa has identified as a model of what it views as a desirable settlement, gives very little in the way of future legal standing or political power to the native beneficiaries of the Agreement. It is unlikely that the government which takes such an uncompromising stance against expanding the legal rights of native people in the context of aboriginal claims will concede much of significance at a constitutional bargaining table at which the native people lack real bargaining power.

The disappointing but realistic prospect is that the bulk of any new benefits

which the Government of Canada may give to native people will be long in coming and most of them will be economic, rather than in the form of enduring legal rights or political institutions. This prediction dictates an economic agenda for native peoples who wish to seek the practical equality which is their right and which is also a prerequisite for community development. To the extent that negotiations on aboriginal rights are stalled in northern Canada while the social forces of assimilation continue to work on native people, there is a short run need to counter these forces. To the extent that the benefits of negotiations will be primarily economic, there is a long-term need to plan in detail the best uses for these benefits. In both instances, the difficult problem is to increase the material well-being of native peoples, without eroding the culture, self-esteem, and solidarity as a group which they have identified as crucially important values.

In other words, native groups in northern Canada reject a final solution of assimilation in order to obtain the benefits of participation in the North American economy. Instead, they wish to pursue an acculturation model by undertaking the admittedly difficult task of relating traditional values to the context of contemporary economic activity or at least to those enterprises which offer a reasonable promise of accommodating traditional values.

NATIVE ENTERPRISES

Native groups in northern Canada have identified native economic organizations, companies or co-operatives, as one possible approach to this problem. For example, the Council For Yukon Indians has created a Yukon Indian Corporation, part of whose mandate is to "offer advice on community planning and business development" to native communities (Council For Yukon Indians, 1982:3). The native groups do not wish to compel their members to shun employment with non-native firms but they are concerned about supplementing and providing a strong alternative to the wage employment in the non-native economy which has been so unsatisfactory to date (Berger, 1977:I:124). In their view, native companies will offer steadier employment than has tended to be provided by the export staples-based non-native economy. In addition, the fact that all - or almost all - members of such companies would be native people would remove the inter-racial overlay that patterns behaviour and expectations in companies in which the employer and supervisory staff are non-native and the workers are native. All too often, the productivity of the firm and the work satisfaction of its members suffer because of incompatible values on the part of the two groups, and suspicions of each about the expectations of the other. Management often anticipates poor work habits on the part of native people and attributes problems to that cause. Workers tend to view their superiors as unsympathetic and may work down to the low expectations which they attribute to their superiors or simply walk away from a situation in which they appear doomed.

Because native companies could avoid this problem, they seem a promising strategy for promoting native employment, confidence and credibility in

dealings with non-natives. However, these gains would come at a very high price if they were won at the expense of already severely threatened native values. Should native organizations which believe in native culture promote economic activities patterned along North American corporate lines if these activities produce people who are more secure financially but less native? The native groups of northern Canada would tend to reject such a proposition. However, rejecting this path adds to the already onerous list of goals for native enterprises. Not only should they be at least minimally viable in terms of profit and loss and not only should they provide forms of work attractive to native people. In addition, the argument being proposed here suggests that they ought to be organized in ways which nurture the self-confidence of their members, promote the values which are central to their being native people and foster a sense of group solidarity rather than contribute to the individualism which the North American marketplace and its liberal values encourage.

In this sense, economic institutions may be able to play an important political role by promoting values and patterns of interaction among native people which repair the cultural damage of past decades. Social values possess an enduring status, but the cogency of tradition becomes attenuated if it is not reinforced in daily life and adapted to the changing technologies and social relations of the workplace. Sensitively organized native enterprises may prepare native people to approach non-natives with a clearer self-image and on the basis of positions arrived at through political processes in which they have great confidence because they have experienced these processes - and their success - in their workplace. Harry Eckstein (1966) in arguing his theory of congruence, notes the profound influence of patterns of authority in society upon authority patterns in political institutions. The opportunities which native economic institutions, properly structured, offer in terms of influencing native politics for the better cannot be overemphasized. However, neither can the problems inherent in structuring such institutions. At least in theory, they oppose the interests of individuals and the group at a number of fundamental points. What is necessary is to identify these points, to assess the trade-offs they involve, and to consider how to handle them in the context of native values, and indeed whether the will to handle them can still be found among northern Canadian native people today. However, before this exercise can take place, it is necessary to identify the cultural implications of corporate structures in non-native society and to relate them to native values, specifically the values of northern Canadian natives.

NON-NATIVE CORPORATE VALUES

In comparison with other forms of large-scale economic organization, North American corporations have proven historically to be relatively successful providers of employment, goods and services, in part because the values on which they are built are the values of the society in which they operate. However, their operation and logic pose two types of problems relevant to this paper. The first is that costs which follow from the application of North American

values may be acceptable in (non-native) North American society because they are integral to its values, but may be far less acceptable for native people to the extent that native values do not logically entail these forms of organization, hence create no necessity for the costs which they imply. The second consideration is that forms of corporate organization which might - and the example of other models such as the Japanese emphasizes the word 'might' - be required in enterprises of enormous size whose costs might be tolerable in large scale, relatively wealthy societies, may prove unnecessary and intolerable where enterprises are of very small size - twenty workers is a likely mean figure - and intolerable in small, relatively poor societies.

The present paper is not intended to judge the North American corporation, but rather to assess its appropriateness as a vehicle for cultural enhancement of native people in northern Canada. This is done out of a presumption, not that native values are necessarily better in any sense, but that they are different and that native people seeking to maximize their control over their lives need to think about how economic organization may assist them to protect and evolve values which are uniquely theirs. This question draws attention to several culturally relevant aspects of North American corporate structures. First, they separate the economic roles of owner, manager, worker, consumer, and citizen who is affected as a member of society by the activities of the corporation. This separation of roles encourages a variety of conflicts, the most obvious of which is labour-management conflict concerning both pay and treatment of workers on the job. Second, corporations are hierarchical. The chain of command gives most workers very little say in the decisions affecting them and in this way alienates them from the corporation by causing them to experience it as a force outside themselves which imposes its will on them.

Third, specialization underlies the great productivity of corporate enterprises, but also frustrates workers because it tends to allow each to make too limited a contribution to the end product to produce a significant amount of job satisfaction. Alienation is reinforced.

Fourth, competition undoubtedly promotes innovation but it also causes waste. More importantly it erodes social unity by creating winners and losers and by rewarding the winners with market domination which puts them in a better position to promote their interests as against those of workers and consumers, and to press governments to act in the interests of the corporation.

Finally, the narrow perspective of the corporation separates economic costs and benefits to the company from social, cultural, aesthetic, environmental and other values. These it dismisses as "externalities", hence irrelevant to any assessment of the firm's performance. However, when these externalities take such forms as environmental pollution or claims upon tax-funded health and social service programs to minister to the victims of job-related illnesses, society at large must pay the costs and the interests of the corporation and society come clearly into conflict. Corporate and social goals will also come into conflict as each corporation tends to do what is rational for itself without fully considering the social impact of other corporations following suit (Olson, 1965:9-10). Frequently this tunnel vision produces significant social costs, as when corpora-

tions put far more brands and formats of a particular product on the market than can possibly be justified by the real differences among them or when polluting industries are advocated on the basis of their own individual pollution levels without these levels being related to already existing or other prospective nearby pollution sources.

NATIVE VALUES

To this partial sketch of corporate values can be contrasted several basic native values.⁴ Individual native people will vary greatly in their ability to articulate these values and indeed in the extent to which they still view them as attainable or even worth attaining. However, they do represent an ideal to which native organizations aspire and as such provide a guide for structuring native economic institutions along lines distinct from the corporate pattern outlined above.

In contrast to the corporate hierarchy, the consensus approach to decision making advocated, for example, by the Dene assumes that

"Discussion, underpinned by the concepts of a respect for rights and recognition that differences are a fact of life, makes it possible for everyone to contribute, to share, to learn and, on this basis, reach decisions. There may, and likely will, be disagreements but the chances of disagreements reaching discord and open hostility are minimized because, if nothing else, people will at least have an understanding of the reasons why people decide to do certain things" (Dene Nation, 1981:22).

Traditionally native people have valued sharing and equality well above competitiveness. While the contemporary strength of this view varies among northern native groups today, it is strong enough to legitimize the pursuit of a more uniform standard of living for native people than North American society seeks in general. The legitimacy of this goal also rests on the collectivity orientation, the group identification, among native people. This value, in contrast to mainstream North American individualism, leads northern native peoples to prefer that resources which flow to them be owned communally and applied to community purposes rather than just divided and distributed among the individuals who comprise the group (Council For Yukon Indians, 1982:43).

Self determination is a third important native value. Freedom of choice for the individual native person regarding, his work and other aspects of his life is seen as a value to be maximized. It may appear that this value conforms more to the individualism of corporate consciousness than to the communal native ethic. However, the native emphasis on equality includes political equality, and the emphasis on inner states of being which can only be experienced by the individual requires that the individual native person be as self-determining as possible. On the group level, this perspective is leading them to respond to the present period in which the bulk of the power to shape their fate is held by non-

natives, by interpreting themselves as nations. They believe that as such they require not merely the power to decide policy issues, but also, as much as is possible for a society which does not isolate itself from the rest of the world, they require the resources to define the alternatives among which they will decide. In the most concrete sense this translates into a fourth important native value - self-reliance. Native peoples need the financial resources to fashion some alternatives for themselves rather than having to accept alternatives designed by non-natives, none of which alternatives serve the native community very well. In the past in northern Canada, economic weakness forced native people to accept government policies of urbanization which have proven socially very dislocating. It has also led to an underdevelopment of the renewable resource sector of the northern economy, again at the cost of social dislocation (Asch, 1977:56-57). These developments did bring benefits with them, but the point is that the native people lacked alternative opportunities with which to compare these changes and the resources to negotiate for the best possible terms once they accepted them.

Their determination to negotiate from a position of much greater strength represents a point of similarity between corporate thinking and the evolving native consciousness of political economy. Both recognize that the attainment of their dissimilar goals requires the same precondition, the creation of a supportive political climate and, more specifically, the harnessing of the power of the state to their economic vision. Here the strategy of native and non-native converge.

Structuring Native Economic Activity

The preceding sketches are brief, but substantial enough to demonstrate at least in theory the differing values underlying native and non-native economic life. The caveat "at least in theory" must be provided because native people are not necessarily going to structure their companies and co-operatives to promote traditional values, this for two reasons. The first is that native people have been exposed to tremendously powerful assimilating forces and have moved to varying degrees, but in some instances very substantially, away from native values. Where traditional values are weakly held, native people may not see much merit in subordinating more current and tangible goals in the pursuit of values whose relevance has diminished. Second, even where traditional values continue to be held strongly, native people may structure their economic enterprises according to non-native principles of economic rationality because they appreciate that just breaking even, let alone earning a profit, will be difficult enough for fledgling native enterprises struggling to overcome the problems of the small size of the community markets which most of them will serve, the possible competition from larger, outside companies, and the needs to train workers and establish organizational structures and procedures. Pursuing specifically native cultural goals within native companies will compound the obstacles which stand between the new native enterprise and the break-even position which is the ticket to its survival. Recognizing this fundamental need

for economic success, native groups may choose a strategy of separating the economic and the cultural, first establishing the former and thereafter transferring profits - as they become available - to the latter.

However, there are native groups whose members may wish not to wait because they remain powerfully committed to native values and recognize the great relevance of economic experiences for the evolution of culture. Their number may increase if they can demonstrate to others success in creating viable native companies whose internal workings reinforce rather than erode native values. Hence both for the present and the future, it is important that native people be prepared to recognize the culturally relevant issues in structuring native companies. What follows is an attempt to catalogue these issues and issues relating to the larger contexts in which these enterprises must operate.

The Individual Native Enterprise

Enterprises at the local level are likely to be the most profound source of the social and political lessons which native people obtain from economic life. Their experiences as workers and consumers will provide a great deal of the political socialization which Eckstein emphasizes. In addition, culturally relevant employment is likely to be less alienated labour, hence less of a disutility to workers. It may be going too far to suggest that native workers would be willing to accept lower wages in view of the congenial organization of their work - although this is, in effect, what native people do when they forego opportunities for wage employment to pursue the less certain and generally lower income to be gained from wildlife harvesting. What can be argued is that companies which embody native approaches to social organization and interpersonal relations when compared to enterprises which do not will be more gratifying to their workers than a narrow comparison of wages might suggest. This factor bolsters the basic political argument in favour of creating culturally supportive economic enterprises. The case does need to be made as strongly as possible because the task is a very difficult one, involving, at the least, the following questions:

1. Membership

In the many areas in which wage employment for native people is scarce and that which is available tends to be unattractive, the prospect of working in a native firm may attract large numbers of prospective workers. The values of sharing and equality suggest that all be allowed to share in the work available and that, for example, as many as wish to work be employed part-time rather than a few being employed as full-time workers. However, the cost of training large numbers of workers and the fact that some workers will have higher aptitudes than others for the types of work available argue that the principle of equal access to jobs is likely to produce inefficiencies. These are certain to be costly and may endanger the viability of a fledgling native enterprise. Yet to deny jobs to those who are willing is not merely to impose a financial burden on them, but also to frustrate

their initiative and to make them appear to be either the victims in the community or, worse yet, its deadbeats, this through no fault of their own. Conflict between workers and the unemployed is the highly predictable result.

2. Division and Specialization of Labour

Native co-operatives in which each native person or family is an independent producer, as in the cases of wildlife harvesters or people producing crafts in their homes, will not have to face problems of dividing work among relatively specialized workers. However, in any other instance, the problems of division and specialization of labour will need to be addressed. Specialization increases productivity but it can also produce conflict by creating a differentiated work force. Workers may view some jobs as more interesting, safer, cleaner, less tiring, less prone to layoffs, higher status or simply more attractive for whatever reason. Those who hold these jobs may come to be viewed as an elite. In this way, specialization can evolve a hierarchy of workers which violates the norm of equality and which may undermine efforts at consensus decision-making when higher status workers claim or in the eyes of the lower status workers, appear to claim a disproportionate voice in group decisions. At a higher level, the existence of such an elite may challenge the community's political leadership whose authority rests on some basis other than status in native enterprises. The resulting competition could well impair the solidarity of the community. Happily, several factors may diminish the seriousness of these problems. The first is that the kinds of enterprises which are likeliest to appear in small communities - hauling, construction, or retail - demand less specialization than do other larger scale and more capital intensive activities. This may keep the social distance among various jobs manageable, and permit a degree of job rotation which will help inhibit the development in the company of different constituencies of workers each with its own definition of its self interest. The second factor is that it may be possible to devise a pay structure which recognizes the intangible advantages of given jobs by paying them less than is given for necessary but less attractive work. However, this would require a great deal of solidarity among the workers to overcome the likelihood that those with the resources to get the best job would also have the resources to claim the highest pay.

3. Management

Division and specialization of labour require management of the organization - whether simple or complex - which results. However, management implies direction which conflicts with the particular value native people attach to the individual's self-determination. It also implies hierarchy, which denies the impulse towards equality. The most appropriate response to this problem would appear to be that of workers' control or industrial democracy, that is, a form of organization within which, to some extent, workers participate directly in decisions affecting corporate policy and operations. Applying this approach in a fashion congruent with traditional native practice would lead to native enterprises being organized so that

hours of work, degree of division of labour and job rotation, member discipline and the use of capital would be determined by a consensus of all of the members of the enterprise meeting together. It would be the responsibility of management - in effect, the executive arm of the workers - to interpret and to implement these policies on a day-to-day basis on the understanding that their decisions were subject to review by the group and that their responsiveness would be reviewed periodically by the group. This prescription may produce the evolution to oligarchy which seems inevitable in democratically constituted groups. However, industrial democracy may be a particularly apt model for native enterprises for several reasons. The small size of the firm and the community may impose a levelling social pressure on management. The native norm of equality may work to the same effect. Similarly the native emphasis on sharing may encourage rotation through management positions, particularly in small firms with minimal executive responsibilities or where functions, such as bookkeeping, which might be associated with management of a small enterprise can be separated from the management role and simply given to workers. Indeed, a constitutional limit might be fixed on the length of time a worker could occupy a management position. Undoubtedly, however, the best device for limiting the social distance between workers and management is the enterprise council of all workers, which would meet frequently, certainly whenever any worker wished to air a concern, and which would operate on the basis of consensus.

4. Remuneration

The issue of pay brings to bear the native values of sharing and equality, which suggest that all members of the enterprise receive equal remuneration, except where, as above, it may be desirable to compensate workers for particularly unattractive assignments. Sharing raises questions of sharing responsibility, not merely benefits. If workers develop some equity in the enterprise, they are likely to feel more strongly a sense of responsibility to it than if the equity is held by the band or a native development corporation. In the absence of worker equity, some other material link between the enterprise's success and the worker's wellbeing may have to be provided to reinforce worker motivation. For example, workers might be paid on the basis of a share system which reflects the success of the firm. However, because their labour is only one of several factors determining the firm's success, it might be desirable to modify the share system by providing for a floor beyond which remuneration cannot drop, and a ceiling above which it ought not to rise. A ceiling is particularly needed if the income has been derived from the community or if there are willing workers whose unemployment is the social price paid for the firm's ability to generate surplus income.

5. Discipline

Discipline problems in native enterprises ought to be limited by the assumptions of equality and respect which should characterize the relationships among their members. However, such problems are unavoidable and

their management will reflect on the degree of equality and respect which the enterprise does embody. Generally, the respect for the individual worker's right of self-determination would argue for a strong presumption in his favour, including involving family members in discussions of the worker's performance in the hope that, if the worker is indeed delinquent, the family can offer an explanation or a suggestion as to how the problem can be resolved. The worker should be fully involved at all stages of the disciplinary process and the ultimate steps, being policy matters, should be determined at a consensus meeting of all the enterprises's members.

Discussion

The issues relating to the creation and operation of native enterprises embodying native values make a dismaying catalogue. They demonstrate that the roles of worker, manager and equity holder will require careful sorting out and that incentives will have to be structured to ensure that practices which promote the interests of the individual workers, all of whom will in some way participate in all three roles, will also work to the benefit of the unit itself. Such a happy arrangement will require a great deal of commitment on the part of the group's members and a great deal of trust. Native values should promote these attitudes, but as has been noted, assimilation and what has been referred to as the colonization of native people (Puxley, 1977) mean that these values are not necessarily deeply held by native people. The fact that the economic units being proposed will be new, means that workers will not approach them with the full confidence which would encourage them to sacrifice some of their narrow self-interest in the certainty that their "investment" will pay off. To the contrary, the manifold economic problems which many native people have encountered may incline them to be pessimistic about the prospects for the new initiative and could contribute to the self-fulfillment of their expectation of failure.

The Individual Enterprise and the Community

This problem of inertia in the human basis of native companies should be borne in mind in considering the relationship between each of the companies and the larger context in which it operates. The relationship is important because the context will certainly influence the viability of the enterprise. Indeed, enterprises may only manage to survive their infancy and to survive as enterprises native in spirit if they are nurtured by the larger community. The other side of this coin is that the activities of enterprises will influence the cultural dimensions and economic health of the larger community and if they take root, will do so increasingly as the years pass.

For the good of all, a value particularly real for native people, the individual native enterprise will have to be nurtured. But how can it be nurtured in a fashion consistent with the value of self-determination which native people equally respect? The answer, if it exists at all, will be found in the relationship between the individual native enterprise and the community's agency responsible

for economic development.

1. Participation in Decision Making

Particularly in the claims settlement situation⁶ where the local council or development corporation controls the vast majority of funding in the community and has a special mandate to provide for the community as a community in the spirit of the claim, this agency may well involve itself very actively in planning the economic life of the community. It might draft an annual community economic plan or at least attempt to oversee the activities of individual native enterprises, particularly if it has funded them.

Such agencies may define their role in one of three ways. They may negotiate with senior and wealthier governments for the provision of infrastructure. They may assist private native entrepreneurs to obtain assistance from government agencies. However, to the extent that they decide to pursue cultural values directly through native economic activities, they may try to foster native enterprises and to encourage their development along the lines of industrial democracy which it has been suggested promotes native values. This development may evolve out of a recognition of the culturally eroding quality of southern-style enterprises. Reinforcing this sentiment may well be the feeling on the part of the native agencies administering settlement funds that these funds are directly related to and are a once only support for the fact of native identity. This realization may lead the community to involve itself actively in the promotion of native enterprises embodying native values, and bring it face to face with the following questions.

The first set of questions follows from the fact that the structure of this agency and its executive will affect all of the economic players in the community. The individual enterprises will wish to ensure the sympathy of the agency by placing their own members on it. Should they be allowed to place what would in effect be delegates on the council of the agency or should the council be elected from the community at large and be responsible to the community? Should there be some mixed method of selecting the members of the council, with some appointed by the enterprises and others elected from the community at large? Similar questions arise concerning the appointment of the operating executive of the agency. Undoubtedly the community is more than the simple sum of its native enterprises - particularly in the early period when the enterprises will be few and will employ a minority of the work force. However, how should the balance be reflected in the composition of the agency? Ideally, can a formula be found which will reflect variations as time passes in the significance of the native enterprise sector of the local economy?

Second, representation can be a two way street. Ought the community economic planning agency to be represented in the decision-making process of each enterprise through a representative who is not a member of the enterprise? If decision-making is to be by consensus, what would the role of

such a representative be? The problem becomes significant if the enterprises become sufficiently numerous that agency participation in their affairs imposes a serious burden on the staff of the community agency. This problem might be avoided by arguing that the enterprises's representative to the community agency could communicate the concerns of the latter to the enterprise and that keeping records of meetings and open access to the books and files of the enterprise should provide an opportunity for adequate overseeing by the community of its interest in the enterprise. However, this approach provides no guarantee and is least likely to work in precisely those difficult situations in which effective supervision by the community is most needed.

A third set of questions deserves mention in passing. It does not turn on the question of native enterprise, but revolves around the relationship between the band council and the community planning agency or development corporation. Ideally, the two functions should be housed in the same body. However, a separation of structures may provide tax advantages or greater leverage in obtaining special funding. If such cases lead to separate structures, the representation of the enterprises on the agency will have to be modified.

2. Capital Flows

An obvious objection which may be raised to the notion of culturally relevant native enterprises is that native enterprises of any sort have had a mixed record of success, often because of under-capitalization. This problem may well be less severe in the Canadian North than it has been elsewhere in North America in view of the likelihood that future native claims settlements will include large cash components, which should allow for ample capitalization of native firms. Assuming that a significant amount of this capital will be held, at least initially, by the community, questions arise concerning how this capital will flow from the community to its enterprises. If an enterprise needs capital, what principles will determine whether and in what quantity it will be made available? What principles will govern the proportion of the money to be given in the form of a subsidy and what proportion in the form of a loan, and if the latter, how will the rate of interest and the terms of repayment be decided? In either of the cases, to what extent will financial support by the community agency enable it to participate in the affairs of the enterprise? It can be anticipated that almost all fledgling enterprises will need outside funding. That funding is likely to be least confining if it is provided by a source close to home. The community agency seems ideally suited for the funding role, assuming that it will come to control significant funds after the settlement of claims. This position will give the agency a unique opportunity to address the questions of how to encourage the evolution of each enterprise in the direction of traditional values. Agency representatives, if they themselves are committed to the preservation of native values, are the likeliest people to be in a position to contribute to the consensus process in each enterprise and to respond to situations in which material assistance from the agency would

enable an enterprise to reach a consensus which favoured native values over narrow economic rationality. For the potential for such a contribution actually to be realized rather than rest in the realm of wishful thinking will require a set of conditions to obtain. At the minimum, a claim must be settled, substantial funding for economic development must find its way to the local level, the cultural relevance of that funding must be recognized and that recognition must be implemented with the utmost of sensitivity. The problems are obvious, but native groups in the Canadian North have demonstrated at least the sense of commitment needed. When compared to the amount of cultural promise contained in other approaches to native economic development, such as the funding of individual native entrepreneurs, the option of community guidance of community native enterprises seems, at the very least, worth pursuing.

Capital flows in the other direction, from individual enterprises to the community, are unlikely to raise equally significant questions in that the pursuit of both economic and cultural goals is likely to consume all of the enterprise's revenue, an unobjectionable outcome, given the valuable services which native enterprises can provide to the community. However, for logical completeness, because profits may occur and in any case because questions will arise concerning the proper "return to capital" for community money "invested" in an enterprise it is necessary to consider how to handle capital accumulated by enterprises. Their members are likely to argue for retention of the capital within the enterprise. They might argue that this principle would create an incentive for workers over and above the more diffuse attachment of group loyalty. Also, it would underwrite investment for expansion or increased productivity. However, it might also create a hierarchy in the community with the members of the favoured enterprises gaining the lion's share of status or simple economic well-being. The latter possibility would arise to the extent that all of the profit is distributed among the members of the enterprise, leaving none for reinvestment or transfer to the community. This prospect, which traditional values ought to make unlikely but which can scarcely be ruled out, argues for some "ceiling" on worker income to be imposed across all enterprises. The fact that such a ceiling would most likely be set by the community economic development agency underscores the importance of the questions surrounding the selection of the members of that body.

Enterprises retaining capital would raise difficult problems of whether workers who leave the enterprise should be compensated for their share of the capital to which they contributed but in effect abandon on their departure. Similarly, would incoming workers be required to make some contribution to accumulated capital? Might such a requirement pose an insurmountable obstacle to entry for most native workers? The reasonable solution would seem to be that the assets of enterprises are vested in the enterprise and not in its members, but that principle may not appeal to a worker who has foregone income he might have earned, only to see the capital he created used to provide work for others. Again, the ethic of

sharing and community ought to soften this problem, but may not erase it.

Possibly the most important consideration arises from the native value of sharing and equality. If these values are to govern native life, then the economic development agency is going to have to ensure a minimum standard of living to all members of the community, including those who are unable to find employment. Government funding will provide some support but to the extent that special needs are not met from this source, they will have to be underwritten by the native community if they are to be satisfied. The interest on claims settlement money might provide some of the funding, but the profits generated by native enterprises in the community could be applied to what might be viewed as investment in social capital. Such a use would certainly conform to the native ideals underlying the creation of the enterprises

3. Consumer Issues

The promotion of native values should extend from the realm of production to that of consumption if the economy of the community is to make its fullest contribution to the community's cultural life. The most obvious consumer issue is that of price, particularly where the enterprise enjoys a monopoly on an essential service. It may well be that the small scale and isolation of many of the native communities in the Canadian North will prevent the development of competition among similar enterprises, creating a situation of frequent monopoly and a general need for a public utility response. The creation of an economic planning agency may simplify the question of price by making it one of community politics. However, it may well deny the self-determination which was one of the fundamental justifications for the creation of native enterprises in the first place. Any native public utility will have to be structured with exceeding care to avoid the alienation which now characterizes much of the employment native people experience today. It may be that this consideration will lead native communities to limit the public utility option, and to open themselves up to the issue of pricing as a conflict over resources between workers and consumers.

Other conflicts can arise. The enterprise is likely to enjoy some choices concerning the quality or nature of its product. For example, how often should it deliver water to private homes? What hours should the store keep? How heavily ought it to insulate the houses it builds and how much variety of houses should it offer? Such questions may well involve choosing between the alternative which most benefits the enterprise and the alternative which best serves the community. Similar problems arise in cases which offer a choice between serving an export market or the community market. For example, should the charter airplane service give priority to southern sportsmen over community members wishing to fly to hunting camps? Similarly, consumer grievances may arise and demand a fuller response than often issues from corporations operating on a narrow definition of economic rationality. A concern for the total community would vest the authority in such situations primarily in the community body. However,

that approach would require careful consideration of how to maximize the self-determination of the enterprise within the limits of consideration of the greater good.

The Community and the Native Nation

Most native people in northern Canada will experience directly the influence of economics on culture in the context of their communities. However, considerations larger than the community will shape their local experiences and may offer them opportunities beyond the merely local. The most prominent of these possibilities is the settlement of native claims. The settlements are likely to make large sums of money available to the native claimants, who are likely to hold them as groups, rather than to distribute them to individual native people. Similarly, but less likely, the native claimant groups may gain some participation in decisions concerning the approval of mega-project proposals. Both the financial and - to the extent that it is transferred - the regulatory authority will focus on the claimant group, much of whose legitimacy comes from its claim to represent what native people are increasingly coming to view as their nation.

This prospective importance of the native nation raises concern in the relationship between the nation and its parts, and among the parts themselves. Some of the questions can be anticipated from the issues which have already been identified at the local level. For example, what principles should govern the distribution of the nation's capital between the national and community levels? What principles should govern the structure and operation of the national body which evolves and implements the principles for capital allocation? Should this body be directly represented on the community economic planning agencies? Should the national body engage in economic planning for the whole nation? What should be the respective roles of the nation and the community in approving or setting conditions for mega-projects which will be located near the community? What should its role be in ensuring a degree of equality in the standards of living or at least access to resources among the communities within the nation? Ultimately, this list could be expanded until it resembled the lengthy agenda of federal-provincial debate which confronts Canada itself.

Issues arising among communities may require the involvement of the nation all told. The mega-project issue may take on such a flavour if one community supports the project and another one opposes it. If both approve, they may differ on how the employment generated by the project should be shared between them and with other native people. Boundary disputes may arise in the context of competition for wildlife harvesting territory. A final problem is, in effect, one of immigration. The stability of some communities may be upset by newcomers, even if they are native people, because the newcomers may disturb the political balance among factions or families in the community or exhaust the employment opportunities in the town, even to the extent of making it difficult for some of the long-term residents of the community to find suitable employment. It may be necessary for rules to be developed which

will govern the admission of newcomers into communities. Such rules will have to strike a fine balance between respecting the sensitivity of the community to the need to define its own membership and the right of native people to be able to move within the territory of the people to seek employment opportunities without being unreasonably denied access to the economically more active communities which might wish to limit the extent to which they share their good fortune.

If native claims outstanding in northern Canada are settled, the logic of the federal government's reluctance to share substantial ownership or control of land may lead it to grant large cash settlements. These will bring to the fore the questions of the relationship between the community and the native nation. However, the reason for sketching them here has been more to present a comprehensive statement of the issues which will influence the levels at which economics and culture are most intimately linked - the community and particularly the relatively self-determining native enterprise.

Praxis

Many issues pit the individual self-interest of the enterprise member against the good of the enterprise and the pursuit of native values against narrow considerations of profit and loss. In view of these contradictions and all of the obstacles facing local native enterprise of any sort, the question of praxis is basic. It may well be that the obstacles are insurmountable and that there is not enough potential in most instances to underwrite the economic viability of native enterprises and the direct pursuit of native values within them. However, this conclusion should not be arrived at too quickly. The apparent analogies of failed native enterprises elsewhere in North America may prove inapt comparisons for the enterprises being proposed here, which may not have to face the problems which sometimes prove fatal to native enterprises elsewhere. Northern native enterprises are likely to require relatively little capital, to have access to large pools of capital in the form of claims settlement money and, largely because of the physical inaccessibility and small markets of their communities, to face less stiff competition from non-native entrepreneurs than many southern native enterprises have faced.

Equally, a one-sided catalogue of the economic costs of organizing an enterprise to seek cultural goals should not automatically lead to a rejection of this model. Industrial democracy does involve the inefficiencies of diffused control, but there is evidence that it can also improve worker satisfaction which may translate into enhanced productivity (Nightingale, 1982). This may take the forms of lower employee turnover, better attendance, and greater commitment to the task when on the job. It is impossible to gauge in the abstract what the net result will be when it comes time to weigh up the costs of the consensual direction of the firm and the benefits of increased worker productivity. However, it should be clear that, because industrial democracy need not be a one way street in the direction of reduced productivity, it remains a viable candidate for implementation.

Undoubtedly the process of implementation will be an incremental one. Ideally, the opportunities with the best prospects of success in the financial sense need to be pursued first; a history of economic cripples will not build confidence in worker's control on the part of native people contemplating attempting it. Crucial to the success of the enterprise is the process preceding its coming into being. The members of the community must recognize the need for the enterprise, understand how it will operate, what are the reasonable expectations they may have of it, what it cannot accomplish, and what their responsibilities will be towards it. They need to evolve a commitment to it and to the democratic process within it, which should be a logical extension of the co-operative process of community decision-making which shaped it. If the enterprise is to succeed as a co-operative process, it must be created by a co-operative process. It must be a living part of the logic of the community. In the planning process a basic issue will be the need to ensure from the start adequate management skills. The lack of these skills, often of a technical nature, has caused many native enterprises to be stillborn. The community needs to assess its ability to provide for these skills internally and to accept, if necessary, outside, possibly non-native, management and technical skills, and to integrate them properly into the co-operative and community-based logic of the firm.

Probably the early efforts should occur in primarily native communities in which competition from established non-native enterprises and general resentment from the non-native population will not undermine the experiment. Resentment is definitely predictable as non-natives are likely to anticipate that native enterprises will enjoy a preference over non-natives as suppliers and as bidders on contracts let by the native economic development agency and other native enterprises. Non-natives are also likely to resent the access which native enterprises enjoy to settlement money - a source of funding which may be denied completely to non-natives or offered to them only at less advantageous terms than it is offered to natives. More fundamentally, native enterprises which are designed to promote attachment to native values, of which one of the most important is identification with the group, offend the liberal-democratic values of most North Americans. For them individualism ought to be the organizing principle of society and arrangements which emphasize group identification leading to social divisions are perverse and anti-democratic. In the first instance, these objections can be avoided if the early efforts occur where non-native interests are not jeopardized. Ultimately however, native peoples will have to continue to argue that North American society is already divided in such a way that native people are very unlikely to achieve equality with non-natives by competing, in effect, as non-natives. As dignity for native people, and community development in general, can only be achieved through equality among groups, the likeliest mechanisms for gaining that equality have to be applied.

Resentment from non-native entrepreneurs is an easily anticipated development. Less obvious a problem, but possibly even more demanding, may be the economic competition and political opposition which community native enterprises may receive from private native entrepreneurs and co-operatives already in

operation. These enterprises clearly have a legitimate claim to survive and, indeed, their presence may well lead the economic development planning agency to focus its attention on sectors of the local economy which are not presently being adequately served. However, while the existing enterprises may be economically viable and beneficial to the community, their contribution to native values may be promoted if subsidized by the funds available to the economic development planning agency or local council. Negotiation could lead to a best of all possible worlds situation blending the economic experience of the existing operation with the political and cultural vision of the planning agency. Without a doubt, the negotiations are likely to be delicate, but they represent a preferable alternative to open conflict.

Following this argument, the first step is to identify the best opportunities in primarily native communities. These will be small scale operations, such as local hauling firms, stores and co-operatives.⁷ Small enterprises require less capital, raise fewer and less complicated management issues, permit a more workable internal consensus building process and are closest in size to the small decision-making units which are the traditional form of political organization among native people. The question of local control will be fundamental to maintaining member commitment. For this reason, while settlement funds will likely be needed and invite a downward communication of the cultural assumptions underlying the claims settlement, every effort will have to be made to maximize local control. Quite possibly, local people associated with the national body will play important brokerage roles. They may have to identify situations where traditional values are still sufficiently vital to influence significantly the consensus in the proposed native enterprise and where sufficient energy in the form of commitment and skill exists to make it even potentially viable. They may also have to mingle their community roots and their national vision to take part in the consensus process of enterprises, at least in the early stages. It may be that only where these conditions obtain can culturally sensitive native enterprises be attempted. If so, the proliferation of these enterprises is likely to be slow as it will require the first enterprises to become manifestly successful so that they will persuade other native people to follow suit.

Whether they will commit themselves is one of the many questions which this paper can, raise, but not resolve. Much will depend on the circumstantial details of individual situations. However, several factors are clear. First, economic pursuits have cultural implications particularly in the realm of the values which people bring to such political questions as equality, identification with the group and obligation to it. Second, economic activity structured according to non-native logic and corporate principles erodes native values. Third, at least some of the native groups in northern Canada are sensitive to this problem and hope to shape the economic lives of their people at least to some extent so as to promote native values. If they are to succeed or even to judge the likelihood of attaining their goal, the issues which they will have to face must be defined and elaborated. To contribute to this process of definition has been the object of this paper.

NOTES

1. This paper reports work undertaken by myself and Professor Michael Asch of the Department of Anthropology of the University of Alberta.
2. This is undoubtedly true for all of North America, but I will confine this discussion to Canada north of the 60th parallel as this has been the focus of my research.
3. These claims are discussed in G. Dacks, *A Choice of Futures* (Toronto: Methuen Publications, 1981), Chapter Two.
4. See, for example, Berger, 1977:h95-98, and L. Hamelin, *Canadian Nor-dicity: It's Your North Too* (Montreal: Harvest House, 1978), p. 257.
5. The literature on industrial democracy is extensive. Good introductions to the subject are G. Hunnius, G.D. Garson and J. Case, eds., *Workers' Control: A Reader on Labour and Social Change* (New York: Vintage Books, 1973), and John Crispo, *Industrial Democracy in Western Europe: A North American Perspective* (Toronto: McGraw-Hill Ryerson, 1978). Donald V. Nightingale, *Workplace Democracy* (Toronto: University of Toronto Press, 1982) valuably discusses industrial democracy and provides a valuable, general discussion of industrial democracy in the Canadian context. A more specific case study is Louis E. Davis and Charles S. Sullivan, "A Labour-Management Contract and the Quality of Working Life", *Journal of Occupational Behaviour* Vol. I (1980), pp. 29-41, which is particularly helpful in emphasizing the need for care in planning the enterprise in a co-operative fashion so that all involved understand the relationships being established and the expectations they will have to meet, and are committed to the enterprise and to making its co-operative management method work. Finally, Miriam J. Wells, "Alienation, Work Structure and the Quality of Life: Can Co-operatives Make a Difference", *Social Problems*, Vol. 28, No. 5 (June 1981), pp. 548-62 is particularly relevant in that it deals with the experience of formerly colonized workers, a group in significant ways similar to northern native people.
6. To refer to claims settlements is not to prejudge in any way when they may occur. Indeed part of the rationale of establishing culturally relevant native enterprises immediately is to counter the cultural erosion of native life during what may well be the many years before settlements are reached in northern Canada.
7. Construction firms fit into this group if there is enough work to occupy them steadily within the community. However, it is likely that such firms will quickly exceed the size which can be steadily employed in the community because they will be called upon, once settlement money becomes available, to rectify deficiencies in the community's supply of housing and

public buildings, It is very likely that, at first, this work will involve more activity than the community can sustain after the catch-up period. Idle capacity will result, leading the firm either to lay off members, devise work-sharing schemes or seek contracts elsewhere. If they choose the latter option, they will have to compete with non-native firms and may find themselves pressured into seeking the efficiencies of these firms by matching their hierarchical organization. This possibility argues for very careful staging of community construction programs and for prudent planning on the part of fledgling native construction firms.

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