

# ECONOMIC DEVELOPMENT AS A SOCIAL DETERMINANT OF FIRST NATIONS, INUIT AND MÉTIS HEALTH

Economic development generates employment opportunities and leads to improved education and skills acquisition. It is an important tool in alleviating poverty and other social conditions that lead to ill health.<sup>1</sup> In turn, good health is essential to economic development as “ill health reduces an individual’s probability of participating in the labour force.”<sup>2</sup> Economic development encompasses a range of practices aimed at promoting more intensive and advanced economic activity including macro-economic development,<sup>3</sup> local economic development,<sup>4</sup> and community economic development.<sup>5</sup> When undertaken with community values and aspirations in mind, revenues from economic development can be used to improve local services and the health and well-being of communities as a whole.<sup>6</sup> It can also foster empowerment, build capacity, and enhance individual and community resilience. For Aboriginal<sup>7</sup> Canadians, who experience a disproportionate burden of ill-health compared to the rest of the population, economic development is critical to improved health outcomes.

## Aboriginal Economic Development

Economic development in an Aboriginal context must consider some unique attributes. Aboriginal people have an intimate connection to the land and view the health of the land and the health of the community as synonymous, “nurtured through relationships to the physical environment and the cultural, spiritual,



economic, political and social roots it provides.”<sup>8</sup> Consequently, Aboriginal people are “more likely to experience the adverse health effects of government and industrial decisions that can dispossess them of their environments.”<sup>9</sup> Resource development projects can threaten traditional economies and result in loss of habitat, environmental contamination, and depletion of resources,<sup>10</sup> which affects Aboriginal peoples’ ability to consume traditional foods and impacts their physical and spiritual health.<sup>11</sup>

There are two types of economies to consider in Aboriginal economic development: the traditional economy and

the market economy. Traditional activities such as trapping and hunting are important to many communities and are viewed as “sociomoral and spiritual practices aimed at maintaining personal and community health.”<sup>12</sup> While most communities want to benefit from economic development, they want to do so on ‘their own terms,’<sup>13</sup> and in a manner consistent with their assets, aspirations, and community values.<sup>14</sup> Approaches to economic development must therefore be more community-oriented, fit within Aboriginal cultural frameworks, maintain the integrity of the land and the environment, and include meaningful participation of Aboriginal peoples.<sup>15</sup>



Although economic development has the potential to improve the health and well-being of individuals and communities, it is contingent on healthy communities and individuals. A healthy community can be described as “one with resources and opportunities, whose members are self-confident and participate in the political, economic, and cultural life and are part of its decision-making processes.”<sup>16</sup> In order for economic development to be initiated and sustained in a way that has positive benefits for communities, a capable, educated, and motivated workforce is fundamental.<sup>17</sup> In communities where these conditions do not exist, economic development may produce more negative health outcomes and social challenges as increased employment and access to income may result in increased incidences of abuse.

## Barriers to Successful Economic Development

One of the legacies of colonialism is forced relocation to reserve lands and concomitant lack of access and control many Aboriginal communities have over resources, which limits opportunities for economic development in those communities.<sup>18</sup> This is complicated by the failure of governments to fulfill their treaty obligations creating an environment of uncertainty that may prevent external organizations from engaging in economic development initiatives with Aboriginal communities.<sup>19</sup> Similarly, self-determination, or “the right of Aboriginal communities to exercise genuine control over their own affairs, and to be responsible for the design, delivery, and management of social and economic development policy” was identified as a prerequisite to sustainable economic development that benefits Aboriginal communities.<sup>20</sup> However, the exercise of self-determination requires both human and financial capacity.

Other legacies of colonization such as poverty, cultural destruction, socio-economic marginalization, and poor educational attainment can prevent individuals and communities from building the human and financial capacity required to initiate and sustain economic development opportunities. These limitations put Aboriginal people in a vulnerable position with respect to resisting potentially harmful economic development initiatives imposed by powerful corporations or governments. It can also prevent them from participating in this type of economic development in a way which provides benefits consistent with community values and needs while limiting environmental and social costs.

The demographic characteristics of Aboriginal communities can also affect human capacity. In 2006, 54% of Aboriginal peoples lived in urban places,<sup>21</sup> yet many may lack the urban industrial life skills needed to alleviate poverty or may experience racism that prevents them from accessing employment opportunities.<sup>22</sup> Nearly half of the Aboriginal population consists of children and youth aged 24 and under.<sup>23</sup> Potential implications from an economic development perspective are numerous, including increased demand for housing stock and schooling at all levels, greater demand for skills, training, and an imbalance between the dependent population (those who are not yet contributing to economic activity) compared with those who are employed and contributing to economic growth in communities. Additionally, there may be geographic barriers to successful economic development. For example, the majority of Inuit live in small, rural communities in the Canadian Arctic that are accessible by air only, which impacts the availability of goods and services as well as the cost of living.<sup>24</sup> First Nations reserves may also be situated in areas where there are few resources that can be utilized for economic development purposes.

## The Impacts of Economic Development on Aboriginal Health

The impacts of economic development on Aboriginal health are both direct and indirect. Direct health outcomes are more readily apparent in cases where economic development initiatives have resulted in environmental degradation and contamination. For example, the health of the Ojibway of Grassy Narrows First Nation in Northwestern Ontario was affected both indirectly and directly by the spilling of methylmercury into a local river by a nearby chemical plant. Not only was their food supply poisoned, but their cultural and economic way of life (which depended on the fishing industry) was drastically altered, leading to increased violence and boredom.<sup>25</sup> Similarly, a number of Dene Nation employees who worked at the Port Radium uranium mine in the Northwest Territories between 1942 and 1960 were uninformed of the hazardous risks of working with uranium and subsequently experienced high incidences of death from cancer.<sup>26</sup>

While these ill health outcomes may seem a convincing argument to avoid economic development initiatives, most Aboriginal communities recognize the need for economic development to facilitate increased Aboriginal participation in the economy and enhance community well-being. Though less tangible, the indirect health benefits of economic development are numerous and they are cumulative. For example, the establishment of Arctic Co-operatives Limited in the north generated \$130 million in total revenues in 2005, provided employment to a substantial number of Aboriginal people, and made contributions to the physical, social, and personal infrastructure of Aboriginal communities, thus improving access to services that the community needs and quality of life.<sup>27</sup> Some of these co-operatives included elements of traditional economies such as fishing operations.

Another example is the Diavik Diamond Mine in the Northwest Territories which formalized an agreement in 1999 with the Government of Northwest Territories and with the Tlicho Government, Yellowknife Dene First Nation, Kitikmeot Inuit Association, and Lutsel K'e Dene First Nations. This agreement outlines Diavik's commitment to providing training, employment, and business opportunities specifically to Indigenous northerners.<sup>28</sup> Specifically, it commits the Diamond Mine to ensuring 40% of its workforce is Aboriginal, purchasing the majority of its annual requirements for goods and services from northern companies, and community consultation to ensure its practices are environmentally and socially consistent with the principles of the agreement. The agreement also builds in a cultural and community well-being component which integrates cultural values and respect for the community into its operations, as well as commits the company to provide a number of health and wellness related services for its employees.<sup>29</sup>

The potential benefits of economic development are numerous.<sup>30</sup> Initiatives can be undertaken in a wide variety of sectors, utilizing a diverse range of

mechanisms. They can be initiated by large external industrial corporations or by the communities themselves. They can involve partnerships or be solely owned and operated by Aboriginal peoples. They can be heavily industrial in nature or cultural tourism operations that leave little impact on the land base. Initiatives can be undertaken in any location, drawing on the local assets. The common threads between these initiatives include meaningful involvement by Aboriginal peoples, they reflect community aspirations and needs, and the benefits go beyond simply the generation of employment opportunities. Generating revenue is not the only motive – there is a genuine effort to balance social and economic benefits, and to include consideration for market and traditional economies.

### Improving Outcomes

Economic development is a powerful tool in transforming the lives and futures of Aboriginal peoples for better health outcomes regardless of where they live. However, economic development must support community economic, social, environmental and cultural values. It must entail:<sup>31</sup>

- continuous capacity building, “the strengthening and increasing [of] existing local resources in an effort to generate economic wealth and well-being among community members;”<sup>32</sup>
- empowering people and integrating the goal of social well-being into economic wealth generation; and
- gaining control of resources and their location to generate economic wealth.

Economic development works best when it is not imposed on Aboriginal peoples but rather, is “built on their own understandings of community development, and their vision of what community development means to them.”<sup>33</sup> This means not just providing opportunities for Aboriginal peoples to

participate in the market economy, but also strengthening traditional economies.<sup>34</sup> This can be accomplished by ensuring that Aboriginal peoples exercise self-governance over their lands, and by ensuring Aboriginal peoples participate fully in resource development initiatives through co-jurisdiction and co-management arrangements that would ensure less environmental degradation and less impact on their traditional economies.<sup>35</sup>

Access to financial, human, and natural resources are essential for economic development. Some Aboriginal communities in Canada have minimal access to land bases or to markets and transportation systems. Two elements are important here. First, attention must be directed to resolving outstanding land claims. Second, federal funding for Aboriginal economic development can no longer be considered as discretionary and must be increased substantially.<sup>36</sup> Federal, provincial, and territorial governments must work with Aboriginal governments to strengthen the capacity of Aboriginal peoples to manage and develop land and resources in ways that are consistent with their values and needs.<sup>37</sup> They must invest in education and skills training, and ensure sustained and equitable access to capital. These are critical to building economic development and ensuring self-reliance.<sup>38</sup>

While federal, provincial, and territorial governments have an important role in fostering economic development, local assets and community attributes are important as well. Initiatives will not succeed and bring benefits to Aboriginal communities without good leadership; good governance; culturally appropriate institutions that are consistent with widely held community values; healthy individuals to ensure the presence of a motivated and dependable workforce; and good institutions with clear and consistent rules and clear lines of authority and accountability that build on the capacity of the community to produce future leaders.<sup>39</sup>



## Endnotes

- <sup>1</sup> Royal Commission on Aboriginal Peoples (1996). Economic Development. Report of the Royal Commission on Aboriginal Peoples. Volume 2 – Restructuring the Relationship. Ottawa, ON: RCAP.
- <sup>2</sup> Health investment benefits economic development. *The Lancet*, 370, October 27, 2007, p. 1467.
- <sup>3</sup> Macro-economic development is typically exercised by government through such practices as trade agreements, tariffs, duties, fiscal policy, and adjustment policies. In this approach to economic development, local places have little influence or meaningful input and simply feel the impacts of these policies through plant openings and closures. Dauncey, G. (1996). *After the crash: The emergence of the rainbow economy*. London: Merlin Press & Green Print.
- <sup>4</sup> Local economic development is based upon direct local action to develop partnerships and enhance local business opportunities with a view to encouraging local residents to support local entrepreneurs (Dauncey, 1996).
- <sup>5</sup> Community economic development is an approach to creating local wealth and opportunity that became prevalent in the 1990s which attempts to integrate local economic development with community values and needs, and typically involves partnerships between government, industry, and volunteer sectors (Dauncey, 1996).
- <sup>6</sup> See for example the role of Aboriginal owned cooperatives in addressing specific community needs for services in Ketilson, L.H., & MacPherson, I. (2001). *Aboriginal co-operatives in Canada case studies*. Ottawa, ON: Minister of Public Works and Government Services Canada.
- <sup>7</sup> 'Aboriginal' throughout this fact sheet refers collectively to the Indigenous inhabitants of Canada, including First Nations, Inuit, and Métis peoples (as stated in section 35(2) of the Constitution Act, 1982). Wherever possible, we provide names and data for distinct groups/ communities.
- <sup>8</sup> Canada, RCAP, 1996, as cited in Richmond and Ross (2009). *The determinants of First Nation and Inuit health: A critical population health approach*. *Health and Place*, 15, p. 404.
- <sup>9</sup> Richmond and Ross (2009), p. 404.
- <sup>10</sup> Royal Commission on Aboriginal Peoples (1996).
- <sup>11</sup> Richmond and Ross (2009), p. 404.
- <sup>12</sup> Tanner (1993), as cited in Kirmayer et al. 2000, p. 612.
- <sup>13</sup> Standing Senate Committee on Aboriginal Peoples (2007). *Sharing Canada's prosperity – A hand up, not a handout*. Final report – Special study on the involvement of Aboriginal communities and businesses in economic development activities in Canada. Ottawa, ON: Government of Canada, p. 4.
- <sup>14</sup> Markey, S., Halseth, G., & Manson, D. (2006). *From planning to action: Reconciling community development strategies with regional assets and infrastructure*. Re-orient to Readiness: Overcoming barriers to implementation in the Northwest region of British Columbia. Prince George, BC: Community Development Institute, UNBC.
- <sup>15</sup> Senate Standing Committee on Aboriginal Peoples (2007).
- <sup>16</sup> Provincial Health Officer (2002). *Report on the health of British Columbians Provincial Health Officer's Annual Report 2001 – The health and well-being of Aboriginal people in British Columbia*. Victoria, BC: Ministry of Health Planning, p. 10.
- <sup>17</sup> Standing Senate Committee on Aboriginal Peoples (2007), p. 12.
- <sup>18</sup> Richmond and Ross (2009), p. 408.
- <sup>19</sup> Price Waterhouse (1990). *Economic value of uncertainty associated with Native land claims in British Columbia*; and BC Treaty Commission homepage, [http://www.bctreaty.net/files/issues\\_financial.php](http://www.bctreaty.net/files/issues_financial.php) [accessed February 12, 2009]
- <sup>20</sup> Human Resources and Social Development Corporation (1999). *Aboriginal Social and Economic Development – Lessons Learned – summary report – March 1999*, <http://www.hrsdc.gc.ca/eng/cs/sp/hrsd/edd/reports/1999-000376/page05.shtml> [accessed February 6, 2009]
- <sup>21</sup> Statistics Canada (2008). *Aboriginal peoples in Canada: Inuit, Métis, and First Nations, 2006 Census*. Ottawa, ON: Statistics Canada, Catalogue no. 97-558-XIE, p. 6.
- <sup>22</sup> Silver, J., Ghorayshi, P., Hay, J., & Klyne, D. (2006). *In a voice of their own: Urban Aboriginal community development*. Winnipeg, MB: Canadian Centre for Policy Alternatives, p. 11.
- <sup>23</sup> Statistics Canada, (2008).
- <sup>24</sup> Senecal, S. & O'Sullivan, E. (2006). *The well-being of Inuit communities in Canada*. Ottawa, ON: Strategic Research and Analysis Directorate, Indian and Northern Affairs Canada.
- <sup>25</sup> Wheatley, M.A. (1998). *Social and cultural impacts of environmental change on aboriginal peoples in Canada*. *International Journal of Circumpolar Health*, 57(S1), 537-542.
- <sup>26</sup> Nikiforuk, A. (1998). *Echoes of the Atomic Age*. *Cancer kills 14 Aboriginal workers* *The Calgary Herald*, March 14, p. 1, as cited by Canadian Coalition on Nuclear Responsibility, [http://www.ccnr.org/deline\\_deaths.html](http://www.ccnr.org/deline_deaths.html) [accessed February 10, 2009]
- <sup>27</sup> Hammond Ketilson and MacPherson (2001) as cited in Findlay, I.M., & Wuttunee, W. (2007). *Aboriginal Women's Community Economic Development: Measuring and Promoting Success*. Montreal, QC: Institute for Research on Public Policy, 13(4).
- <sup>28</sup> See also the example of the Voisey Bay, Labrador nickel mine which has similar commitments to hiring Aboriginal peoples and buying locally.
- <sup>29</sup> Diamik Diamonds Project Socio-Economic Monitoring Agreement (1999). [http://www.diavik.ca/documents/Socio\\_Economic\\_Agreement.pdf](http://www.diavik.ca/documents/Socio_Economic_Agreement.pdf) [accessed February 10, 2009]
- <sup>30</sup> See also, for example, Ontario, Ministry of Aboriginal Affairs (2003). *Backgrounder – Niigon – A joint venture to inspire more aboriginal/private partnerships*. News release, Feb. 19, 2003; and the Peace Hills Trust, Indian and Northern Affairs Canada (2003). *Peace Hills Trust – Investing in the future. Building Aboriginal and northern economies*, Feb. – March, [http://epe.lac-bac.gc.ca/100/201/301/building\\_aboriginal2/2003/n07.pdf](http://epe.lac-bac.gc.ca/100/201/301/building_aboriginal2/2003/n07.pdf).
- <sup>31</sup> Silver, J. et al. (2006), p. 5.
- <sup>32</sup> Ibid.
- <sup>33</sup> Ibid., p. 6.
- <sup>34</sup> Royal Commission on Aboriginal People (1996). *Land and resources. Volume 2 – Restructuring the relationship: Northwest Treaty Tribal Nations (2005)*. *Working together to create sustainable wealth*. Terrace, BC: NWTT.
- <sup>35</sup> Ibid. See for example the Nisga'a Final Agreement which incorporates such co-management arrangements, <http://www.nisgaalims.ca/?q=treaty-nisga-final-agreement> [accessed February 12, 2009]
- <sup>36</sup> Findlay, I.M. & Wuttunee, W. (2007). *Aboriginal women's community economic development: Measuring and promoting success*. Montreal, QC: Institute for Research on Public Policy, 13(4).
- <sup>37</sup> RCAP, (1996) Part 2, Volume 2.
- <sup>38</sup> Ibid.
- <sup>39</sup> Sibbeston, N. (2006). *Aboriginal involvement in economic development: Elements for success and obstacles to achievement*. Speech to the Generating Opportunities and Wealth Conference, November. [http://www.sen.parl.gc.ca/nsibbeston/aboriginal\\_economic\\_development.htm](http://www.sen.parl.gc.ca/nsibbeston/aboriginal_economic_development.htm) [accessed February 10, 2009]



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