Engaging non-traditional allies to create free-market change
OVERVIEW

Indigenous groups in Canada have been economically marginalized by a history of poor government decisions, bad public policy, and social oppression. To combat this and affect change, the Macdonald-Laurier Institute (MLI) implemented the following steps to develop a project to address the issues plaguing Aboriginal Canadians:

1. Recruit an individual who is knowledgeable about, and trusted by, Canada’s Indigenous population to lead the project.

2. Identify and empower an advisory team that is representative of the minority group to champion the policy goals and recommendations in their local communities.

3. Recognize when the Institute’s voice isn’t the most effective voice, and be willing to give the spotlight to more representative voices who will champion your solutions.

4. Remember efforts that seek to challenge the status quo require persistence and flexibility. Many small triumphs over an extended time often result in greater change than a single large victory.

Because of the team’s tireless work and the success of this program, MLI was one of the six finalists for the 2017 Templeton Freedom Award.
BACKGROUND

The history of Canada’s Aboriginal people is diverse and proud. In recent generations, however, Indigenous groups have become associated with state dependency and a lack of opportunity. To address these challenges, MLI’s multi-year Aboriginal Canada and the Natural Resource Economy project makes the case that Indigenous engagement in the booming Canadian resource economy provides a once-in-a-lifetime opportunity to empower the Aboriginal Canadians.

According to MLI, “Our Aboriginal Canada and the Natural Resource Economy project aims to bring Aboriginal communities into the economic mainstream while giving them more power and authority over their own lives and ensuring that development takes place in a way that is respectful of the environment and Indigenous priorities.”

Through research papers, commentaries and op-eds, speaking engagements, conferences, and a series of videos, MLI created a new, market-oriented, opportunity-based vision for Aboriginal self-sufficiency based on resource development, Indigenous autonomy, and strong economic partnerships.

The success of MLI’s Aboriginal Canada and the Natural Resource Economy project can be attributed to the organization’s pursuit of partnerships with the Aboriginal community. Through these relationships, MLI showed a dogged commitment to inclusivity and concern for the success of Indigenous people in Canada.

ABOUT THE MACDONALD-LAURIER INSTITUTE (MLI)

Founded in 2010, MLI is rigorously independent and non-partisan. The organization exists to make poor quality public policy unacceptable in Ottawa. They achieve this goal by proposing thoughtful alternatives to Canadians and their political and opinion leaders through non-partisan and independent research and commentary.

One of MLI’s many activities includes identifying and researching current and emerging economic and public policy issues facing Canadians, including, but not limited to: research into defense and security, foreign policy, immigration, economic and fiscal policy, Canada-US relations, regulatory, regional development, social policy, and Aboriginal affairs.

MLI’s work has ranged from the sustainability of health care to the barriers to trade between Canadians, and has demonstrably influenced decisions in Ottawa. The quality of its work has been repeatedly recognized through international awards as well as a ranking of one of the top think tanks in the world by the University of Pennsylvania.

The team at MLI investigates and analyzes the full range of options for public and private sector responses to the issues identified and acts as a
catalyst for informed debate on those options, communicating their research recommendations and conclusions to a national audience in a clear, non-partisan way.

HISTORY OF ABORIGINAL PEOPLES IN CANADA & EVIDENCE OF OPPORTUNITY

The fundamental inequalities facing Canada’s Aboriginal population are deeply engrained. This story is a tragic example of the unintended consequences of government intervention. The outcomes have been nothing short of disastrous; the aftershocks continue to reverberate in the form of poor economic and social outcomes.

Some estimates find that one in four children in First Nations’ communities lives in poverty. These children are more likely to end up in prison than graduate from high school. Suicide rates are up to seven times higher than non-Aboriginal Canadians and those living on-reserve face tuberculosis rates that are 31 times the national average.

Average unemployment rates on reservations, which significantly understate the extent of disengagement from the workforce, are about 20 percent higher than among non-Aboriginal communities. In addition, First Nations living on reservations earn an average of 55 percent less than non-First Nations Canadians.

As one of the most resource-rich countries in the world, Canada has monumental reserves of natural gas, hydro-electricity, potash, uranium, oil, and other natural resources. With resource development projects planned throughout Canada (all of which are located on or near traditional Aboriginal territories), the country is taking advantage of these natural resources, and Aboriginal communities stand to benefit.

Fostering economic activity through the development and cultivation of Canada’s natural resources offers a rare opportunity to incorporate these historically neglected and disadvantaged communities into the economic mainstream.
THE PARTNERSHIP

MLI began its work on the Aboriginal Canada and the Natural Resource Economy project at the behest of the Assembly of First Nations (AFN), a governing body made up of chiefs from Canada’s Aboriginal tribes and modeled after the United Nations General Assembly. The AFN saw potential in the natural resource economy as a major driver of transformation in Indigenous opportunity, and the Assembly knew of MLI’s commitment to market-oriented approaches to solve the social and economic issues plaguing Canada.

The leadership at MLI knew they may face feelings of distrust from the Indigenous community. MLI knew that no matter how sound its research and recommendations were, its credibility would be questioned if the Institute did not build a team made up of leaders within the Aboriginal community.

Knowing its limitations, MLI began the project by searching for a leader with tremendous expertise in Canada’s Aboriginal communities. After sorting through numerous recommendations, the team found the ideal project leader in Ken Coates, a respected thought leader and historian of Canada’s Aboriginals with connections into Indigenous communities across the country.

Within six months of the project’s launch, MLI drew on Coates’ connections within the Aboriginal community to develop a 12-person Advisory Committee composed of reform-minded Aboriginal economists, business leaders, lawyers, public policy analysts, and scholars. Since the beginning, this Committee lent credibility to MLI’s work throughout the Aboriginal community, and has provided a shield against opponents that is hard to undermine.

With the vision of self-sufficiency for the Aboriginal population based on resource development, and strong economic partnerships, Coates and his Advisory Committee established the goals of the project as well as the narrative they wanted to pursue upfront. The entire team agreed that government was never and cannot be the solution to the problems facing Aboriginal groups.

MLI, Coates, and the Advisory Committee determined the project should encourage policies that allow Canada’s Indigenous population to benefit from mining and energy development by promoting their usage and development of natural resources such as gas, potash, uranium, and oil located on their lands. With these changes, they believed Indigenous communities would enjoy greater autonomy from government intervention as well as increased business opportunities and partnerships with companies operating on their land.

GETTING TO WORK

Aboriginal communities stood to benefit greatly from the resource development projects planned throughout Canada.

Fostering economic activity through the development and cultivation of Canada’s natural resources offered a
rare opportunity to incorporate these historically neglected and disadvantaged communities into the economic mainstream. By empowering Aboriginal entrepreneurs with the direct and indirect opportunities associated with natural resource development, these communities have been afforded the opportunity to replace dependency with prosperity.

With Ken Coates at the helm, MLI then drew from its strong team of economists, legal scholars, and Coates’ connections to Aboriginal leaders to produce a series of policy papers. These reports explored the biggest obstacles to resource development.

In May 2013, MLI published the first three papers for the project: “New Beginnings: How Canada’s natural resource wealth could re-shape relations with Aboriginal people,” “The Way Out: New thinking about Aboriginal engagement and energy infrastructure to the West Coast,” and “Canada and the First Nations: Cooperation or conflict?”

Very quickly, MLI realized they would need more staff to accommodate the overwhelming interest in the project coming from government leaders and the public. In July 2013, MLI responded by filling a newly created role, Managing Editor and Director of Communications. As the project progressed, MLI published major papers on average every 3-4 months increasingly using Aboriginal authors for its publications.

In addition, MLI leaned heavily on the 12-person Advisory Committee to provide counsel for works produced for the project.

MLI promoted its work through op-eds placed in local and national outlets, media appearances, speaking opportunities, and by directly engaging Aboriginal organizations and government officials. The organization also took a direct role in bringing people together to pursue public policy that works for all parties. MLI worked tirelessly to involve unlikely partners including chambers of commerce, government offices, and Indigenous associations.

Leaders for this project travelled to remote Aboriginal communities to promote the solutions found in natural resources and to help the communities overcome the barriers to engaging in resource development. The Advisory Committee has been instrumental in establishing connections within these communities.

To date, through 13 policy papers and two special reports, the project has tackled issues related to: analyzing court decisions regarding Aboriginal rights, best practices in natural resource sharing, and examining how Aboriginal communities are seeing benefit from resource riches.
OUTCOMES

POLITICAL

The passage of the United Nations Declaration on the Rights of Indigenous People (UNDRIP) concerned the team at MLI due the provision of “free, prior, and informed consent” (FPIC). This provision, while well-intended, would have allowed even the most fringe groups to veto improvement projects at the expense of whole communities. The consequences would have been detrimental to the market-based progress that Canada’s Aboriginal population are making. It is difficult to overstate the legal and economic disruptions that may have followed from such a step.

To educate the public on the risks associated with Canada joining UNDRIP, MLI published two research reports, co-written by Ken Coates and Blaine Favel (a leading Indigenous resource lawyer) in May 2016. The team followed the release of these papers with a sophisticated communications and outreach strategy to persuade the government, businesses, and Aboriginal communities on the dangers involved with fully adopting UNDRIP, including FPIC.

This communications and outreach strategy pressured the government to reverse its support of UNDRIP and educated businesses and Aboriginal communities about the full implications of adopting UNDRIP. Due in large part to its Advisory Committee, MLI was able to navigate the potential political minefield associated with this divisive issue and present its arguments while being respectful of Indigenous legal rights.

In November 2016, Canada’s Justice Minister, a prominent national Aboriginal political leader, offered her support to MLI’s view. She argued that adopting UNDRIP would cripple bottom-up economic development, stating that adoption of the UN declaration into Canadian law was “unworkable” and would undermine the market-oriented progress already being made. In addition, Canada’s Senate frequently consulted MLI during its hearings, eventually issuing a report in December 2016 which drew extensively from MLI’s testimony and several of its top recommendations.

Ultimately, the Canadian government decided to reverse a plan to sign onto UNDRIP. The decision, which carried some political cost to government leaders who were criticized for breaking a promise to join the scheme, is a triumph of good ideas, market reform, and economic opportunity for Canada’s Aboriginal communities.
Additional Political Outcomes:

- Furthering MLI’s reputation as the organization to turn to for Aboriginal issues, MLI senior scholar, Ken Coates, was awarded the 2017 Award for Excellence in Aboriginal Relations by the Canadian Council for Aboriginal Business following his contributions to Indigenous business development.

- Coates was recruited by the Government of New Brunswick as a key adviser on Aboriginal issues. His work on the East Coast Aboriginal fishery prevented the government from eliminating a highly successful program.

- The Eyford report, which focuses on Canada’s comprehensive land claims policy, was heavily influenced by MLI’s work on the Northern Gateway Pipeline.

- MLI’s counsel is now sought equally by governments, Indigenous communities, and the private sector which shows that their work has had substantial and sustainable impact.

SOCIAL

Through the work on this project, the team at MLI challenged the status quo and provided a national conversation concerning the role of Indigenous people in Canada’s economic future. Previously, the focus surrounding Indigenous groups highlighted their protests over pipelines and other major resource projects, criticisms of environment-related aspects of development, and long-standing complaints about the neglect of Indigenous interests. Today, the conversation has shifted to show that Indigenous peoples are active across the natural resources sector. The public recognizes that many Aboriginal communities benefit greatly from that involvement.

Because of their involvement in the resource economy, Aboriginal people are beginning to free themselves from government control and are heading towards more self-sufficiency and economic freedom. Millions of dollars are now flowing into Indigenous-owned businesses and Aboriginal communities. Many Indigenous Canadians are discovering that freedom and markets can create opportunity rooted in practical, modern solutions and local action.

Natural resource development projects located on or near traditional Aboriginal territories are planned throughout Canada, and Aboriginal communities are benefitting. Prospective investments have reached nearly Can$675 billion for natural resource development projects. Aboriginal entrepreneurs, freshly empowered by the opportunities offered in resource development, have begun to replace
dependency with prosperity for their communities.

Canada now has more than 250 Aboriginal economic development organizations with several billion dollars in assets. Non-governmental monies earned from local business activities now compose a growing share of First Nations budgets. In 2013/14 First Nations communities recorded Can$3.3 billion in non-governmental revenues, and there are now more than 300 collaboration agreements between Aboriginal communities and mining companies alone.

As a result, the unemployment gap between Aboriginals and non-Aboriginals is narrowing according to Statistics Canada data. Some Indigenous groups are also beginning to see higher rates of high school graduation and post-secondary school attendance.

Throughout this project, the team at MLI encouraged the co-production of policy solutions between government and Canada’s Indigenous people. Since the project’s inception this concept has emerged as the cornerstone of federal government approaches to policy development.

ORGANIZATIONAL

MLI’s guidance and expertise is increasingly sought by governments, Indigenous communities, and the private sector, proof that its work is not only trusted but is having a substantial and sustained impact.

Throughout the project’s five years, MLI’s staff and budget have roughly doubled. Much of this success and growth can be attributed to the partnerships and funding created by MLI’s work on the Natural Resource Economy project. Brian Lee Crowley, MLI’s managing director, estimates that over the course of the project, MLI raised roughly Can$500,000 more than they would have without the project mostly through foundation support.

In June, 2014, the Supreme Court of Canada granted the first ever declaration of “Aboriginal title” in the case of Tsilhqot’in Nation v. British Columbia. Advances in the recognition of legal rights have created an enormous opportunity for Indigenous communities to become full partners in resource development. Source: Thompson Rivers University.
OBSTACLES & FACTORS FOR SUCCESS

Factor for Success: INVOLVEMENT OF ABORIGINAL COMMUNITY

The defining aspect of the Aboriginal Canada and the Natural Resource Economy project has been its collaboration with the Aboriginal community. Since the outset of the project, when MLI was approached by the AFN, the team has made every effort to directly involve and consult with Aboriginal leaders and their communities.

Ovide Mercredi, former AFN National Chief, sits on the project’s Advisory Committee, a team which includes 12 distinguished Indigenous business leaders, lawyers, economists, public policy analysts, and other leaders from regions across Canada. Though the Committee does not meet in person, they play a vital role in reviewing and commenting on MLI research papers and recommending future project works.

In addition, MLI has been committed to using Aboriginal authors with most of the research conducted for this project. As with the Advisory Committee, this helps lend MLI’s proposals credibility in Aboriginal communities and those in the natural resources industry and government.

Take Aways

- The presence of MLI’s Advisory Committee helped lend greater resonance and credibility to the organization’s research in Aboriginal communities, thus making outreach efforts considerably more effective.

- Due to the extremely divisive nature of this topic in Canada, many elected officials now depend on the relationship that MLI has built with the Aboriginal community. This connection provides credibility and support needed to battle opponents.

- The success of the Advisory Committee led to MLI pursuing partnerships with various Aboriginal groups, speaking at local conferences of Indigenous organizations, and meeting with local communities. As a result, MLI has been able to better understand the processes and priorities of various Indigenous leaders, businesses, and organizations, and the community has recognized the valuable work that MLI is doing.
Factor for Success: DIRECT ROLE AS FACILITATOR IN COMMUNITY CAPACITY BUILDING

MLI can be credited with bringing together disparate groups (such as various chambers of commerce, government, and Indigenous associations) within Canada with the goal of pursuing solutions and policies that work for everyone. Through these actions MLI has established an interactive relationship between Aboriginal people and government officials. This back and forth method, in lieu of more top-down approaches, helps to ensure that government and other actors are responsive and accountable.

To that end, MLI’s project leaders have devoted considerable time visiting remote Aboriginal communities to further build the relationships required to help meet and overcome the barriers to Aboriginal engagement in resource development.

Obstacle: GOVERNMENT AND SOCIETAL EXPECTATIONS

Decades of heavy government paternalism and expectations for a quick fix proved hard to root out. Many Canadians as well as leaders in government wanted economic improvements in the Indigenous communities to come more swiftly. Eric Newell of Syncrude Canada, Ltd, one of Canada’s largest employers of Aboriginal people, alludes to the time-intensive and trial and error nature of making real change in Aboriginal communities by talking about his company’s experience recruiting Aboriginal workers:

The recruitment effort within the Aboriginal community “was [an] overnight success story that took 30 years. We probably made every mistake we could – the big lesson was that you cannot just throw Aboriginal workers into our corporate culture.”

The team at MLI continues to face challenges associated with changing the public’s expectation of swift outcome improvements for those in Aboriginal communities. However, this change in mindset will allow Indigenous workers and private businesses to create conditions for opportunity rather than accepting reactive policies that redistribute wealth and seek to equalize results.

MLI led the charge that reinforced the idea that government must enable Indigenous people, rather than play a top-down role that treats them as charity cases. MLI has promoted policies that encourage Ottawa to support investments and jobs instead of just to dictate the services, micromanage First Nations governments, and issue checks. Aboriginals and their communities should be empowered to take responsibility for defining their goals and realizing their potential.
**Take Away**

- Showing the economic and social development that has taken place due to increased opportunity through Indigenous partnerships with natural resources companies has proven to be an effective way to challenge the status quo.

**Obstacle: NO NATIONAL GOVERNING BODY**

The lack of a national Indigenous governing body that has the authority to negotiate on behalf of the more than 600 First Nations, Inuit, and Métis groups that comprise Canada’s Aboriginal population leads to political slowdowns and logistical nightmares.

**Take Away**

- Setting up the Advisory Committee eased the burden associated with traveling to and interacting with numerous and scattered Indigenous communities.

**Obstacle: LACK OF INDIGENOUS DATA AVAILABLE**

The lack of data available has made it difficult for MLI to accurately track and report on social indicators since the project’s inception.

**Take Away**

- MLI’s goals for the Natural Resource Economy project are based on increasing resource development opportunities for Aboriginal communities, increasing autonomy, and strong economic partnerships. While MLI has documented that Indigenous people are active across the resource sector and thousands are employed by resource companies, showing detailed improvements through data will be increasingly important as this project grows in scale.
REFLECTIONS

The success of MLI’s Aboriginal Canada and the Natural Resource Economy project can be attributed to its pursuit of partnerships with the Aboriginal community. Through these relationships, MLI showed a dogged commitment to inclusivity and concern for the success of Indigenous people in Canada. This led to MLI’s invitation to speak at local conferences of Indigenous organizations and meetings with local communities. As a result, MLI has been able to better understand the processes and priorities of various Indigenous leaders, businesses, and organizations, and the community has recognized the valuable work that MLI is doing.

FOR FURTHER READING:


To read more Think Tank Impact case studies, visit: ATLASNETWORK.ORG/CASE-STUDIES