



Co-op Development with Aboriginal Communities

In co-operative development circles in Canada, there is an assumption that co-operatives are a good “fit” in Canada’s Aboriginal communities¹, due to the Aboriginal cultural tradition of collective ownership. It is a common statement: “What I know of Aboriginal culture, co-op is such a natural fit for their cultural background which is all about sharing and empowerment and so I think it’s just a natural fit.”¹

If the co-operative model is indeed a good fit — that co-operatives best reflect collective cultural traditions — why are there not more co-op businesses owned and operated in Canada’s Aboriginal communities? In 1969, there were 145 co-operatives with about 8,000 members considered owned and operated by Canadian First Nations. Their volume of business was about \$5.4 million in 1969 and assets owned sat at over \$4 million. These businesses were found predominantly across western Canada: 136 of the 145 reported Aboriginal co-ops were in Manitoba, Saskatchewan, and Alberta.² Clearly, the prairies were a hotbed of co-operative activity in the Aboriginal community.

When Lou Hammond Ketilson and Ian MacPherson released their report on Aboriginal co-operatives in Canada in 2001, they reported “about 133” co-operatives as “predominantly” Aboriginal in membership.³ Fast forward to 2012, where the Canadian Co-operative Association reported just 123 co-ops in Aboriginal communities in Canada — shrinking to 85% of the 1969 total.⁴ That 2012 number included 18 co-ops that were “in development,” as well as an expanded definition of “Aboriginal” that included First Nations reserves, Métis communities, urban areas with significant Aboriginal population, and rural regions with significant Aboriginal population.

One positive difference in these numbers was that co-ops could be found from coast to coast to coast. As well, the co-operative model has long been embraced by Canada’s Inuit people. Indeed, the strength of Arctic Co-operatives Limited in the Northwest Territories and Nunavut, along with other co-operatives throughout the provincial norths, particularly Quebec, shows the importance of community-led co-operatives across many northern communities.⁵

Otherwise, the significant reduction in the number of Aboriginal co-ops in Canada between 1969 and 2012 should signal concern to the co-operative sector — particularly given the opposite demographic rise in the number of Aboriginal people in Canada during the same time period, and the future predicted demographic rise in western Canada’s Aboriginal population.

Given this observation, the question should be asked again: Are co-operatives indeed a good “fit” in Aboriginal communities? Some co-operative researchers have suggested that, to further co-operative development, researchers should examine more closely how co-operatives “fit into”

¹ The Co-operative Innovation Project uses the term “Aboriginal” to denote Canada’s First Nations, Métis, and Inuit communities. This usage reflects contemporary census and other documentation which provide source citations throughout this project. We honour and respect the identities of each of Canada’s communities.



Aboriginal social, economic, and political structures.⁶ Others argue that co-operative development must acknowledge the autonomy, critical capacity, and cultural strength of Aboriginal communities to take the co-operative model and make the model serve “their own socio-economic, cultural, and political aspirations.”⁷ Both are valuable perspectives. One of the most important features of the co-operative model is its malleability. It is not, or should not be, a rigid structure. Even if the idea and support to start the co-operative was sparked outside of a community, it is indeed what the community has done with the model that is of real importance.

Nonetheless, a co-operative enterprise must start somewhere. Assessing the strengths and capacities of a well-established and vigorous Aboriginal co-operative may not, in fact, help understand what it is about co-operatives that allows them to start and endure in some Aboriginal communities, but not in others. In co-operative development, where the emphasis is on both creating new co-operatives and helping existing co-operatives to thrive, the question of “fit,” as an aspect of introduction and inspiration, remains relevant.

Because co-operatives are a legal business model, they have certain legal and accounting components that fall under provincial or national guidelines. These guidelines are embedded in the co-operative development process.

However, for business, social, and cultural reasons, co-operative development can be operationally different when working with an Aboriginal group, particularly when working on-reserve. Aboriginal communities, not co-operative development initiatives, are the driving force. One of the research premises of the Co-operative Innovation Project was to ask: Why aren't there more co-operative businesses being created in Aboriginal communities? To get to the heart of that question, we asked: Is the co-operative model an appropriate business model for Aboriginal communities? What innovations and supports may be required to help Aboriginal communities take advantage of this model?

The following points may be important to remember when working with Aboriginal communities to develop co-operative enterprises. These points are drawn from multiple sources; the four main sources are: 1) CIP experience working with Aboriginal communities during community visits; 2) feedback from participants in Aboriginal communities where CIP and the communities co-hosted community meetings; 3) past co-op and community development notations on better practices regarding co-working with Aboriginal communities, as recorded by researchers; and 4) the experiences of western Canadian co-op developers, provided to CIP through the interview process.

Important: The following findings are incomplete. CIP did not enter into a full consultative process with Aboriginal groups to discuss the role, cultural importance, and potential future of co-operatives and co-operative development. We recognize the importance of such a process and express support for similar consultations, such as between the Saskatchewan First Nations Economic Development Network and the Saskatchewan Co-operative Association.⁸



Summative Points

- A. In working with a Canadian Aboriginal community, the community should set the guidelines, goals, and purpose of the endeavour.
 - a. The arms-length funding agencies of the federal government that fund academic research in Canada (SSHRC, NSERC, and CIHR), have developed specific guidelines and protocols around Aboriginal engagement.
 - i. Research projects are bound by these ethics guidelines, which have been developed in consultation with Aboriginal communities.
 - ii. These guidelines are now the norm in most communities.⁹
 - iii. The purpose of these guidelines is to support “research that builds on traditions of thought and experience developed among, and in partnership with, First Nation, Inuit and Métis peoples in Canada, as well as indigenous peoples in other parts of the world.” As such, the historical and contemporary role of co-operatives in Aboriginal communities is key.
 - b. These protocols may provide some appropriate guidelines and good practices for co-op developers working with Canada’s many Aboriginal communities.
 - i. There is a focus on creating enhanced capacity within Aboriginal communities.
 - ii. Improving the flow of information and benefits to Aboriginal communities.
 - iii. Emphasizing the importance of relationship building, enhanced dialogue, partnerships, and the centrality of indigenous perspectives.

- B. Canada’s First Nations have a rich history of collective action and community-centred, culturally-structured, communal ownership and co-operation. Yet, each community is distinct.
 - a. Aboriginal leaders continuously note that economic development with Aboriginal communities should be a process, not a pre-made solution.
 - b. That process must engage fully with each community, accepting the history, collective aspirations, economic diversity, and underlying realities of each.¹⁰

- C. There is a deep history of Aboriginal co-operative business entrepreneurship in Canada, particularly across the Arctic, but also in the early Métis bison-hunting economy, the many fishing and trapping co-operatives, and others (including agriculture, finance, artist co-operatives, and retail). This history should be reflected and upheld in any discussions about co-operative development.¹¹
 - a. Histories that give precedence to the Rochdale Pioneers as the “first co-op” can be ineffective and culturally inappropriate if it reinforces the co-operative model as something “other” and brought in from elsewhere.¹²
 - b. Storytelling about how the Rochdale weavers used co-operative action to challenge and change their circumstances is universally recognizable.
 - c. Not all co-operative enterprises are legally registered. In Aboriginal communities, it may be that a business operates as a co-operative but is not formally recognized as such.

- D. Co-operative development is in itself a lengthy process. The time and energy required to build trust, respect, and a positive and supportive working relationship with an Aboriginal



community may take much longer due to a history of non-Aboriginal populations imposing colonial structures and models in Aboriginal communities and adopting discriminatory practices when dealing with Aboriginal peoples.¹³

- a. Co-op developers report that in working with Aboriginal communities, co-op development is a relationship, and the co-op responds to the ongoing strength and stability of that relationship.¹⁴
- E. Co-operatives in Aboriginal communities must provide a means for advancing Aboriginal culture and traditions.
- a. Successful co-ops have included, supported, or been based on, traditional practices, foods, pursuits, language, or goods.¹⁵
 - b. Aboriginal co-op leaders stress the importance of culture, alongside business, community, and need, as foundational to a co-op.¹⁶
 - c. Aboriginal communities may use the co-operative model differently from non-Aboriginal communities, to achieve more holistic community goals.¹⁷
 - d. An Aboriginal co-operative business supports its staff through culturally-sensitive workplace practices.¹⁸
- F. The Aboriginal community has complete control and ownership of the co-operative.
- a. A co-operative cannot be transplanted from outside. The community must take the model for itself and use/adapt it to suit their needs.¹⁹
 - b. Imposed co-operatives may not have community buy-in and may have a much higher chance of failure or cultural mismatch.
 - i. Co-operatives and the co-operative model have, at times in Canada, been introduced into Aboriginal communities for colonization purposes. This history must be admitted and addressed.²⁰
 - c. Collective effort and mutual aid is a proven method of developing social capital and strengthening cross-community relationships. Traditional Aboriginal teaching and culture is built on concepts of reciprocity and helping others.²¹
 - d. Co-op developers have noted that Aboriginal communities and community leadership are particularly interested in the power embedded in the co-operative model.²²
- G. There are high needs in many of Canada's Aboriginal communities, and these needs are complex.
- a. Co-operatives are businesses designed to meet specific and clearly identified needs. The connection between the need and the business model is critical.
 - i. Trying to meet multiple needs through one co-operative business enterprise may not work. Build a simple co-op first.
 - b. Co-operatives must meet needs identified in their host community or they will fail.²³
 - c. Co-operative democratic governance, where each person has a say and a vote, may fit well with traditional knowledge-sharing through sharing circles.²⁴
- H. There is a general and acute lack of knowledge about the co-operative model among Canada's First Nations.



- a. In our telephone survey, 41 percent of Aboriginal community respondents answered “no” or “don’t know” to the question, “Do you know what a co-operative is?”²⁵
 - i. The lack of knowledge about co-operatives is *greater* in Aboriginal communities than rural communities; 23 percent of rural respondents answered “no” or “don’t know” to the same question.²⁶
 - b. Educational and developmental material that addresses and reverses the absence of Aboriginal knowledge about co-operatives must be customized to Aboriginal culture.²⁷
 - c. Those who specialize in Aboriginal social and economic development also require training in the co-operative model to give them more tools and ideas.²⁸
- I. During the CIP research project, it became clear that the straightforward methodology used in rural areas to create and promote an open community meeting (book a venue and caterer, issue invitations, host a meeting) is culturally inappropriate in Aboriginal communities.²⁹
- a. There is a contact and engagement stage that must be held first with community leaders, usually the band council. Only after the band council approves and supports the meeting can it go forward into planning.³⁰
 - b. Past researchers working with Aboriginal communities on co-operative enterprises have noted: “The chief is the central point of entry to the community. He or she and the council act as gatekeepers, controlling information, finances, and social and economic development.”³¹
 - c. Community gatekeepers are particularly visible and strong in Aboriginal communities.
 - d. Politics are very strong and visible in Aboriginal communities. Many decisions are based on close personal ties and other relationships.³²
 - i. Co-operative development work must address and consider the role and importance of gatekeepers and local politics.
- J. Co-operative developers working with a First Nations community should embrace cultural expectations around elders.
- a. Elders should be invited to all community meetings and asked for guidance and prayer.
 - b. Co-operative businesses could ideally include elders in the workplace.³³
 - c. Honorariums and gifts are culturally appropriate for elders and volunteers.³⁴
- K. The democratic co-operative model requires modification to suit the cultural, social, and political needs of today’s First Nations.
- a. The *Indian Act* set out governance structures for band councils and chiefs, which are now entrenched in most First Nations communities.
 - b. Negotiating the role of chief and council *vis-à-vis* the nascent co-operative board structure is critical.



- i. The open, democratic, and transparent business model of a co-operative board can bring forth “potential conflict between band councils and co-operative boards.”
 - ii. A band council “essentially competes with the elected-board structure of co-operative organizations.”³⁵
 - c. There is a critical difference between *collective* ownership and *co-operative* ownership. First Nations people belong to their band by birth. The band has a collective ownership of the land and sometimes of various businesses, buildings, or other enterprises owned by the band.
 - i. In co-operative ownership, a central tenet is to actively join a co-op. As a result, co-op Aboriginal membership is a tricky issue. Band members and bands may assume their membership in the co-op is a right, without paying a membership fee or actively participating in governance, decision making, or other democratic expectations of co-operatives.³⁶
 - d. Some Aboriginal communities (like many other rural communities) may need extensive support and training in aspects of governance, leading meetings, business and economic planning, accounting, and business development skills.³⁷
 - e. Care and attention needs to be paid to developing the governance and organizational structures of Aboriginal co-operatives, which sometimes requires innovation in applying the model.³⁸
- L. The *Indian Act* is a federal act, controlling land, investment, and much of the decision making on First Nations reserves. It is part of what creates a “complicated political and policy environment and is acting as a general barrier to economic and community development.”³⁹
 - a. Co-operative developers working with First Nations within a reserve structure will need extensive training and knowledge of the *Indian Act*.⁴⁰
 - b. Land and personal ownership on-reserve is complex. Without collateral, financing is a huge barrier.
 - c. Layers of local by-laws and on-reserve governance structures, including some reserves with self-governance, make each co-operative structure unique, with its own challenges.
 - d. Aboriginal development corporations play a central role in decision making regarding business development.
 - i. Developing formal links and ties to these corporations is critical in supporting nascent Aboriginal co-ops.
 - ii. Multiple kinds of business organizations, including but not limited to co-operatives, may provide a more robust economic environment on-reserve.⁴¹
- M. Ensuring membership participation, a significant challenge for all co-ops, can be a particularly acute problem within Aboriginal communities.
 - a. Aboriginal co-ops tend to be well patronized by their members but experience limited participation in the member-driven governance process.
 - i. Co-operative development may need to be innovative in finding ways to create better connections that are culturally appropriate.



- ii. If membership is a result of band membership with no specific buy-in or cost, there is less participation or ownership of the model.⁴²
 - b. Aboriginal communities usually have substantially lower median ages and high numbers of children.
 - i. Designing meetings to accommodate and welcome children and families may be important.
 - c. In some SSHRC-sponsored studies, participants in focus groups or meetings are offered an honorarium. In low-income communities, these honoraria can be a significant financial help.
 - i. Co-operative development and developers may need to include per diems for volunteers.
 - d. Loss of income by attending all-day meetings, or several meetings over the course of a year, may be a barrier to volunteers and board members.
 - i. Creatively consider ways to address these barriers.⁴³
- N. Co-operatives are highly successful in supporting and training a local labour force, both through jobs within the operating co-operative business, as well as board and membership experience.
 - a. Board and member participation gives back to people through governance training, meeting protocol, keeping minutes, and other lifelong learning tools. These can be both work experience and resumé-enhancing tools.
 - b. Local work is in high demand in Aboriginal communities, where many people prefer to stay within their communities.⁴⁴
 - i. Co-operatives may therefore address multiple needs.
- O. There is a high level of pragmatism in Aboriginal communities around business development.
 - a. If the co-op model makes sense in a particular context, it will be the right model.
 - b. If there are no cost savings, better profits, or other practical inducements to the co-op model, it is not the right choice.⁴⁵
- P. Co-operative developers working with Aboriginal communities in western Canada have noted that future co-operative development may find more traction and success above the band level, either connecting multiple bands together to form a co-op, or by creating a co-op of Grand Councils or other regional or provincial entities.
 - a. Such a co-operative multiplies the effect of collective ownership at the band level to co-operative ownership.
 - b. Pursuing economic development, service delivery businesses, or other opportunities/needs at the regional level can remove co-op development from the limitations that can come with band-level co-op development.⁴⁶
- Q. Aboriginal communities strongly identify with nearby Aboriginal communities, creating a larger multi-local definition of “community.”⁴⁷
 - a. Aboriginal communities rarely identified rural neighbours as part of their “community,” although nearby urban centres were sometimes included.



- b. Rural communities rarely identified Aboriginal neighbours as part of their “community.”
- c. These observations show a continued social and cultural split between rural and Aboriginal communities.
 - i. This split is reinforced by separate governance mechanisms relating to law, finance, ownership, culture, health, and education.

Conclusion

Aboriginal communities have a strong history and depth of experience with co-operative business models, co-operative endeavours, and collective action. Building Aboriginal co-operatives is a fundamental investment in relationship-building, within an Aboriginal community and among its leadership, and between the community and catalyst co-operative developers invited to work with the community to investigate and possibly develop a co-operative enterprise. If and when an Aboriginal community believes that a co-operative might be the right tool to use to solve a local issue, then co-operative development can begin.

New Aboriginal co-operatives may require innovation of the co-operative model and an expanded acceptance of co-operative possibilities, including co-operative operations that are not registered as formal businesses. One of the first hurdles is to build awareness of co-operative possibilities and grow knowledge of the co-operative model amongst western Canada’s Aboriginal people. Building this awareness will require culturally-appropriate understanding of co-operatives that draws from Aboriginal mentors, history, and examples. An Aboriginal co-operative business encompasses strong cultural strategies, including culturally-appropriate practices in the workplace. To create co-ops that thrive, co-operative development that inspires, explores, and builds the co-op model from the perspective of Aboriginal culture and community is the only way forward.

Co-operative development must navigate not only the traditional “steps” outlined in the previous chapter in this final report, but do so in a way that embraces and addresses the unique legal situation of Canada’s Aboriginal communities. Knowledge of the *Indian Act* and direct mentorship and support from other groups that have successfully navigated those situations is key. Co-operative development that creates strong co-ops must work with and within these frameworks.

Co-operative development that allows co-ops to thrive addresses significant political and cultural considerations, particularly around leadership, power, gatekeepers, and collective ownership. The co-operative model may not be a fit, at this or any other time, in every Aboriginal community. Relationship-building, both with co-op developers and also with nearby communities that may share similar needs and concerns, takes time and trust. There may be a role for co-operative development that harnesses the individual identities and strengths at the band level to create co-ops from multiple First Nations bands or tribal councils.

Co-operative development with Aboriginal communities invests energy in all aspects of co-operative development, from inspiring the idea to exploring the possibilities within the local context, to building a culturally-appropriate business model that addresses a clearly-identified need, and in supporting the co-operative to thrive beyond its incorporation stage to a fully-fledged, operating co-operative enterprise.



Endnotes

- ¹ Co-op developer interviews, CIP 2015.
- ² Aleksandrs Sprudz, *Canadian Co-operative Digest*, 1969. It is unclear in this article if Sprudz was counting Inuit co-operatives differently; if so, then these numbers are low.
- ³ Lou Hammond Ketilson and Ian MacPherson, *A Report on Aboriginal Co-operatives in Canada: Current Situation and Potential for Growth* (Centre for the Study of Co-operatives, 2001).
- ⁴ Canadian Co-operative Association, "Co-operatives in Aboriginal Communities in Canada," 2012. See http://www.coopscanada.coop/assets/firefly/files/files/CoopsInAboriginalCommunities2012_FINAL_low_rez.pdf.
- ⁵ Hammond Ketilson and MacPherson 2001. See also Isobel M. Findlay, "'Nuna Is My Body': What Northerners Can Teach about Social Cohesion," in *Co-operative Canada: Empowering Communities and Sustainable Businesses*, ed. Brett Fairbairn and Nora Russell (UBC Press, 2014), pp. 41-66; Sprudz 1969.
- ⁶ Hammond Ketilson and MacPherson 2001, p. 5.
- ⁷ Findlay 2014, p. 52.
- ⁸ Saskatchewan First Nations Economic Development Network and Saskatchewan Co-operative Association (SFNEDN-SCA), *Local People, Local Solutions: A Guide to First Nation Co-operative Development in Saskatchewan*, 2015.
- ⁹ Find these Tri-Council guidelines at <http://www.pre.ethics.gc.ca/eng/policy-politique/initiatives/tcps2-eptc2/chapter9-chapitre9/#toc09-1>.
- ¹⁰ Hammond Ketilson and MacPherson 2001, p. 4.
- ¹¹ Co-op developer interviews, CIP 2015; Ushnish Sengupta, "Indigenous Cooperatives in Canada: The Complex Relationship between Cooperatives, Community Economic Development, Colonization, and Culture," *Journal of Entrepreneurial and Organizational Diversity* 4(1) 2015: 121-52.
- ¹² Co-op developer interviews, CIP 2015.
- ¹³ Sangupta 2015.
- ¹⁴ Co-op developer interviews, CIP 2015.
- ¹⁵ Ian MacPherson, "What Has Been Learned Should Be Studied and Passed On: Why the Northern Co-operative Experience Needs to be Considered More Seriously," *The Northern Review* 30 (Spring 2009): 57-81.
- ¹⁶ Aboriginal co-operative development summit, Winnipeg 2015. CIP notes; see also Sangupta 2015.
- ¹⁷ Sangupta 2015.
- ¹⁸ Saskatchewan First Nations Economic Development Network and Saskatchewan Co-operative Association (SFNEDN-SCA), *Local People, Local Solutions: A Guide to First Nation Co-operative Development in Saskatchewan*, 2015.
- ¹⁹ Co-op developer interviews, CIP 2015.
- ²⁰ Sangupta 2015; David Quiring, "From the Bush to the Village in Northern Saskatchewan: Contrasting CCF Community Development Projects," *Journal of the Canadian Historical Association/Revue de la Société historique du Canada* 17(1) 2006: 151-78; David Quiring, *CCF Colonialism in Northern Saskatchewan* (UBC Press, 2006).
- ²¹ Terry Tobias and James Key, "The Bush Harvest in Pinehouse, Saskatchewan, Canada," *Arctic* 47 (3) 1994: 207-21.
- ²² Co-op developer interviews, CIP 2015.
- ²³ MacPherson 2009.
- ²⁴ Isobel M. Findlay, James Popham, Patrick Ince, and Sarah Takahashi, *Through the Eyes of Women: What a Co-operative Can Mean in Supporting Women During Confinement and Integration* (Centre for the Study of Co-operatives, 2013).
- ²⁵ Telephone survey, CIP 2015.
- ²⁶ Telephone survey, CIP 2015.
- ²⁷ A.A. Hubenig, "The Natives are Indeed Restless," *Indian Record*, March 1968; Lou Hammond Ketilson, "'To See Our Communities Come Alive Again with Pride': (Re)Inventing Co-operatives for First Nations' Needs," in *Co-operative Canada: Empowering Communities and Sustainable Businesses*, ed. Brett Fairbairn and Nora Russell (UBC Press, 2014), pp. 209-32.
- ²⁸ Co-op developer interviews, CIP 2015.



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- ²⁹ See CIP overview 2015.
- ³⁰ CIP planning and project direction 2015.
- ³¹ Hammond Ketilson 2014, p. 227.
- ³² Community meeting notes, CIP 2015.
- ³³ SFNEDN-SCA 2015.
- ³⁴ CIP community meeting planning 2015; see also Tri-Council policy on Aboriginal engagement.
- ³⁵ Hammond Ketilson 2014, p. 219.
- ³⁶ Hammond Ketilson 2014.
- ³⁷ Cynthia Chataway, "Successful Development in Aboriginal Communities: Does it Depend upon a Particular Process?" *The Journal of Aboriginal Economic Development* 3 (1) 2002: 76-88.
- ³⁸ Hammond Ketilson 2014.
- ³⁹ Hammond Ketilson and MacPherson 2001, p. 4.
- ⁴⁰ Co-op developer interviews, CIP 2015.
- ⁴¹ Lou Hammond Ketilson and Ian MacPherson, "Aboriginal Co-operatives in Canada: A Sustainable Development Strategy Whose Time Has Come," *The Journal of Aboriginal Economic Development* 3 (1) 2002: 45-57.
- ⁴² These points are clearly articulated in Hammond Ketilson 2014.
- ⁴³ Community meeting events, CIP 2015.
- ⁴⁴ Findlay 2014.
- ⁴⁵ Co-op developer interviews, CIP 2015.
- ⁴⁶ Co-op developer interviews, CIP 2015.
- ⁴⁷ Information about conceptions of "community" were drawn from community meetings, CIP 2015.