

Making Modern Treaties Work – LCAC
Breakout 3C: Building Sustainable Economies

Moderator: Daniel T'seleie, Self-Government Negotiator, K'asho Got'ine

PJ Akeeagok, President, Qikiqtani Inuit Association

Keith Martell, Director, President and Chief Executive Officer, First Nations Bank of Canada

Nathan Fournier, Department Head, Economic Development, Makivik Corporation

PANELIST 1: PJ Akeeagok, President, Qikiqtani Inuit Association

- The first scheduled panelist, PJ Akeeagok, President of the Qikiqtani Inuit Association (QIA), was unfortunately unable to make it to present.
- Instead, a video presentation was shown on his behalf which provided a glimpse into the mission of the (QIA): to empower Qikiqtani Inuit while protecting the Qikiqtani region in Nunavut. The QIA deliver several programs such as environmental stewardship/on-the-land programs, daycare and early learning resources, education and language initiatives, and employment services such as skills training. More information on the QIA's role and programs can be accessed via their website: <https://www.qia.ca/>.

PANELIST 2: Keith Martell, Director, President and Chief Executive Officer, First Nations Bank of Canada

- The focus of his presentation was on nation building and building corporate champions. He noted that modern treaties hold several potential enabling conditions to support these outcomes.
- Modern treaties support improved fiscal capacity, jurisdictional certainty, and capital to enable long-term visions for planning. These three attributes improve what he called jurisdictional capacity, or the capacity to deliver for your jurisdiction, rather than depending on the federal government.
- A stable stream of capital, resulting from modern treaties, paves the way for economic developments. Therefore, modern treaties provide a foundation and opportunity to develop viable and sustainable economies.
- Building corporate champions is essential to Nation building.
- Turning to the modern treaty members in the room, Keith remarked that “economic entities in your regions need to reflect economic, social, and governance aspirations of the nation that you're building.”
- Corporate champions can be described as companies that act in the interests of the region where they are owned, in the region they serve.
 - o For example, Air Creebec, an airline owned by the James Bay Cree, is more than just a company. Their operations are focused toward the interests of the James Bay Cree. If not run by this entity, the airline's services would be less geared to the communities they serve.
- Keith proceeded to describe the history and background of FNBC. He noted the bank was established in 1996 by First Nations in Saskatchewan. FNBC provides financial services to Indigenous and non-Indigenous customers, to approximately 14,000 individual accounts. The primary focus is to provide services for Indigenous Peoples.

- Keith stressed the different focus with respect to who is driving FNBC's business, relative to large banks such as RBC or Scotia Bank, who have different priorities. FNBC understands that the demographics are different in FN communities; rather than prioritize commercial profits, they do things like help 16-18-year old's open up a first bank account.
- Keith recounted the history of "Canadian" banks. He put the word Canadian in parentheses as he noted that the Bank of Montreal (BMO) was founded by 8 immigrant merchants who were unhappy with the services provided by the European banking entities which were dominant at the time. He said that FNBC wants the same thing as those 8 Canadian merchants who founded BMO: a banking entity that services the needs of their own communities.
- FNBC hires locals, builds community confidence, and supports Nation building.
- Keith remarked, "we view ourselves as a nation building asset because that's what our shareholders view us as."
- Keith spoke about how the loan portfolio of FNBC has changed over time. When the bank first started, the majority of loans went to lines of credit and project financing for First Nation governments. Today, about a third of the bank's loans go towards FN governance, but because FN have continued to evolve, about a third of FNBC's loans are in real estate (e.g. hotels, office buildings), and another third is in the commercial sector, such as fishing and forestry endeavors.
- The strategy behind FNBC is about organic growth because of the focus on the needs of their customers. Keith noted "we compete with big banks like BMO, but we attract customers because of the services we offer, that are tailored to their needs."
- 70% of FNBC's employees are Indigenous, and 38% of management is Indigenous. FNBC wants those numbers to continue to grow.
- FNBC is not located in major cities like Ottawa, Vancouver, or Toronto, but rather in areas with the people they serve.
- Most of the 9 banking centres are in villages which have never had a bank before. The banks are scaled to meet the banking needs of the communities they serve.
- Keith described the significance of when a bank is opened up in a community that has never had a bank. Without a bank, there might not be enough cash flow (e.g. at the co-op) to clear all the checks in the community. Keith described how one woman in Baker Lake, Nunavut, teared up when the FNBC opened their branch in that community. She said previously, it could take three weeks to cash a child support check, as she would have to mail it to a banking institution in the south.
- In conclusion, Keith recommended that FN communities think about Nation building strategies. FN companies still need to make money, but also need to think about the long-term interests of the Nation: building capacity, serving the community, and bettering the community. He advised that FNs think beyond economic development, as this often translates to joint ventures with outside partners that do not reflect the interest of the First Nations.

Nathan Fournier, Department Head, Economic Development, Makivik Corporation

- The Makivik Corporation is a land claim corporation in Nunavik. His presentation focused on the topic of entrepreneurship and economic development in the region.
- Nathan began by showing a video which presented the reality of entrepreneurship and economic development in Nunavik. At the beginning of the video, it became clear that

Inuit cultural values clashed with the students' perception of what entrepreneurship is. Entrepreneurship was defined as an innovation that offers a solution to a customer. In the video, Inuit students learning about entrepreneurship expressed that they didn't want to make a profit from other Inuit. The instructors then reframed entrepreneurship to explain that it could simply mean making something new, and that entrepreneurial endeavours do not always need to make a profit. Then the students were interested.

- The video showed some examples of entrepreneurship in Nunavik. A non-profit house in Nunavik provided an example of collective entrepreneurship. Although a business is typically understood to create jobs and make profit, it can also benefit the community as a whole.
- One Inuit resident of Nunavut explained how his main goal as an entrepreneur was to create jobs in the community. Another stressed that businesses don't have to get bigger, and that business can mean different things in different cultures.
- Nathan then turned to describe the Makivik Corporation's mandate and the economic environment in Nunavik.
- The Makivik Corporation is a land claim corporation, which acts as an enabler for economic development, and supports stimulating the economy through programs and procurement. Nathan described how different the economy is in Nunavik from other Northern jurisdictions. The public sector and mining account for 70% of jobs and GDP. Around 20% is captured by the social economy, and just 5% from small businesses.
- Nunavik is the region with the lowest levels of small and medium sized enterprises (SMEs) in Canada.
- He continued to express that there is a clear need for policies and programs to support Inuit businesses in Nunavik. At present, the Makivik Corporation is trying to figure out the root causes behind the lack of SMEs. One way Makivik is trying to address the problem is by broadening the definition of entrepreneurship to align with the culture in Nunavik. They want entrepreneurship to be understood as a way to foster pride and identity, while also being a tool for self-determination in a globalized economy. But the concept of individual enterprises can be understood as going against fundamental Inuit values of sharing and reciprocity.
- Further, the Makivik Corporation looks at the ecosystem as a whole to identify where Makivik can add value, whether it be partnerships with government, or other groups.
- The Nunavik Inuit businesses registry, which is under development, is an essential tool for economic development, as it can promote and stimulate the growth of Inuit businesses in Nunavik. It is also necessary to continue work on procurement.
- Nathan asked, "how do we get Inuit firms to win bids for projects? We need a business registry a pre-requisite to implement procurement policies."
- He described how provincial policies have been a challenge. In particular, the lowest bidder law in Quebec, which means the government must take the lowest bid for public projects, making it difficult for Inuit businesses to compete. The Makivik Corporation believes that unlocking this procurement strategy is key to economic development in the region.
- There are several definitions of a Nunavik Inuit business, and all are based on ownership. They must either have at least 51% Inuit voting shares, be a cooperative controlled by Inuit, or be a sole proprietorship owned by Inuit. The growth of Nunavik Inuit businesses is inherently tied to Inuit procurement and entrepreneurship in Nunavik. Through the

process of compiling a Nunavik Inuit Business registry, the aim is to reduce the business leakage and promote a healthy and safe economy.

- In most communities in Nunavik, the only small businesses are the co-op and Northern Store. However, there is an informal economy of micro-entrepreneurs (seamstresses, artisans).
- The aim is to get these micro-entrepreneurs to join the formal economy.

Question:

1. A major hurdle to developing a solar energy system is the upfront capital cost, would FNBC finance a renewable energy project?

Keith Martell

- We are looking into this more, but as a bank we need to fund commercially viable projects.

2. **Moderator Daniel T'seleie:** I'm very interested in your definition of entrepreneurship – is there any work you're aware of that's going on to build local economies without exchanging money?

Nathan Fournier

- Harvesting is part of a sharing economy, but other than that, I'm not aware of any projects going on that aren't using the medium of money. But we are trying to promote leadership and entrepreneurship – encouraging Inuit to attend events and programs to learn more could be another example.

3. Do you have any tools to assist FN with starting companies?

Nathan Fournier

- Makivik is not mandated to provide those services, our role is to be an enabler. Our main question is, how can we enable or unlock opportunities for entrepreneurship? So, part of that is looking to broaden understandings of entrepreneurship.

Keith Martell

- One of the biggest challenges with respect to entrepreneurship is K-12 education. Improve that and there will be more entrepreneurs.
- Until the federal and provincial governments get that right it will be difficult to see an entrepreneurial shift in these communities.

4. Our Nation is still in its infancy when it comes to business development, including banking. One thing I never heard in your presentation is how difficult it is to get buy in from a variety of nations that do support your bank.

Keith Martell

- I agree with your comment and it's not easy.
- I'm remembering Nathan's comment about how at times Indigenous people will look down on other Indigenous businesses, and the problem of jealousy. I believe this is a 'hangover,' so to speak, from residential schools.
- We are often harder on our own (Indigenous) businesses than on other (non-Indigenous) businesses that are serving us today. We'll grind a local guy who doesn't do the best job gravelling the roads, but then be less hard on an outsider who does

- similarly bad work and takes off, while leaving nothing for the community. We're not going to create corporate champions until we get over this.
- We need to agree that we'll support our own first. We need to be competitive (with non-Indigenous companies), and if we are competitive, we should win every time.
5. Is there any analysis on why there are more SMEs more in Yukon? Does it have anything to do with tourism there? Perhaps it is simply an issue of meeting market demand?

Nathan Fournier

- Tourism a factor, culture is also a factor.
- In the Yukon they have role models, as there are many successful Indigenous entrepreneurs. People think, well they started a business, why can't I?
- Makivik is currently working with the school board to identify trainings and programs we could put in place; we are trying to tailor a curriculum to support entrepreneurship.