

**LESSONS LEARNED ON EMPLOYMENT,
LABOUR MARKET, AND ECONOMIC
DEVELOPMENT POLICIES, PROGRAMS,
AND SERVICES FOR ABORIGINAL PEOPLES**

**LESSONS LEARNED
FINAL REPORT**

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Acknowledgements

This study summarizes lessons learned from the involvement that Canadian governments have had in the areas of Aboriginal economic, employment, and labour market development. It is based on a technical report produced by Prairie Research Associates (PRA) for, and under, the direction of the Evaluation and Data Development Branch of HRDC.

The study benefited from the contribution of numerous participants. In particular, the work of Rita Gunn, Greg Mason, and Anna Sicoli of Prairie Research Associates (PRA); the Aboriginal Relations Office (ARO) within Human Resources Development Canada, along with 8 other federal departments; numerous provincial organizations; and most importantly, the time and effort of the many Aboriginal organizations that made this project possible, including 6 National Organizations, along with numerous other regional organizations. Without their involvement and commitment to this project, it would never have been possible.

The technical paper produced for HRDC as part of this study is available upon request.

Series

Canadian governments are trying to achieve the most productive and cost-effective results from human resource programs and policies. Professionally-conducted evaluations can help them reach that goal. They document our experiences with policies and programs that have had similar goals. They add to the "corporate memory" that helps us make still better decisions in the future.

At Human Resources Development Canada (HRDC), we have a strong commitment to continuous learning and improvement. Over the past decade, we have invested time and money in evaluating many of our programs and policies covering a wide range of human resources development issues. These have been complemented by our reviews of evaluations conducted by other governments, in Canada and internationally, in the area of human resource initiatives.

HRDC developed the "Lessons Learned" series to make this wealth of information and insight available to more people more easily. The Lessons Learned studies are a series of documents and supporting videos that synthesize what evaluations in Canada and other countries have taught us about a range of high-profile human resource policy priorities. They summarize what we know about the effectiveness of policy initiatives, programs, services and funding mechanisms.

Lessons Learned are of interest to senior managers and policy analysts in Canada's governments. Program managers, public policy researchers and stakeholders such as Aboriginal authorities and organizations, can also benefit from understanding the lessons we have learned from past and present programs.

HRDC is pleased to present the latest study in this series, which is one of two companion documents related to Aboriginal social and economic development issues. This particular document focuses on the lessons learned from past experience with economic, employment, and labour market development programs that are applicable to Canada's Aboriginal population. This study was conducted in support of the Regional Bilateral Agreements (RBAs) which have devolved control and responsibility for the design and delivering of programs directly to local Aboriginal organizations. These same RBAs will end in March 1999, and will be replaced by new agreements signed under the new Aboriginal Human Resource Development Strategy. It is hoped that this study will contribute to the development of policies and programs that will be part of this new approach.

As a learning organization, HRDC will continue to experiment with new approaches and evaluate their effectiveness. HRDC recognizes the vital importance of the evaluation process and is committed to continuing its work in this area.

Preface

This report was commissioned by Human Resources Development Canada (HRDC) as part of its lessons learned series which examines past evaluations and updates them with insights from current literature and expert knowledge. This document presents a summary of the findings from the technical report *Lessons Learned on Employment, Labour Market, and Economic Development Policies, Programs, and Services for Aboriginal People*. The lessons learned study was prepared by Prairie Research Associates (PRA) Inc.

The lessons learned study process began by obtaining evaluation studies from HRDC and federal departments. The next step reviewed academic literature and studies from Canada, the United States, and Australia. This was followed by interviews with HRDC staff and representatives from Aboriginal organizations. We analysed the data gathered and prepared a summary of preliminary findings. HRDC invited participating federal departments, national Aboriginal organizations, and selected Aboriginal employment and training agencies to provide feedback on the preliminary findings. Upon obtaining their comments, we drafted a technical report and asked organizations that participated in the study to review it. In particular, we requested that Aboriginal organizations validate the findings and applicability to their organization or community. We incorporated their comments into the technical document where possible.

In all cases, federal departments and Aboriginal organizations agreed with the findings. Comments dealt with points of clarification and further research needed. Comments also touched on the current regional bilateral agreements in labour market development and employment and training. We provided these comments to HRDC separately which is currently in the process (along with Aboriginal organizations), of evaluating these agreements.

Throughout this document, the report refers to “*Aboriginal*” people. This term is broadly meant to refer to all indigenous people, including: First Nation communities, the Metis, the Inuit, and Status and non-Status Indians. In some cases we do refer to a specific ethnic group. The broad terminology encompasses the diversity that exists among Canada’s native population.

Finally, we would like to thank the many Aboriginal and non-Aboriginal organizations that contributed to this lessons learned study. Your participation and input were essential to the lessons learned process and is much appreciated.

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Lessons Learned on Employment, Labour Market, and Economic Development Policies, Programs, and Services for Aboriginal Peoples: Lessons Learned

1.0 Introduction

The majority of Aboriginal communities across Canada face bleak economic prospects with chronically higher rates of unemployment and social assistance¹ receipt than most other Canadians. Compared to Canadians in general, Aboriginal people have lower earnings from employment as well as lower levels of income. In addition, the Aboriginal population is growing fast with a large percentage comprised of youth and adults between the ages of 25 and 34 years. This growth has serious implications for labour market policy and program development.

Aboriginal communities experience high rates of unemployment and social dependency.

Over the past three decades, governments have used various labour market and business development programs to assist individuals and communities to improve their economic circumstances. Since the mid-1980s, governments and Aboriginal communities have introduced numerous Aboriginal-specific policies and programs to bolster economic development, and to combat unemployment and dependency on social assistance. The objective of the lessons learned study is to derive a core set of lessons learned to help enhance Aboriginal human resources development.

Prior to discussing these lessons, it is important to understand changes to Aboriginal human resources development in Canada.

In the 1970s, Aboriginal people were recognized as a segment of the clientele accessing mainstream programs. Some exceptions existed, such as the long running *Native Internship Program* (NIP) which Employment and Immigration² introduced in 1977 and a range of programs delivered by Indian and Northern Affairs (INAC).

In the 1970's Aboriginal people accessed mainstream programming.

In the 1980s, governments introduced Aboriginal-specific policies and programs to develop local economies. For example, Industry Canada introduced the *Native Economic Development Program* while HRDC introduced *Pathways to Success*.

In the 1980s Canada introduced Aboriginal-specific programming.

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1. In Canada, the term social assistance is used to refer to welfare, the term more commonly used in the United States literature. In this report, the two terms are used interchangeably.
 2. The former Employment and Immigration Canada is now part of HRDC (Employment) and Citizenship and Immigration Canada (Immigration).
-

INAC introduced the *Indian Community Human Resources Strategy* (ICHRS). These programs were later brought under the umbrella of the *Canadian Economic Development Strategy* (CAEDS).

In the 1990s, with the progression towards self-determination, Aboriginal organizations control existing programs and are on the verge of designing new ones.

In the last decade, Aboriginal organizations have assumed increased responsibility for federal programs. Relationships with other levels of government have also grown in importance, evidenced by the entry of the provinces into the field of labour market development. At the same time, the Royal Commission on Aboriginal Peoples (RCAP) recognized the problems of adapting mainstream programs to Aboriginal communities, and the lack of continuity and coordination among programs. In response, the federal government introduced *Gathering Strength* - an agenda for working together with Aboriginal people. Many initiatives were announced as part of *Gathering Strength*, including a comprehensive Aboriginal Human Resources Development Strategy.

Current HRDC Aboriginal labour market programming initiatives come up for renewal in 1999.

The lessons learned study is timely as Human Resources Development Canada (HRDC) labour market and employment-related programming³ for Aboriginal people is sunsetting in 1999. These lessons are intended to provide insights from the results of past programs and policies, and to help Aboriginal policy makers and program designers develop future programming. The lessons learned study may also help provincial governments interact with Aboriginal communities.

1.1 The focus of the study

The lessons learned summarized in this report rely upon:

- studies from Canada, Australia and the United States over the last 30 years
- past evaluations from several federal departments
- key informant interviews with federal, provincial, and territorial staff, and representatives of Aboriginal organizations throughout Canada.

The study divides policies, programs, and services according to an individual and community focus. This simple framework presents a way to analyze themes from the point of view of what has and has not worked. Individual focussed policies and programs concentrate on improving a worker's employability and entry into the labour market. Community-oriented interventions deal with business development initiatives designed to create employment opportunities.

3. HRDC labour market and employment-related programming due to end in 1999 includes the Regional Bilateral Agreements, Urban Aboriginal Initiatives, and Aboriginal Strategic Initiatives.

A comprehensive approach to community development includes social and economic interventions (see diagram below). The study focusses on labour market development, employment and training, and economic development. The study does not review social policies unless they were designed to encourage, induce, or compel individuals to secure or maintain work.

Aboriginal human resources development includes economic and social aspects	
Economic focus	<ul style="list-style-type: none"> • labour market and employment-related initiatives • community economic development • culture and governance
Common areas	<ul style="list-style-type: none"> • education • youth • culture
Social focus	<ul style="list-style-type: none"> • social development • health • child care

FIGURE 1

The study examined programs and policies available to the public at large. Numerous employer training programs exist, but these are excluded. The study also does not deal with mainstream social policy such as the Canada Pension Plan or Employment Insurance benefits that, in and of themselves, merit a lessons learned study. The study does address special issues such as education and youth which are relevant to economic and social policy. The study also discusses the importance of incorporating culture into programming and governance style.

In this study, labour market initiatives are interventions designed to train and place workers in the workforce (supply side). In contrast, community development policies are intended to create employment (demand side) for those trained workers. Both sides of the labour market are needed for successful Aboriginal economic development.

2.0 General Lessons Learned

The study draws many general lessons related to policies, programs, and services with an individual and community focus.

2.1 Governance is the key to community economic development

Self governance is critical to Aboriginal community economic development and labour market development programming. *Gathering Strength* priorities include

developing strong, effective, and accountable Aboriginal governments and institutions. This is to be accomplished by working with Aboriginal people, provinces, and territories. The literature supports this approach.

Governance is a precondition for economic development (not the reverse). Governance is an outcome of two factors:

- cultural heritage
- designing institutions compatible with external organizations (public and private).

The literature shows that successful communities are self-governing, regardless of whether they are on-reserve or urban Aboriginal communities. The keys to development and successful social and economic policy and programming include:

- control over the design and delivery of programming
- political structures separate from business institutions
- joint ventures and trade with external markets
- entrepreneurship and the conditions that allow it to flourish
- the inclusion of cultural traditions in community planning and institutions.

2.2 Policy design needs to be coordinated

Economic development policy in Canada was connected to employment policy through the Department of Regional Economic Expansion (DREE, which is now Industry Canada), and initiatives such as *Community Futures*. Since then there has been a policy shift separating the two. Human Resources Development Canada is not closely linked to regional development agencies. This is especially important because employment and economic development do not occur in isolation. Shifts in mandates have led to gaps in policy design within and across departments. There is a need for federal and provincial departments to work together to ensure a coordinated approach to community development that has proved to be effective in successful Aboriginal development.

2.3 Capacity building is important for success

Communities with strong institutions, a broad base of skills, and a clear separation of administrative and political organizations tend to be successful in economic and employment development, health care, social policy, and education. Governments often approach capacity building as something that can be done in isolation to motivate community economic development. Government-sponsored activities such as training, workshops, job exchanges, and information

Governments cannot develop capacity for Aboriginal communities.

sharing are helpful. Nevertheless, American and Canadian studies, most recently the Royal Commission on Aboriginal Peoples (RCAP), show that appropriate governance at the community level is key for economic and employment development. The fundamental lesson is that federal and provincial governments alone cannot induce capacity. A community must develop its own vision of governance based on its own principles and cultural traditions, while at the same time ensuring conformance with external organizations to create the basis for effective partnerships.

2.4 Program delivery is dependent on capacity and skills

No one model of program delivery stood out above others. Rather, common features influence effective delivery. Studies of initiatives such as CAEDS, the employment and labour programs, and the mainstream community economic development literature, identify the following common factors for success:

Strong and stable institutions are instrumental to effective program delivery.

- leadership and management skills
- strong administrative institutions
- reporting mechanisms to monitor results and make innovations
- access to other funds and resources
- flexibility to adapt programs and allocate funds accordingly
- separation of politics and institutions of business development.

Successful communities usually have existing infrastructures and skill sets that allow for adaptability to continually changing programs. In effect, stability exists to manage change and future growth. Many Aboriginal communities are just developing such institutions and it will take several years to create structures that foster economic development and respond to external accountability requirements.

2.5 Partnerships are key to employment and economic opportunities

Partnerships among governments, Aboriginal peoples, and the private sector create economic opportunities that are important for job creation. The pattern of economic/business development determines the set of education and training skills needed. Two lessons emerge. First, economic development and employment training are closely related. Second, partnerships are instrumental in creating both and Aboriginal communities must create effective and accountable institutions to support such partnerships.

2.6 Funding arrangements have become more flexible

Funding arrangements guide and help manage program delivery. Terms and conditions that are easily adapted allow Aboriginal organizations to meet community needs. Examples include Health Canada's *Health Transfer Agreement*, HRDC's *Aboriginal Flexible Funding Arrangement*, or INAC's *Flexible Transfer Agreement*. Studies of past funding arrangements reveal that these agreements increase "capacity" as organizations learn by doing for themselves. However, creative funding mechanisms alone are not sufficient. Several studies of funding arrangements demonstrate that often communities do not use the flexibility accorded them. Experience and strong institutions are also required.

2.7 Accountability will be enhanced through results reporting

Accountability mechanisms exist at various levels of government. The federal government needs these to demonstrate value for money and to document program results. Aboriginal communities tend to focus on community needs and training. Past evaluation studies in Canada have not tracked participants beyond short-term employment and placement, while American studies make extensive use of longitudinal data. Key informants believe similar "results-based reporting" is important to measure success, as is documenting the processes and steps taken to get there.

3.0 Lessons Learned From Labour And Employment Training Policies and Programs

The study examined several program and policy areas.

Summary of key lessons

- Mainstream programming has shown very modest results in terms of employment outcomes arising from training.
- Educational deficits of those on welfare are profound, and skills training often only allows participants to access low wage and temporary jobs.
- Intensive academic training linked to employment, school to work transitions, and preventing premature drop out are the most promising approaches for long-term success.
- Increasingly, initiatives are being linked to community economic development.

3.1 Lessons from employment and training programs

There are many lessons learned from employment and training programs implemented in the United States, Canada, and Australia over the past thirty years. Unfortunately many of the results of mainstream programs have been disappointing. While there is little written on Aboriginal-specific labour market and employment training programs, many lessons from mainstream programs are directly relevant to Aboriginal policy makers and program designers in developing new programming or initiatives.

Programs to improve the employability of economically disadvantaged persons have had modest results

Many Aboriginal people live in urban areas and face the same bleak economic prospects, social problems, and housing difficulties as minority groups living in the “ghettos” of North American cities. In Canada, on-reserve the situation may differ but there are no comprehensive longitudinal studies from which to draw lessons. While Aboriginal communities and provinces have received responsibility for labour market development, they must still meet the legal obligations and policy guidelines imposed by federal programs. In effect, they are often in the position of delivering mainstream programs.

Specific lessons from the employment and training literature include:

- Employment and training programs consisting of classroom, on-the-job training, and life skills development have had minimal impact on earnings and job holding and do not reduce dependency on social assistance.
- Interventions that are short-term in nature do not prevent participants from returning to social assistance after having worked for several months, especially during recessions.
- Attributes of the individual are critical factors in successful outcomes. This is especially so for their “job readiness” as determined by their level of general education and job experience prior to interventions and the time on social assistance.
- Individual case management that addresses all aspects of an individual’s social, health, and educational deficits appears to be promising; however, the financial implications of such programming are significant.
- Training that responds to specific employment requirements is effective while block training (general classrooms) that does not address Aboriginal community and labour market needs may not be. The exception is the essential academic upgrading needed for workers to participate in higher technology occupations.

3.2 Formal education is key to employability

The literature found that short-term skills do not compensate for a poor basic education. Addressing literacy and numeracy deficits is a prerequisite for entry into employment and training programs. Preventing high school drop out is most important. This implies that programming for youth is critical. Vocational/occupational training and school linkages are also essential, and partnerships with provincial governments are instrumental to planning training programs.

3.3 Training linked to jobs is effective

American studies show that in-house training offered by the private sector is more successful than training offered by the public sector. Success is measured as trainees who are able to retain employment and seek new jobs or a career path. Individual evaluation studies show that partnerships of government and business in delivering training programs have also proven to be effective. However, care is needed in design and delivery. Understandably, employers are focussed on their business needs and not the longer term needs of the employee. They are likely to train for the specific skills required for the job. A reversal in the economy may lead to layoffs and employees may return to social assistance. The same situation occurs with wage subsidies; often employment ends as the subsidy programs conclude.

Key informants also stressed the importance of linking job opportunities to training. They noted that in the past the federal government purchased blocks of training seats for Aboriginal clients (and others) that set aside seats in academic institutions or with training contractors. For example, this may produce unemployed hair stylists in a small town that compete against existing businesses. Mainstream programs prior to *Pathways to Success* did little to address individual, community, and labour market demand, or prevent displacement of existing workers and businesses. Midterm reviews of HRDC *Regional Bilateral Agreements* (RBAs) reveal that Aboriginal controlled programming permits the flexibility to purchase and design courses suited for individual and community needs.

3.4 Training for displaced workers

Training programs for seasonal and laid-off workers (due to industrial restructuring) are used. Programs for displaced workers have had small, but statistically significant benefits in raising incomes; however, impacts on total welfare payments are small. Such programs have somewhat better results than training for the disadvantaged, as workers usually have a reasonable educational base and

can better adapt to labour market shifts. Simple job search assistance may benefit these workers.

Few Aboriginal workers are displaced by industrial restructuring. However, as basic education levels increase and Aboriginal workers located in, or nearby, urban centres take employment in industrial sectors, these insights will also apply to them. A sound academic education is a critical element in allowing workers, Aboriginal and non-Aboriginal, to maintain economic independence.

3.5 Welfare to work

Programs that require participants receiving social assistance to participate in job search activities, “workfare” (unpaid or community service), or employment and training, are common to welfare reform. Such programs are often targeted to single parents. In some western urban centres a significant portion of the clientele for such programming is Aboriginal (e.g., *Taking Charge!* in Winnipeg). As provinces implement more stringent eligibility requirements for social assistance, this will affect all Aboriginal people accessing such support in cities. The situation differs on-reserves which fall under federal jurisdiction, but Aboriginal and federal governments may also turn to welfare to work initiatives if they prove effective elsewhere.

Lessons from welfare to work programming include:

- Minimal increases in earnings have not provided sufficient incentive to reduce overall dependency on social assistance. Earnings are too small and not comparable to what clients can obtain from welfare.
- Partnerships between employers and training service providers are often used as a process to secure a pool of low wage workers. Such approaches may work temporarily, but their long-term effectiveness has yet to be shown.

3.6 School to work transition

These programs link vocational and occupational training to regular academic curriculum and include job preparation activities, work placements, and summer student programs. Students participating in these programs are more likely to invest in job related education once employed. Several Aboriginal communities have recognized the importance of such programs. The most notable example is the Federation of Saskatchewan Indian Nations that has integrated the school to work program to their youth strategy.

3.7 Summary

The key lesson to be learned from labour market training is equally applicable to Aboriginal and non-Aboriginal populations. Academics are the essential base for job related training and retraining. To that end, the most important initiatives consist of:

- preventing premature exit from school
- integrating vocational and occupational perspectives in high school
- upgrading the literacy and numeracy skills of those without basic education

Applying a veneer of job training on a weak academic base may offer a temporary reprieve from unemployment, but it is rarely cost-effective in the long-run.

4.0 Lessons Learned from Economic Development Policies, Programs, and Services

Summary of key lessons

- Governance and the creation of accountable solutions is a precondition for community economic development.
- Separation of politics and business is essential for community development.
- An Aboriginal community's culture must be integrated into its economic vision for success.
- Strong organizational capacity and networks are essential for community economic development.
- Community institutions must be able to partner, joint venture and share risk with extensively non-Aboriginal communities.

One clear lesson emerges from the last thirty years of programming—without a supply of jobs, training makes little sense. Increased employment requires a broad program of economic development at the regional and community level. What emerges from the literature is a message of optimism. Many of Canada's Aboriginal communities understand the factors that lead to increased economic activity and are working on replicating conditions to achieve growth.

Each community is different and models of success vary across the country. As with other communities, success is uneven, and not all communities will succeed.

The notion of "community" is broad and must encompass the distinction between off-reserve, on-reserve, urban, Inuit, and Metis communities. This dis-

tion has critical implications for how individual communities define leadership and governance. Through the institutions it creates, each community influences the economic development approach that best meets its needs.

4.1 Governance is critical for economic development

Much work has been done on Aboriginal governance in Canada and the United States. Cornell and Kalt are at the forefront of understanding Aboriginal economic development in the United States and identify four conditions that:

taken together, constitute a set of necessary and sufficient conditions for real economic development to take place on a reservation: (1) cultural match with formal institutions, (2) a formal governmental system that provides for a separation of powers, (3) a willingness to specialize and trade “internationally” with off-reservation economies and (4) a modest endowment of either labor or natural resources.

Cornell (1997) observes that the critical element in Aboriginal economic development is self-governance. The concept refers to the creation of a set of community-based institutions designed to offer members in that community the ability to control their own development. It is distinguished from self-government.

Cornell notes that three aspects of governance must exist for economic development on reservations:

- First, is “*de facto*” sovereignty in the sense that Aboriginal people have genuine control over their own affairs. Aboriginal communities have to be responsible for the design, delivery, and control, of delivery mechanisms in their own interest, and that of their tribal members. Government agencies, which have different mandates and are external from the community, are unable able to do this effectively. Only by aligning the consequences of decision with the decision-maker will choices become most informed.

Cornell stresses that self-governance does not mean the exclusion of other governments. Every sovereign government needs to have relationships with other orders of government. An effective system of Aboriginal self-governance needs to relate to other governments and engage in intergovernmental relations required to arrange economic and social services.

- Second, having the rights and powers inherent in self-governance is not enough. Also needed are institutions and processes to adjudicate disputes and enforce contracts appropriate to the bands’ situation. This implies that:

Aboriginal communities need to

- **align their own culture with governance**
- **separate business and politics**
- **trade externally**
- **have availability and control of labour or natural resources.**

Three conditions exist for governance that leads to economic development

- **control over design and delivery of programs and services**
- **stable and accountable institutions with a separation of politics and business**
- **institutions that resonate with cultural traditions.**

- Politics must be separated from business. Long-term community planning must be vested in governing councils; but business, with independent (and accountable) boards, manage the operations of the firm. When community decisions reflect the specific interests of a small group, the risk associated with business rises sharply and chokes entrepreneurship and economic growth.

The study found successful Aboriginal communities separated business from politics by creating a development corporation with an independent Board. In the evaluation of the Industry Canada component of CAEDS, those privately held businesses in Aboriginal communities performed better than band-owned ones. In addition, Aboriginal key informants told us that native friendship centres also work better when separated from political groups.

- Adjudication of disputes must be separated from the political processes. If the courts and tribunal process are controlled politically, risk-taking will be discouraged and joint ventures, financing, and partnerships with outside firms will be constrained.
- Aboriginal community development needs an effective, professional public service.
- Stability in funding and developing programs for the longer term are important. The Royal Commission on Aboriginal Peoples and participants in the lessons learned study noted the importance of stable funding that allows for planning, implementation, and making changes learned from new experiences.
- Third, institutions of self-governance should “resonate” with the cultural traditions of the individual community. Each community needs to develop self government that maintains the allegiance of the people governed.

Creative and effective leadership is the key to economic development. This requires self-governance.

Case studies cited in the literature review from Canada illustrate these principles very well. Progressive Aboriginal leadership and the creation of independent economic development corporations are two vital ingredients. Also important is attention to financial management with a view to creating high levels of confidence with external organizations such as private lenders and governments.

4.2 Factors affecting community economic development

The literature identifies several necessary conditions for local economic development:

- Local leadership is essential in the form of business and community leaders, and the presence of industry associations willing to take the lead to promote growth.
- The degree of delegated authority must be proportional to the capacity of the community. Community structures must be capable of managing the programming offered by national and regional levels of government.
- A momentum exists in community development, or in other words, *success breeds success*. Similarly, stagnation creates an inertia that is difficult to overcome.
- Partnerships between Aboriginal communities and other levels of government and the private sector are important to developing economic opportunities.
- Communities with few resources or location disadvantages have not done well. This important point emphasizes that a minimum set of resources or other economic advantages is needed.
- Combining economic development and human resources development is effective. One approach is to assist business through wage subsidies to offer a specific business service and to create a skilled workforce. However, such subsidies alone are insufficient and must be integrated with other policies to support business and economic development.

4.3 Entrepreneurship is essential for community

A sign of effective self-governance is creating the conditions for entrepreneurship to flourish. Recent literature in community economic development has identified exemplary cases in Canada and the United States. Such communities have created the specific conditions that foster economic development even where few apparent natural advantages exist.

The term “entrepreneurial community” refers to distinct community attributes.

- An entrepreneurial attitude or imagination visualizes how existing resources may be used to create new economic opportunity. Eco-tourism in remote areas is an excellent example. Previously these communities were easily written-off as having little economic potential. Now the natural scenery and wildlife is transforming into a new business.
- A comprehensive perspective exists where the leadership is able to integrate a broad plan to attract and retain business consistent with community values. For example, community-wide programs of customer service integrate the various hospitality businesses within an eco-tourism strategy.

- Targeting ensures that development is consistent with existing activity. Again, using the eco-tourism industry as an example, supports to cultural businesses may complement and offer important synergies in an overall economic development strategy.
- Effective partnerships between private and public interests are fundamental.

A difference exists between programs for self-employed workers and entrepreneurs. The latter is based on business savvy, capital, and management of employees. Programs that fund individuals with no previous business skills will not necessarily create entrepreneurs. The entrepreneurship that is evident in the business creation within successful Aboriginal communities bears little resemblance to the workshop training so popular nowadays. The literature on successful Aboriginal communities clearly shows that entrepreneurial activity emerges when the conditions are right. Effective leadership, sound institutions with integrity, and strong business relations are needed to create these conditions. Without them, training will not create new business to employ people.

4.4 Capacity building must be a priority

The term “capacity building” is broad and includes a range of administrative, business, technical, and bureaucratic skills. The concept includes the following elements:

- creating infrastructure (human and physical)
- designing political processes that focus on long-term planning
- nurturing an effective and progressive business community
- developing business services (legal, research, accounting) to support external relationships with business and governments
- creating an effective “civil service”
- fostering a consensus on growth consistent with the historical values of the community
- incorporating cultural heritage and traditions in the community’s long-term vision.

Since capacity building is a priority noted in *Gathering Strength*, federal departments want to embark on various initiatives to promote it. At the same time, activities such as job training, information sharing, and consultation networks alone will not suffice in developing it. Other conditions such as strong and stable institutions must also be in place.

5.0 Other Research Areas

In reviewing studies and discussions with Aboriginal organizations, several areas for further research stand out.

- There is little evaluation information about Canada's urban Aboriginal programs and policies. While it is estimated that up to 70% of the Aboriginal population lives in urban centres, programs devoted to them receive limited funding. There is a need to examine urban Aboriginal delivery systems and how they work with other services. This information is vital given that the federal and provincial governments are proceeding on urban Aboriginal strategies.
- There is a need for longitudinal studies to track the success of employment and training programs targeted to Aboriginal people in Canada. Aboriginal organizations are interested in this information as it focuses on program strengths and improvements and guides future involvement.
- While Aboriginal key informants agreed that education is important to enhance the ability of youth to obtain and retain employment, they also expressed frustration about this issue. It is not simply a case of encouraging youth to stay in school. They believe other factors (e.g., disabilities, social problems) impede Aboriginal youth from obtaining adequate education. For example, if a child is ignored as being slow, in adulthood the child will be picked up through the federal (Aboriginal) system as an adult who needs training. At that point it is costly, if not too late, to remedy the problem.
- The study identifies many successful Aboriginal communities and working partnerships between different levels of government and among Aboriginal organizations. Urban-based Aboriginal organizations were more likely to highlight partnerships between municipal, provincial, and private organizations. While many independent and informal case studies of community partnerships exist, it is important to document best practices, challenges, and lessons learned to share with all communities.
- Aboriginal organizations and HRDC departmental staff identified several concerns with Regional Bilateral Agreements. Aboriginal organizations, especially Metis and urban organizations, stated that under *Pathways to Success* Aboriginal organizations each had a voice on the National Aboriginal Management Board and co-managed programs with the federal government. They believe RBAs decentralized the process thereby leading the federal government to deal with individual communities. It is perceived that this makes information sharing and capacity building more difficult. We provided these comments to HRDC which is currently evaluating the Regional Bilateral Agreements.

- Some Aboriginal key informants believe it is wrong to use narrow evaluation criteria to assess training or business development programs to measure success. For example, a client might take a course and fail. In reporting to the federal government this is not viewed as a success. However, if the person develops self-esteem and continues learning and training, the course was a success. The former model alone will not reflect Aboriginal goals and a broader perspective is needed.