



BRITISH COLUMBIA
ASSEMBLY OF
FIRST NATIONS

FIRST NATIONS
SUSTAINABLE ECONOMIC
DEVELOPMENT & FISCAL
RELATION STRATEGY
Round 2 Dialogue
Summay Report



A decorative graphic at the top of the page consists of a large red triangle pointing downwards, which overlaps a grey triangle pointing upwards. Below these triangles are two overlapping rectangular blocks: a dark red one on the left and a grey one on the right, separated by a thin white vertical line.

ACKNOWLEDGMENTS

At the core of the work undertaken by BC Chiefs in Assembly is collaboration. We well know that the work of improving the socio-economic conditions of First Nation citizens, communities and Nations requires the efforts of us all if BC First Nations are to move away from economic marginalization towards economic reconciliation. Acting Regional Chief Maureen Chapman and the BCAFN Board of Directors would like to acknowledge all who are supporting and contributing, either through funding support or participation, towards the development and implementation of the First Nations Sustainable Economic Development and Fiscal Relations Strategy. This important and groundbreaking work, once achieved, will lead to greater prosperity for all who call our traditional territories their home.



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EXECUTIVE SUMMARY

Over the months of January and February 2017, the BC Assembly of First Nations (BCAFN) and their support team (Four Directions Management, Fiscal Realities Economists, Province of BC, Springfords, and Alderhill Planning Inc.) travelled to 8 communities to meet with First Nations leadership and staff within the different economic regions across the province of British Columbia.

We travelled to Cranbrook (Kootenay Region), Tsawwassen (Lower Mainland– Southwest Region), Fort St. John (Northeast Region), Smithers (Nechako Region), Williams Lake (Cariboo Region), Osoyoos (Thompson – Okanagan Region), Skidegate (North Coast Region) and North Saanich (Vancouver Island Region) as part of our phase II regional sessions on sustainable economic development and fiscal relations throughout BC. These regional sessions served to provide participants and their communities the opportunity to discuss, strategize, and map out their economic development priorities, available opportunities, and the barriers and challenges that exist in their region.

For this work to be both meaningful and sustainable First Nations must be recognized as true partners in the economy. Central to this is the necessity to have the ability to be ‘owners’ as we create, define and manage our own fiscal future.

Through the conduct of the regional sessions a number of key learnings were gained:

- The understanding that the definition of economic reconciliation and its related indicators includes equality for First Nations in the economic sector;
- The recognition of our title and rights as our foundation and starting point;
- The active involvement of our citizens and communities is critical to our success;
- We cannot do this important work alone. Building relationships and strategic alliances with those who support our goals will aid us in reaching them; and,
- Our people want more than economic development. They are desirous of developing our economy that reflects who we are as a people. It is our deep connection to our traditional territories and our culture where we derive our purpose, strength and identity.

The path forward for us to reach economic reconciliation is to create a “hybrid economy” that will enable us to develop our own First Nations Institutions, implement our own tax regimes and fiscal arrangements such as the Aboriginal Resource Tax, build up our own decision making structures, and create economic self-sufficiency that will benefit our future generations whilst never ceding, surrendering, or selling our title or rights. This work is just the beginning, but we are well underway to seeing our vision of being self-determining, self-sufficient, and fiscally sustainable communities becoming the reality for all of our Nations and citizens.

INTRODUCTION

THE BCAFN SUSTAINABLE ECONOMIC DEVELOPMENT & FISCAL RELATIONS STRATEGY

The *BCAFN Sustainable Economic Development & Fiscal Relations Strategy* has four fundamental objectives:

1. Development of a sustainable economic growth plan for BC First Nations, including implementation steps, recommendations for private sector stakeholders, and establishing a solid foundation for collaboration between First Nations, Crown Governments and the Private Sector.
2. Large-scale public education to increase visibility and awareness of First Nation issues related to the economy, environment, and quality of life.
3. Province-wide engagement in the planning process with special attention to communities/ Nations not traditionally involved in the planning processes. This will help scope, understand and adopt planning elements thereby improving the efficiency and effectiveness of the emerging Strategy.
4. Institutional capacity and relationship building throughout the Province, linking technology and information to community/Nation decision

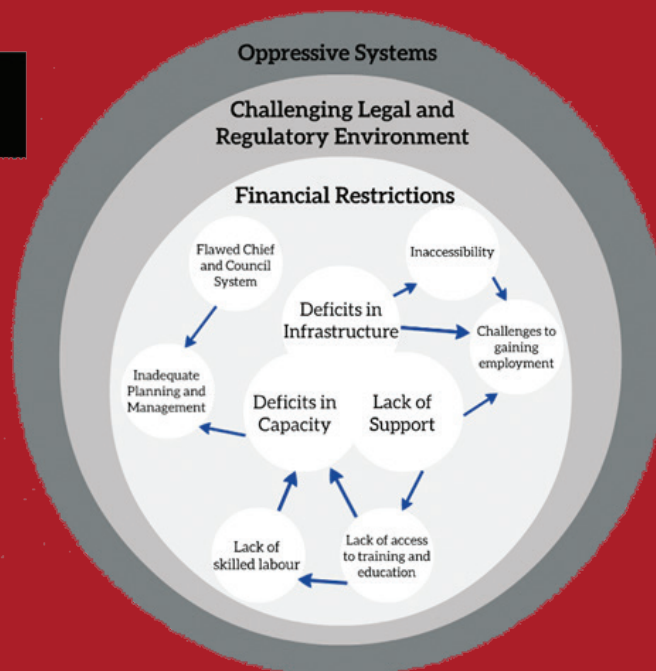
making for current and future planning processes.

This is important because currently, First Nations express a number of critical barriers to economic development. The figure below shows the relationship between the key barriers to economic development on-reserve.

The Outer Sphere represents the oppressive systems resulting from the legacy of colonization such as the Indian Act. The Middle Sphere represents the challenging legal and regulatory environment we continue to be situated in and which, to a large extent, persists despite the legal victories of Tsilhqot'in and the federal government's endorsement of the United Nations Declaration on the Rights of Indigenous Peoples which they did "without qualification".¹

Most interesting to our work with the *BCAFN Sustainable Economic Development & Fiscal Relations Strategy* is the Innermost Sphere. This represents the financial restrictions placed upon our people and communities that link to a number of factors from governance issues to infrastructure, capacity and employment.

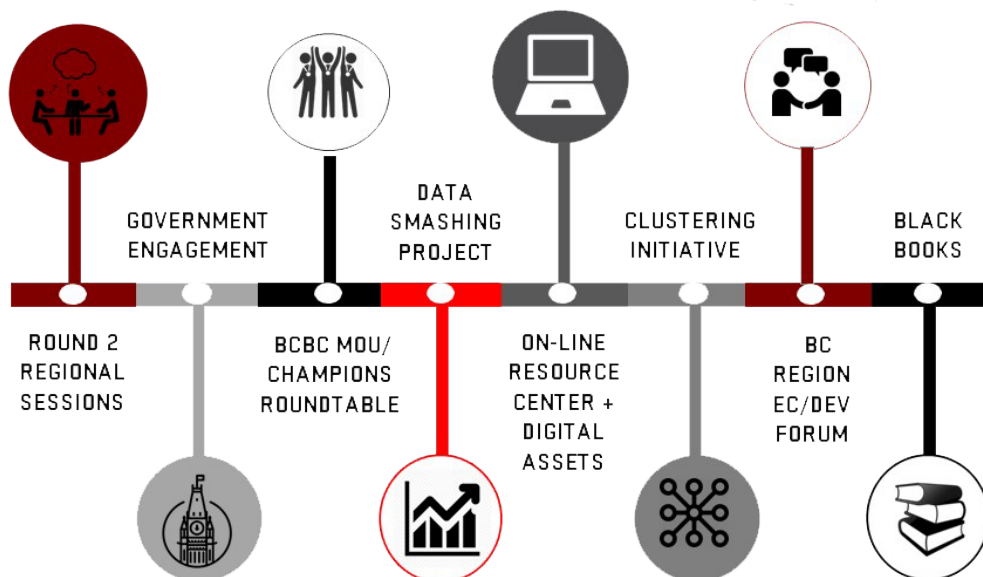
Barriers to Aboriginal Economic Development



SETTING THE TABLE

Addressing these barriers will not be an easy task. However, what we have begun with the *BCAFN Sustainable Economic Development & Fiscal Relations Strategy* is a process of “Setting the Table” for First Nations to pick and choose what may or may not work for them out of a number of exciting and compelling initiatives:

- Round 2 Regional Sessions
 - This report outlines the outcomes of these sessions. This work included visiting 8 economic regions, obtaining community specific data, and reporting out on activity from the Round 1 sessions.
- Government Engagement
 - The BCAFN continues to have ongoing relations and discourse with Provincial and Federal Governments to move the four fundamental objectives of the *Sustainable Economic Development & Fiscal Relations Strategy* forward.
- BCAFN - BCBC MOU/Champions Round table
 - Multi-year effort to achieve economic alignment between First Nations and Industry to build a better economy.
 - Intended to be a meeting place between First Nations Leaders and members of the BC business community partnering to establish formal ongoing dialogue and strategies to promote sustainable economic reconciliation.
 - Will be a space where leaders come together to explore opportunities, discuss barriers, identify areas of common understanding and work jointly to develop and advance a more effective approach to economic development based on reconciliation with First Nations.
- Data Smashing Project
 - The purpose of our Data Smashing Project is to develop a baseline of information that can help us to identify where we are, so that we may better know where we are going. To do this we looked at how we would measure GDP but we are now looking at poverty indexes.
- Online Resource Centre and Digital Assets
 - The creation of online resources and digital assets that our people can use and will fill informational gaps that are present due to a lack of meaningful data that is currently available is paramount to moving this work forward.
- Clustering Initiative
 - This initiative benefits the *Sustainable Economic Development & Fiscal Relations Strategy* by identifying emerging similar themes and taking advantage of opportunities (eg., Tourism, Mining).
- BC Region Indigenous Business Forum
 - A partnership is in discussion between our work and the BC Region Indigenous Forum. Working together provides strength to our initiatives.
- Black Books
 - We are creating “Black Books” to outline the *Sustainable Economic Development & Fiscal Relations Strategy* which will serve as digital assets for BC First Nations. The ‘Black Books’ will be complimentary to the “Red Books” that were previously developed on governance under the leadership of former Regional Chief Jody Wilson-Raybould.
- Economic Secretariat
 - The creation of an Economic Secretariat will provide resources to communities and facilitate business opportunities.



PARTNERS ADVANCING THIS IMPORTANT WORK

- Four Directions Management Services
- Castlemain Group
- Fiscal Realities Economists
- Business Council of British Columbia
- Province of British Columbia
- Springfords Barristers & Solicitors
- Alderhill Planning Inc.

WHAT HAS BEEN ACCOMPLISHED THUS FAR?

We have completed our Round 2 of the Regional Sessions. These sessions were held over January and February of 2017. 8 economic regions were visited and input gathered from communities across all the different territories. This report will outline this work, what was presented, what we learned, and what the next steps forward are.


CONTEXT SETTING

WHERE WERE WE?

Since time immemorial, First Nations have been supreme in their sovereignty and control over the land and its resources. Prior to contact, the health and well-being of our communities and Nations were strong and in tact. We had laws, robust economies, and we were one with the land. Through the interconnectedness of our relationships with the land and all life that stemmed from it, we managed our territorial resources in a way that balanced sustainability with our needs.

From the moment settlers inhabited our traditional territories, we have consistently stated, declared and demonstrated that we are the proper title and rights holders and as such, are supreme in our authorities to make decisions as they concern our peoples and ours lands. The Crown and industry have consistently exploited us and our resources. Our ancestors fought for the protection of the land and for our rights as sovereign peoples with a land base. They fought for our right to live off the land in such a way that we and it can flourish and so that future generations can also enjoy the benefits of a prosperous livelihood.

As a result of genocidal legislation and policy regimes, our peoples have been positioned to a last place spot within this 150-year-old Canada. With our resources being exploited, and our ways of life threatened.



However, we have never waived in our understanding of who we are as Indigenous people.

We have been steadfast in our position of self-determination and in the assertion of our true position in this country.

As the proper title and rights holders and true caretakers of the land, we have never lost sight of where we have been – sovereign, proud Nations who thrived on that which the land provided. We have been and will continue to practice our traditions, exercise our jurisdiction, assert our laws, and benefit from our own economies.

WHERE ARE WE NOW?

This legacy of colonization and the continued dispossession of our lands has left us beggars in our own Nations. While there are pockets of First Nations prosperity, sadly the norm is crushing poverty and marginalization in the socio-economic fabric of our territories. The loss of our land “has been the precise cause of our impoverishment”.²

We were dispossessed from our lands without our consent or knowledge and was done so under the racist practices of colonization – the Doctrines of Discovery and Terra Nullius.

The government created culturally genocidal policies in an attempt to completely eliminate us, and the threat we possessed, through assimilation and the appropriation of our lands and resources. After they dispossessed us, they introduced us to the diseases which would eradicate our people: small pox, measles, influenza, and tuberculosis. We had the reservation system and Indian Act imposed onto us.

Our families were torn apart and our children forcibly removed and required to attend Indian Residential Schools.³ This is not ancient history; these are the reasons for our impoverishment.

Today, First Nations lands "... account for only 0.36 per cent of British Columbia territory. The settler share is the remaining 99.64 percent... With this distribution of the land, you don't have to have a doctorate in economics to understand who will be poor and who will be rich".⁴ This inequality contributes to even more detrimental inequalities for our people:

- "One in four children in First Nation communities live in poverty. That's almost double the national average.

- Suicide rates among First Nation youth are five to seven times higher than other young non-Aboriginal Canadians.
- The life expectancy of First Nation citizens is five to seven years less than other non-Aboriginal Canadians and infant mortality rates are 1.5 times higher among First Nations.
- Tuberculosis rates among First Nation citizens living on-reserve are 31 times the national average.

- A First Nation youth is more likely to end up in jail than to graduate high school.
- First Nation children, on average, receive 22% less funding for child welfare services than other Canadian children
- There are almost 600 unresolved cases of missing and murdered Aboriginal women in Canada."⁵

Despite all of the barriers we have faced and continue to face, we remain strong as a people and will not rest until we have successfully reasserted ourselves into our proper place through the achievement of meaningful economic reconciliation and equality.

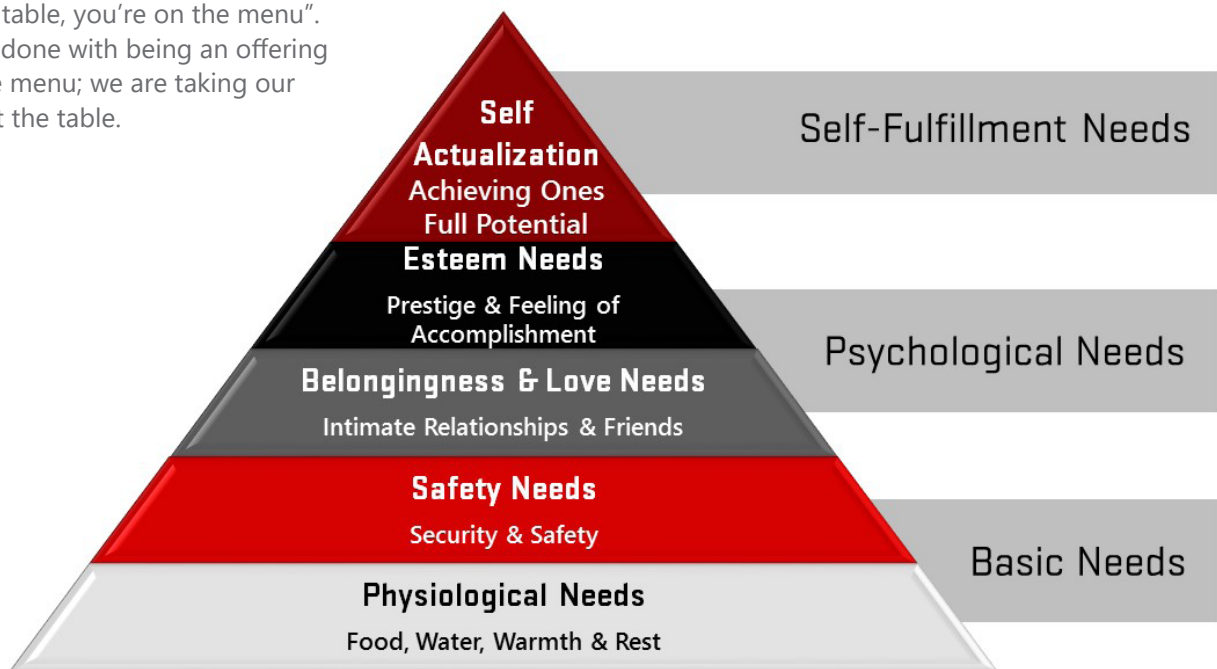
WHERE ARE WE GOING?

To move from our current place of disenfranchisement, we seek a form of economic reconciliation with the Crown and industry. We have a young population who are getting increasingly educated. Just under half (45%) of Aboriginal people in British Columbia are

under the age of 25, compared with 27% of the non-Aboriginal population.⁶ Through the Canadian court system, we have indisputably proved that we are the rulers of our resources having “amassed the longest running, most impressive legal winning streak over resource access in Canadian history”.⁷

Our people are gifted. Our rich and vibrant history positions us well for success in the mainstream economy. We prefer economy building over economic development and meaningful partnerships over mere inclusion. We want economic reconciliation that gives us actual stakes, genuine opportunities, active participation, and real benefits. As the old adage goes, “If you’re not at the table, you’re on the menu”. We’re done with being an offering on the menu; we are taking our seat at the table.

The BCAFN-BCBC MOU provides a platform for us to work collaboratively with industry. Our approach is simple - when you take care of the land, air and water, the land, air and water will take care of you. The land has an inescapable economic component but it also has a spirit. This being said, a robust economy is required to support First Nations to develop, implement, and monitor comprehensive health, social and cultural frameworks. When our economies are once again thriving, so to will we be able to thrive again as Indigenous peoples.



Maslow's Hierarchy of Needs. Simply Psychology, (2007; updated 2016) <http://www.simplypsychology.org/maslow.html>

HOW WILL WE GET THERE?

To get to this place of economic reconciliation, we need a comprehensive plan that considers and balances our participation in the economy without “selling out” our land, culture, laws, traditions, or Aboriginal rights and title. Reconciliation requires recognition. We first must recognize where we are coming from and take on the responsibility of improving our outcomes. This recognition is required of government and industry as there is currently an imbalance of power at the economic table in favour of government and industry to the detriment of our people.

It was the dispossession of our lands that resulted in our impoverishment. Clearly, through the colonization and settlement of Canada, Indigenous Peoples received the short end of the deal. By virtue, this has allowed government and industry to enjoy the benefits of the long end. Economic reconciliation requires equal access to the economic benefits being enjoyed by others from the resources of our lands.

In order to become once again wealthy in our territories, we need a redistribution of land, resources, and economic opportunity. Initiatives such as the proposed “Aboriginal Resource Tax” can address this issue and offer a meaningful redistribution of revenues based on a foundation of recognition and respect for our unique position as Indigenous peoples and for our title and rights. We need careers,

not just jobs, and to develop our own economies rather than just participate in economic development. Mainstream education must be balanced with our traditional ways of knowing, being, seeing, and doing. We need to collaborate with progressive groups and governments with the notion that together we are stronger and that when First Nations prosper, the rest of British Columbia also prospers. It costs everyone more for First Nations to be managing poverty than it does to be managing wealth.

HOW WILL WE KNOW WE HAVE ARRIVED?

We will know we have achieved economic reconciliation when First Nations are seen as a business imperative rather than a business impediment. Through participation in local, regional, provincial, national and international economies, we will be able to undertake the reconstruction of our damaged Nations and improve the status quo. Success will be reflected in the socio-economic indicators when they are tipping in our favour rather than reflecting our inequalities. Our success will be in everyone’s best interests for when we are prospering, the communities that we neighbour are prospering as well.

We will have arrived when we have achieved these direct and indirect goals of our economic reconciliation vision:



At each of the 8 regional sessions, presentations were made on: the BC Jobs Plan; the work of the BCAFN; micro and macro economic considerations in economic reconciliation ventures; business development definitions and distinctions; the role that comprehensive community planning plays in an economic development strategy; and, a checklist for communities to assess their economic development readiness relating to community, resources, member and leadership. Below is a summary of these presentations.

PROVINCE OF BC - BC UPDATE

The BC Jobs Plan was launched in 2011, with the aim to diversify, strengthen and grow our economy, and to create jobs. It is founded on eight key export sectors: agrifoods, forestry, international education, mining/energy, natural gas, technology, transportation and tourism.

The Jobs Plan is intended to drive the actions needed to strengthen our competitive advantages: our natural endowments (abundant resources/ geography/proximity to Asia & the US) and our people, including Aboriginal Peoples and First

Nations as partners in our province-wide approach to sustainable, forward-looking economic development.

The Plan represents government's vision and leadership that capitalizes on B.C.'s competitive advantages and includes strategies such as Skills Blueprint, BC Tech Strategy, and the Climate Leadership Plan.

It creates the fiscal and economic capacity for our Government to invest in people, the environment, communities and business, thereby supporting economic and social prosperity for all British Columbians.

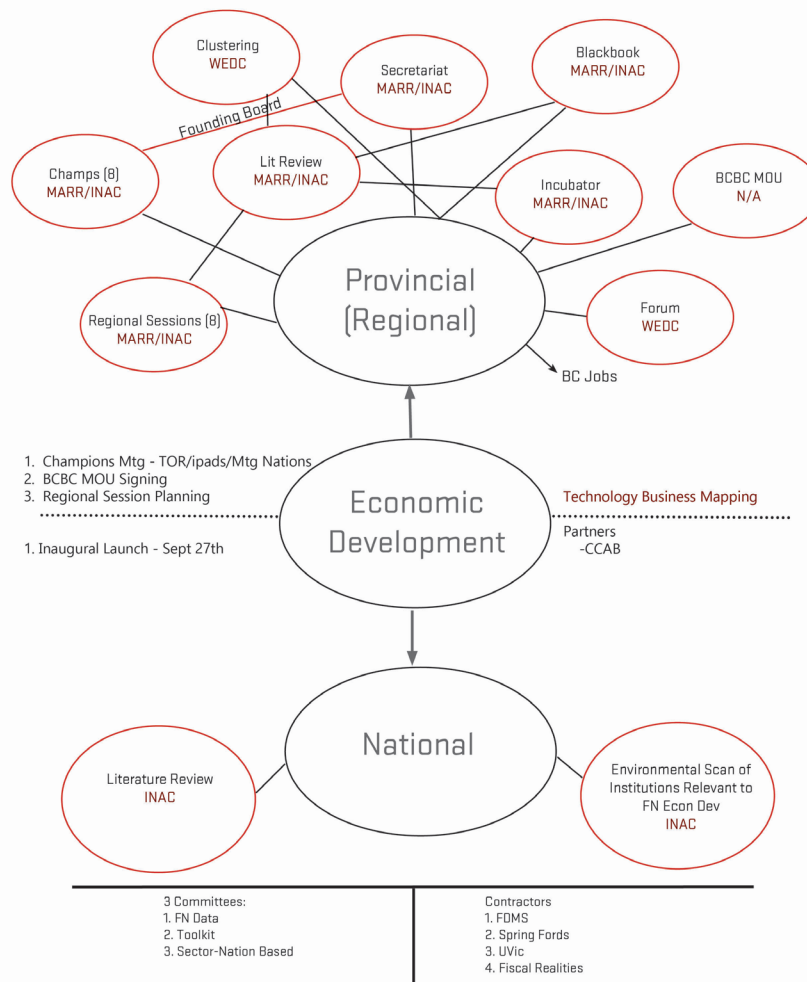
The various components of economic growth as measured by GDP are: consumption, investment, exports/imports and government services. The jobs plan supports economic growth by enabling increased consumption through more jobs and lower taxes, attracting foreign direct investment with overseas offices and direct investment by government, increasing exports with opening new overseas markets, and maintaining government services by making investments in people and infrastructure.

MELANIE DEBASSIGE (BCAFN CHIEF OF STAFF), CURTIS BEDWELL (BCAFN POLICY ANALYST) - OVERVIEW OF BCAFN SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY

The BC Assembly of First Nations (BCAFN) remains steadfast in its commitment to supporting communities and Nations in their economic pursuits by delivering timely and relevant information, building capacity through education, and creating windows of business and economic opportunity through ongoing advocacy.

The *BC First Nations Economic Sustainability & Fiscal Relations Strategy* is a multi-year strategic initiative with four fundamental objectives. Please see the "Introduction" section of this report for more detailed information on these objectives and activities. The following figure, which changes from time to time as our experience dictates, details the various initiatives taking place within this multi-year strategy and demonstrates how each initiative relates to the overall goals of economic sustainability and improved fiscal relations.

BCAFN Sustainability Economic Development Map



GREG RICHARD & NORM LEVALLEE - FISCAL REALITIES ECONOMISTS - ECONOMICS 101

Economies are a means to an end; creating job opportunities and how much people get paid. Strong economies generate revenues for communities to:

- Exercise their own jurisdictions;
- Provide quality services and infrastructure; and
- Maintain culture, identity and languages.
- The key to a strong economy is business investment.

First Nations had elements to support successful economies; which were destroyed by the Indian Act and other legislation. As a result, it is difficult to bring business investment to reserve lands; First Nation Governments are dependent on other governments. First Nations people have grown up in poverty which is one of the reasons why the BCAFN supports the restoration of First Nation economies.

First Nations need their fair share of private investment as it is more important than an enriched government transfers. Without this investment First Nations will remain dependent on other governments, infrastructure will remain substandard and unemployment will remain high for First Nations people which in turn means our people continue to live in poverty.

A Strategy to Restore the First Nation Economy includes the following elements:

- Support Aboriginal Title claims. and clarify the collective economic interest and restore some jurisdictions.
- Support increased participation in the economy. Continue to reduce the costs of investment facilitation. Clarify and standardize the economic interests and provide employment and business opportunities through negotiation and land development. Coordinate the above with education, training and planning for members; and support improved access to capital for First Nation businesses. Invest in human resources and skills training to build investment facilitation capacity in First Nation administrations.
- Support restoration of First Nation jurisdictions and institutions. Build First Nation institutions and initiatives to help communities and nations implement their jurisdictions and coordinate with other governments.

CHRYSTIE STEWART, SPRINGFORDS - BUSINESS 201 WORKSHOP

In the first round of our Dialogue Sessions at the territorial level (2016) Chrystie Stewart presented Business 101 information concerning how First Nations can effectively structure their economic ventures to maximize benefit in minimize risk. These presentations were well received and Ms. Stewart offered a Business 201 Workshop which contained the following highlights:

Sole Proprietor

- Simple * Single Owner * Inexpensive to start + maintain
- TAX: Company + Owner is the same.
- LIABILITY: No protection. Your company gets sued, you get sued.
- CAPITAL: Linked to your personal credit. You are the only one who can borrow on behalf of the company.
- CAPACITY: Maybe you have an employee or two.

Development Corporation

- Immortal man without a head
- TAX: Lower tax rate than individuals. Income splitting option.
- LIABILITY: Corporate veil.

- CAPITAL: Shares are transferable. Raise capital by issuing shares. Borrow money separate from you.
- CAPACITY: Hire management experts, topic experts, directors who are legally bound to be loyal.

Advantages of Partnership

- TAX: Partner income is allocated according to Partnership Agreement.
- LIABILITY: Joint and several liability. You may be liable for yourself, and anything your partner commits the business to.
- CAPITAL: Linked to your personal credit but now there are more of you. Others can bind the company to debt.
- CAPACITY: Additional expertise.

Band Member Owned Companies

- TAX: If you live or work on reserve, your income may be tax exempt.
- LIABILITY: Assets on reserve may be protected against creditors.
- CAPITAL: Challenging to borrow against personal assets that cannot perform as security.
- CAPACITY: You may have access to preferential hiring practices (50% ownership may come into play).

**ELAINE ALEC, ALDERHILL PLANNING INC -
COMPREHENSIVE COMMUNITY PLANNING**

There are three things that a First Nation needs to have successful economic development: (1) A strong Comprehensive Community Plan (CCP); (2) Strong Governance and Capacity; (3) Infrastructure. A little over 75 of 205 First Nations in BC have a completed CCP in British Columbia. Many participants noted that their CCP's weren't useful, that there wasn't a consensus as to the accuracy and that many of them needed to be brought back to community and refined.

**BC First Nations Data Governance Initiative
(www.bcfndgi.com)**

First Nations in BC are moving toward a model of development and wellness that is self governing, community driven, and nation based. The autonomy to define community wellness and the right of First Nations communities to own, control, access, and possess information about their peoples are fundamental to self-determination and to the preservation and development of their culture.

The BC First Nations' Data Governance Initiative is a comprehensive, integrated approach to addressing complicated and long-standing socio-economic and cultural issues. The Initiative serves to unite and guide

all BC First Nations, First Nations organizations and governments towards their shared outcome: well-being for First Nations.

The BC First Nations' Data Governance Initiative will equip First Nations with the technological and human resource capacity to govern and own their communities' data.

What will change for First Nation Communities?

For far too long, First Nation communities have been the focus of research completed by non-First Nations people. Outside interests have been asking for and leaving with often irrelevant data, and making decisions with little consideration of First Nations' perspectives.

Under the BC First Nations' Data Governance Initiative, First Nations will collect, manage, report on, and own their community's data. First Nation communities will have the technological and human resource capacity necessary to govern, own, and share (as appropriate) their data. Comprehensive community planning will take place in each community, putting well-being at the centre of this work.



DAN GEORGE, FOUR DIRECTIONS MANAGEMENT SERVICES - ECONOMIC DEVELOPMENT CHECKLIST

The *First Nations Sustainable Economic Development & Fiscal Relations Strategy* has a number of underlying objectives including:

- Increase participation in the economy - Employment and business opportunities must be accessible to the community either locally or within the regional and provincial economy.
- Build long-term community capacity - The population must be healthy and well enough to enable the community to function and its members to participate in the labour force and provide for themselves and their families. In turn, the labour force must have a basic capacity for employment (i.e., appropriate education, knowledge, skills, attitudes, values).
- Achieve related economic, social and environmental goals - First Nations speak of wholeness, of the need to ensure that what we are pursuing integrates and aligns into a vision for a better future for their members. We have learned that the economy cannot be viewed in isolation of the social and environmental aspects of our people and lands.

With the above in mind, a number of key questions have been generated by First Nations to consider when moving forward in the economic arena. These questions have been grouped into the themes of Community Readiness, Community Resources, Community Members and Leadership. Through the work lead by the BCAFN a number of key questions have been generated by First Nations to consider when moving forward in the economic arena. These questions have been grouped into the themes of Community Readiness, Community Resources, Community Members and Leadership.

Community Readiness

- Does your community have an overall vision of where it wants to be in the future?
- Does your community have a current, comprehensive economic strategy, including a plan to implement it?
- Do you believe your community is committed to creating and implementing a community development plan? A comprehensive economic strategy?
- What skills and technical knowledge do leadership, administration and members need in order to improve community economic capacity?

Community Resources

- What resources, relationships and support does your community require to become ready for economic development?
- What resources can be brought to bear on a project/initiative: cultural, social, technological?
- Does your community have a recognized community or economic development organization with the required authority, structures and processes to help sustain positive economic development activities?
- Is the activities of such an entity integrated with other community bodies?

Community Members

- Are community members given the opportunity to join community and economic development efforts?
- Are community members given the opportunity to provide input into community and economic development initiatives?
- Are as many different people from the community as possible involved in economic development (e.g., elders, youth, leadership)?
- Does your community have business relationships with other communities, development institutions and organizations?
- Do community members feel empowered to make decisions? If not, how can you create this empowerment?
- Are community members well informed about economic development activities?
- How are new ideas generated in the community?

Leadership

- Who are the most important people and organizations in your community that should be taking a leadership role?
- Are there people in your community who are visionaries and action-oriented, and who could be recruited to serve in leadership roles?
- Are there people in your community with the necessary skills to lead economic development plans from development to project completion?
- Does leadership support development initiatives, for example, through active band council resolutions that support economic development?
- What skills do you need to further develop your leadership abilities?
- Is there a forum where Council, leadership and community members can discuss the past, present and future direction of the community?
- Does the community share best practices among community leaders? With other communities?
- What strategies can be put in place to help develop future leaders?

WHAT DID WE HEAR?

Over the 8 regional sessions that were held in Cranbrook, Tsawwassen, Fort St. John, Moricetown, Williams Lake, Osoyoos, Skidegate, and Saanich, the following information was shared by meeting participants on their definition and indicators of what *economic reconciliation* means.

DEFINITIONS OF ECONOMIC RECONCILIATION

EQUALITY

Economic Reconciliation means... our citizens having the same standard of living/quality of life as others enjoy in the territory. It means industry recognizing First Nations as partners in development and that we are on an equal footing with industry and on an enhanced level with government. To be equal partners, we need to have a relationship built on a foundation of respect. Both parties need to have equal status at the table with equal decision making abilities. In this, there exists a level playing field for economic and enterprise development.

TITLE & RIGHTS

Economic reconciliation means... First Nations having control and jurisdiction in their territories which makes for a path to full sovereignty. This will require addressing the land base with a territorial approach rather than a reserve orientation. Doing so will allow First Nations to have a legitimate piece of the economic involvement based on the acknowledgement of title and rights. A title and rights based approach to economic reconciliation will involve access to capital, access to resources, revenue/resource sharing, and an Aboriginal Resource Tax.

COMMUNITY & CITIZENS

Economic Reconciliation means... making space for our social and cultural practices. Sustainable economic development isn't just about creating more revenue. It is about practicing the "art of the long view" when focusing on the economy and not just necessarily economic development to ensure that future generations benefit from economic development opportunities. It requires meaningful engagement to be undertaken with communities and ensuring that culture is included. The integration of traditional First Nation economic practices and the creation of opportunities for people to engage in business is critical. It is about creating opportunities for our people and supporting, promoting, and investing in First Nations communities.

RELATIONSHIPS

Economic reconciliation means... building relationships founded on trust. This means having relationships that lead to healing, growing, and community engagement. Our people must be part of the plan so that the plan reflects their strengths and desires. Improving relationships will reverse the purposeful exclusion of First Nations in resource development. This will be to everyone's benefit as when First Nations prosper, BC will prosper. Balanced partnerships and relationships with the government will create meaningful discussions that will result in such tangible benefits.

INDICATORS OF ECONOMIC RECONCILIATION

ECONOMY

An indicator of economic reconciliation will be when... First Nations are positioned to be generating an economy as opposed to economic development. To get to this place, consistency in engagement across industries and a level playing field are essential. We will be there when there is fair revenue sharing and a fair share of the benefits from resources. This will be achieved when First Nations are occupying the field through capacity development and have the resources to negotiate IBA's (Impact Benefit Agreements), create start-ups, and establish our own institutions, policies and procedures.

CULTURE

An indicator of economic reconciliation will be when... industry and government understands us as a people, respects who we are and our laws, and when we are advancing our culture and going back to our teachings. This will be achieved when our cultural activities are part of the economy. Success of economic reconciliation will be measured by our ability to make sure that we have healthy communities and members and that in ensuring that our traditions are respected and incorporated into the strategy that our people are along for the ride (no one gets left behind).

INCLUSION

An indicator of economic reconciliation will be when... there is a shift from First Nations being only "invited" to being "included". Businesses and government must overcome their fears of working in partnership with First Nations for when we are successful, the regional economies that we are in are successful too. This will be achieved when everyone is on the same page and we have eliminated the fear and misunderstandings which take place between government, industry, and First Nations.

OWNERSHIP & EMPOWERMENT

An indicator of economic reconciliation will be when... there is a secure land base and First Nations did not give up their title and rights. We must address the land question. Certainty in the land base, particularly in light of the Tsilhqot'in SCC decision and the issues of the reserve system, is paramount to moving forward. This starts with government and industry respecting the court cases and legal decisions concerning title and rights. It will also require changing the rules that have been set in place that are hindering progress.



EMERGING PATH FORWARD

Based upon what we heard, the next steps forward towards economic reconciliation are to create a “hybrid economy”⁶ that will enable us to develop our own First Nations Institutions, implement our own tax regimes and fiscal arrangements such as the Aboriginal Resource Tax, build up and if necessary re-establish our own decision making structures and create economic self-sufficiency that will benefit our future generations whilst never ceding, surrendering, or selling our title or rights.

THE HYBRID ECONOMY

The hybrid economy is created by the intersection of the institutions of the traditional First Nations economy with the institutions of the “mainstream” economy.

The First Nation institutions are the traditional decision making and governance structures and

Treaties with other First Nations. These institutions long set rules for access to land and resources by different people. They have established the mechanisms for taking care of all people. These institutions include things such house and family structures although they are different from First Nation to First Nation. These worked alone during pre-contact times.

The mainstream institutions are the laws and government jurisdictions that were established by European colonialists and are now operated by Canadians. They include the legal, governance and physical infrastructure of Canada as well as the technologies and conventions by which business operates. These provide people and businesses with access to world markets, support the conduct of business throughout the country and provide many public goods.

During the early stages of contact there was a concerted effort to remove First Nation institutions and yet not truly support their inclusion in so called “mainstream” institutions as anything but individuals. This implied the extinguishment of Aboriginal title, jurisdictions and collective identities.

The new understanding is that title, jurisdiction and collective identities actually add strength to the Canadian identity. They can not only co-exist with mainstream institutions but, traditional structures can use them to promote their economic development and from that advance the interests of First Nations as a whole.

The mechanism for doing so is the “hybrid economy”. It is best characterized as the intersection of the traditional and mainstream institutional frameworks. This is

where respective roles are defined, and the rules by which the two sets of institutions will work together are worked out.

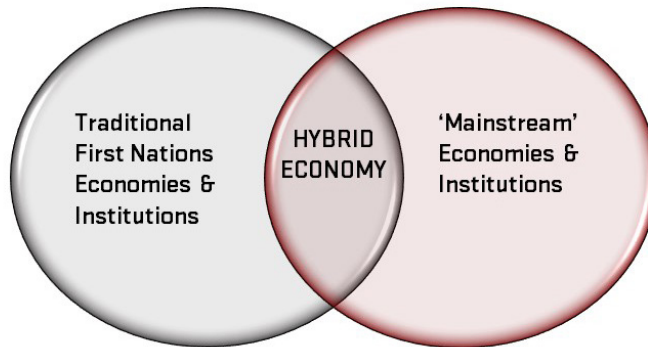
The intersection is where the limits of provincial and federal jurisdiction are determined relative to First Nation jurisdiction. It is in this intersection that First Nation governments work with other governments to provide an environment that supports First Nation businesses. It is also in this intersection that First Nation businesses and entrepreneurs are able to take advantage of the opportunities created by the mainstream institutions, without surrendering identity or government powers.

Mainstream institutions can effectively extend the reach of First Nations by providing access to and improving the following, although this is not an exhaustive list:

- A national transportation and communications infrastructure.
- Job and business opportunities that are created by major investments.
- Opportunities for business to be conducted with people and organizations from far outside a First Nation. Access to capital for First Nation individuals, businesses and governments.
- Access to many public goods such as advanced education and health care that would not be possible without economies of scale.

The keys to making the hybrid economy work are as follows:

1. First Nations need well defined authority over



land stewardship and resource management on their reserves and Treaty Settlement Lands, a role that includes a revenue authority over their traditional territories. Revenue sharing agreements are not a revenue authority and are not suitable for small First Nation governments because they are volatile. Shared revenues are mostly derived from after-tax and after-cost revenues and hence they are volatile and subject to outside policy decisions. A revenue jurisdiction should ensure First Nations taxes are calculated prior to other taxes and costs. Substantial participation also means substantive participation in land and resource management.

2. First Nation governments need independent revenue jurisdictions and not simply transfers or shared revenues. These independent revenues should create a linkage between revenue development and the economic success of their overall region. The problem with the transfer system is that it often assumes that First Nation government

should be modeled after other governments. It effectively removes the unique characteristics that give First Nations their identity. First Nation governments need to be designed by First Nations people. Transfer dependency also leaves a First Nation vulnerable to "fiscal coercion". If transfers and grants are highly discretionary, a First Nation cannot assert its independent interests freely.

3. There needs to be an expansion of the geographic space subject to First Nations jurisdiction. The expansion should include an expansion of reserves by addressing outstanding claims and providing an improved Aboriginal Title & Rights (ATR) process, and a better articulation of the rights and jurisdiction attached to Aboriginal title. All parties will benefit if Aboriginal title is defined as more than the right to say, "no".
4. Strategic services and jurisdictions should be funded from new revenue authorities provided to First Nations and not by transfers and grants.

Some jurisdictions are very distinct and will be compromised if they are dependent on transfers determined by another government. Strategic services might include governance, land stewardship, child care, infrastructure, culture and language, economic development and aspects of training and education. The assessment of projects by First Nations should be funded by independent revenues. However, the determination of what is "strategic" should be left to a First Nation itself. Revenues used to fund these services must not be subject to offsets and there should be no conditions or reporting requirements attached to these strategic jurisdictions by other governments.

5. Develop unique service delivery agencies and co-management regimes with other governments, so they are able to reflect respond to unique First Nation interest and circumstances.

The keys to developing the potential of the hybrid economy are three initiatives.

1. First Nation Institutions

First Nation institutions address: (a) the argument that First Nations are too small to undertake significant self-government roles; (b) the argument that First Nations are too numerous and diverse to allow distinct jurisdictional approaches. (The argument is that this would lead to a "balkanization" of Canada creating internal trade barriers and large administrative inefficiencies). First Nation institutions work by giving small First Nations some of the advantages of scale. They support: greater availability of

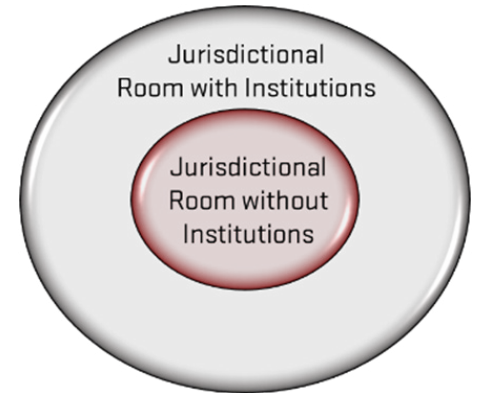
scarce expertise that can be more easily shared among First Nations; efficiencies in administration training; development of common approaches and policy templates; a mechanism to represent their collective interests in inter-governmental forums. In short, First Nation institutions allow small individual First Nations to assume more jurisdictional space than would otherwise be possible.

2. Aboriginal Resource Tax

The Aboriginal Resource Tax (ART) will replace the need to negotiate unique agreements every time a new project infringes on a traditional territory. By doing so, it will create tax transparency and reduce uncertainty for investors. It will also provide First Nations with larger, more stable and more independent revenues and reduce their administrative costs. Making revenues more stable and independent will allow them to assert their unique interests more effectively and finance infrastructure more effectively. Revenue sharing cannot do these things because these revenues are shared after tax and after other costs have been incurred.

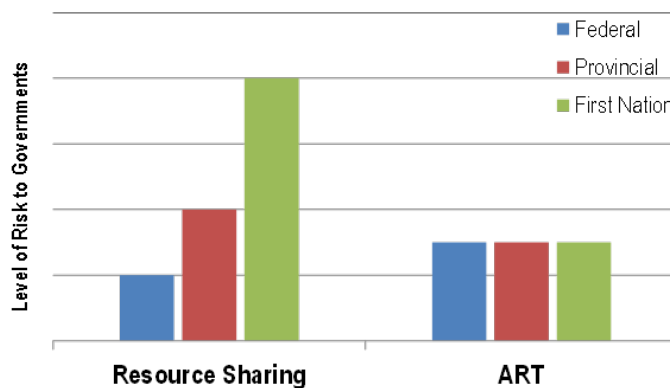
3. Tax and Related Expenditures

The tax and related expenditures model should be applied to many new revenues instead of the transfer offset approach to own-source revenues. Under the tax and related



expenditure model, First Nation revenues would be used to fund strategic services and jurisdictions. These services would no longer be funded by other governments and there would be no annual transfer offset. This model would reduce the scope of services subject to federal conditions and reporting requirements and thus free up administrative resources. This model would create more jurisdictional space within which each First Nation could utilize its traditional decision making to establish their own priorities and develop service innovations that reflect their traditional governance and culture.

Shared space is about economic development and not business development. If multi-generational thinking is wanted then it should be understood that businesses come and go but economies last. The key to this is relying on tax revenues not business revenues.



The image features a light grey background with two overlapping geometric shapes. A large red polygon is positioned in the lower right, with the word "CONCLUSION" centered within it. A smaller, dark grey polygon is nested within the bottom-left corner of the red polygon. The overall composition is minimalist and modern.


CONCLUSION



CONCLUSION

We have made significant progress to date but more needs to be done. The BCAFN is motivated and uniquely positioned to assist in the identification of opportunities for growth, to help increase the representation of First Nations in the labour force and foster the development of diverse and sustainable economy that pays respect to First Nations and their place on their lands and waters. Moving forward the following questions will continue to guide our shared work.

1. Who are we? - Continue to collect data and information on our citizens, communities and Nations.
2. What is our economy? - Identify the types of careers available in the community/region? What other types of careers would like to attract, and who the major employers are in those fields. Additionally, identify elements of a First Nations economy.
3. What are our challenges and opportunities? - Creating a SWOT Analysis to determine First Nation economic strengths, weaknesses, opportunities, and threats as a helpful way to strategically plan the path(s) forward.
4. What are our strengths? - Building off of the SWOT Analysis amplify the strengths and opportunities and dampen the weaknesses and threats.
5. What do we want to be? - Clearly articulate your vision statement of the First Nation's desired future image with specific, measurable, and achievable goals and time lines included.
6. How do we get there? - Working through a list of specific actions that eliminate your defined weaknesses and maximizes identifies opportunities will make achieving your vision more attainable.

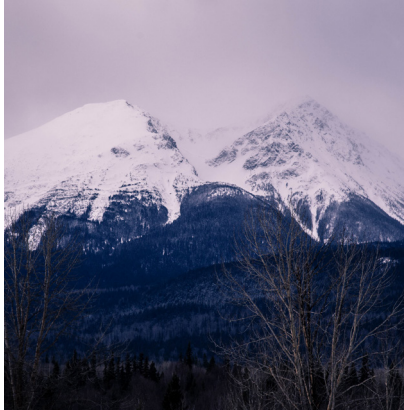
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7. What resources do we need and which do we already have? - Prepare a chart listing the specific work tasks, persons and organizations responsible, the due dates, and the funding sources who will support the work will take your vision and turn it towards implementation.
 8. Who is responsible? - A key to successful implementation requires gaining commitments from specific individuals (and governments and industry) to complete tasks and see the work through to its completion.
 9. How much does it cost? - Establishing a budget and identifying who can provide the funding the necessary tasks is a critical step in the planning process. Fostering collaborative relations will enable funding to be secured for the implementation of the economic strategic plan to be possible.
 10. How do we know when we get there? - Its important to always keep the end goal in sight and check in with your vision regularly to ensure you are on your way to actualizing it. Establishing measurement tools from the beginning will allow enable you to know when you have achieved your goals.

Through the work of the *BCAFN's Sustainable Economic Development & Fiscal Relations Strategy*, we are well underway to take on the goal of economic reconciliation for First Nations in BC. Round 2 of the Regional Sessions allowed us to define what economic reconciliation means to us, what the indicators of such reconciliation would look like, and what our vision for the future would be with a hybrid economy that balances who we are as Indigenous peoples, our place on the land, and the role that our culture and traditions play in our prosperous fiscal futures.



END NOTES

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