

immigrants. Indeed, the increased emphasis on rights and interculturalism is aimed specifically at eliminating those barriers that would impede the integration and development of immigrants as contributors to the economy and society. Meanwhile, an immigration policy that concentrates on the economic dimension also highlights and reinforces the importance and need for a rights agenda and an intercultural focus in multicultural policy. Racism and anti-foreign sentiment, which are impediments to economic growth and development, can be best addressed by promoting a wide-ranging multicultural policy that attempts to locate immigrants in the community as rights-bearing individuals who can be seen as either in transition or part of a wider social, intercultural experience.

The two policies complement each other in their aim to integrate the immigrant. But it is done without fully acknowledging the cultural content of their existence. Predicated narrowly on the economic needs of immigrants and the province, these policies, as they have been constructed, can only partially address the difficulties associated with the immigrant experience. A broader focus would include a more substantial financial commitment to ethno-cultural communities so that they could assist in providing the cultural and other support mechanisms necessary to retain immigrants once they have arrived. This, however, would mean viewing the immigrant experience through other than an economic lens, with less emphasis on addressing how the province's economic priorities are being met to the exclusion of immigrant social-cultural needs. It would also mean, given the close policy link that exists between the two, a re-articulation of the province's multicultural and settlement policies. As for the implementation of a new and more focused multiculturalism policy, the establishment of a government agency, such as a Multiculturalism Secretariat, would greatly serve the objectives of attracting and retaining immigrants to the province.

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CHAPTER 4

INDIGENOUS PERSPECTIVES ON BUILDING THE SOCIAL ECONOMY OF SASKATCHEWAN

Priscilla Settee

The social economy concept is growing worldwide, (Guy and Heneberry, in McMurtry, 2010: 217), but very little has been written on the Indigenous experience with social economies. In fact, within the Canadian context, the potential of the social economy being part of the solution to the challenges facing Indigenous communities has not been widely researched by academics, policy makers, and others (McMurtry, 2010). My curiosity in the social economy as a possible solution to Indigenous economic challenges came from my knowledge of the roots and values of Indigenous communities and observations that the dominant socio-economic system marginalizes and fails Indigenous peoples. It also comes with my linkages with social economy practitioners. Governments of every political stripe have been unsuccessful in their attempt to meaningfully integrate Indigenous peoples into economic plans. This marginalization is mostly seen by larger society as Indigenous peoples' failure, a type of blaming-the-victim attitude. More communities are finding themselves at the mercy of globalization of economies, where business interests are more concentrated and market forces are the rule of the day, diminishing the control that people have over their local circumstances.

It is the argument of this chapter that social economy models of economic development can be used to build alternative economic structures that will reduce the poverty and social exclusion of Aboriginal peoples, and others in Saskatchewan, particularly in times of globalization and the intensification of neoliberal and market-driven economic development. This paper will begin with a brief socio-economic description of First Nations and Métis communities in Saskatchewan and will end by making specific policy suggestions that the Saskatchewan provincial government should

follow to reduce the marginalization of Aboriginals in Saskatchewan through promoting our province's social economy. I use the terminology Indigenous and Aboriginal interchangeably in this paper and recognize that First Nations and Métis peoples have different jurisdictions politically, educationally and legally, but share common features of underdeveloped communities. I also use social economies and community economic development interchangeably.

SITUATION OF SASKATCHEWAN'S INDIGENOUS COMMUNITIES

It is widely acknowledged that Canadian Indigenous communities, economies and social fabric face tremendous development challenges despite the efforts of Indigenous community leadership. The Royal Commission on Aboriginal Peoples (1996), a report commissioned by the federal government, concluded that while living standards have improved in the past 50 years, Indigenous communities are still plagued with low life expectancy rates, family violence, child school attrition, inadequate housing unemployment and unacceptably high prison rates, all representing a waste of human potential. A 2006 paper by the Social Policy Research Unit at the University of Regina revealed that, in Saskatchewan, policy emphasis based on neo-liberal economics have failed the poor and working poor. Saskatchewan's overall poverty rate is 15.3%, compared to Canada's 14.5% and most of those poor are Indigenous peoples (Hunter, Douglas, Pedersen, 2008). Indigenous peoples continue to fall behind others in terms of wages, general health and wellbeing, elder/youth care, and educational attainment, resulting in many living far below the poverty line (Findley and Wuttunee, 2007). Indeed, Sinclair and Hamilton (1991) argue that "poverty and powerlessness have been the Canadian legacy to a people who once governed their own affairs in full self-sufficiency."

It should be recognized that this phenomena is not limited to Aboriginal communities and is reflected in the larger society affecting those even within Canada's middle class. However, as land-based peoples, Indigenous peoples are particularly impacted by the destruction of the natural environment, lands, forests, and waters. For land-based people the natural environment is the heart of their economies and their very existence. Indigenous communities are the most deforested, dammed, and mined communities, and now some fear that they will be targeted with industry's nuclear waste. In many ways, even though development continues to take place within and adjacent to their communities, Indigenous peoples watch from the margins. Indigenous peoples are no longer satisfied to watch while their communities are turned into vast tracts of wasteland.

Life was not always this way. My own community of Cumberland House, a tiny First Nations and Métis community in northern Saskatchewan is an example of an historical centre of commerce and lucrative social economies. Like all northern Indigenous communities, Cumberland House was, and is still, to some extent a forested, agricultural community with abundant natural resources serving traditional Indigenous economies and providing scenic, tranquil and life-sustaining environments. The community was governed by traditional Cree principles and standards of living known in Cree as *pimatisiwin*, which reflect ancient knowledge for community life, well-being and sharing values. The word *pimatisiwin* is taken from the root word *pimatisi*—to be alive. Indigenous communities have developed practices that reflect holism and respect for nature and which reflect traditional knowledge systems. Traditional knowledge systems reflect worldviews that are sustainable, community centred and have sustained their communities since time immemorial.

Collectivity is central to Indigenous being and the collectivity of Indigenous knowledge is reflected in many of the ceremonies, teachings and expressions. A core value is *miyo-wichehtowin* which means having good relations, with humankind, the animal world and nature. Individually and collectively, people have since time immemorial been instructed to think of the greater and work towards the betterment of humankind (Settee, 2007). Traditionally, communities were governed by principles known as *wakotawin*, or laws that emanate from deep respect for all of life. When considering community development and establishment of public policy, these values are an invaluable guide. Unfortunately, these values are at risk with the imposition of “development” structures that undermine them.

Cumberland House has experienced tremendous disruptions as a result of an upstream dam that was built in the 1940s, which has led to the near economic collapse of the community. The dam is only one example of the development policy and practices of various governments in Saskatchewan’s north. The impact of the dam on Cumberland House’s economy was catastrophic, because of its effect on people who depended on the area’s natural resources. This dam wiped out many local gardens and dried up natural wetlands forcing much of the wild bird, duck and moose population to disappear from the community. Any disruption to the natural environment can have devastating impacts on local and Indigenous peoples in a hunting and gathering society. Cumberland House was no exception. The dam altered water levels in the Saskatchewan River, which made the area uninhabitable for a lot of animals. Within a few short years the

community went from a thriving subsistence economy to one that was no longer able to adequately provide for all its members, because of the dam.

Today, Indigenous people of Cumberland House are faced with epidemic rates of diabetes and other preventable diseases brought on by a number of socio-economic/development factors. The destruction of traditional lands, disappearance of traditional foods, loss of traditional and usually outdoor work and means of production, and the dumping of imported, unhealthy and price-inflated foods from urban areas are some of these factors. Even though some of the young people have taken jobs at fly-in mining sites, this fact has not helped and may have contributed to epidemic youth suicides that plagued this community. It is a simple equation that when the local economy has been devastated along with the sense of identity, a people's physical and spiritual health deteriorates. The impact was finally acknowledged in 1989, with a settlement of \$15 million to fishers and trappers of Cumberland House and with the establishment of a government farm. It is important to note that while money can elevate some physical suffering, money alone seldom gives people back a sense of culture, community, pride, and spiritual well-being, a sense of being in charge of one's future, those aspects that were given by life-sustaining traditional economies.

Cumberland House's history is typical of the situations of many northern Canadian Indigenous communities. Communities resources are exploited largely for southern interests and communities are left with the devastation to local economies and the natural environment (Settee, 1996). The trajectory of social, political and economic policies has been developed to assimilate and in effect destroy hunting and gathering societies (Kulchyski, 2004). Today, as in the past, development plans have left out or have minimized the social, cultural and economic interests of Indigenous communities with deleterious impacts. Tragically, many Indigenous communities have epidemic youth suicide rates, once eradicated diseases such as tuberculosis have returned, and other new diseases that are poverty- or pollution-related—heart disease, cancer, diabetes—have developed. Many of the diseases are directly related to communities whose dreams have been dashed because of loss of hunting and gathering communities and whose structural unemployment rates range anywhere from 50% to 80%. In a non-Indigenous community, this would not be accepted and would be declared a national disaster.

In spite of Saskatchewan's social democratic political tradition that emphasizes egalitarianism, colonialism has been a consistent reality for the province's Indigenous people. The CCF government in Saskatchewan,

under the leadership of Tommy Douglas, articulated a sincere desire to work with both Métis and First Nations communities in the 1940s but quickly fell short of their goals (Barron, 1997). The shockingly discriminatory treatment of northern natives and the one-sided development in favour of whites has been carefully researched by Quiring (2004) in *CCF Colonialism in Northern Saskatchewan: Battling Parish Priests, Bootleggers, and Fur Sharks*. While the desire for development of Indigenous communities was greatly articulated by the then government of the CCF, the actual practise reflected deep-seated discrimination.

Within an international context and to a lesser extent locally, Indigenous peoples have been very clear in their analysis and understanding of global forces that impact their daily lives. Since Indigenous leaders first stepped into the international arena at the United Nations in the early 1970s, solidarity networks developed and continue to grow stronger to this day. Indigenous peoples have clearly articulated the impact of Western development on their lands and the call for respectful development. The Declaration on the Rights of Indigenous Peoples that was passed in 2007 at the UN General Assembly outlines the minimal standards of development that Indigenous peoples have requested. Self-determination, land and resources environment and sustainable, culturally sensitive development are focus areas of the Declaration. Free, prior and informed consent as it relates to development on Indigenous lands has been a central feature of the Declaration. Indigenous communities are demanding equal and transparent partnership processes and a halt to destructive economic development processes in their communities. In addition, they are asking that full environmental and long-term impacts on traditional lands be fully understood. Indigenous peoples want to be equal beneficiaries and desire democratic decision-making processes in development issues. Article 32, section 1 of the Declaration on the Rights of Indigenous Peoples states that “Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources” (United Nations, 2007). It states further that “States shall consult and cooperate to obtain their (Indigenous Peoples) free and informed consent prior to the approval of any project affecting their lands or territories and other resources particularly in connection with the development, utilization or exploitation of mineral, water or other resources.”

Interestingly, Canada initially chose not to sign the declaration claiming incredibly that it is a legally binding document that would make Canada legally committed to First Nations People of Canada. While the Saskatchewan provincial government’s officials may not understand the

implications and importance of the Declaration, it is incumbent of them to learn of the significance such a document could have on future developments within Indigenous communities. Indeed, the Declaration's demands are reflective of the democratic principles underlying the social economy and the federal government was right to sign the Declaration.

Definition of Social Economy

All organizations in the social economy have a social mission that guides their program and policies. They may operate in the market but in all cases their market orientation combines a social mission (McMurtry, 2010: 9). Despite the fact that social economy projects account for tens of billions of dollars affecting millions of people's lives at all levels, governments have not paid it due consideration with respect to policy development. In many respects, Indigenous peoples' worldview and philosophies can make an excellent contribution to the world of social economy development in a time when traditional modes of economic development has created catastrophes such as the British Petroleum oil spill in the Gulf of Mexico.

John Loxley (2007), Professor of Economics at the University of Manitoba and senior consultant on international development, describes transforming or reforming capitalism and investing in humanity when doing economic development. He stresses the need for the community to become actively involved in the process of economic development. Loxley (2007: 8) describes the weaknesses of the current development model, when he asks: "Why are community economic concerns not taken care of by market forces and corporate decision-making?" Similarly, in his bestselling book *Small is Beautiful*, E.F. Schumacher proposes the principle of making human needs and compatibility with people's values and culture the economy's foremost consideration. Schumacher states that economic development should start with people, not goods, and proposes reliance on local resources for material goods and decentralization. He suggests people should work where they live and limit the use of non-renewable natural resources. Local ownership and import substitution (LOIS), two important aspects of social economies, is what Michael Shuman (2006) proposes in the *Small-mart Revolution, How Local Businesses are Beating the Global Competition*. Shuman describes the multiplier effect of local economies. The multiplier effect diminishes with geographic distance, the farther away you spend your dollars (i.e., imports), the less it does for the local economy. The underlying reason why local businesses have higher multiplier effect is that they spend more locally, they have local management, they advertise locally, and enjoy profits locally.

LOIS businesses minimize the incidence of sudden, calamitous and costly departures. In the early 1980s, people in Uranium City, Saskatchewan, were left stranded when Eldorado, the mining company, closed up shop and left a town devastated with loss of jobs and an environmental nightmare. Once almost a city of 5000, only about 89 people remain, living with rusting canisters of unknown toxins and dashed employment dreams. Uranium City is a good example of Shuman's TINA (There is no Alternative) model corporations like Wal-Mart, Costco, BMW, and fast-food chains such as McDonald's and Wendy's. Governments do not invest enough in small and local businesses. Most of their investments are for bigger corporations (TINA) so they will not leave the community. This money comes from taxpayers. Larger corporations receive larger tax breaks, grants, low interest loans, zoning preferences, training programs and gifts so they will not move to where there is cheaper labour. Others have identified similar principles within community development. Anielski (2007) describes the five capitals of genuine wealth: human, social, natural, built, and financial and how we can use the Genuine Wealth model to build a new economy of well-being nations. The ideas of Shumacher, Shuman, and Anielski are important and fundamental features of social economies.

In Canada, social economies have gained momentum in Quebec in early childhood centres, domestic help services, recycling centres, public and community-based housing, social, recreation and tourism initiatives, culture, communications, and more. Neamtan (2002) points out that, as in the case of certain European, as well as Latin American countries, "The social economy is therefore rooted in the realization that the economy isn't someone else's business—there is another way to organize the economy besides a neo-liberal approach." The social economy responds to society's need, including quality of life, job creation, respect for the environment, use of natural resources, and access to communications, among others.

There is a variety of definitions and views about social economy theories and their impact on communities. However, most researchers would agree there is little research on social economies. That being said, the social economy represents significant financial presence in communities. One definition of social economies refers to the set of activities and organizations stemming from collective entrepreneurship, organized around the following principles and operating rules:

- 1) the purpose of a social economy enterprise is to serve its members or the community rather than to simply make profits;

- 2) it operates at arm's length from the state;
- 3) it promotes a democratic management process involving all users and workers through its statutes and the way it does business;
- 4) it defends the primacy of individuals and work over capital in the distribution of its surpluses and revenues;
- 5) it bases its activities on the principles of participation and individual and collective empowerment. (Community Service Sector Council of Newfoundland and Labrador, 2010)

Using this definition, social economy enterprises would include co-operatives, charities, and non-governmental organizations that sell goods and services. Importantly, social economic practices strive for processes and products that reflect democratic principles. Shragge and Fontan (2000: 9) argue: "The development of the social economy has to be linked to a vision of social change that is at once the creation of democratic social institutions and at the same time is able to be part of wider mobilizations for social and economic justice, making claims on the state and the private sector."

Given that traditional economic development has left the majority of Indigenous communities, impoverished, disempowered and victims of outside power structures and profits, and given that mainstream development has taxed our natural environment to the point where we are seeing extreme climate change and environmental disruptions, social economic development can offer an innovative approach. In short, we need a new model of development that utilizes the talents of entire communities for the liberation and benefit of entire communities, ones that embrace the Indigenous principles of *wakotawin* and *miywichitowin*. It is interesting to note that while the concept of social economies was born many years earlier, it received renewed interest as a tool for working with socio-economically stressed communities in the beginning of the 1980s by communities that, similar to Indigenous communities, were facing high unemployment and few economic prospects. Indeed, Shragge and Fontan (2000, 5) note:

The context of the renewed social economy is shaped by the long period of high unemployment in all developed capitalist countries beginning in the 1980's, by a wide restructuring of the world economy, and a generalized attack on the welfare state with a reduction in state spending in the

social sphere. These changes while diminishing the social gains of the Keynesian welfare state, created a space in which new initiatives from the community sector were both necessary and possible.

Nancy Neamtan (2004), a key Quebec proponent of the social economy, contends that local development is a subject whose relevance is now clearly recognized by the majority of local national and international actors. Local development deserves more attention, as it now serves as a mirror for understanding the economic and social history of the last 25 years, and grasping the issues at stake today. On a global scale it is now clear that the social economy movement is firmly of international scale and represents new models of development. The ideas reflected in the social economy have been framed by the New Economic Forum (NEF), a global organization based out of the United Kingdom that proposes new models of development. The NEF is a research organization that documents and showcases projects that reflect egalitarian models and challenge neoliberal models. NEF's aim is a new economy based on social justice, environmental sustainability and collective well-being. It works on all three areas simultaneously to address the great issues of our time. As such, it challenges mainstream thinking on economic, environmental and social issues, and allies visionary research with making things work in practice.

The Paris-based Organization for Economic Co-operation and Development states that social economy offers an approach to local development that links together economic, social and environmental dimensions and creates a positive relationship between all the partners. It is a way of empowering individuals who have been excluded and marginalized for a variety of reasons. According to OECD researcher Xavier Greffe (2007), social economies proliferated in Canada because of the establishment of Quebec's Secretariat of the Social Economy, in 2004, with financial support given by the federal government. This support enabled the social economy sector in Quebec to develop important linkages between the various actors. The social economy, compared to traditional approaches, provides potential for a new vision and additional elements. It does this by widening the structure of a local economy and labour market by addressing unmet needs and producing new / different goods and services, and by widening the focus of the local development process (Greffe, 2007: 115).

Accountability remains an important issue in First Nations communities in Saskatchewan. Around the time that I was writing this chapter, a scandal hit the First Nations education community. First Nations University of

Canada provincial and federal funding was rescinded because of alleged wrongful expenditures. Some of the allegations were that senior administration and Board members at the First Nations University were inappropriately paying themselves. This scandal provides an opportunity to examine some of the kinds of governance challenges that face Indigenous communities. Might these problems have been avoided if more accountable social economies criteria had been used? The scandal that has rocked First Nations communities nationally can be used as an opportunity to utilize the principles of social economies, accountability and governance, and to understand how pitfalls can be avoided in the future. Community development (Loxley, 2007) emphasis on process and how things are being done, rather than on what should be done, works with the challenges that have been left behind by the colonial process.

Assessment of organizations is a routine procedure that many organizations often do not commit to often enough. Good governance is a process that needs to be constantly assessed and one on which social economies are based. The principles of good governance that the Conference Board of Canada utilizes are: accomplishment and measurement (monitoring and overseeing management, selecting organizational performance measures, evaluating the board, CEO and individual directors) and continuous learning and growth (promoting a culture of innovation and developing and training directors, executives and employees). Use of these principles could possibly have avoided the organizational growth pitfalls experienced by the First Nations University of Canada and a major setback for First Nations control of First Nations education. In many ways the problems that plague the university are symptomatic of broader community challenges regarding management, leadership, accountability and transparency issues. Added to this would be broader issues such as outside company and business interests, accountability and transparency.

Keeping businesses accountable to the consumers is a central feature of social economies. An issue that is seldom brought into the open is the lack of respect Indigenous peoples face as consumers and purchasers. In a small village near the city of Saskatoon, the local businesses admit that they survive off local First Nations consumers to keep their businesses alive, but Indigenous people have admitted that they do not receive the respect they feel they deserve as consumers. There is reason enough for Indigenous people to organize their own local businesses and keep the profits within their own communities or minimally bring the issue of racist treatment of Indigenous consumers into the public. Race relations need improvement and

First Nations deserve respectful treatment or the options are to establish their own businesses. Estill (2010) reflects:

Our choice of haircutters was driven by convenience, and price, and values; but when the fast cheap haircut downtown came loaded with “values” from yesteryear, we moved to a less convenient, more expensive option.

It is time for Indigenous peoples and others to create business options with social economic values of mutual respect and dignity. When one considers the range of purchases within one household, clearly there is room to consider which products can be produced locally. In short, in keeping with social economic principles, Indigenous communities can combine badly needed economic and social missions, receive respect as a consumer, and earn a sizable portion of their revenues in the marketplace.

EXAMPLES OF EXISTING SOCIAL ECONOMY ENTERPRISES

Neechi (Cree word for friend) Food Co-operative in Winnipeg’s inner city is a social economy business. Established in 1989, Neechi Store sells groceries to residents in the core area while training and employing local Indigenous people. What makes Neechi unique is that it works with the local socioeconomic circumstances of the inner city, using locally produced goods and services and reinvesting profits locally. Neechi has offered long-term employment for local residents, offering skill development and focusing on local decision-making. It offers neighbourhood stability, human dignity and support for local Community Economic Initiatives. It presents the case for “a community economic development planning process geared towards developing a convergent, self-reliant local economy based upon community economic development principles; maximizing income retention, strengthening and promoting economic linkages, and maximizing community employment” (Loxley and Wien, in Newhouse and Peters, 2003: 235). Neechi’s development has been so successful that this year it will move to a bigger but still centrally located place in one of Winnipeg’s most neglected inner city community. This broad-based impact on both the economy and society as well as cultural empowerment make Neechi Foods an excellent example of social economy in an Aboriginal context (McMurtry, 2005).

Another example of an organic organization working primarily with Indigenous youth in Saskatoon’s inner city is the Core Neighbourhood Youth Co-op (CNYC). CNYC is committed to developing life and employment skills with Saskatoon youth who have had difficulty coping in the regular

school system and who may be gang involved. Students are given educational and sustainable economic opportunities through hands-on programming and community outreach. CNYC does not separate gender roles or women/men specific roles. The co-operative promotes values of social economic projects, including sustainability, co-operation, entrepreneurial skills, leadership skills, and youth initiative in a safe and respectful environment. When I spoke with the Director of CNYC, he stated the program helps youth work on self-esteem by encouraging ownership, responsibility and accountability for production of household items. Students produce many useful household products that are sold to the public and the youth earn a wage from a percentage of the price of each item they work on.

In partnership with Str8up, a program that works with former gang members, CNYC youth reupholster old chairs and take half of the \$100-cost per chair. A large part of work is learning punctuality, budgeting, life skills, community building, skills sharing with community, getting youth off welfare, and helping kids help themselves through creating micro-economies. Student Wellness Initiative Towards Community Health (SWITCH), established in 2005, is an inner city medical student and University of Saskatchewan partnership. SWITCH works with CNYC in youth rehabilitation and changing drug lifestyles and rehabilitation. A greenhouse produces a space for youth to grow many of their own foods and herbs for sale at local farmers markets. Students grow berries and produce jams to sell. If the greenhouse was winter-proofed, it could help fill the demand for fresh vegetables in Saskatoon all year round. With donated bikes, students also learn bike repair. Partnerships with Saskatoon bike businesses give students a percentage off new products and create co-operation among city bike businesses.

Funding stability is the greatest challenge for CNYC. Too little funding causes the meagre staff to suffer from burnout, as there are many tasks and too few workers. While there are some volunteers, generally volunteerism is unsustainable. One central feature of both Neechi and CNYC is that they address barriers that employees/clients have. Recognizing that many of their clients experience issues of abuse, addictions, discrimination, as well as more structural ones, such as lack of housing, long-term training and education, these issues need to be addressed before people can be gainfully employed. In the future the Director wants to work more organically with some of the core area groups building on the momentum of community development and networking to create simple and interesting work opportunities for Saskatoon's core area youth.

Business Alliances for Local Living Economies is a mostly non-

Indigenous movement that presents some examples that Indigenous Peoples can consider. When BALLE was initially conceptualized they were motivated by “challenging some of the core assumptions in the economic development community, demanding that politicians stop giving away precious local resources to lure nonlocal business, rethinking public policies that disadvantage small businesses from top to bottom, and building a new movement of business and consumers that would train, hire, invest and buy local” (Shuman, 2006: 14). BALLE believes in the power of local businesses to transform communities for the better by working cooperatively toward a shared vision; it does this by focusing on sustainable agriculture, green building, renewable energy, community capital, zero-waste manufacturing, and independent retain and are catalysts for civic action, social diversity and ecological health. The local living economy that BALLE utilizes ensures that economic power remains within a local context and outside interests are secondary, ensuring healthy ecosystems for the residents. BALLE employees are given meaningful living wage jobs within healthy and inclusive workplaces that protect natural environments. Secure and democratic systems of governance, community health and accountability are features that BALLE businesses utilize. At their annual conference BALLE showcases inspirational and practical examples of businesses and demonstrates how communities can organize new, living and grassroots businesses. BALLE has grown to 24 chapters around the United States, collectively representing several thousand small businesses.

THE SOCIAL ECONOMY AND THE SASKATCHEWAN PROVINCIAL GOVERNMENT

First Nations and Métis social economy projects can serve as an innovative, organic, and ground-up community development organizing model and reflect Indigenous values. The process is largely about self-determination by Indigenous peoples to ensure economic, social as well as cultural development. Economics can be simplified and social economic projects can alleviate the grinding impact of poverty and neglect of our collective communities. Jim Stanford (2008), an economist with the Canadian Autoworkers Union, states that too often the economy is purposefully held up as a mysterious concept to non-economists and that economies need to be left to economists. Stanford challenges this notion and claims economies are really a daily part of life and must be seen as simple concepts that need to be understood by all. The topic of economics and economies can be about serving people and their life needs and not just serving profit-centred absentee companies and their stockholders.

Shuman (2006: 110) has several suggestions for globalizing our local

economy and emphasizing what he calls “Small-Mart” economic development. Some of the ideas can be led by governments and policy makers while others need to be taken up by citizen’s groups. He suggests:

- Revamping trade agreements so that they are community friendly through linking up with Small-Mart cities worldwide and formulating agreements on key issues such as environmental protection, corporate responsibility, worker rights, human rights and community rights.
- Poorer communities need help to become more self-reliant by providing them, without charge, with the best small mart technology, training, business and policy ideas. Work in concert with sympathetic communities worldwide to boycott countries that oppose Small-Mart Revolution.
- Set up global “funds for funds” that can provide geographic diversification of local business investment funds.
- Finance a Small-Mart world bank that provides targeted loans to local business development in poor communities.
- Create a Small-Mart International Monetary Fund that facilitates exchanges of local currencies.
- Weave global networks and related businesses together so they can support one another against multinational enterprises.

Social economy naysayers have speculated that First Nations and Métis communities could become economic and social managers of poverty. To alleviate this possibility, social economic organizations must be part of a critical analysis and longer vision for social change as outlined in this paper. Government policy-makers, academics and practitioners must be part of this process. This will create an organized and sustained effort to ensure a documented and well-planned innovative development (Neamtan, 2002). The approach cannot be haphazard. The quest for social economies can prove to balance both social and profitability goals within a cultural context that is centuries old. This would be a journey that would fit well within our traditions and values. In the long-term governments need to comply with outstanding land claims, construct realistic (and overdue) infrastructure development that can raise revenues from unceded traditional lands and access to self-governing structures and processes.

The development of the social economy cannot be haphazard and one of the first steps that the Saskatchewan government should take is to establish a task force on the social economy. A task force could bring together interested parties who can then develop a vision, plan and organize research for the development of social economy. The social economy movement has often been called the solidarity economy movement because it has promoted various partners to work together. In the words of Nancy Neamtan (2004), “the only way to change things is to unite our voices, deepen our roots, and create the alliances necessary to move our agenda forward in a way that is political, but non-partisan.” She asserts that people need to move from “opposition to proposition and from conservation to innovation in the political discourse” (Ibid.). But it is not on the public policy agenda. The linkages between best practices and research and best policies desperately need to be promoted in a co-ordinated way.

Social economies can be a key part of the process and a solution to the democratization of communities. The process can be a liberating process of community revitalization calling on ancient values of *pimatisiwin*, addressing disenfranchisement/disempowerment and meet obligations under the UN Declaration of Indigenous peoples. Finally, any policy formulation should start by openly admitting that the forces of domination that exist against Indigenous peoples are meaningful and effective. We must be honest that the forces of globalization are harsh, brutal and undermining of local autonomy. Alongside Indigenous peoples, progressives should boldly aspire once again to paradigms of social organization that unabashedly aim for equality and participatory democratic control of both the national economy as prerequisites for collective and individual liberation and, one must add, ecological stabilization. Solidarity among Indigenous peoples, civil society and government bureaucracies is overdue.

Internationally recognized proponents of the social economy agree that social economies will survive only with the support of governments:

Without the support of government social economies and the concept of community economic development will not succeed. If Community economic development is to succeed, Governments must make public investments in support of CED initiatives. The whole point of CED is that it is not driven by the profit-maximizing principles of capitalism. It is driven by people-oriented and community-oriented principles. Thus CED organizations may not be able to “compete” in the private market for investment.

Governments must provide public investment. (Loxley, Silver and Sexsmith, 2007: 10)

In Canada, outside of Quebec, they have not been willing partners so far. When considering policy development, if we look to the principles of traditional Indigenous values as well as those of social economies, and community economic development, we realize that it is not only possible but necessary to work in partnership and solidarity taking the best from the two solitudes. We recognize the commonalities between both worldviews, principles of sustainability, holism and respect for human dignity, working towards the greater good of community and the Cree concept of *pimatisiwin*—the good life. This process will require becoming knowledgeable about culture, history and shared inheritance and ensuring that research and policy development reflects the same. It is about re-establishing or, in some cases, establishing true democratic processes that engage communities, reflect diversity and ensure that everyone's talents and potential is realized. The quest for social economies can prove to balance both social and profitability goals within a cultural context that is centuries old. Taking this investigation into key challenges facing the contemporary world—mitigating the impact of capitalism on Aboriginal communities as well as on others—is a necessary next step in the development of the concept of the social economy. I believe that the world does not need more millionaires while our ravaged world is hanging by a thread over environmental collapse amidst growing poverty. We desperately need common sense to prevail and to have more egalitarian social, economic and environmental systems in place. Clearly there is a need for government policy-makers and academics to work in concert with community-based groups to devise solutions to the challenges on the ground.

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CHAPTER 5

BALANCING CONFLICTING PURPOSES:

SASKATCHEWAN TAXATION POLICY FROM 1991 TO 2011¹

David McGrane

Despite the technical nature of taxation policy, it is one of the most important functions of government. Indeed, taxation entails consideration of some of the most fundamental questions of politics: How do we share our wealth? How does government intervene in the economy? How do we build our collective projects? Unfortunately, the taxation policy of provincial governments has not been a very popular topic in Canadian political science. Geoffrey Hale notes that most studies on Canadian taxation by political scientists have focused on the federal government because of its historical dominance of this jurisdiction and the perception that provincial governments are “policy takers” as opposed to “policy innovators” (Hale, 2002: 321–22). However, there has been a growing provincialization of the Canadian taxation system due to changes in federal-provincial tax collection agreements, an increase in provinces’ “own-source revenue,” and the recent aggressiveness of provinces to enact tax reforms that reflect their provincial political culture, the ideology of the governing party, and their unique economic structures (see Hale, 2002: 321–40; Dahlby and Dyck, 2002).

Reflecting the lack of attention that provincial taxation policy has traditionally received, there has been only limited academic research done on the Saskatchewan provincial government’s recent taxation policy (Rushton, 2000, 2001; Tompkins, 2008).² In response to this lack of research, this

1. The author would like to thank Eric Cline, Saskatchewan Finance Minister from 1997 to 2003, for his insightful comments on this chapter.

2. It should also be noted that two former Saskatchewan cabinet ministers have devoted lengthy sections of their memoirs to taxation policy during their time in government (MacKinnon, 2003; Cline, 2008).

chapter will analyze the Saskatchewan government's taxation policy from the beginning of the New Democratic Party (NDP) government in 1991 to the Saskatchewan Party government in 2011. The chapter begins by discussing the several conflicting purposes that have been embodied in Saskatchewan taxation policy: revenue generation, wealth redistribution, economic competitiveness, simplification, influencing behaviour, cultivating electoral support, and attraction/retention of skilled workers and young people. It illustrates how each government sought to balance these conflicting purposes of taxation and attempts to explain why these governments chose the balancing act that they did. The overall argument will be that Saskatchewan taxation policy is an ideological response to the external circumstances imposed upon provincial governments such as prevailing economic conditions, immediate electoral considerations, the federal government's fiscal policy, and the persistence of a collectivist provincial political culture. Taxation policy in Saskatchewan has been the art of finding ways to achieve one's ideological goals given the structural constraints that faces one's government. The final section of the chapter will suggest new directions for Saskatchewan taxation policy given the fiscal uncertainties that the provincial government is now facing.

THE CONFLICTING PURPOSES OF TAXATION

While taxation policies have not been a popular area of study for Canadian political scientists, Canadian economists have built up a considerable body of literature on taxation.³ Much of this literature is focused on predicting the efficiency of tax measures to achieve stated goals and estimating the effect of taxation on economic growth, tax avoidance, income distribution, and labour and capital mobility. As a whole, this literature views taxation policy as rational, situational, pragmatic, and non-ideological. Following the work of Hale, I propose a more political approach to understanding taxation in Saskatchewan (See Hale, 2002, Chapters 2–4). While many of these purposes of taxation that I outline below are grounded in the technical arguments made by economists, we must be cognizant of the normative, ideological, and political considerations that Saskatchewan politicians and bureaucrats have taken into account when making taxation policy.

The taxation policy of the Saskatchewan provincial government from 1991 to 2011 has embodied a number of conflicting purposes. The old adage that “taxes are the price we pay to live in a civilized society” is apparent in

3. The best repository of this work is the *Canadian Tax Journal* that has been published by the Canadian Tax Foundation since 1953.

Saskatchewan's taxation policy. Provincial governments have used taxes to generate revenue to pay for the social programs and government services that citizens use every day. Since the operation of a free market creates economic inequality, Saskatchewan provincial governments have utilized taxation as a way to redistribute wealth. Indeed, taxes are a great way (but not the only way) to increase economic equality in a society and to reduce poverty. When discussing taxation and wealth redistribution, Saskatchewan governments have paid special attention to how taxes are either regressive (high-income earners pay less than low-income earners as a percentage of their income or wealth) or progressive (high-income earners pay more than low-income earners as a percentage of their income or wealth). However, wealth redistribution has not always been just about the equity between rich and poor. Taxation in Saskatchewan has also been used to reduce the financial stress of people in certain life situations such as seniors, parents, single-earner families, farmers, or those providing care for disabled or elderly relatives.

Since the advent of globalization, taxation policy in Saskatchewan has frequently involved questions of attracting external private investment, increasing the competitiveness of the provincial economy, and boosting job creation and economic growth. Saskatchewan taxation policy has generally achieved these objectives through lowering overall tax rates, creating exemptions for certain types of economic activities, or even allotting tax exemptions to specific companies. The Saskatchewan government has perceived itself to be in a global competition with other Canadian provinces, and even other international jurisdictions, for skilled workers. In response to this situation, provincial governments have tried to structure their taxes in such a way to entice skill workers to Saskatchewan. Similarly, due to the exodus of educated youth out of the province, Saskatchewan governments have seen taxes as a way to retain youth to work in Saskatchewan's economy.

Though Saskatchewan governments rarely admit it openly, they clearly enact certain tax measures because they are electorally popular and they shy away from other taxes because they fear an electoral backlash. Connected to electoral considerations are simplifications made to taxation to make it easier to understand for the average person, thereby enhancing the legitimacy and popularity of the government's taxation regime. Additionally, simplification encompasses the consideration that taxes must not be onerously difficult to collect or they will produce little revenue and their collection will be costly. Finally, since the Thatcher government put the first tobacco taxes into place in Saskatchewan during the 1960s, it has been