

What would it mean if Canada's first nations were, if not rich, then at least as well-to-do as their non-native neighbors?

The short answer is a lot. Because native poverty is so broad and so deep that turning it around would mean a huge shot in the arm for the entire Canadian economy.

Despite recent economic progress -- which may be spotty but is still substantial -- first nations continue to trail other Canadians in every measure of wealth, not to mention social indicators. The median income of aboriginals in Canada in 2005, for example, was just \$16,572, compared to \$25,955 for all Canadians combined.

B.C.'s 91,500 natives who are aged 15 or older make up less than three per cent of the province's adult population. Yet fully a third of all adults with no income or making less than \$10,000 a year are native.

At the high end of the earning continuum, just two-thirds of one per cent of 213,000 British Columbians who earn more than \$80,000 a year are native.

Nor does B.C.'s educational data give much reason to hope this imbalance will change any time soon. Aboriginals trail at every level of schooling.

And the higher and more technical the level of education, the bigger the gap. Natives make up 2.3 per cent of the people in the province whose highest educational attainment is high school, but just three-quarters of one per cent of those with advanced degrees.

"All this poverty turns out to be a bloody expensive business," says Stephen Cornell of the University of Arizona, one of the co-founders of the Harvard Project on American Indian Development. "There's a huge cost to Canada of maintaining communities in poverty."

Cornell, who is as frequent a visitor to Canadian reserves as to those in the United States, was attending an event last week that flies in the face of the thesis that Indians are poor. It was the opening of new Business Conference Centre that is the latest addition to the \$80-million Spirit Ridge Vineyard Resort built on the shores of Okanagan Lake by the Osoyoos Indian Band.

But the Osoyoos Band -- with nearly a score of its own businesses ranging from a winery to a construction company, and with so many on-reserve jobs that it's now a major employer of both natives and non-natives in the area -- is a still-too-rare exception among Canada's reserves.

"Think about all those other native communities [with little or no economic base] becoming economically productive," Cornell said in interview. "It's what they're inevitably going to do."

"And when they do, what you'll really be seeing is one of the last undeveloped parts of the Canadian society starting to contribute. I don't see how that can be anything other than a shot in the arm to the entire Canadian economy.

"If you put the contribution of this transformation against the opportunity cost of not doing it, you've got a pretty big number."

Of course, to buy into Cornell's analysis, you have to buy into the optimism at its base -- the conviction that things will get better.

That optimism is shared -- indeed, it's fanned and applauded -- by Shawn Atleo, the B.C.-born, newly elected national chief of the Assembly of First Nations, who was also in Osoyoos to celebrate what he called the "overnight success" of the Osoyoos Band's business ventures -- which actually began with a tentative first step in 1965.

But, despite the slow pace in the place that is now held up as a national showcase for aboriginal success, "I am absolutely convinced that we are at the cusp of recognizing our potential as first nations people," Atleo said. "We can and will arrive."

Cynics can be forgiven for hearing in Atleo's words the four-decade-old echoes of another B.C.-born leader, George Manuel. He was the first grand chief of what was then the National Indian Brotherhood, and he and all of his successors to the post have beat the drum for economic development.

But cynicism about the many shortfalls and failures to deliver should not obscure the real progress that has been made.

Cornell has long been tracking those first nations that have made strides toward breaking out of dependence and poverty.

"I'm going to guess that we're talking, at the moment, maybe 15 or 20 per cent who've made it, or who are beginning to do so," he said. "But my guess is that 25 years ago we were talking only two or three per cent."

Clarence Louie, who at age 49 has been the chief of Osoyoos Indian Band for half his life, treads more of the middle ground between optimism and skepticism -- at least when it comes to the bigger picture.

Louie is widely acclaimed as the business brains beyond his own band's success. But he notes that a great many first nations leaders, while they talk the talk on grassroots economic development, spend most of their time and energy in the lofty political arenas.

"Those things are important," he said. "But I tell other chiefs and councils, 'You've got to spend most of your time -- not all of it, but most of it -- looking after your own backyard. Fixing the potholes. Looking after the standard of living of your people. Because those

treaty issues, those unsettled land claims issues -- there's no end in sight. Chances are that struggle is going to be passed down to those in high school right now."

Economic progress will only take root, he said, if band leaders really take it to heart and make it a central focus of everything they do.

Meanwhile, Louie -- despite his growing national profile -- spends at least 75 per cent of his time dealing with nuts-and-bolts issues on his own reserve. And the kind of joint projects he loves to do with outside business people can be accomplished, he says, a great deal more easily and quickly than any dealings between bands and governments.

John Walker, the president and CEO of FortisBC, is one of the non-native business people that Louie and eight or nine other chiefs of progressive bands often deal with.

As a tightly regulated energy company -- "We can't spend a nickel without regulatory approval," says Walker -- he has both a lot of skill and patience in negotiations, and is a great yardstick for comparing the relative ease or difficulty of doing deals.

And he thinks bands are easier to deal with than governments -- "as long as you respect the process they have to go through in their own decision-making. It's a consensus process, and it takes a long time to make things happen. So we've learned to get out in front of things."

Atleo says these things -- the continuing great need, the celebrated examples of those who have proven that bands can do well, and the recognition that business and bands can work together -- have come together to provide a solid basis for more bands to make more progress.

"We're beginning to see what the promise of this country is."

Cornell agrees.

He doesn't believe there'll ever be a magic bullet -- a single formula that works for all. And he concedes that isolated bands with few resources have a much tougher row to hoe, and that the best they may be able to hope for in the near future is a hybrid economy with some of their own revenue and some transfers from government.

Even so, "There's an enormous learning effect from each other."

"It's not that somebody at the federal or provincial level said 'You guys have to focus on economic development'. It's that stories like Osoyoos, Lac La Ronge, Meadow Lake [both in Saskatchewan], Membertou [Nova Scotia] and others are being told. Across the country first nations leaders are saying, 'Why couldn't we do that?'"

"I think reserve communities are saying, 'Those guys have employment. They've got dollars they can spend. Why don't we?'"

"That's a much more powerful effect than having a federal policy-maker show up, or an academic like me, show up and say, 'You guys need to focus on economic development.'

"It's the track record out there that has an impact."

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