

Co-operatives in Québec Aboriginal Communities

Review of the Literature

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This literature review is based on the few documents written on Aboriginal economic development in Québec, and more specifically on the co-operative component. In view of the limited information identified, an attempt has been made to augment this review with some informal telephone conversations with key players and organizations in Aboriginal economic development. Although the written and oral information provides an overview of the dynamic behind the economic development strategies in place in the Aboriginal communities, it does not permit an analysis of the actual impact of the co-operative formula on the economic and social development of those communities. Neither does this review allow researchers to illuminate certain common features of the different co-operatives so as to deduce their success factors or underscore specific problems.

There are two membership networks for Québec co-operatives: the co-operative movement in Nunavik centred on the Fédération des coopératives du Nouveau-Québec and the caisses populaires in Aboriginal communities associated with the Mouvement Desjardins. The co-operative movement in Nunavik, a full-fledged movement in itself, is by far the largest and consequently the best documented. Along with the Arctic Co-op in the Northwest Territories, it is one of the biggest in Canada. Nearly 20 percent of the Aboriginal co-operatives in Canada are located in the territory of Québec (26¹ out of a total of 133). Half of the Québec co-operatives are in Nunavik. From 1992 to 1997, the revenue of the co-operatives almost tripled. Sales in Québec rose from \$30,777,580 to \$83,896,901, while assets increased from \$20,673,860 to \$62,110,835 (Pickett 1992, p. 4, and Belhadji and Roy 1997).

¹ Because of the difficulties of enumerating Aboriginal co-operatives, the figure of twenty-six, while probably very close to reality, remains an approximation.

Co-operatives North of the 55th Parallel

The first attempts at co-operatives were made in New Québec in the late fifties, with the first co-op in Québec starting in 1959 in Kangirsualujavaq (formerly George River) in Nunavik. Some identify the federal government as being responsible for the first co-operative endeavour in Nunavik. One finds more references, however, to the initiating and catalyst role played by André Steinman, an Oblate Father, and Peter Murdoch, who before being named managing director of the Fédération des coopératives du Nouveau-Québec, was manager of a branch of the Hudson's Bay Company, the main competitor of the northern co-operatives. Faced with problems of Inuit debt, related among other things to the fall in fur prices in the 1950s, Peter Murdoch set up a pooled loan fund, wherein one can in fact see the not-so-distant origins of the co-operative formula in New Québec.

With a federation in place since 1967, the co-operative movement in northern Québec has a solid structure. The Fédération des coopératives du Nouveau-Québec is the cornerstone of co-operative development in the North, serving both as a stock purchasing and sales co-operative and providing its members with important technical and financial support.

The scope of the movement in Nunavik (where each village has its own co-operative) has drawn the attention of a number of researchers, including Jean-Jacques Simard, Gérard Duhaime, Harold Bhérer, and Denis Beaulieu. One of the most complete works on the co-operative experience in Nunavik is no doubt "La révolution congelée: Coopération et développement au Nouveau-Québec Inuit" by Jean-Jacques Simard (Simard 1982), which explains the co-operative movement in Nunavik from a sociohistorical viewpoint. It provides a good understanding of both the historical context of the Inuit people and the current organizational mode of this society. While its sociohistorical analysis continues to be relevant and permits a good grasp of the context of the co-operative movement, it was produced in the early eighties, and thus allows little more than a few hypotheses regarding the present-day situation.

Simard explains that the co-operative movement arose out of a need to escape the control of the Hudson's Bay Company (HBC), which had a monopoly on the supply of consumer goods. He points out, however, as has been already mentioned, that the initiative was the product not of the Inuit communities themselves but of André Steinman, an Oblate Father, and Peter Murdoch, a former HBC manager. But the movement was quickly taken over by Inuit leaders, who associated it with demands for self-government. This period (the sixties) can be seen as the golden age of the co-operative movement in the region.

According to Jean-Jacques Simard, the formation of co-operatives in Nunavik is not the result of a natural process, as the co-operative mode of organization is not particularly suited to the traditional culture of the Inuit. Community spirit as we understand it—that

is, a sense of solidarity and mutual assistance pervading the community—is not particularly present in Nunavik. The values of this traditionally nomadic people relate first of all to the expanded family (close relatives, friends, and neighbours). It is important to remember in this connection that those over fifty years of age knew the area before the people became sedentary, so the nomadic culture is still very much alive in Nunavik. Simard and Gérard Duhaime (Duhaime 1983) agree that, in its beginnings, the co-operative formula was more a way of combatting a certain oppression by the HBC and then the governments than a mode of organization reflecting the dynamic of community life.

Duhaime maintains that the emergence of the co-operatives corresponded to a desire by the Inuit communities to take control, “a tangible sign of the entry of the Inuit of Arctic Québec into the contemporary world, no longer as just passive witnesses or even victims of development of the country by other people, but as agents of development” (Duhaime 1983, p. 180). Once established, the co-operatives not only met the Inuits’ needs for consumer goods, but first and foremost, created a sense of belonging.

“The Co-operatives ... were great places where Inuit could express their aspirations, their profound wishes for their communities and their region ... there was a very definite seed that was planted in the first Co-op meetings where people started talking about doing things for themselves, running the show, expressing self-determination in ways that government either federal or provincial could never have imagined. People were becoming aware of their identity, and their rights as a collective” (Nungak 1995).

Starting in 1971, the co-operative movement even supported the idea of regional self-government in Nunavik. It should be remembered that the Inuit co-operatives hire whites only on rare occasions. One of the guiding principles—indeed, a noteworthy feature—of the co-operative movement in northern Québec is that it is entirely managed by the Inuit themselves. The co-operative in Nunavik is thus more than an economic organization; it is also symbolic of the autonomy of the Inuit people (Simard 1982, p. 253).

The contribution of co-operatives to the regional economy has fallen off substantially since the implementation of the James Bay Agreements (November 11, 1975). Whereas in 1973 they accounted for 40 percent of the income earned by the Inuit, in 1983 the figure was no more than 18 percent. According to more recent data provided by Bernard Lamothe and Louise Lemire (Lamothe and Lemire 1994, p. 566), the co-operatives rank third as employers in the region, with 8.5 percent of available jobs. The main employer continues to be public and parapublic governments, which supply 68.3 percent of jobs, followed by private companies, which now employ up to 10 percent of the population. The figures in themselves are quite blunt: the co-operatives now play a more marginal role in Inuit society than when they began.

The substantial inflow of cash stemming from the signing of the agreements (i.e., \$90 million) had the effect of not only demobilizing the population but also impeding Aboriginal development, creating major distortions in the regional economy. As a result, the Inuit leaders gradually turned to the federal and provincial governments to obtain funds instead of seeking to build from within their own society. Today, the co-operatives have to measure themselves against the Makivik Corporation, the megastructure of organizations and companies created on funding from the James Bay Agreement.

Simard issues some reservations about political and economic autonomy in Nunavik. It is estimated that about 85 to 90 percent of the region's economy is directly dependent on government programmes (FCNQ 2000(a), p. 205). Nunavik has few resources, and the exploitation of those resources is extremely difficult because of the weather conditions. Since what Simard and Duhaime (Duhaime 1985) call their "entry into the modern age," the Inuit people have relied on government financial assistance to meet constantly growing consumer needs. The appeal of products from the south fosters this dependence. Merely to cover its considerable transportation costs, Nunavik can no longer do without the inflow of outside capital. In this "unhinged" economy (because turned towards the outside), internal development efforts are reduced, if not compromised. Robert C. Depew's citation of Rostaing's analysis of the Kativik Regional Government (KRG) seems entirely relevant as an explanation of the dependence situation in Nunavik.

In his discussion of the KRG boards, councils and committees, Rostaing implies that "foreign" (i.e., provincial) governing and administrative structures may not only be culturally inappropriate for the Inuit, but actually inhibit meaningful participation of the local population in institutional processes, including those concerned with co-ordination of activities, control over the organization's members and events, and communication between its members (Depew 1994, p. 35).

In responding to certain demands of the Inuit as well as granting them substantial financial compensation, the James Bay Agreement has dampened the zeal of many Natives for self-government. This leads a number of observers, Simard included, to think that, despite the official discourse in favour of self-government, "practices are more in keeping with an ideology that encourages dependence." However contradictory it may seem, entry into the North American economy has on the one hand prompted the Inuit to take responsibility for their economy by organizing into co-operatives, and on the other, contributed to the break-up of local solidarity. The establishment of the co-operatives in the late fifties is in fact concurrent with the transition to a money economy and a sedentarized population. Simard argues (1988) that the Inuit's entry into the modern age (at the end of World War

II), bringing with it an increase in government services and access to the world of consumer goods and mass culture, has dismantled the networks of community solidarity (meaning the expanded family of close relatives, neighbours, and friends).

Nonetheless, Simard (working in the early eighties) pointed out that the relationship of obedience to traditional authority and loyalty to one's clan was still very powerful. More recent studies (Chagnon 1995) reveal that the traditional paradigms of authority are tending to disappear. The new leaders are younger and more oriented towards the economic performance of the co-operative organization. Candidate selection is thus based more on the real competence to carry out the functions than on membership in the same social group. The consequence of this is greater integration of the entire community, and so the vision one finds within the Nunavik co-operatives tends to be more collective than family-focussed. Still, it is entirely possible that modes of thinking that are contradictory, to say the least, continue to coexist today. In the context of the modern age, traditional values such as respect for Elders are going to cause certain dysfunctions within an organization. Take the example of an employee who has to deal with an older member whose credit is overextended. The employee would probably be torn between his duty to the co-operative and his respect for an Elder. This situation may partly explain the cash-flow problems of certain co-operatives with sizeable client accounts.

With regard to the distribution of power on the boards of directors, Simard notes that seats are often occupied by members in positions of authority with other community organizations (e.g., the village council, school committee, fabrique (church), *caisse populaire*, etc.). "One finds here the tendency toward leadership homogenization and versatility that is characteristic of traditional cultures" (Simard 1982, p. 219). As a result, conflicts related to diverging group interests may appear within co-operative boards, delaying decision making. Management within the co-operatives, however, reflects the mode of organization of Inuit society in that it is consensual and flexible in nature. On occasion, for example, members of the executive will carry out clerical tasks. The corollary is that the social gap between executives, administrators, and employees is not pronounced (Simard 1982, p. 256).

Simard adds, however, that northern Québec must not be seen as homogeneous in terms of its population. "There is not *one* community of Northern Québec that can serve as the basis for a general process of consultation, deliberation and regional planning comparable to Yukon 2000" (Simard, <http://www.carc.org/pubs/v16no2/10.htm>). Simard identifies three northern Québecs: "the Inuit Arctic" (between Hudson Bay and Ungava Bay); "Indian country," comprising the Cree, Naskapi, Attikamek, and Montagnais (from James Bay to the North Shore of the St. Lawrence); and the "white North" (from Abitibi through

Lac-St-Jean to Sept-Iles, in the mid-North). The “New Québec” co-operatives are concentrated in the Inuit Arctic, where fourteen of the fifteen coastal villages have a co-op. The population has a total of 7,660 Inuit, 4,290 of whom make up the labour force (i.e., persons between fifteen and fifty-nine years of age) (Garneau 1992).

Among the topics considered by Harold Bherer (Bherer et al. 1990) and Bernard Lamothe (Lamothe et al. 1993) is the impact of certain sociodemographic factors on the development of Inuit society. According to the data collected, over half the population of Nunavik is under twenty years of age (versus 27 percent for Québec as a whole) (Lamothe et al. 1993, p. 13). Nunavik, therefore, has a smaller labour pool to support the regional economy. The authors also establish a correlation between level of schooling on the one hand and a society’s level of development and possibility of absorbing workers in the labour market, on the other. In Nunavik, 48 percent of the Inuit have not completed grade nine, whereas the number of people with a low level of schooling in Québec as a whole is under 24 percent (Lamothe et al. 1993, p. 14).

Simard’s typology and his establishment of the demographic context offer extremely interesting approaches to the economic development of the region. First of all, as he reminds us, northern Québec itself has certain subcharacteristics, and so the strategies employed must take that fact into account. And the low population density of the Inuit Arctic leads Simard to think that “any effort to build, on that minuscule foundation, a modern society that is in any way complete is mathematically optimistic” (Simard, <http://www.carc.org/pubs/v16no2/10.htm>). In a territory with so few people and so few resources, it is difficult to argue that there can be sustainable endogenous economic development. Despite its scope, the co-operative movement can never aspire to real autonomy.

A whole segment of the Nunavik economy, in fact, depends on the inflow of outside capital, i.e., funding from the two levels of government. Simard estimates transfers from the two governments to be approximately \$200 million annually (including compensation and government services) (Simard 1994, p. 543). This distortion of economic life is directly attributable, as mentioned by Simard and Duhaime, to the Inuit people’s entry into the modern age. In responding to endemic disease and food shortages, the governments have driven the Inuit to sedentarization by installing public services and building villages. But at the same time, this entry into the North American economy has ushered in a whole series of needs that cannot be met using local resources.

Denis Beaulieu has also written on the co-operative movement in New Québec (Beaulieu 1980 and 1983). Although mainly descriptive, his works offer a good overview of the

organizational structure of Nunavik co-operatives. The figures they present are of but limited use to us today, since they no longer reflect the current situation. For this purpose, one would do much better to consult the minutes and annual reports of the Fédération des coopératives du Nouveau-Québec, for that is where the most recent data are to be found. The great majority of the works on economic development in Nunavik were produced too long ago—most of them in the eighties—to offer profiles of any validity today.

According to the information in the minutes of the general assembly of the Fédération des coopératives du Nouveau-Québec held from April 4–11, 2000 (FCNQ 2000 (b)), sales of Inuit carvings seem to be one of the major current concerns of the Nunavik co-operatives. For some years now, the fédération has been encountering substantial problems in selling these carvings, which are said to be sometimes of mediocre quality. The quality of the carvings is, in fact, a major, recurring problem. As a result, the fédération is forced to sell them at a discount, which affects not only sales and finances but also the image of Nunavik art.

In recent years, the co-operatives have also developed tourism packages to northern Québec. This sector is doing very well. For the year 2000, 191 hunting trips and 138 fishing trips have been reserved, representing about 65 percent of the excursions available (FCNQ 2000 (b), p. 29). The sector is experiencing certain growth pains, however, due to a lack of adequate guide training. Lack of training among co-operative employees and general management is another constant concern. According to Investissement Québec (telephone conversation, 2000), which grants loan guarantees to the co-operatives of New Québec, the two main causes of the poor operation of certain co-operatives are unskilled personnel (it identifies, in particular, shortcomings at the general management level) and competition from the North West Company (formerly the Hudson's Bay Company) in certain villages.

The Co-operatives in the South

Co-operative experiences south of the 55th parallel have not received any thorough study. There is some literature, however, on individual entrepreneurship on Native reserves in Québec. Harold Bherer is key figure in this regard. In his work *Wampum and Letters Patent*, Bherer analyzes the entrepreneurial development of Native communities in terms of different variables such as geographic location, culture and traditions, and natural resources (Bherer et al. 1990). Company objectives, therefore, vary depending on the geographic, demographic, and cultural characteristics of each Native community. Bherer nonetheless manages to identify certain common features of business development in Aboriginal communities.

The business, whether individual or collective, is seen in many Native communities as a means of defending and preserving the vitality of culture on the reserve. The community (or family) dimension is thus a factor even in an individual enterprise. Family members are particularly present during the start-up phase, and the entrepreneur naturally shares his or her profit with the family. The importance of family life has much to do with the desire of Aboriginal entrepreneurs to limit the growth of their business. Their main goal is to meet the needs of their community, not to be constantly maximizing profits. This cultural trait explains why one finds so many small businesses in Aboriginal communities. Given this cultural aspect, Bherer seems to agree that the community formula, from which the co-operative was born, is particularly well suited to traditional Native values: "The collective enterprise (created by a board council, group, or co-operative) then becomes a privileged vehicle of the cultural syntheses required for community development, a means of preserving its special character and fighting against assimilation into White culture" (Bherer et al. 1990, p. 145).

In 1990, the participants in a symposium on Native entrepreneurship (Grasse and Bherer 1990) proposed to encourage the development of enterprises of a "third type." They felt that a business that could deliver projects for the community while allocating a portion of the profits to "individual developers" was the one best adapted to Aboriginal culture. Symposium participants regarded this type of enterprise as "the true foundation of Native entrepreneurship." Although not specifically defined as such, this business of the "third type" is oddly similar to the co-operative formula. Incidentally, it would appear that this business model is not being given sufficient consideration by band councils.

Bherer identifies three reasons for starting a co-operative: to create jobs on the reserve, to take control of economic development, and to get the chance to be a decision maker in the community. Using a few case studies done on reserves, Bherer manages to identify the factors of success and failure that are most often cited by the Native entrepreneurs questioned. Factors affecting the success of an enterprise include the owner's commitment (whether an individual or collective owner), the support provided by the family, and the fiscal advantages on the reserves. The entrepreneurs emphasize the importance of not depending on outside aid, however, so they consider it a priority to aim to be self-financing in the short term. The main causes of failure include mismanagement due to lack of technical knowledge, and lack of funding (which is either not available or limited by restrictive government criteria). For co-operatives specifically, a major cause of failure is low enthusiasm by the members and employees, which compromises the organization's productivity.

Certain difficulties peculiar to the development of an economy on a reserve also emerged at the symposium on Native entrepreneurship. Among the main ones are the location of

the reserves, which are often distant from the urban centres, their low population, a limited market, and a very high percentage of young people and children (the average age on a reserve is twenty-three; in Canada as a whole, thirty-two) (Grasse and Bherer 1990, p. 36). On the other hand, it is felt that these same limitations have contributed to the rapid growth of co-operatives in Nunavik. The fact of being isolated from other communities reduced competition and also made it necessary to establish businesses that could meet the needs of the Inuit people. In the other Aboriginal communities, business development is more difficult. New businesses have to compete with many other services already available off-reserve.

Despite some degree of documentation on Aboriginal economic development, researchers were unable to locate any study focussing on the co-operative formula as a mode of economic and social development. There are a few analyses of co-operative experiences across Canada in general, but this overall analysis does not allow one to draw any conclusions about the specific situation in Québec. Furthermore, the few case studies of co-operatives are usually concentrated in the Anglophone provinces. It should be noted that most of the works on co-operatives in Native communities are administrative documents covering the period 1960–1980 (evaluations and financial reports, training manuals, conference proceedings, and a few case studies). Little in the way of empirical research and comparative studies has been done to identify the strengths and weaknesses of the co-operative model as an economic development tool for Aboriginal communities.

In her annotated bibliography produced in February 2000, Rebecca McPhail of Indian and Northern Affairs Canada arrived at the same conclusion. Lynne Davis and Barbara Heidenreich have also produced an annotated bibliography on Aboriginal economic development. While it notes a number of studies on co-operative development in Native communities, few of them are devoted to the situation in Québec. In any case, the document itself was released in 1988. The present researchers managed to find more recent material (1995–2000) in the administrative library of the Government of Québec, but none of it considers co-operative development per se. For example, the document “Nations autochtones du Québec,” which briefly describes the type of economic development in each community, makes no mention of the existence of co-operatives south of the 55th parallel (Government of Québec 1984).

After consulting a multitude of sources, one conclusion seemed to command attention: there is no Aboriginal co-operative movement as such in the South. All one finds, in fact, are a few initiatives scattered over the whole territory (meaning the area south of the 55th parallel). The official lists from the Ministère de l’Industrie et du Commerce du Québec (MIC) recognize only three co-operatives as still operational. Department officials acknowledge that this list is probably not complete. First, it is possible that many co-operatives, although still functioning, are not forwarding their reports to the department

(rendering them “inactive” as far as MIC is concerned); second, it is not always easy to identify the co-operatives that are run by Natives. The designation “Aboriginal” will not necessarily appear in their charter of incorporation. Neither does their location on a reserve guarantee that they are part of that community. There is a co-operative on *La Romaine* reserve, for instance, that is recognized as being managed by whites. Consequently it is difficult to have a clear idea of the number and type of co-operatives existing in southern Québec.

According to the information obtained,² there are a total of fourteen co-operatives, including caisses populaires or credit unions. There are six Desjardins caisses populaires managed by Aboriginal communities and eight other co-operatives active in the following sectors: crafts, food (2), construction, forestry (2), cable broadcasting, and housing. While it is difficult to draw conclusions about the sectors of preference from such a small number, one cannot ignore the substantial representation of the financial sector in Aboriginal co-operatives. The Desjardins Mouvement is indeed well established in Native communities.

The Mouvement Desjardins and Its Caisses Populaires

There are caisses populaires managed by Natives in Wendake (Québec City), Mashteuiatsh, formerly Pointe Bleue (Lac St-Jean), Lac Mistassini (Abitibi), Waswanipi (Abitibi), Kahnawake (Montréal), and Wemindji (Abitibi). According to the most recent figures from the Secrétariat aux Coopératives, these six caisses have created a total of seventy-five jobs on the reserves, represent more than fourteen thousand Québec members, have assets over \$120 million, and realize pretax profits of about \$700,000.³ In addition to the six run by Natives, there are some twenty caisses in Québec serving the Aboriginal population and offering specific services to these communities. The first caisses populaires in Aboriginal communities date from the early sixties (Huberdeau 1989, p. 22). The very first one was set up in Nunavik in the village of Puvirnituk in 1962. It closed in 1982, however, for lack of a succession to take it over. The oldest caisses still active today are those of Wendake and Mashteuiatsh, both of which were founded in 1965. The most recent was created in 1990 in Wemindji (Abitibi).

The documents discussing caisses populaires in Aboriginal communities are few, and often limited to a descriptive study of their activities (Huberdeau 1989, and Woodall 1991). The caisses have been a subject of interest mainly because of the thorny problem of loan

² An exhaustive list of the co-operatives in Aboriginal communities can be found in the *Répertoire des affaires autochtones du Québec*, 1999.

³ Although this data dates from 1992, apparently these are the most recent figures for caisses populaires in Aboriginal communities. This information was confirmed by a representative of the Confédération des caisses populaires et d'économie Desjardins.

guarantees on reserves. Since reserve lands cannot be sold, mortgaged, or pledged as security to a non-Native under the federal *Indian Act*, entrepreneurs in these communities are often refused loans, as they have no security recognized by the banking system to offer in exchange. For a traditional banking institution to agree to a loan, it must first be guaranteed by Indian and Northern Affairs. Because of this added complication, the time it takes to process an application varies from three months to a year! (Woodall 1991, p. 21)

To address this problem, the *caisse populaire* of Kahnawake has developed a guarantee system employing a third party—the trustee—who by virtue of his status as an Amerindian may acquire the land as security. The trustee is not affiliated with a federal or provincial body, or even with the band council. Trustees are all volunteers and politically independent (Woodall 1991, p. 21). The presence of the *caisses* on the reserves is thus a determinant of Aboriginal economic development.⁴

The interveners at the hearings of the Royal Commission on Aboriginal Peoples (Royal Commission on Aboriginal Peoples 1993) also identified the fact that government financing formulas are not always adapted to the realities of these people as a limitation on the economic development of Aboriginal communities. For example, the eligibility criteria prevent Native bands from benefiting from these programmes (Royal Commission on Aboriginal Peoples 1993, p. 54). Among the factors that impede them from obtaining a loan from the government, the interveners mentioned high unemployment, poverty, and the low level of schooling on reserves. Some participants proposed setting up mechanisms to ensure that the money is spent by and for Natives so that these programmes can truly be of benefit to the community. As an inalienable entity, the co-operative formula would seem well suited to meeting this internal development need. However, this is a solution that was not mentioned by the royal commission participants.

One must be wary of overgeneralizations. The experiences of the Aboriginal communities are far from homogeneous. In Québec, as elsewhere in Canada, there are many Aboriginal nations, and this means different cultures and different modes of organization. The history of each of these peoples is also specific to them. Their contacts with whites and their geographic location also influence their development strategies. Consequently, while a co-operative experience may have worked well in one particular community, it will not necessarily meet with the same success in another.

⁴ The loan guarantee system is explained in greater detail in the case study in Appendix I dealing with the Kahnawake *caisse populaire*.

The Role of the Band Council

Apart from geographic location, which determines access to resources and market proximity, it would be interesting to further explore the role that the band council plays with regard to economic development on the reserves. Certain studies and reports identify the band council as a key player in supporting the start-up of individual or collective enterprises. It is said to play an important role as a political organization that has power both to do business and to develop the reserve economy. As the band council also grants funding to entrepreneurs, it can block projects it considers “not in compliance.” Many Native entrepreneurs (Grasse and Bherer 1990, p. 83) are critical of the band council’s strong influence over the community’s economic development. Some economic development officers in the Aboriginal communities (telephone conversations, 2000), in fact, maintain that communities where the band council is particularly dynamic tend to adopt an economic development strategy based on the individual private business or the not-for-profit community business.

In the community of Betsiamite, these two types of organizations are found in roughly equal proportions. Unlike co-operatives, community businesses remain under the control of the band council, which has a majority of seats on the board of directors. The few co-operatives that have been created in the territory have had to close: “Too many chiefs, not enough Indians.” The political culture that now prevails in the Aboriginal communities does not necessarily facilitate the equal sharing of power. Everyone on the co-operatives’ boards tends to want to be a director. At the moment, therefore, the preference seems to be for the community business model, which can be found in sectors as diverse as forestry, tourism development and cable broadcasting.

It would be appropriate to further explore the hypothesis that the band council, as an unavoidable player in economic development, is orienting development strategies towards individual private entrepreneurship and the community enterprise. This would mean that the underdevelopment of Aboriginal co-operatives is the result of a choice that is first and foremost political. This is the gist of the argument made by Cornell and Kalt. According to their research, as the Aboriginal communities have traditional, decentralized structures, it is easier for them to incorporate participatory modes of management. For a collective management process to be successfully introduced, there must be real participation by the community in the process (Depew 1994, p. 74).

The band council’s role is not the same in all communities. Some of them have set up co-operatives that seem to be working well. The Mashteuatsh (Pointe Bleue) reserve alone, for example, has three co-operatives on its territory (a *caisse populaire*, a food co-

operative, and an agri-forestry co-operative). The reluctance of some communities to create co-operatives can also be explained by the spirit of individualism characteristic of certain peoples. According to one MIC officer, it is this “cultural” aspect that partly explains the absence of co-operatives in the North Shore region. It remains to be seen, however, whether the individualistic nature of certain peoples stems from their traditional culture or is in fact the result of their adaptation to the dominant consumer culture.

Systematic case studies of each of the co-operatives in the territory, therefore, seem essential in order to understand this reality and come up with some explanations. It would also be useful to question the economic development officers on reserves that presently have no co-operative. This would provide a better idea of the factors behind the development of Aboriginal co-operatives and the barriers to their establishment. Many variables should be considered in the analysis: the particular culture of the nation; the role played by the band council, and interactions with more traditional councils (such as the council of elders) and the major families holding economic power; the programmes put in place by government authorities; geographic location; economic development status; the vitality of the region; the degree of wealth of the reserve; the unemployment rate; the population distribution by age; and so forth.

As no comprehensive analysis has been done on the current situation south of the 55th parallel in Québec, it is difficult to identify co-operative-oriented economic development trends on the reserves. The Assembly of First Nations (AFN) is presently working on setting up an economic development commission. Activities planned for the year 2000 included an attempt to improve the quality of economic development information in First Nation communities by increasing the type of information, feedback, research, and tools available to promote exchange from one coast to the other. Through the *AFN Bulletin*, the AFN plans to make First Nations aware of the success stories and problems experienced by Aboriginal entrepreneurs.

The Experience of Ouje-Bougoumou

Although it has not employed the co-operative model, the Cree community of Ouje-Bougoumou in Abitibi seems deserving of mention. This community is regarded by the United Nations as one of the fifty communities in the world that best represents the ideals and objectives of the United Nations (HRDC 1999, p. 13). And indeed, the development of this Cree community over the past twenty years or so is quite impressive. Expropriated from its land and marginalized from political and economic life, the community decided in the mid-seventies to engage in development with a view to self-determination. In twenty years (1975–1995), the community rebuilt the village using local labour and established a

series of public and community services (health service, youth centre, home for elders, day-care centre, school, and cultural centre). Some compare the socio-economic development of this community to the kibbutz model in Israel. Although this development model is strictly community-based, the Cree have not opted for the co-operative mode of operation. The model therefore opens new avenues for economic development in Aboriginal communities.

Bibliography

[Quotes in the body of the text taken from documents below with French titles have been rendered into English for the purpose of this translation—tr.]

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