

CORPORATE ABORIGINAL ALLIANCES: A CASE STUDY OF THE OSOYOOS INDIAN BAND

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ABSTRACT

In Canada and elsewhere around the world Indigenous Peoples are struggling to rebuild their 'nations' and improve the socio-economic circumstances of their people. Many see economic development as the key to success. This is certainly true for the Aboriginal Peoples of Canada (the First Nations, Metis and Inuit). Through entrepreneurship and business development they believe they can attain their economic and 'nation-building' objectives. Many Aboriginal groups in Canada believe they can achieve these purposes through participation in the global economy and have adopted processes that reflect this belief. They recognize the success of this approach depends on the long-term profitability of the businesses they create. In order to improve the viability of their businesses, Aboriginal people are forming partnerships of all types among themselves and with non-Aboriginal enterprises.

Based on regulation theory, Anderson with others has developed a theoretical perspective on Indigenous development in the "new flexible economy". In order to test the validity of the theoretical model and especially to explore the way that the interplay between the state, supranational bodies, the civil sector, corporations, and community gives rise particular modes of development, we are doing a series of case studies based on the approach of Yin (2004). We have developed the case study protocol based on the theoretical model and are testing it by doing this initial case study on the Osoyoos First Nation. However, the ultimate quest is for an understanding of the conditions that need to be present for a successful entrepreneurial venture.

INTRODUCTION

In Canada and elsewhere around the world Indigenous Peoples are struggling to rebuild their nations and improve the socio-economic circumstances of their people. Many see economic development as the key to success. This is certainly true for Indigenous people in Canada (the First Nations, Metis and Inuit, collectively called Aboriginal or Indigenous people). Among them, participation in the global economy through entrepreneurship and business development is widely accepted as the key to economy building and nation re-building. As elaborated later, the expectation is that this participation will be on their own terms for their own purposes and traditional lands, history, culture and values will play a critical role. There is an intriguing symmetry between the modernity of the desire for global business competence and competitiveness and the insistence upon the distinctive importance of cultural heritage in developing new enterprise. The way that the two superficially contrasting concepts of innovation and heritage are combined, in the field of Indigenous entrepreneurship, has been expounded by Hindle and Lansdowne (2002, *passim*).

Recognizing the challenges they face in attempting to compete in the global economy on their own terms, Indigenous people are increasingly developing enterprises in the form of *partnerships* of all types among themselves and with non-Indigenous enterprises. As both a form and a context of business organisation, the partnership or alliance model is particularly fraught with the need to blend the old with the new; heritage with innovation. This study is a preliminary investigation of the Osoyoos Indian Band (OIB) and its development activities. The Osoyoos Indian Band Development Corporation (OIBDC) is a demonstrably successful portfolio of Indigenous entrepreneurial enterprise based on the partnership model. This paper explores one instance where the coming together of Aboriginal and corporate objectives, strategies and resources has resulted in a lasting business alliance.

METHODOLOGY

The focus of this study will be on the testing of the case study protocol developed by the authors utilizing the methodology developed by Robert K. Yin. The objectives of the larger research project are:

- Test the validity of the theoretical model on Indigenous development in the ‘new flexible economy’ as developed by Anderson and others;
- To address the question; can Aboriginal people in Canada and other Indigenous people compete on their own terms in the global economy and achieve their purposes? In doing so, we pay particular attention to the likely effectiveness of a strategy of alliances with non-Aboriginal enterprises.
- What kinds of structures and policies work to encourage economic growth in Indigenous communities? What kinds of actions do individuals and groups within Indigenous communities need to undertake to encourage economic growth?

Literature Review

Specific literature focussing on Indigenous entrepreneurship is slowly accumulating because it is still a young, but growing field. (see in particular the reference sections of: Ai *et al* 1998; Anderson 1999; Anderson 2002; Anderson *et al* 2001; Asch 1997; Cachon 2000; Chiste 1996; Cornell and Kalt 1992; Cornell and Kalt 1998; Dana 1996; RCAP 1996; Hindle and Lansdowne 2002; Newhouse 1999). Studies that are germane to Indigenous entrepreneurship are appearing in a wide range of disciplines; anthropology; sociology; economics; and ethnography to name a few. Moreover, there are many studies that have been written on the general topic of the economic conditions in Indigenous communities (Coates 1996; Frideres and Gadacz 2001; Steckley and Cummins 2001; RCAP 1996). However, a coherent pattern of cumulative research has yet to be developed.

Literature with a focus on development, and on Indigenous development in particular, also provided a sound basis for focussing the research (see Agrawal, 1995; Bebbington, 1993; Corbridge, 1989; Corbridge, 1986; Dicken, 1992; Goldman, 1995; Hirst and Zeitlin, 1992; Jessop, 1989; Kanter, 2003; Moran and S. Ghoshal, 1999; Robinson and Ghostkeeper, 1987, 1988; Schuurman, 1993; Scott, 1988; So, 1990; Tucker, 1999).

Case Research Design

The initial case study on the Osoyoos Indian Band Development Corporation utilised the replication approach to multiple case studies as illustrated in Figure 2. The theoretical framework that provided the basis of analysis and data-collection is discussed in a later section. There will be a total of six case studies; the first three cases were chosen for their literal replication possibilities. The cases (Indigenous communities) have each been awarded the National Aboriginal Economic Developer Award from the Council for the Advancement of Native Development Officers. The awards go to “outstanding examples of Aboriginal economic development” (CANDO, 2004). The first three cases (not including the Osoyoos Indian Band, the 2003 National Aboriginal Economic Developer Award winner) are:

1. Membertou Corporate Division – owned by the Membertou First Nation in Halifax, Nova Scotia.
2. Chief Sophie Pierre, St. Mary’s Band and the Administrator of the Ktlnuxa Kinbasket Tribal Council, British Columbia.
3. Meadow Lake Tribal Council, Meadow Lake, Saskatchewan.

And, the last three cases will be chosen for their theoretical replication possibilities. These communities are geographically close to one of the above communities, each must deal with the same subnational, national and supranational governments, and civil sector. The communities will be selected during visits to each of the above case study sites.

Each case within the multi-case design will be treated as an individual case study (Yin, 49). See Figure 2 for a conceptual map of the case study methodology that will be utilized. The next section provides background material regarding Aboriginal economic development. Following this is the theoretical framework that will be used as a foundation for the study. A description of the initial case study follows. Lastly, in the concluding section we re-examine the Aboriginal approach to development in the lens of the Osoyoos experience and discuss the results of the methodology we employed.

BACKGROUND: ABORIGINAL ECONOMIC DEVELOPMENT IN CANADA - PROBLEM AND RESPONSE

The current socio-economic circumstances of the Aboriginal people in Canada are abysmal. According to 1991 census data¹, 42% of Aboriginal people living on a reserve received social welfare, while only 8% of other Canadians did. Unemployment among Aboriginal people stood at 24.6%, almost two and one-half times the national rate of 10.2%. The on-reserve rate was even higher; often well above 30% and approaching 90% in isolated communities. Housing conditions tell a similar tale, with 65% of on-reserve and 49% of off-reserve Aboriginal people living in substandard housing.

As bad as these current employment levels are, the prospects for the future are worse. According to the Royal Commission on Aboriginal People (RCAP 1996), the Aboriginal population will rise by 52% (compared to 22% for non-Aboriginal Canadians) between 1991 and 2016. During the same period the working age Aboriginal population will increase by 72%, compared to a 23% non-Aboriginal increase. Based on these figures, the Royal Commission looked to the future. In fact, it looked to two futures. One flows from the continuation of the status quo—a future where Aboriginal peoples' socioeconomic circumstances remain at their current abysmally low level in comparison with those of the broader Canadian population. Under this scenario the annual economic cost of the underdevelopment of Aboriginal people is expected to rise to \$11 billion in 2016 from 7.5 billion in 1996, to say nothing of the tremendous human cost.

The other RCAP future is one where 'something' is done to bring Aboriginal socioeconomic circumstances up to the Canadian average. This 'something' is economic development. This RCAP future anticipates that during the first decade of the 21st Century government expenditures on Aboriginal issues will increase by between \$1.5 and \$2 billion per year over 1996 levels. Most of this increased cost will relate to land claims settlements and other capacity-building activities. The RCAP Report projects that by the year 2016, the economic development activities of Aboriginal people, fostered in part by this investment in capacity, will result in them making a \$375 million dollar annual contribution to the Canadian economy. This is in sharp contrast to the estimated \$11 billion annual cost expected under the status quo scenario.

Aboriginal people in Canada have not been standing idly by accepting the status quo. Nor did they need the RCAP Report to identify for them the future they wanted and tell them how to achieve it. In fact, the RCAP's forecasts under the optimistic scenario are based on the continuing successful implementation of the approach to development Aboriginal people have been implementing for some time.

Entrepreneurship—the identification of unmet or undersatisfied needs and related opportunities, and the creation of enterprises, products and services in response to these opportunities—lies at the heart of the Aboriginal economic development strategy. Through entrepreneurship and business development they believe they can attain their socioeconomic objectives. These objectives include (i) greater control of activities on their traditional lands, (ii) an end to dependency through economic self-sufficiency, (iii) the preservation and strengthening of traditional values and the application of these in economic development

and business activities and, of course (iv) improved socioeconomic circumstance for individuals, families and communities.

Aboriginal people in Canada believe that they can achieve their purposes through participation in the global economy and have adopted processes that reflect this belief. They are creating businesses to compete in the global economy in order to generate the wealth necessary to preserve and strengthen their communities and improve socioeconomic conditions. At the same time, through business ownership Aboriginal Peoples expect to exercise greater control over activities in their traditional territories. They recognize that the success of this approach depends on the long-term profitability of the businesses that they create. In order to improve the viability of their businesses, Aboriginal people are forming partnerships of all types among themselves and with non-Aboriginal enterprises. They are also devoting considerable efforts to capacity building through education, training and institution building and along with the realization of the treaty and Aboriginal rights to land and resources.

It is important to note two things about this approach. First, it involves active participation in the global economy on a competitive business-based basis. Second, this participation—both the process and the objectives—are shaped by things distinctly Aboriginal. For example, Robinson and Ghostkeeper in two papers discussing economic development among Indigenous people in Canada suggest that they are rejecting industrial development imposed on them from the outside in favour of development strategies originating in, and controlled by, the community “with the sanction of Indigenous culture” (Robinson and Ghostkeeper 1987, 139). In their second paper, the authors argue, “a wide range of cultures may enable entrepreneurship and economic development to flourish” (Robinson and Ghostkeeper 1988, 173). They go on to suggest that the key to successful Indigenous development lies in recognizing in each culture those forces conducive to development and “designing development plans accordingly” (Robinson and Ghostkeeper 1988, 173).

Not just in Canada but worldwide, there has been increasing attention paid to Indigenous approaches to development “designed accordingly”. For example, Agrawal says that the failure of neo-liberal (market) and authoritarian and bureaucratic (state) approaches to development has lead to a “focus on Indigenous knowledge and production systems” (Agrawal 1995, 414). Continuing, he says that these efforts are an attempt “to reorient and reverse state policies and market forces to permit members of threatened populations to determine their own future” (Agrawal 1995, 432). For the most part, these efforts are not taking place outside the global economy, but within it. As Bebbington suggests, “like it or not, Indigenous peoples are firmly integrated into a capricious and changing market. Their well-being and survival depends on how well they handle and negotiate this integration” (Bebbington 1993, 275). He goes on to say that the Indigenous approach to negotiating this integration is not to reject outright participation in the modern economy:

But rather to pursue local and grassroots control... over the economic and social relationships that traditionally have contributed to the transfer of income and value from the locality to other places and social groups (Bebbington 1993, 281).

This is certainly true of the approach to development among Aboriginal people in Canada. Two questions arise—Is this approach being effectively implemented? and, if so,—What are the factors that have proven critical to success?

THEORETICAL PERSPECTIVE

The modernization and dependency perspectives have dominated development thinking throughout the middle decades of the Twentieth Century. The former has been the operational paradigm driving the development agenda, giving the state a central role in the process; while the latter has emerged as a critique of the failure of this modernization agenda to deliver the anticipated development outcomes, often casting the corporation as the villain. Even as modified in recent years (So, 1990), the two perspectives present incompatible views of the relationship between a developing people/region and the developed world. In particular circumstances, one or the other of these approaches can often adequately explain *what happened*. However, when applied in any particular circumstance to offer insight into *what*

might happen, the two produce conflicting answers. Similarly, they provide contradictory guidance to groups searching for a path to development as they perceive it.

Regulation theory is one of the new approaches to development that emphasizes contingency and human agency. Hirst and Zeitlin say that it executes

a slalom between the orthodoxies of neo-classical equilibrium theory and classical Marxism to produce a rigorous but nondeterministic account of the phases of capitalist development that leaves considerable scope for historical variation and national diversity (Hirst and Zeitlin, 1992, pp 84).

Expanding on this notion of variation and diversity, Elam says that on one hand, national and regional units are constantly in a state of flux as they adjust to the influences of the global economy. All must accommodate themselves at least to some extent to its hegemony. At the same time, these broader global influences “are seen as having essentially local origins” (Elam, 1994, pp. 66). This translates into a counter-hegemonic potential in terms of the activities actually undertaken by people as they negotiate their way locally through the global economy. It is not simply a case of conform or fail.

Regulation theory analyzes the global economy “in terms of a series of modes of development based on combination of the currently ascendant regime of accumulation and a variety of modes of social regulation” (Hirst and Zeitlin, 1992, pp 84-85).

Importantly, with respect to geographic scale, the regime of accumulation is a “relationship between production and consumption defined at the level of the international economy as a whole” (Hirst and Zeitlin, 1992, pp. 85).

Forces resulting in the shift to the new flexible regime of accumulation include: (i) technical limits to rigid fixed capital production techniques, (ii) working class resistance to Taylorist and Fordist forms of work organization (Jessop 1989), (iii) a change in consumption patterns “toward a greater variety of use values ... [that] cannot be easily satisfied through mass production” (Amin 1994, 12), (iv) the increasing mobility of capital and the resulting ability of transnational corporations (TNCs) to move among spatially-bounded regulatory jurisdictions in the pursuit of greater profits (Leyshon 1989), and (v) in the face of this internationalization of capital, the inability of national Keynesian policies [all variants of the of the monopolistic mode of social regulation] to avert crisis (Korninos 1989).

Everywhere and at every geographic scale—community, subnational region, national, supranational region and globally—people are struggling to develop modes of social regulation that will allow them to interact with this new flexible regime of accumulation on their terms. As they do this, they are building the ‘new economy’, not simply reacting to it. The question is—What will this new economy look like? While it is a ‘work in process’, the nature of the flexible regime of accumulation is starting to become clearer and multiple overlapping modes of social regulation are emerging. Both are briefly described in the paragraphs that follow.

This leads us to a discussion of the modes of social regulation emerging in response to the demands of the flexible regime of accumulation. The ‘new economy rhetoric’ has been stressed deregulation. But, in fact, what is being touted as deregulation is not; it is re-regulation. The nature of the regulation is changing but regulation continues, as it must. What is happening is a shift in the locus of regulation from the ‘nation state’ in two directions—to the supra-national and to the local—as a number of authors attest. For example, Amin and Malmberg (1994, pp. 222) say the crisis in the global economy has resulted in “new opportunities for the location of economic activities” and that “the geography of post-Fordist production is said to be at once local and global”. Scott (1988, pp. 108) agrees saying that new industrial spaces result from a “very specific articulation of local social conditions with wider coordinates of capitalist development in general”. Finally, Dicken (1992, pp. 307) emphasizes that successful participation in the global economic system “is created and sustained through a highly

localized process" and that "economic structures, values, cultures, institutions and histories contribute profoundly to that success".

With the shift in locus of regulation, the differentiating role of the state at the national level has decreased (from what it was when the national 'Keynesian modes of social regulation ruled in partnership with Fordist regime of accumulation) and the homogenizing role of the state at the supranational level has increased—the European Economic Community, the North American Free Trade Agreement, the General Agreement on Tariffs and Trade, and so on. This 'globalization' of regulation is a reality; it, along the global flexible regime of accumulation, is the face of the global economy that communities see. Those who chose to participate in this global economy must accommodate themselves to this reality. But, and this is the key, they can do so 'on their own terms' so long as these terms do not conflict with the global 'rules of the game'. So the Osoyoos Indian band can grow grapes, make and sell wine in a manner consistent with their history, culture, values and objectives, so long as they follow the subnational, national and international 'rules of the wine game'. Further, over time, by their actions they can influence the nature of these rules. Similarly, the La Ronge First Nation can and has established a business to harvest, dry and export organic wild mushrooms to Europe and Japan. How they chose to manage the land and compensate the pickers is up to them, but the product must meet organic standards and food safety regulations at the national and international level. As these and other communities do this, the global mode of social regulation acquires local flavours, and distinct modes of development emerge that are at the same time local and global.

Figure 2 considers a group's response to the global economy on two continuums. The first is the degree to which a group opts into the global economy, or opts out. The second address the nature of this opting in or opting out. Is the approach to accept the terms of the global economy 'as is', or is it to attempt to transform it in some fashion. A combination of the continuums results in four extreme possibilities. The first two occur when a group chooses to opt out of the economy. At one extreme the opting out can be passive; that is choosing not to participate and instead seeking isolation and even protection from the impact of the global economy. Alternatively, the opting out can be active and aggressive where a group rejects the global economy and seeks to resist it or overthrow it through protest and even 'revolution'. The other two extreme positions (#s 3 and 4) occur when a group chooses to 'opt in' and actively participate in the global economy. Again that participation can be characterized further by the degree to which the group passively accommodates itself to the requirements of the global economy, or not. The Aboriginal approach in Canada has been of the opt-in variety, but it has not been passive. Participation in the economy has been accompanied by an ongoing struggle for land and other rights to allow this participation to be 'on their own terms'. Indigenous responses elsewhere cover the entire spectrum of possibilities from rejection and violent revolution to passive acceptance and willing assimilation.

Not all communities elect to participate uncritically or at all in the global economy. As a result, local modes of social regulation can be, in Gramscian terms, both hegemonic and counter-hegemonic in their policies and programs according to the extent to which they consent to capitalist global economy, attempt to transform it or dissent from it. These three responses are associated with three different analytical/intuitive starting-points with respect to the global capitalist economyⁱⁱ. The first is an analysis that claims that peripheral (indigenous or other) communities have been excluded from capitalism and that the objective is to remedy this by removing whatever barriers are responsible for this exclusion, and the prescribed solution is usually 'modernization'. The second is an analysis that claims that capitalism is at least in part culturally alien and that it is necessary to transform the 'alien' aspects of it as part of the process of participating in it. The third is an analysis that claims that capitalism is exploitative and beyond redemption and that the need is to exclude or resist it. These analytical/intuitive starting points are not simply abstract concepts. They and the beliefs about the capitalist economy associated with them are present in varying combinations and varying strengths among the members of all communities. So, it is quite possible for an Indigenous community to arrive an approach to participation in the global economy

that acknowledges the need for some modernization (e.g. managerial education and technical education), while maintaining certain highly valued traditional traits (e.g. a communal rather than individual land holding system) and resisting certain things the system might seek to impose on them (e.g. rejecting one person one vote democracy in favour of clan and/or hereditary leadership).

It follows that the mix of integrating, transforming and excluding mechanisms adopted by a particular community in its approach to the global economy, and therefore the mode of development that emerges, is heavily influenced by the particular ‘face’ of the state, the civil sector and corporations that that community sees now and has seen in the past. What Osoyoos ‘sees’ as its particular collage as it develops its businesses in many respects the same as what other winery and eco tourism operators in the Okanagan Valley see, but in some important respects it is not. Finally, this face is ever evolving not static. The face of the corporation seen by communities 30 years ago is not the same face as they see today, and that new face offers promise.

The state at all levels and the ‘local’ do not have the mode of social regulation field to themselves. There is another important player—the civil sector. This is a diverse category consisting of an almost limitless number of non-state organizations ranging from non-governmental aid agencies, through groups espousing a variety of cause such as the environment (e.g. Green Peace and the Sierra Club) and human rights (e.g. Amnesty International), to groups speaking for a particular group of people (e.g. the World Council of Indigenous People), and so on. These groups, too, operate at the subnational, national and international levels. Directly through their actions and indirectly through the pressure they bring to bear on government and companies, the organizations of the civil sector play an influential part in the shaping of the mode of social regulation and in its evolution over time.

Figure 3 attempts to illustrate the complex relationship among Indigenous communities, corporations, the state at all levels and the civil sector, as all working together (consciously or unconsciously, willingly or unwillingly) in the formation and evolution of modes of social regulation in response to the flexible regime of accumulation. In any particular case a complex set of factors interact to influence the outcome of the interaction of a group of people (in this case that follows an Aboriginal community, but it need not be) with the forces of the global economy as they seek to develop ‘on their terms’. These include (numbered 1, 2 and 3 in the model)

1. The impact of the ‘state’ at all levels and the ‘civil sector’ on the multiple overlapping modes of social regulation and therefore on participants in the global economy, and the influence of these participants on the ‘state’ and the ‘civil sector’.
2. The community-in-question’s approach to economic development (in this case Aboriginal) including history, current circumstances, objectives, approach to participation in the global economy including strategies for participation, transformation and exclusion (and these are not mutually exclusive categories), and actual outcomes.
3. Corporate (as the usual representative of the regime of accumulation encountered by communities) responses to the community-in-question particularly motivating forces (including but not limited to the community’s control over critical natural, human and financial resources and/or community members attractiveness as a market), strategies and objectives, and actual outcomes.

And as both an outcome and ongoing feedback to the process

4. The expected mode of development and the actual mode that emerges in the particular circumstances.

Indigenous groups that choose to ‘opt in’ to the global economy are not at the end of the process, they are at the beginning. To successfully ‘opt in’, on their own terms or not, they must identify business

opportunities and then marshal resources and develop organizations to realize the potential that these opportunities have to satisfy their economic and other development objectives. This is the process of entrepreneurship. Not the entrepreneurship that is narrowly conceived of as a small business operated and/or a new business created by an entrepreneur, but the entrepreneurship that is broadly conceived of as an economy-building process—Schumpeterian entrepreneurship. Morris (1998) captures the nature of this process by stating, “entrepreneurship is a universal construct that is applicable to any person, organization (private or public, large or small), or nation” and that “an entrepreneurial orientation is critical for the survival and growth of companies as well as the economic prosperity of nations” (Morris, 1998, 2). Similarly, Raymond Kao et al (2002) define entrepreneurship as, “not just a way of conducting business; it is an ideology originating from basic human needs and desires ... entails discovering the new, while changing, adapting and preserving the best of the old” (Kao et al, 2002, 44). Other authors, such as Blawatt (1998), Drucker (1985), Fiet (2002) and Moran and Ghoshal, (1999) agree.

An Exemplar of Success: The Osoyoos Indian Band

The Osoyoos Indian Band (OIB) is located in the province of British Columbia, Canada. It has 399 members on a land-base of 32,000-acre in the southern Okanagan Valley (See Map 1). Anyone travelling through the town of Oliver would not, at first glance, believe that the world-class 18-hole golf course and the beautiful modular homes in the Cherry Grove Estates belong to a Canadian First Nation. Then as one travels to the Band’s administration centre it is still not readily apparent this First Nation generates over 14 million dollars in annual revenues. However, this community is slowly applying their brand, “Inkameep” to more and more businesses in and around their community.

For Chief Louie, economic development and the self-sufficiency it creates is the best way to secure the right of his people to be who they are, to take pride in their heritage and to protect the fragile desert landscape in which a good part of their cultural identity is forever rooted. Chief Louie believes that the most important aspect of their development plan involves the incorporation and respect for heritage, he says,

“Native people should never be in business at the expense of their language and culture. Success must not mean that you forgo your heritage. Don’t ever depend on government grants to provide the necessary language and culture programs: if anything is your responsibility, then this is it” (McBride, 2001).

Chief Louie has been the leader of his community for almost 20 years. During this time he has only been defeated once, this is quite an accomplishment when you consider that elections occur every two years! Partnerships are a way of life at the Osoyoos Indian Band, the Chief says, “where we are confident in our knowledge, have the financial ability, and can handle the risk, we run it ourselves” (Louis, 2004) Otherwise, the Band finds an expert to assist or identifies a joint venture partner. In fact, in a 1999 edition of Okanagan Life magazine the OIB circulated an eight-page leaflet marketing their community and businesses. Inside the leaflet is the following announcement:

“Partnerships Wanted: The OIBDC realizes that it cannot have expertise or capital for all aspects of its commercial expansion and is seeking business partners in the following areas: ...destination resort...real estate investors and developers...manufacturers...retailers and service industries wishing to relocate...new business start-ups...agricultural opportunities...golf course developers...forestry and value-added...film sets...research facilities...food and wine processor.”

Through the Osoyoos Indian Band Development Corporation (OIBDC), the band owns and operates nine profitable enterprises—a construction company, a sand and gravel company, a forestry company, a campground, a recreational vehicle park, a golf course, two housing developments and a grocery store. The motto of the development corporation is ‘working with business to preserve our past by strengthening our future’. Two of the development objectives of the band and the OIBDC are to (i)

achieve full employment for its members, and (ii) become economically self-sufficient by 2005. These and OIB's other goals are presented next. Clearly the people of the OIB are opting into the global economy, but attempting to do so on their own terms.

Osoyoos Indian Band Goals:

- to increase the level of education in the following areas: academic, athletic, vocational and cultural.
- to decrease the dependency on government funding through increased level of self-generated income, joint ventures, leasing, land and resource.
- to develop programs that reduce dependency and create community involvement that brings back the traditional Indian concepts of honour, caring, sharing and respect.
- to promote a well disciplined organization that will reduce the political influence within the Band and its agencies.
- to increase the standard of living opportunity for every Osoyoos Indian Band Member.

Osoyoos Indian Band Businesses:

Inkameep Canyon Desert Golf Course was purchased by OIB in 1994. Prior to this the Band leased the land to the owners of the Cherry Grove Golf and Country Club. The nine-hole golf course was opened in 1962 with a lease agreement between the OIB and the owners. The privately owned business barely ever made a profit and the OIB only received slightly less than \$12,000 annual lease revenue. However, since the OIB assumed ownership of the business the Band now receives over \$100,000 in benefits through operating profits, lease fees, administration fees, Band wages, and government grants.

The OIB spent 3.1 million on an expansion that transformed the old Cherry Grove Golf Course from a nine hole, uncompetitive course to an eighteen-hole world-class course. The renamed Inkameep Canyon Desert Golf Course is now a 7000-yard par 72 course with a desert theme. The course now boasts a 1,000 square foot pro shop and a 40-seat restaurant and lounge.

Inkameep Construction Ltd Inkameep Construction has been in business since 1987. The "Licensed Residential Builder" has four certified carpenters and 3 laborers. Over the last 13 years Inkameep Construction has built 60 Band homes, the Desert Canyon Clubhouse, Hester Creek wine shop and offices, Golden Mile Cellars Winery, two warehouses for Vincor International amongst a host of other developments. The Chief Operating Officer, Chris Scott says, "These workers enjoy a climate in which things actually happen. They have opportunities to participate in every project."

Inkameep Vineyards is one of the largest privately owned vineyards in western Canada. The OIB has developed a strategic partnership with Vincor International, the largest wine producer in Canada and the fourth largest in North America. Vincor leases 800 acres of the vineyards for premium *Vinefera* grapes. Other B.C. wineries, like Andre's Wines, Summerhill Winery, Gehringer, and Mission Hills have made award-winning wines from the grapes grown at Inkameep Vineyards.

Under the expertise of trained viticulturist, OIB Member, Sam Baptiste, new varieties are being planted each year to meet the demands of the consumer. Presently, Cabernet Sauvignon, Merlot, Pinot Noir, Pinot Blanc, Chardonnay, Cabernet Franc, Chancellor, Pinot Gris, Pinot Meunier, Scheurebeand, Ehrenfelser and Reisling are being grown on large blocks in this vineyard.

Nk'Mip Campground and RV Park. The RV Park has an 8020 square foot clubhouse designed for the winter months. This facility has men's and women's washrooms & shower facilities, a laundry room, a separate wheelchair accessible washroom, a kitchen, an indoor pool, a hot tub and a hall for group activities. There are 74 full service year round sites, over 120 lakefront sites, running water at every site, cable television, and telephone service available at some sites. The OIB invested over 1.3 million into the

park to upgrade the facility. The business employs approximately 20 Band members working during the peak season.

NK'MIP Gas and Convenience Store opened in 1997. The convenience store and gas bar offers lottery, native art, a wide assortment of snacks and hot food, grocery items in close to 4,000 square feet of selling space. The four self-serve gas and diesel pumps are also equipped with a key lock for commercial diesel vehicles. The OIB originally projected annual earnings to be in the \$700,000 range, however annual earnings now exceed \$2,000,000. Of the 16 positions at the store OIB members fill 10.

Oliver Ready Mix Ltd was purchased by the OIB in June of 2000 marking its first off-reserve acquisition. There are six full-time jobs at Oliver Ready Mix but none are filled by OIB members. The reason for this is because there are no OIB members that have the license requirements and or experience in the concrete business. Oliver Ready Mix has close to \$3,000,000 in assets.

NK'MIP Cellar opened in September of 2002 and is the first Aboriginal owned and operated winery in North America. This new facility is situated on a bench overlooking the shores of Osoyoos Lake, the site is adjacent to a tract of natural desert land and several hundred acres of newly planted vineyards and orchards. The winery has received numerous awards since its opening:

The Nk'Mip Desert & Heritage Centre, is located near the Nk'Mip Cellars site. The \$5-million Nk'Mip Desert and Heritage Interpretive Centre is being developed to appeal to the growing market for cultural/eco tourism by educating visitors about 3,000 years of Osoyoos band history and the unique nature of the desert environment. Chief Clarence Louie says;

"The Desert and Heritage Centre is probably going to be our biggest business venture, and it's going to combine all of those things that you see in a first class desert interpretive centre –the educational stuff, the scientific stuff, the desert trails, the walks, the scientific interpretive stuff ... the other major component of it, which is really special, is the uniqueness of the Okanagan First Nations, with the language and the heritage and the cultural component to it" (Louis, 2004).

While appealing to the cultural/eco tourism market, indeed as part of the appeal to that market, the centre will preserve up to 1,000 acres of the unique dessert ecosystem. It will also work to restore habitat, and reintroduce to the area species at risk.

Osoyoos Indian Band Holdings is considered to be the backbone of the OIB's revenue and financial well-being. Through this holding company the OIB has lease agreements that have increased year-by-year to slightly over \$1.2 million in 2003. Lease revenues come from 1,012 acres of vineyard leases, two residential developments, the Cherry Grove Estates and the Tuc el Nuit Estates, sign and various industrial and Band business leases.

The Osoyoos Indian Band Development Corporation - Outcomes 1994 to 2002

In 1994, the OIB had revenues from commercial activities of \$1.3 million. By 2002 revenues from these activities had increased to \$14.3 million, a more than ten-fold increase. In 1994, the value of payments received from the federal government exceeded these self-generated commercial revenues. By 2002, self-generated revenues were seven times the amount of federal government payments. Source of income data from the 1986 and 2001 census confirms the increasing importance of employment income as a percent of total household income. In 1986, employment income accounted for only 28.1% of total household income among members of the OIB. By 2001, it had increased to 44.5%, an absolute increase

of 16 percentage points and a percent increase of 58%. Not yet self-sufficient, but clear progress towards the goal and a considerable accomplishment.

Key Success Factors: First Impressions or Eternal Verities?

In mid November of 2004, two of the researchers visited the Osoyoos Indian Band, inspected several Osoyoos Indian Band Development Corporation enterprises and interviewed both key operatives, Chief Clarence Loius and Chris Scott, the Chief Operating Officer. The research effort utilized the case study protocol developed for this study. However, in the interest of brevity, we cannot provide a complete outline of the case study methodology, the data analysis, and the outcomes we identified. Moreover, this case study should be viewed more as an initial exploratory investigation rather than a comprehensive, fully completed research project. Accordingly, the ‘discoveries’ articulated in this section of the paper are points of departure, not points of arrival. We will list them as propositions that seem worthy of future, more systematic investigation.

Proposition One – *The theoretical model on Indigenous development in the ‘new flexible economy’ is valid.* The Osoyoos Indian Band has established a suite of successful Indigenous ventures based on the motto, “working with business to preserve our past by strengthening our future” (McBride, 12). The theory of Indigenous development we utilized postulates; groups that chose to participate in the new flexible economy must accommodate the new rules of the game, make decisions about what development paths to take based on their response to the global capitalist economy, while concurrently interacting and being influenced by the ‘state’, ‘civil sector’ and the corporate world. The Osoyoos Indian Band provides an excellent example of an Indigenous community that has developed a mode of development that has been shaped by many external forces and yet still has a look and feel that is purely Indigenous. For instance, Chief Louie says;

“Our major weakness, and it is considerable, is all the leftover dysfunction from our colonial past – the control exerted over us by the Indian Act, the administration of the Department of Indian Affairs, family breakdown, the cycle of welfare, the victimization syndrome, the dependency syndrome are still with us today. We are like a Third World country trying to emerge from a colonial past” (McBride, 15).

Chief Louie and the OIBDC also have a larger plan on the drawing board. It is a 25 million destination resort they call the “Nk”Mip Project”. Upon completion of all phases of this endeavour the proposed resort will be made up of the year round RV park (opened), a desert heritage and interpretive centre (in a temporary facility), an 18-hole golf course (nine-holes opened), a winery (opened), a marina, a combined store and gas bar, and a 120 room hotel. The main market? International tourists. And, each of these businesses are being branded with the OIB’s own Inkameep brand.

Proposition Two – *Aboriginal people in Canada can compete in the global economy on their own terms.*

Based on regulation theory in general and the characteristics of the current moment in the cycle of crisis and equilibrium of the capitalist system in which we find ourselves, it is reasonable to conclude that Aboriginal communities can participate in the global economy ‘on their terms’ with an important proviso. That proviso is that ‘their terms’ cannot be in fundamental conflict with the requirements of the currently dominant flexible regime of accumulation and the pervasive global mode of social regulation that is emerging. This condition still leaves considerable room for local variations of the mode of social regulation reflecting a particular community’s objectives, culture and values, and history. The activities of the Osoyoos Indian Band illustrate this.

CONCLUSION

The answer to what kinds of structures and policies work to encourage economic growth in Indigenous communities and what kinds of actions do individuals and groups within those communities need to take in order to encourage economic growth is an on-going process. The authors have begun preliminary plans on how to incorporate that research into the study discussed here. One methodology envisaged involves the creation of a survey instrument to capture data on the variables identified in the case studies as being vital to the development of a successful, community-based, entrepreneurial climate. The data set will include at least 450 successful ventures and 450 unsuccessful ventures. The hope is that it will be possible to create a structural equation model to elucidate the relationships among the many variables derived from the case studies.

The case study protocol utilized in the initial case study conducted in the Osoyoos Indian Band community and other associated material, i.e. case study report, will be presented in its entirety to interested academics. It is still too soon after the collection of the data to make a determination about the reliability of the case study protocol.

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TABLES AND FIGURES

Figure 1 – Map of the Osoyoos First Nation

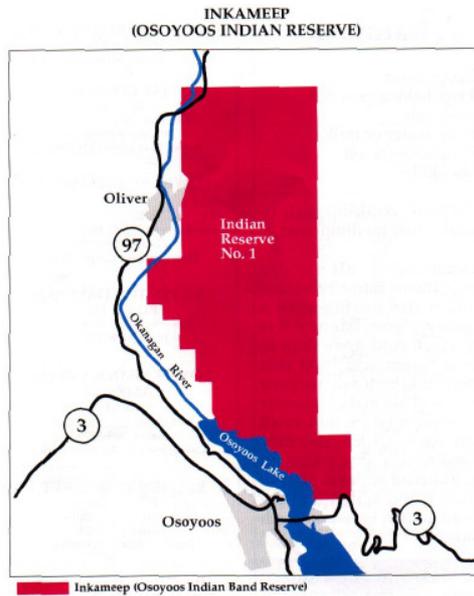


Figure 2 – Case Study Method (Source: Yin1994)

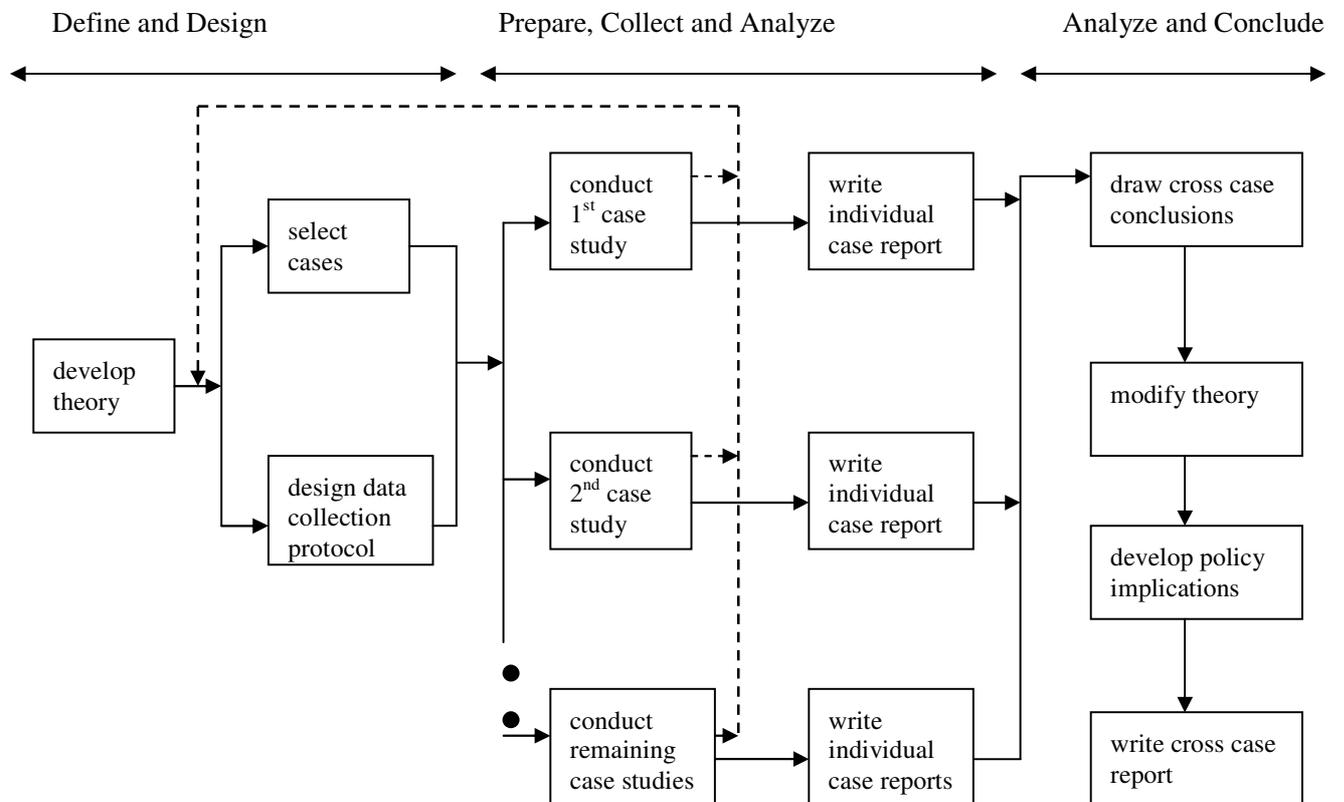


Figure 3: Community Responses to the Global Economy

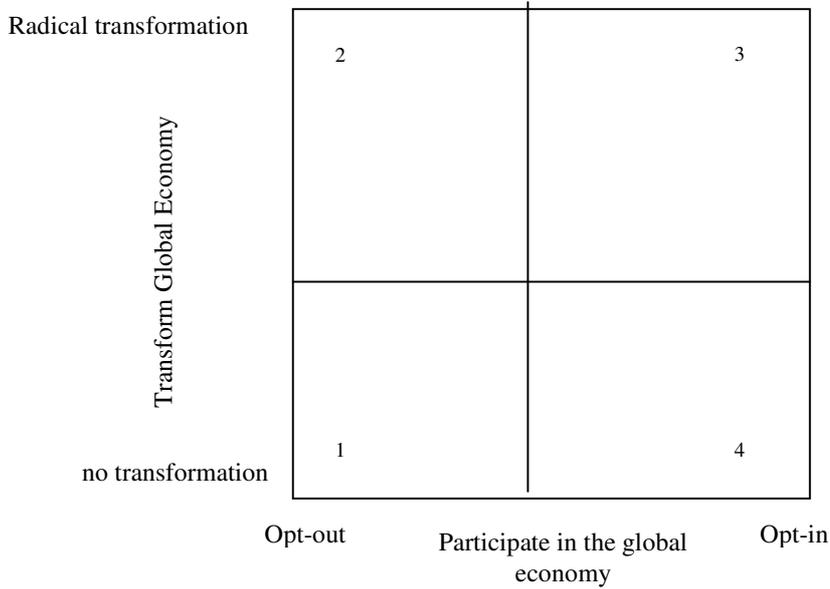
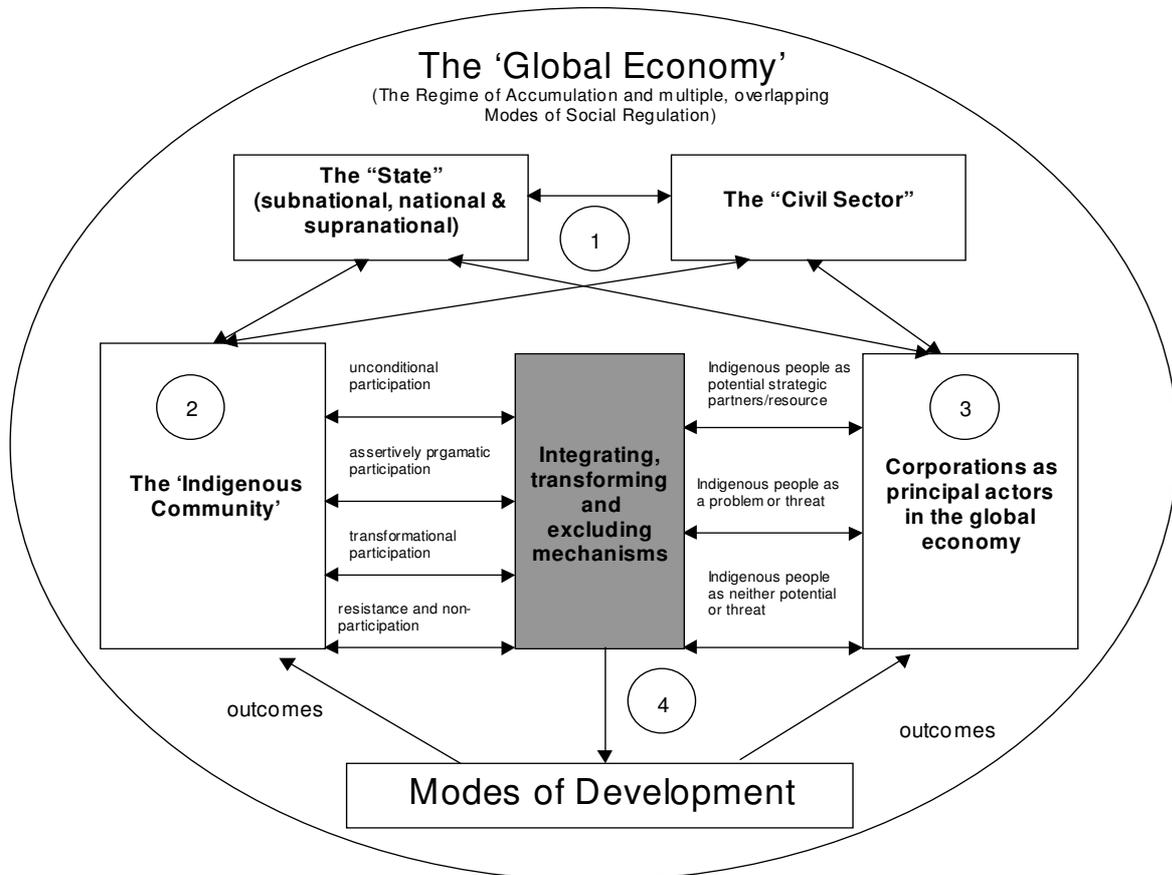


Figure 4: Modes of Development



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ⁱ 1991 Census data is used because it forms the base-line for a series of projections that are part of the Report of the Royal Commission on Aboriginal People. Development progress, or the lack thereof, can be measured against this baseline.

ⁱⁱ This approach is inspired by Schuurman's (1993) discussion of Eugenio Tironi's analysis of social movement discourses in Santiago, Chile.