



The Native Women's Association of Canada

Background Document for the

Canada-Aboriginal Peoples Roundtable

Economic Opportunities Sectoral Session

Introduction

...indigenous women continue to be one of the most marginalized groups in many countries, being victims of serious acts of discrimination and flagrant violations of their fundamental rights. The continuing gap between the proclamation and the implementation of human rights is largely due to the lack of commitment on the part of Governments to fully promote and protect those rights, as well as to the lack of awareness of human rights and fundamental freedoms in society, including at the community level.¹

Canadian Aboriginal women share this global experience of discrimination and violations of their fundamental rights, as evidenced by the high levels of violence against Aboriginal women, inadequate housing and income, and the low levels of employment, education, entrepreneurship and overall economic advancement. They rely more heavily on social assistance and are more likely to head up a single parent family than their male counterparts. Aboriginal women face socio-economic challenges unlike those faced by any other woman in the country.

Economic opportunities are completely outside the reach of far too many Aboriginal women in Canada. The Native Women's Association of Canada (NWAC) works towards the collective goal to enhance, promote and foster the social, economic, cultural and political well-being of First Nations and Métis women in Canadian societies. We recognize the interconnectedness of achieving all components of socio-economic well-being – good physical, mental, emotional and spiritual health, high levels of education and employment and adequate, affordable housing. Political and civil rights within First Nations, Métis and Inuit communities as well as within all urban, rural and remote communities in Canada are necessary to improve the socio-economic well-being of Aboriginal women and their families.

It is well-documented that the human rights of Aboriginal women are not equal to those of other Canadians and are often less than those of Aboriginal men. In order to fully realize their rights in all of these areas, gendered racism facing Aboriginal women must be eliminated.

At the Canada-Aboriginal Peoples Roundtable Economic Opportunities Sectoral Session, it is critical that all participants reflect on the particular needs of Aboriginal women in Canada in order to effect change in creating sustainable economic opportunities on an equal basis between Aboriginal women and men. The application of a gender-based analysis requires that the unique challenges facing Aboriginal women be identified, along with solutions to overcome these challenges. Below, NWAC sets out some preliminary ideas in this regard.

¹ Permanent Forum on Indigenous Issues, *Report of the Third Session (10-21 May 2004)*, UN Doc. No. E/C.19/2004/23, page 15.

Improved Governance and Capacity

What specific elements (institutional, skills development, infrastructure) related to governance and capacity are necessary to best support economic opportunities for Aboriginal women?

In order for economic opportunities to flourish in Aboriginal communities, equally for women and men, specific elements related to governance and capacity need to be established. First, in terms of institutional changes, as jurisdictional control by communities evolves, it is critical that inequalities between Aboriginal women and men, in terms of social relationships and overall socio-economic status are fully addressed through policy and protocol development. For example, in relation to First Nations Business Development Corporations, the active participation of First Nations women at all levels needs to be secured in order to ensure their particular needs are reflected.

Similarly, outside Aboriginal communities, there must be redress for gendered racism and discrimination against Aboriginal women to remove the systemic barriers to full participation.

A sound physical infrastructure, including transportation, communications, energy, water and waste management is needed to foster economic growth of any community. Many Aboriginal communities lack the basic infrastructure needed for survival, including affordable, good quality housing, safe drinking water, nutritious, affordable food supply and other basic necessities. A community plan that involves the active participation of Aboriginal women is needed to identify priorities and to set out a plan of action that addresses them. Adequate resources to provide for the implementation of the plan are necessary.

In order to build and sustain a capable, motivated and well-educated workforce, holistic community changes need to occur, as identified by the Royal Commission on Aboriginal Peoples:

Under current conditions and approaches to economic development, we see little prospect for a better future. From this experience, we came to the conclusion that achieving a more self-reliant economic base for Aboriginal communities and nations will require significant, even radical departures from business as usual.²

There is a need to develop a national, long term strategic plan to support, advance and fully integrate Aboriginal women entrepreneurs into the Canadian economy. This would involve a full engagement of Aboriginal women through meaningful consultation at all stages of the development, implementation and evaluation of the strategic plan. The unique challenges facing Aboriginal women will only be adequately addressed if they are identified within an Aboriginal women-specific process. Mainstream entities, such as the

² *Royal Commission on Aboriginal Peoples*, 1996, Volume 2, Part 2: 5 Economic Development

Office of Women's Business Ownership are not well-placed to manage this process, contrary to the recommendation of the Prime Minister's Task Force on Women Entrepreneurs.

The Strategic Plan should review existing federal, provincial and municipal policies, and where available, private sector policies that have an effect on the economic and social development opportunities of Aboriginal women. Possible regional partnerships should be explored, such as with Community Development Corporations and Aboriginal Business Canada, where Aboriginal women specific programming is designed. The Strategy should establish specific visions and targets that recognize the diverse community realities of First Nations, Métis, and Inuit women living in urban, rural and northern communities. The particular needs of young Aboriginal women and Aboriginal women with disabilities must be reflected.

The establishment of Aboriginal Women's Business Service Centres may meet the needs identified in the Strategic Plan. These Centres could provide advocacy, life skills, counseling if necessary, training, technical assistance, mentoring, peer support, financial resources, access to capital, banking and credit management, along with marketing and networking opportunities. The Centres could also compile comprehensive local and regional databases of women entrepreneurs which would require adequate technical and technological support. The data base would generate referrals, coordination and information sharing among Aboriginal women owned businesses.

The development of a National Small Business Mentorship Program would also benefit Aboriginal women, where individual Aboriginal women are paired up with individual business people or board members of relevant institutions and programs such as Aboriginal Capital Corporations (ACCs), Community Futures Corporations, the Canadian Executive Services Organization, the Business Development Bank of Canada's Step-In and Step-Up Program. It should be inclusive of private and not-for-profit sectors.

In developing the human capacity to fully engage in economic opportunities, there are several other solutions to current barriers that currently exist, such as providing:

- affordable, high quality child care,
- an inventory of all federal programs and services available to Aboriginal women entrepreneurs that is marketed to promote awareness and increase access.
- educational opportunities, including on-line, distance, in school or through independent learning.
- on-the-job training opportunities and job shadowing. This should include confidence-building and communication and assertiveness skills.
- apprenticeships in male-dominated trades such as plumbing, carpentry and electrical work, and
- exposing youth, at an early age, to the world of business.³

³ At a recent Ontario-based conference focusing on Aboriginal youth entrepreneurship, participants identified this as a priority, noting that because many communities lack an entrepreneurial culture, it is important that this be taught at the elementary school level along with banking, marketing and business

Recently (2002) the Federal/Provincial/Territorial/Aboriginal Committee on Aboriginal Affairs placed a priority on increasing the participation of Aboriginal women in the economy. Yet, the effect of this focus is not known because there is no base line data to measure progress made. Although Aboriginal women have requested time and time again that data on business development in particular, be collected by gender, this is still unavailable. Aboriginal Business Canada (ABC), for example, collects data by such categories as age, region and sector but does not specify gender. This makes it difficult to know the extent to which Aboriginal women are accessing business assistance, in what business sectors, the length of time they remain in business, rates of expansion and degree of success or failure. To adequately measure the impact ABC programming is having on the participation of Aboriginal women in business, disaggregated data must be collected, consistent with the principles set out in Indian and Northern Affairs Canada's "Guide to Gender Equality Analysis" which describes gender equality analysis as follows:

"Gender-equality analysis is part of the policy development process. It is an analytical tool that assesses the differential impact of proposed and existing policies, programs and legislation on women and men by considering the different life situations (different socio-economic realities) of women and men.

...Gender-equality analysis recognizes that the realities of women's and men's lives are different and that equal opportunity does not necessarily mean equal results. The challenge is to anticipate the results of policies, programs and legislation and ensure they are as equitable as possible for all women and all men."⁴

The federal government needs to ensure it is applying a gender equality analysis to the economic opportunities initiatives for which it is responsible. This requires targeting programs, policies and budgets to Aboriginal women's participation. For example, in the Federal Budget 2003, \$20 million was committed to Aboriginal Business Canada for the next two years. However, no targets have been made specifically for First Nations, Métis and Inuit women, which is necessary in order to ensure adequate allocation of resource to Aboriginal women. Aboriginal women must be adequately represented on government appointed boards, such as Export Development Canada.

There is the possibility that a National Women's Business Advisory Council will be established to act as an independent source of advice and policy recommendation to the Prime Minister. The Council would also be responsible for reviewing the impact of new legislation, budgets and policies on women entrepreneurs and recommending policy

planning. See Aboriginal youth Entrepreneurship Forum, Native Canadian Centre, Toronto, November 9-10, 2004. Ministry of Economic Development and Trade.

⁴ Indian and Northern Affairs Canada, "A Guide to Gender Equality Analysis" available online at <http://www.ainc-inac.gc.ca/pr/pub/eql/gend_e.pdf>, page 4.

changes. Should this be established, adequate representation of Aboriginal women is imperative, for example, one Aboriginal woman per region.

One positive example of a gender-specific initiative for Aboriginal women, created in response to the Federal/Provincial/Territorial/Aboriginal Committee on Aboriginal Affairs, is the *Journey to Success: Aboriginal Women's Business Planning Guide* developed by Indian and Northern Affairs Canada. The Guide provides basic information in a user friendly way about entrepreneurship in the voices of Aboriginal women in business. Indian and Northern Affairs partnered with some Provinces, including, Alberta, Nova Scotia, Manitoba and Ontario to “workshop” the guide with Aboriginal women to determine its value and what more was needed to assist women to enter the world of business. The result has been overwhelming interest in the guide at regional and local levels. Aboriginal women have requested that “Business Workshops” be offered, complete with childcare on-site, to women at local levels to guide them step by step through the process. They have also requested similar resource guides on marketing and access to capital. A lot of enthusiasm has been created and expectations are high. Base line data should be collected to measure the impact of this initiative and to design appropriate programming and services to meet emerging needs.

Implementation of the *Journey to Success* resource manual requires adequate allocation of financial resources from the government. To date, resources have not been allocated for implementation, for example, costs of trainers.

The *Journey to Success* workshops held over the past year also raised the issue of access to seed money or equity. This is of particular concern to Aboriginal women who are living in poverty. In remote communities, where costs are high, a micro-lending regime is seen as inadequate. A new way of providing access to seed money must be found. NWAC and its provincial and territorial member associations may be the link that is needed to provide seed capital to aspiring businesswomen in return for in kind services such as, mentoring of other Aboriginal women once they are established in business.

In terms of access to the market, Aboriginal women need assistance in forming and sustaining a marketing network with each other as well as a plan to reach out to the larger regional, national and global markets. NWAC could play a role in providing the infrastructure for such a network, managing the network on behalf of Aboriginal women in business.

There should be expanded support for local and regional women's business networks and organizations that will foster mentorship, partnership and peer support. Innovative ideas, such as an Annual Canadian National Trade Mission for Aboriginal women, to be organized by Industry Canada, need to be considered. Specific strategies should be developed to target Aboriginal women entrepreneurs and their associations throughout Canada to increase their knowledge of the Federal Procurement system. Changes to the current

Procurement Strategy for Aboriginal Business need to be made. Currently, it does not consider small business and women-owned business set-asides.

Additional protocols should be developed with federal agencies for the marketing of goods and services with federal procurement. The MERX system on-line bidding and access to government contracts should be marketed to Aboriginal women owned businesses, along with reducing subscription fees for contracts less than \$25,000. Federal and Provincial governments should establish policies to purchase goods and services from Aboriginal women in business and their networks over a period of at least 10 years to provide the extra assistance needed for Aboriginal women to create and sustain their markets. Evaluation frameworks for monitoring and measuring success should be established so that any shortcomings can be rectified throughout this time period. Although no data is currently available, anecdotal evidence suggests that the Procurement Strategy managed by Indian and Northern Affairs Canada has effected little change in the participation of Aboriginal women in the economy. Aboriginal women must be involved in all levels of business and economic development, particularly at the managerial levels, both within their communities and within Canadian society generally, if real improvements to their economic opportunities are to be realized.

Improved Access to Capital and Investment

What actions are needed to ensure that Aboriginal women have an opportunity to access capital and investment given their life circumstances?

Access to capital and in particular access to seed equity has been a barrier for many Aboriginal women who aspire to develop a business idea. The Royal Commission on Aboriginal Peoples pointed out,

Communities with high levels of unemployment and low incomes provide few opportunities for individuals to accumulate savings that may be used for business investment. These limitations are particularly acute for Aboriginal women if they are sole-support parents, as many are...

While a skilled entrepreneurial class is re-emerging in Aboriginal communities, many of those applying for loans, grants or equity investments have little education and training and a short or even uneven track record in business. They may have limited knowledge of alternatives in acquiring capital and need help with the process.⁵

The *Journey to Success* workshops and guide were praised by Aboriginal women as being culturally and gender-appropriate. The fact that a resource was developed with the particular needs of Aboriginal women in mind sparked a great deal of interest. However,

⁵ Royal Commission on Aboriginal Peoples. 1996, Volume 2, Part 2: 5- Economic Development

the barrier remains for Aboriginal women in coming up with 15% to 20% of the costs of a proposed business before they can access additional investment.

Aboriginal women agree that some degree of equity demonstrates the commitment of the entrepreneur but in most cases this requirement eliminates Aboriginal women from pursuing what might otherwise be a very profitable business.

Lack of sufficient financial resources and a history of economic marginalization creates closed doors for many Aboriginal women wanting to establish and grow a business. There are opportunities for review of existing lending processes within Crown corporations and Community Futures Development Funds for the purpose of developing working strategies to address credit histories, definition of equity as well as establishing new guidelines for financing. To aid in understanding the impact of these programs, measures need to be incorporated to capture the number of Aboriginal women accessing loans.

A new way has to be found to assist qualified Aboriginal women to access seed money. Specific activities should be undertaken to develop a low-interest micro-loan program for Aboriginal women entrepreneurs that is nationally driven and regionally delivered. One way could be to provide resources to the Native Women's Association of Canada to establish a Business Micro-Investment and Mentoring Initiative for a period of 10 years with ongoing evaluation. Aboriginal women could be provided with the training they need, develop a viable business plan, be allocated the seed equity, apply for capital through existing sources and agree to mentor other women as an in kind return on the seed investment from NWAC.

It is recommended that other ways of addressing the need for seed equity be explored in a strategic session involving Aboriginal women in business, those aspiring to become entrepreneurs, representatives from ACCs and banking institutions as well as government policy makers at the provincial/territorial and federal levels. There is an overwhelming need to address this issue if Aboriginal women are to increase their participation in the economy.

Improving Economic Opportunities from Lands and Resource Development

What are the best approaches (business models, partnership mechanisms, governance structures, etc) to foster improvements to economic opportunities for Aboriginal women related to the management and development of lands and resources?

A key consideration in improving economic opportunities from lands and resource development is the need for environmentally responsible, sustainable initiatives that are respectful of Aboriginal communities and their rights:

Recent experience has shown that economic growth must go hand in hand with social concerns if the results are to be effective and make a difference in the lives of individuals and communities. A new approach seems to be taking hold in international discourse: human rights-centred sustainable development, meaning that unless development can be shown to improve the livelihoods of people within the framework of the respect for human rights, it will not produce the desired results. This approach may be of particular importance for indigenous peoples whose human rights have frequently been neglected, when not actually impaired, by traditional economic development approaches.⁶

There are many international law developments focusing on the importance of increasing the protection of Aboriginal land and resources rights that Canada and its partners must respect if economic opportunities are to be created and sustained over the long-term.

In resource related economic activities that are respectful of the environment, Aboriginal women's participation could be increased through targeted training and apprenticeship opportunities in the "non-traditional" careers (such as the trades or engineering) tailored to the particular needs of Aboriginal women (such as incorporating day care facilities) and marketed to young Aboriginal women.

Improving Regulatory/Legislative Frameworks to Facilitate Economic Opportunities

What adjustments are needed to improve or streamline the regulatory or legislative environment to support timely investment/business decisions and improve the investment climate for Aboriginal women?

Regulatory and legislative frameworks for economic development activities must be responsive to community needs, rather than creating barriers. As noted above, the involvement of Aboriginal women at all levels and stages of economic initiatives is imperative if barriers are to be overcome. Basic needs, such as affordable, adequate housing, food security, must be met to prevent the ongoing economic marginalization of Aboriginal women and their families.

The Canadian social security system must be restructured to better meet the needs of Aboriginal women and to promote their involvement in business (including those who are self-employed) in terms of Employment Insurance Benefits, including maternity benefits.

Under the present regime, women entrepreneurs have no option to contribute to Employment Insurance as a means of ensuring income support for either sickness or

⁶ Indigenous Issues Human rights and indigenous issues Report of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people, Mr. Rodolfo Stavenhagen, submitted pursuant to Commission resolution 2001/57. E/CN.4/2002/97 (4 February 2002). para. 38.

maternity reasons. This creates situations in which Aboriginal women must return to work immediately after delivering a baby in order to economically support her family.

The Self Employment Assistance Program through HRDSC requires a more streamlined process that is flexible as well as providing for continued access to EI benefits during the start up phase.

We agree with the Prime Minister's Task Force that HRDSC and the Standing Committee on Human Resources Development Canada should undertake further study on extending Employment Insurance Benefits and other social safety net programs to the self-employed including maternity, parental, sick and compassionate leave.

There is a need for legislative reforms related to child care. For example, allocation of 100% of child care costs for the self-employed (at least for the first two years) as an expense for the purpose of producing income under the *Income Tax Act* would increase Aboriginal women's participation in the self-employed businesses. Increased subsidization of child care for those in need and access to child care, regardless of geographic location is required to create an enabling environment for Aboriginal women's participation in economic opportunities.

Governments need to take integrated approaches to economic development so that government transfer payments across departments go beyond piecemeal support of programs that may not reflect the true needs of the community. This approach would take into account the overall community needs (such as addressing substance abuse, violence against Aboriginal women and poor nutrition) and would determine the pre-conditions necessary for producing a capable, motivated and well-educated workforce.

Results

Below is a summary of results that will occur from the implementation of the solutions proposed by the Native Women's Association of Canada:

1. Decreased rates of poverty facing Aboriginal women through an adequate welfare state and affordable, high quality child care and housing;
2. Discrimination based on gendered racism facing Aboriginal women in educational institutions and the labour market, both within Aboriginal and non-Aboriginal communities is eliminated;
3. Governance structures responsible for economic development are sensitive to the unique needs of Aboriginal women and involve autonomous Aboriginal women's groups and individual Aboriginal women in the design, delivery and evaluation of economic development strategies and initiatives;

4. Viable, sustainable, ongoing businesses and entrepreneurial activities exist that generate stable incomes for First Nations, Métis and Inuit women and their families. There are adequate educational and employment opportunities for other community members and training opportunities for young Aboriginal women and men, leading to healthy, vibrant communities;
5. Adequate programs and services, such as Aboriginal Women's Business Service Centres and a National Small Business Mentorship Program, are developed, implemented, evaluated and adequately financed. These programs and services are sensitive to the unique needs of Aboriginal women and have benefited from a gender equality analysis;
6. Access to capital and investment, including seed equity, has been improved for Aboriginal women through changes to existing lending processes within Crown corporations, the creation of low-interest micro-loan programs and other innovative ideas;
7. Land and resource development opportunities are increased for Aboriginal women through greater involvement in non-traditional careers, tailored to meet the specific needs of Aboriginal women. Efforts must be made to ensure that these opportunities are sustainable over the long-term;
8. The social security system is improved to better meet the needs of Aboriginal women entrepreneurs that will facilitate their involvement in business; and
9. Governments take an integrated approach to transfer payments to ensure that the holistic needs of First Nations, Métis and Inuit communities are met.