15. Achieving a 'conservation economy' in indigenous communities: a Canadian model for greening and growing local economies¹

Ian Gill

Like Australia, Canada is a big place. It has the longest undefended border in the world, with the United States. While most Australians live in a thin band around the coast, most Canadians live along a thin line called the forty-ninth parallel that stretches along the US border from coast to coast—or, as Canada's motto has it, '*A mari usque ad mare*' ('From sea to sea').

In Canada, as here, there is a deep divide between urban and rural populations—a division that is about much more than just geography. John Ralston-Saul, one of our pre-eminent social commentators, believes that the growing gap between urban and rural populations is one of the most profound social issues in twenty-first-century Canada, and I agree.

Ours is a modern, pluralistic, democratic state. Ours is also a heavily resource-dependent economy; Canadians are 'hewers of wood and drawers of water' in the classic phrase, but we are also miners and smelters and car makers and farmers and drillers, and we don't always do all that as sustainably or sensitively as you might expect from a country such as Canada.

Like Australians, Canadians have stood alongside Britain and the United States through some of their most noble, and their most ignoble, adventures abroad. We didn't go to Iraq. You did. We are in Afghanistan, fighting, yet we are better known as peacekeepers. And let's face it, living alongside the United States, we have no illusions about being a regional military superpower.

By far our largest trading partner is the United States, and Canadians mostly like Americans—but these days don't much care for America. I suspect that if Canadians and Australians and, I guess, the citizens of Berlin were allowed to vote in the US election, it would be Obama in a walk.

Speaking of elections, we have a federal one of those under way right now, featuring Prime Minister, Stephen Harper, trying to convert his minority government into a majority one. Harper shares the distinction with George W. Bush of being possibly the only politician in the free world to have openly expressed admiration for your former Prime Minister, John Howard. And look where that got John Howard.

Harper is up against Stephane Dion, a highly cerebral man whose most popular contribution to public life has been to name his dog Kyoto. Canada signed the Kyoto Accord, by the way—by which I mean the real one, not an agreement with Stephane Dion's dog—but then we decided we wouldn't abide by it. I see that Australia has finally done the same thing: signed Kyoto. The jury is out on whether you'll have the courage to honour your commitments, or choose Canada as your role model.

Stephane Dion, by the way, is leader of the *Liberal* Party of Canada. In Australia, that would actually place him at the head of a very watered down Labor Party. Stephen Harper heads the *Conservative* Party, which truly is what it says it is. We have a more classically social democratic party, the New Democrats, who are a genuine force for good in Canada, possibly because they never come close to forming a government at the federal level. This election will also see a more prominent role for the Green Party, but it too is in no danger of making any significant electoral inroads.

Because the Queen is still our head of state, we have a governor-general—and, like yours, ours is a woman. Canada has also, briefly, had a woman prime minister. But our prime ministers, and our politics generally, go pretty much unnoticed in the world. Pierre Trudeau was really the only Canadian politician ever to make much of a splash abroad.

Still, some other Canadians have made it onto the world stage: think Joni Mitchell, Neil Young, Donald Sutherland, Margaret Atwood—but please *don't* blame ordinary Canadians for Celine Dion. Some Canadians, like Australians, have made it onto the world stage only to be asked to leave: you gave the world Alan Bond, we countered with Conrad Black.

Canada has a public health system that is said to be the envy of the world. Like Australia's, there is a good chance you will survive Canada's health system if you don't die waiting for a hospital bed.

Like Australia, ours is a sporting nation, although we spend more time on ice than in water. Judging by the results of the Beijing Olympics, bronze is the new gold when it comes to our athletes. When we do get a rare gold medal, they play an anthem that Canadians actually seem to like, *Oh Canada*. It's no *Waltzing Matilda*, but it's a big step up on *Advance Australia Fair*.

Our colonial, frontier history is poetically captured by Robert Service, the closest thing we have to a Banjo Patterson. You have 'movement at the station' and we have 'strange things done in the midnight sun'.

There are many more similarities and differences—some profound, some superficial—that I could list here. Suffice to say, ours is one lucky country. I seem to recall reading once that Australia is one lucky country, too.

The reality is, the majority of Canadians believe they live in one of the best places on Earth. I think a lot of Australians think they do, too. Ours are among the richest nations on Earth. We have money in our pockets and when we aren't grumbling about the weather or taxes—including that Canadian invention, the GST—well, we're a pretty happy bunch.

But let's talk for a minute about the money in our pockets. I have some right here: an Australian \$50 note. The Australian \$50 note has on it a drawing of David Unaipon, an Aboriginal inventor from Point McLeay Mission, down near the Murray mouth in South Australia.

Meanwhile, the Canadian \$20 note has on it depictions of the artwork of Bill Reid, a Haida First Nations artist credited with producing some of the most complex three-dimensional objects the world has ever seen.

Think about it. Is there not some irony in the fact that in both our lucky countries, hundreds of thousands of times a day, our citizens unconsciously transact their business and their pleasure with currency bearing the images of people who have almost *no* currency in the modern economies of which we are all so proud? Or think of it another way. In Canada, we spend about \$9 billion a year on First Nations at the federal level. That's 450 million \$20 notes a year spent mostly on substandard social services that produce almost no positive outcomes for native people.

Canada, remember, is consistently ranked at or near the top of the UN index that ranks the livability of countries around the world. If the same indices by which Canada is deemed to be so successful are applied just to aboriginal Canada, the country would rank sixty-third in the world. That's a pretty big gap, by anyone's reckoning.

I won't burden you with the detailed numbers, but I can assure you that in Canada, as in Australia, aboriginal people live in substandard housing more befitting a Third World country; their rates of incarceration are higher than non-Native Canadians; their graduation rates lower. Lower average income, lower average life expectancy, higher suicide rates—the same terrible statistical rollcall.

If you look at the Canadian landscape—by which I mean the actual, physical condition of the country's lands and waters—in between all those postcards of the Rockies and the prairies and the Mounties are valleys and villages flooded for cheap power to run aluminium and lead smelters and to irrigate crops. There are areas of clear-felled forests so large that they are visible from outer space. There are rivers where two million fish used to return every year, now reduced to 2000 returning salmon. There are polluted lakes and streams and, lately, whole forests ravaged by beetles that used to die out in cold winters but no longer do.

Like Australia, Canada had a gold rush—literally for gold, but for other minerals too, and for forests and for fish and for furs—and in that resource rush the aboriginal people were pushed aside at best, and targeted for extinguishment at worst. Like Australia, we had residential schools and a *Stolen Generation*. Like Australia, our Prime Minister recently said sorry. Like Australia, there is much talk of reconciliation—but little consensus on what that actually means.

At the same time that we talk of reconciliation, we of course cannot bring ourselves to sign the UN *Declaration on the Rights of Indigenous Peoples*—for fear, we are told, that it might compromise our legal position. As for our legal position, you had *Mabo*, we had *Calder*. You had *Wik*, we had *Sparrow*. You had *Yorta Yorta*, we had *Delgamuukw*. And now, we have *Haida*—a case that so squarely argues for Haida title and rights that our federal government argues back that the Haida essentially don't exist. This, we are told, is necessary to safeguard our legal position. Some reconciliation.

But I'm glad to report it's not all bad news for indigenous Canadians.

In 2004, the Haida Nation won a landmark case in our Supreme Court that has put a burden on governments—and vicariously although not directly on industry—to consult and accommodate First Nations in the event of development on their lands, whether or not they have proven title. I repeat, to *consult* and *accommodate*. This does not give First Nations veto power, but it does put them at the negotiating table with senior governments in a way that actually gives meaning to the notion of negotiation. It is, in my view, one of the fundamental building blocks of a conservation economy.

Let me define the conservation economy, at least as we see it at Ecotrust Canada.

A conservation economy:

- provides meaningful work and good livelihoods
- supports vibrant communities and the recognition of aboriginal rights and title
- conserves and restores the environment.

The starting assumption of Ecotrust has always been that there is opportunity where conservation and the economy meet. The old paradigm is that you either have jobs or the environment—but you cannot have both. Our work instead takes place at the *intersection* of the two. I know this sounds all very nice in principle. What it means in *practice* is this.

As I mentioned, because of favourable court cases in Canada and because, in British Columbia, treaties were not signed and settled during the period of first contact, we now have a series of imperatives that demand that aboriginal people be dealt into decision making at every turn.

Spencer Beebe, the founder of Ecotrust, likes to say that 'societies do what societies think'. Well, part of our approach is to help communities think about their future, think about what to do or not do, based on a comprehensive understanding of their traditions and their current conditions.

We think of this as 'information democracy'. In the past, all the decisions about resource extraction and economic development were made in capital cities like this one, Canberra, or in cities with capital, such as London and New York...like Sydney, Melbourne, Perth...like Toronto, Calgary, Vancouver.

None of the decisions was made by the communities themselves, or even with their knowledge or consent. On the British Columbia coast, I can take you to First Nations villages where, literally, the first inkling that native people had that someone was logging their traditional lands was when they saw a massive barge laden with old-growth logs being towed past their communities—headed south to distant mills and markets.

At Ecotrust, our notion of information democracy is that decision making *has* to vest in affected communities. So we work with communities on use and occupancy mapping—on land-use and marine-use planning—in order that today, having been invited to the decision-making table 150 years after the fact, they can come equipped with culturally relevant and technically and scientifically defensible maps and plans of their own.

It is my contention that not a single new resource decision should be made—in Canada or in Australia—without affected communities first being able to articulate their traditional use and occupancy of their territory, or *country*, as you call it here. That knowledge should be the basis upon which communities can then articulate which economic opportunities they wish to pursue—or forgo. I think it is a fundamental human right to be informed, to be armed with knowledge that is your own.

So, as I said, information democracy is a core building block of a conservation economy.

But in a conservation economy, there also has to be an *economy*. I remember in a strategy session one of our board members taking us to task because, to him, it sounded like a conservation economy was just a set of principles—local this, sustainable that, value-added something or other else. He asked, not unkindly, 'Are there any *products* in a conservation economy?'

Well, yes there are.

Inevitably, when communities articulate a vision, it involves some kind of development. At Ecotrust, we have been fortunate to work for more than a decade now with Shorebank, one the world's leading development finance institutions. Shorebank introduced us to community development finance—and

it is courtesy of Shorebank that we operate the only revolving loan fund for business development housed in an environmental non-profit in Canada.

We have done a modest amount of lending: about \$10 million so far. We finance small and medium enterprise development. We finance mostly sustainable forestry, fisheries, tourism and renewable-energy projects. Our loans average about \$125 000 at origination—not exactly micro-lending, but what we call ‘whites-of-your-eyes’ lending. Local, responsive and leveraged, our \$3.8 million active portfolio in 2007 leveraged a further \$13.7 million in capital to our clients. Of that, about 30 per cent went to aboriginal enterprises. We have slowly, patiently helped to create or sustain hundreds of jobs on our coast.

Somewhat emboldened by these results, we are currently looking to raise market capital for renewable energy and sustainable forestry funds because we want to work on bigger deals, at a larger scale, with our First Nations partners. But before I get to that, let me give you a concrete example of how Ecotrust has worked with a First Nations client.

Let me tell you about a company called Isaak Forest Resources.

Some of you might have heard of Clayoquot Sound. It is an extraordinarily beautiful place on the west coast of Vancouver Island, a place that became notorious in the 1980s and 1990s when the industrial logging juggernaut that was consuming the forests of Vancouver Island at an insatiable rate was stopped in its tracks.

In the summer of 1993—after years of skirmishes in the woods and interminable negotiations leading nowhere—more than 16 000 Canadians rallied on the logging roads of Clayoquot Sound in what became the largest single act of civil disobedience in Canadian history. More than 850 people were arrested for stopping the logging in Clayoquot. Your current Environment Minister, Peter Garrett, led his band, Midnight Oil, in a protest concert at the Black Hole, a notorious clear-cut that became an emblem of the worst excesses of the Canadian logging industry.

The blockades came on the heels of a conservation plan that left two-thirds of the sound open to logging. The government of the day promised this would take place sustainably, but no-one believed the government had a clue what that meant. In the wake of such a furious backlash, the government appointed a ‘blue-chip’ science panel to report back on what sustainable forestry might actually look like. At this point, local First Nations stepped in and called a halt. In effect, they challenged the credentials of a band of white scientists—no matter how well qualified on paper—to properly understand what sustainable forestry could be, without fully understanding the position of First Nations people who had lived in the forest for thousands of years. In the end, the science panel was co-chaired by Hereditary Chief Umeek of the Ahousaht First Nation. In the end,

the science panel produced a report that radically altered the regulatory and social landscape for logging on the coast of British Columbia.

When the science panel reported in 1995, the companies didn't like the significant new restrictions on logging practices, but the government went ahead and approved the panel's recommendations. Sure enough, there was a dramatic reduction in the annual cut and, soon after, the two big companies in the region were looking for a way out. One of them, MacMillan Bloedel—which later sold out to Weyerhaeuser—closed down operations in Clayoquot, but committed to a joint venture with the local First Nations in the form of a new company, Iisaak Forest Resources. The word '*iisaak*' is Nuu-chah-nulth for 'respect' and, in 2000, First Nations in Clayoquot were majority owners of a company that set out to produce just that: wood with respect.

Ecotrust Canada helped finance that first year of operations. In itself, that might be thought of as an unusual act for a conservation organisation: to finance a joint-venture logging company in Clayoquot Sound in which timber giant Weyerhaeuser was a partner. But, to our view, this is what everyone had been arguing for: a dramatic reduction in the cut, more local control, more *First Nations* control, more local benefits and preferably a product certified by an international body, the Forest Stewardship Council (FSC). So for us, financing this example of a triple-bottom-line company was a no brainer. We also helped it get FSC certification. And we aided the company in many other ways, including finding markets for its good wood and spreading the word.

In 2005, Iisaak bought out Weyerhaeuser's minority interest and the First Nations became sole owners of the company. In 2006, seeking new management after some poor years and substantial financial losses, Iisaak asked Ecotrust Canada to help find new managers. Instead, with a partner that had experience in ecosystem-based forest management, we decided to offer ourselves up as managers.

Why did we do this? Because environmentalists have a tendency to support things such as Iisaak in principle, but seldom offer much by way of tangible assistance where it counts: in the day-to-day operational reality of a business. And while environmentalists sing a good song about helping aboriginal people get access to resources as a way out of poverty, they get a bit weak-kneed when they actually do it.

So we stepped up with a plan, won a competitive bidding process to manage the company, and we did so for 18 months—a contract that ended a couple of months ago. At the end of our management turnaround contract, here's how things stood:

- 47 per cent of employment was First Nations
- 67 per cent of employment was local

- Forest Stewardship Certification (which had been lost) was reinstated
- we achieved a financial turnaround and left Iisaak with \$1.5 million in the bank
- emerging markets were found for FSC-certified wood
- 18 months of advance engineering was in place (that is, plans for business going forward).

I have to say that assisting First Nations to cut old-growth forests in one of the iconic conservation areas in the world hasn't endeared us to everyone. As one of my staff put it in a report to our board, 'Our effort here inspired many, puzzled some, enraged a few, and left no-one indifferent.' So too, probably, will our upcoming work to raise venture capital to assist First Nations to invest in micro-hydro projects, and to acquire and manage private forest lands. But to me, conversation for far too long has been about access—and not about assets. Everyone wants access to indigenous lands—to exploit them, to 'save' them, whatever—but in very few cases do we see good-faith attempts to actually build an asset base in indigenous communities. At Ecotrust Canada, we think that is critical to the long-term success of the communities where we work.

This gets us to some of the challenges. I've read a bit about the deterioration in Australia of the so-called black-green alliance. Canadians are far too polite to ever colour code people. No-one up home would ever talk about a red-green alliance and anyway, in Canada, Red Green is the name of a TV comedy character, so they wouldn't know what you were talking about. But as in Australia, in Canada, there has long been an assumption that the indigenous agenda is at once and at least in part a *green* agenda. In truth, that *has* been the case for the past 30 years or so: about the same time that Greenpeace was founded in Vancouver, aboriginal communities were engaging in their own conservation efforts, linked to their emergent rights and title agenda. But today, as First Nations come into ownership and control—as they come to determine more and more of the *access* to lands and natural resources—those old allegiances will come under strain. In fact, they already have—as in the case of Iisaak Forest Resources, as I've already mentioned, but in many other instances as well.

In Canada, as in Australia, I predict a significant shift in the agenda towards new allegiances based less on conservation and more on *economic* imperatives—and a transfer of assets to communities that for the most part have none. That doesn't mean the end of conservation. But we should not assume that indigenous economic development choices will always be the good ones. Then again, they won't always be bad ones: well informed and well led, indigenous communities will make many good economic development decisions, and they could invoke their aboriginal right to say no to development. For all we know, they might say that more often than they say yes. The fact is, a new era is upon us, and I think the conservation community has a significant role to

play in helping indigenous communities make good choices about conservation *and* development. Nature is resilient where it is bio-diverse. I would argue that communities are resilient where they are culturally strong and economically diverse.

One issue that does crop up in our work and which continues to limit confidence in First Nations—especially among investors—is that of governance. It's not as if non-native people have somehow perfected how to govern our political or economic affairs—the newspapers let us know that on a daily basis.

Nonetheless, just about everyone bemoans the problems of governance that afflict indigenous communities. We've seen our fair share of poor governance up our way. I understand that's a big issue here, too.

Some of you might have heard of the Harvard Project on American Indian Economic Development. It's a research project that has been running for more than 20 years now under the expert eye of Stephen Cornell, who argues that access to resources is not necessarily an essential ingredient for economic success in indigenous communities. He argues, and offers powerful evidence, that culturally relevant governance—regardless of access to resources—is absolutely essential to success in Indian country. He argues that there are significant parallels between the US experience and that of communities in Canada, Australia and New Zealand.

Cornell argues that self-determination in indigenous communities is key to their ability to progress. He says that for central governments, good governance means governance on their terms, so as to facilitate service delivery in a way that appeals to ministers and bureaucrats and, I would add, reporters. Central governments are terrified of self-determination, because where indigenous peoples control natural resources, there is a threat to the ability of the State to utilise those resources or get them to market, which undermines the State's ability to control what happens within its borders.

No wonder that Cornell says, 'Reluctant to address indigenous self-determination, states instead address indigenous poverty.'

Sound familiar?

Self-determination is critical. Good governance is critical. But I must say that on a visit last week to a remote community in Northern Australia, I saw something pretty discouraging. I saw a community that was getting a huge amount of money through a benefits agreement with an industrial concern, which had set up a corporation to manage that money. I saw nothing culturally relevant in any of this. In fact, I was told by their earnest non-Indigenous adviser that the corporation was run according to the rules of the *Corporations Act* in Australia. Minutes are taken, live on PowerPoint, before the Indigenous people's very eyes. However, this same adviser had just finished telling me that every

adult person in the community was illiterate and innumerate. So whose agenda does this serve? Is this what the framers of the *Corporations Act* had in mind? I have in mind something less corporate. Perhaps something more *cooperative*—modelled along the lines of the cooperative economic experience of the Emilia Romagna region of Italy. Is there not a governance model based on principles of the gift exchange, on reciprocity, that is more relevant to Indigenous communities than trying to find a cultural way to build a corporation, or a corporate way to rebuild a culture? I don't know the answer to this, but I believe it is a question that deserves an answer.

In two trips—last week in the Kimberley and Kakadu, and three years ago to Kimberley and Cape York—I've seen some discouraging things in your Indigenous communities, and I've seen great potential. There are tremendous reserves of resilience based, I believe, on retained culture and on conserved country. While I haven't seen that much to inspire me in respect to new economic models, I think you have many of the conditions that I believe are essential to building a conservation economy.

Both of these trips to the north have been sponsored by the Australian Conservation Foundation and its partners (including Land and Water Australia), who see value in our approach in Canada. There is a proposal afoot to start an Ecotrust Australia, and it might just be up and running in six months or so. I hope it is, and I hope it is a remarkable success.

I don't for a minute imagine that Ecotrust's approach, adapted for Australian circumstances, will solve all the woes of your Indigenous communities or somehow magically convert an economy built on gross resource extraction and consumption into a conservation economy—at least not right away.

But surely what is happening to your climate (the drought)—and indeed to the Earth's climate—suggests that the need for alternative development models is urgent. And I think there is a way to pay for them, too. As you embark on emissions trading here, and as markets in carbon offsets and other ecosystem services continue their meteoric growth, I think we need a system not just of carbon capture, but 'capital capture'. Given that new capital markets are opening up precisely *because* of an awakening to the perils of climate change (among other environmental threats), surely we can find ways to spend that capital on solutions. To invest in new technologies, for sure—but also in new development models, and most urgently in indigenous communities.

My fellow Canadian Naomi Klein has written a remarkable book called *The Shock Doctrine: The rise of disaster capital*. Its focus is mainly on American global hegemony, both military and economic, over the past 50 years. But I think the post-contact, colonial experience has been one long, continuous spasm of 'disaster capital', and nowhere have its effects been more evident than in aboriginal country around the world.

We've seen a remarkable decline in cultural capital, and community capital, in the past 200 years. We have to start—*now*—building what Jane Jacobs has so wisely referred to as 'reliably prosperous' communities. These are the communities that we envision are the constituent parts of a conservation economy. I know that such a thing—a conservation economy—might seem somewhat wistful or quixotic. But it's the only one I want to live in—and it seems a much safer place to be than in an economy that is melting down around us as I speak.

Re-engineer the whole economy? Why not? The Berlin Wall came down. Who would have predicted that? Nelson Mandela got out of prison. The Soviet Union broke up. Suharto was swept from power. Or somewhat more tangibly to us mere mortals, consider that people no longer smoke in airplanes—or just about anywhere else for that matter. Thirty years ago, who would have predicted radical social change like any of the above? So why not a new economy? Why not reliable prosperity? Why not a triple bottom line? Why not economically, ecologically, culturally and socially successful indigenous communities?

My friend and an Ecotrust Canada board member, Eric Young, writes about how the world gets changed in a book called *Getting to Maybe*. 'If history shows us anything,' Young says, 'it is that the obdurate world *does* yield. Change—surprising and sometimes radical change—*does* happen. The world does turn on its head every once in a while. And what seemed almost impossible looking forward seems almost inevitable looking back.' So it is—or so I believe it will be—with the conservation economy.

ENDNOTES

¹ This essay was originally presented as an ANZSOG Public Lecture on 17 September 2008.