

(Carl Richards - narrator) The extraction of resources is one of the main mechanisms for economic development among Indigenous communities across Canada. In fact, when we consider what economic development means for Indigenous populations, we often invoke their partnership and joint venture activities with multinational resource extraction corporations. Indigenous communities sign impact and benefit agreements with these corporations to allow resources to be extracted from their reserve lands in hopes that the financial benefits will outweigh the environmental and ethical concessions they're making. The resulting economic development agreements are contractual and finite in scope, and often leave communities in a similar socio-economic state to the one that they were in before the resources were extracted. One of the main reasons for Indigenous communities not seeing a long-term benefit from extraction agreements is due to a phenomenon called economic leakage. After the community and its members receive the economic benefits from an extraction agreement, those benefits have few places to be spent within the community and will disappear once the contract is complete, many Indigenous communities do not possess the necessary economic infrastructure to capture the proceeds from economic development activities causing those resources to flow to surrounding communities and businesses. (Russell Evans) Community economic leakage occurs when members of the community are unable to spend their earnings within the town in which they live. So what happens is the funds are spent in towns and cities that are close by where there are spaces for them to spend those earnings. The way to recapture some of this leakage is to promote business creation and entrepreneurship activities within that community. That there are phases available for members to spend those earnings. (Carl Richards - narrator) Economic development through resource extraction is an important tool for the creation of owned sourced revenue. However, to achieve long-term economic sustainability, it must be supported by community appropriate business development. Business development for Indigenous populations refers to the strategic choice to create and promote business within and for their own communities. It encourages Indigenous entrepreneurship within communities for recapturing economic leakage and providing additional revenue sources. It describes a process where Indigenous populations employ business development activities to improve their lives through participation and Western economic systems. (Russell Evans) So, within First Nations communities now, we're seeing two approaches to economic development. The first is the creation of corporations. And those corporations allow the community itself to direct the day-to-day operations of those business, those businesses. The second approach is through something called a limited liability partnerships. Limited liability partnerships prevents the community itself from being liable for the activities of the business by creating a legal shield between the business itself, businesses themselves, and the community, the political community. (Carl Richards narrator) The hope is that business development through Indigenous entrepreneurship will overcome the barriers that have hindered economic progress for these communities in the past, the promotion of Indigenous entrepreneurship has the potential to be a feasible pathway toward greater self-reliance through the generation of own sourced funds.