



# Northern Entrepreneurship

Katherine Walker with contributions from Carolee Buckler

February 2009

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# **Executive Summary**

This paper examines economic, social and environmental entrepreneurship for small to medium-sized businesses in the context of the North. A scan of the literature reveals that northern entrepreneurship in Canada is an understudied area of academic research, with only three academic publications focusing specifically on this subject. Two of these are fairly recent, and one, commissioned by the federal government's Department of Indian and Northern Affairs, dates back to 1978. However, northern entrepreneurship and economic development in the region has increasingly become an area of great interest for federal and provincial governments in Canada, with a growing number of programs and funds being established to stimulate entrepreneurial growth in the region. In fact, news releases heralding the establishment of new government funding or programming for northern entrepreneurship comprise the bulk of literature on the subject.

One area of research that is still regarded as understudied, but yielded a number of valuable empirical studies and academic analyses, is the area of "indigenous entrepreneurship." The implications of this research for the North are considerable, given that northern populations in Canada are predominantly indigenous.

Based on the available scholarship, some preliminary conclusions about northern entrepreneurship can be reached:

- The conditions in the North and the issues facing the North are ripe for entrepreneurship.
- The challenges facing northern entrepreneurs are different that those faced by their southern counterparts.
- Northern entrepreneurship shares much in common with social and environmental entrepreneurship.
- The promotion of entrepreneurship must involve local communities if it is to be successful.

# **Table of Contents**

Executive Summary			11
1.0	Defining Entrepreneurship		
1.1	Soc	cial entrepreneurship	5
1.2	En	vironmental entrepreneurship	8
2.0 Entrepreneurship in the North		epreneurship in the North	10
2.1	Wh	nat are the characteristics of a northern entrepreneur?	12
2.2	Is r	northern entrepreneurship necessary?	14
2.3	Wh	nat obstacles are faced by a northern entrepreneur?	18
2.4	Wh	nat are the advantages of a northern entrepreneur?	21
2.5	Но	ow can northern entrepreneurship be encouraged?	21
3.0	Conclusion		24
4.0	Арре	endix	26
4.1	Go	overnment resources	26
4	4.1.1	Federal	26
4	4.1.2	Yukon	27
4	4.1.3	Northwest Territories	27
4	4.1.4	Nunavut	27
4	4.1.5	Saskatchewan	28
4	4.1.6	Ontario	28
4	4.1.7	Training Opportunities for Northern Entrepreneurs	29
Bibliography			39

# 1.0 Defining Entrepreneurship

Differing concepts of entrepreneurship are presented throughout the literature, making it difficult to properly define the concept, as W.B. Gartner writes:

Entrepreneurship is a very complex idea... What we must all be concerned about is making sure that when we talk about entrepreneurship we recognize that it has many different meanings attached to it... [Because] if many different meanings for entrepreneurship exist, then it behoves us to make sure that others know what we are talking about.<sup>1</sup>

Gregory J. Dees examines the roots of the term. He prefers the definitions provided by Jean Baptiste Say, Joseph Schumpeter, Peter Drucker and Howard Stevenson, because these definitions are applicable to both the business and social sectors.<sup>2</sup> According to Dees, the term "entrepreneur" originated with French economics during the 17<sup>th</sup> or 18<sup>th</sup> centuries.<sup>3</sup>

In French, it means someone who "undertakes," not an "undertaker," in the sense of a funeral director, but someone who undertakes a significant project or activity. More specifically, it came to be used to identify the venturesome individuals who stimulated economic progress by finding new and better ways of doing things. The French economist most commonly credited with giving the term this particular meaning is Jean Baptiste Say. Writing around the turn of the 19<sup>th</sup> century, Say put it this way, "The entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield." Entrepreneurs create value.<sup>4</sup>

Joseph Schumpeter provided the prevailing definition of the term for the 20th century.<sup>5</sup>

He described entrepreneurs as the innovators who drive the "creative-destructive" process of capitalism. In his words, "the function of entrepreneurs is to reform or revolutionize the pattern of production." They can do this in many ways: "by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a

<sup>&</sup>lt;sup>1</sup> Gartner, W.B. (1990), "What are we talking about when we are talking about entrepreneurship," *Journal of Business Venturing*, Vol. 5, p. 28

<sup>&</sup>lt;sup>2</sup> Dees, J. Gregory, "The Meaning of Social Entrepreneurship." Duke University's Fuqua School of Business, the Center for the Advancement of Social Entrepreneurship (CASE), Original Draft: October 31, 1998, Reformatted and revised: May 30, 2001, <a href="https://www.caseatduke.org/documents/dees\_sedef.pdf">www.caseatduke.org/documents/dees\_sedef.pdf</a>, 2

<sup>&</sup>lt;sup>3</sup> Ibid, 1

<sup>&</sup>lt;sup>4</sup> Ibid, 1

<sup>&</sup>lt;sup>5</sup> Ibid, 1

new source of supply of materials or a new outlet for products, by reorganizing an industry and so on." Schumpeter's entrepreneurs are the change agents in the economy. By serving new markets or creating new ways of doing things, they move the economy forward.<sup>6</sup>

Dees views the Say-Schumpeter tradition as providing the basis for the modern use of the term, specifically, entrepreneurs as the "catalysts and innovators behind economic progress."

Peter Drucker expands upon Say's definition with a focus on opportunity. Dees states, "Drucker does not require entrepreneurs to cause change, but sees them as exploiting the opportunities that change (in technology, consumer preferences, social norms, etc.) creates. [Drucker] says this defines entrepreneur and entrepreneurship—'the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.""8

Howard Stevenson, acknowledged as a "leading theorist of entrepreneurship at Harvard Business School," describes the essence of entrepreneurial management as "the pursuit of opportunity without regard to resources currently controlled. He found that entrepreneurs not only see and pursue opportunities that elude administrative managers; entrepreneurs do not allow their own initial resource endowments to limit their options."

Karin Berglund and Anders W. Johansson examine competing entrepreneurship discourse, using the metaphor of a web to show how its different versions or "threads" intersect with one another. <sup>10</sup> The framework for the web rests on the underlying assumptions of entrepreneurship as associated with "goodness" and "creation." <sup>11</sup> From these assumptions, the authors describe entrepreneurship as "a futuristic industrial discourse." <sup>12</sup> As such, the authors assert that entrepreneurship involves the telling of a familiar tale,

We use entrepreneurship to portray the way we want our future to be and it is the power of the individual as a creator that emerges as a central element in this discourse. In some ways entrepreneurs seem to give us hope and confidence in the world of tomorrow. We suggest that entrepreneurship is the story of creation for our times, and it is this idea that we adopt as the framework for the discourse here.<sup>13</sup>

<sup>7</sup> Ibid, 2

<sup>&</sup>lt;sup>6</sup> Ibid, 1

<sup>8</sup> Ibid, 2

<sup>&</sup>lt;sup>9</sup> Ibid, 2

<sup>&</sup>lt;sup>10</sup> Berglund, Karin and Anders W. Johansson. "Constructions of entrepreneurship: a discourse analysis of academic publications." Journal of Enterprising Communities. Bradford: 2007. Vol. 1, Iss. 1, 79

<sup>11</sup> Ibid, 82

<sup>&</sup>lt;sup>12</sup> Ibid, 81

<sup>13</sup> Ibid, 82

On the whole, Berglund and Johansson found that entrepreneurial research does not challenge the framework or underlying assumptions of entrepreneurship, but is concerned chiefly with "produc[ing] new or better knowledge about the phenomenon, in order to provide a more prosperous future for the entrepreneurs themselves and for society as a whole."<sup>14</sup>

Essentially, it is widely accepted that entrepreneurship involves three elements: "opportunities, enterprising individuals, and resourcefulness." <sup>15</sup>

Entrepreneurs are commonly associated with start-up businesses or new ventures that take advantage of an opportunity. Although no universally accepted definition for "entrepreneurial opportunity" exists, Brian Smith, Charles H. Matthews and Mark T. Schenkel provide a broad definition that attempts to capture the various elements of opportunity that entrepreneurs commonly exploit. The authors define an opportunity as "a feasible profit-seeking situation to exploit a market inefficiency that provides an innovative, improved or imitated product, service, raw material, or organizing method in a less-than-saturated market."<sup>16</sup>

The type of business that is created from the opportunity will vary. For the purposes of this paper, the focus is on entrepreneurs who start small and medium-sized businesses. Industry Canada defines the sizes of businesses in terms of their number of employees. A "micro-business" employs fewer than five employees. <sup>17</sup> A "small business" refers to firms that have more than five, but fewer than 100 employees, and a "medium-sized business" describes firms that have between 100 and 499 employees. <sup>18</sup> A common categorization in Canada is to refer to SMEs (for small and medium-sized enterprises) or SMMEs (for small, micro and medium-sized enterprises), which includes all businesses with fewer than 500 employees. Firms with 500 or more employees are categorized as "large" businesses. <sup>19</sup> However, the size of a business may also be defined in a number of other ways, such as by the amount of its revenue, loan authorization or its comparison to other businesses in a given industry.

<sup>15</sup> Mair, Johanna, Christian Seelos and Anselmo Rubiralta, "Social Entrepreneurship: The Contribution of Individual Entrepreneurs to Sustainable Development," Working paper, IESE Business School – Universidad de Navarra, Camino del Cerro del Águila, 3 (March 2004)

<sup>14</sup> Ibid, 84

<sup>&</sup>lt;sup>16</sup> Smith, Brett R., Charles H. Matthews; Mark T. Schenkel, "Differences in Entrepreneurial Opportunities: The Role of Tacitness and Codification in Opportunity Identification," *Journal of Small Business Management*, Vol. 47, 1 (January 2009), 41. <a href="http://proquest.umi.com/pqdweb?index=2&sid=1&srchmode=2&vinst=PROD&fmt=6&startpage=-1&clientid=12306&vname=PQD&RQT=309&did=1628861381&scaling=FULL&ts=1235499503&vtype=PQD&rqt=309&TS=1235499517&clientId=12306">http://proquest.umi.com/pqdweb?index=2&sid=1&srchmode=2&vinst=PROD&fmt=6&startpage=-1&clientid=12306&vname=PQD&RQT=309&did=1628861381&scaling=FULL&ts=1235499503&vtype=PQD&rqt=309&TS=1235499517&clientId=12306</a> (accessed February 4, 2009)

<sup>&</sup>lt;sup>17</sup> Government of Canada. <u>Industry Canada, Small Business Policy Branch</u>, <u>Key Small Business Statistics</u>, <u>July 2008</u>, www.ic.gc.ca/eic/site/sbrp-rppe.nsf/eng/h\_rd02296.html

<sup>&</sup>lt;sup>18</sup> Government of Canada. <u>Industry Canada, Small Business Policy Branch</u>, <u>Key Small Business Statistics</u>, <u>July 2008</u>, www.ic.gc.ca/eic/site/sbrp-rppe.nsf/eng/h\_rd02296.html

<sup>&</sup>lt;sup>19</sup> Government of Canada. <u>Industry Canada, Small Business Policy Branch</u>, <u>Key Small Business Statistics</u>, <u>July 2008</u>, www.ic.gc.ca/eic/site/sbrp-rppe.nsf/eng/h\_rd02296.html

Despite repeated references to the inherent value of entrepreneurship in the literature, entrepreneurship does not always lead to economic growth at the macro or national level. Some types of entrepreneurship run counter to "growth and expansion, thus leading to "economic stagnation." Bowen and De Clercq believe that institutional factors play a large role in ensuring that entrepreneurship benefits the larger economy, specifically with regard to job creation. Institutional factors must support entrepreneurship "not only by creating conditions supportive of entrepreneurial activity, but also by helping to direct entrepreneurial efforts toward particular types of activity. In particular, financial resources and education targeted at entrepreneurial activity may stimulate existing entrepreneurs to engage in a high-growth activity, whereas high levels of corruption may lessen the likelihood that entrepreneurs engage in a high-growth activity." In addition, countries with "a wide availability of risk capital (e.g., formal venture capital, business angels, etc.) are more likely to be characterized by a higher proportion of growth-oriented startups.

<sup>&</sup>lt;sup>20</sup> Bowen, Harry P. and Dirk De Clercq. "Institutional context and the allocation of entrepreneurial effort," *Journal of International Business Studies* (2008) 39, 748

<sup>&</sup>lt;sup>21</sup> Ibid, 748

<sup>&</sup>lt;sup>22</sup> Ibid, 762

<sup>&</sup>lt;sup>23</sup> Ibid, 758

# 1.1 Social entrepreneurship

Entrepreneurship has long been associated with the realm of business and economics, but the application of the term has increasingly been applied to social problem-solving.<sup>24</sup> The rationale for this application has been described as follows:

The challenges of finding effective and sustainable solutions to many social problems are substantial, and solutions may require many of the ingredients associated with successful innovation in business creation.

But solutions to social problems, such as sustainable alleviation of the constellation of health, education, economic, political and cultural problems associated with long-term poverty, often demand fundamental transformations in the political, economic, and social systems that underpin current stable states. The test of successful business entrepreneurship is the creation of a viable and growing business, often embodied in the survival and expansion of a business organization. The test of social entrepreneurship, in contrast, may be a change in the social dynamics and systems that created and maintained the problem—and the organization created to solve the problem may get smaller or less viable as it succeeds.<sup>25</sup>

A literature review on social entrepreneurship by Sherrill Johnson of the Canadian Centre for Social Entrepreneurship at the University of Alberta School of Business states that social entrepreneurship is a "rapidly developing field," with research on the subject lagging far behind the practice. <sup>26</sup> Johnson provides a scan of the research that focuses on why social entrepreneurship is growing, on how to define social entrepreneurship and its parameters, and on the "characteristics and motivations of social entrepreneurs." The review also highlights the key issues arising from social entrepreneurship research and its gaps.

One reason given for the rise of social entrepreneurship is the "global shift away from a social welfare state approach to development and towards a neoliberal approach with an emphasis on market forces as primary mechanisms for the distribution (and redistribution) of resources."<sup>27</sup> This

<sup>&</sup>lt;sup>24</sup> Alvord, Sarah H., L. David Brown, and Christine W. Letts, "Social Entrepreneurship and Social Transformation: An Exploratory Study." The Hauser Center for Nonprofit Organizations and The Kennedy School of Government, Harvard University, November 2002, Working Paper #15,

www.hks.harvard.edu/hauser/active\_backup/PDF\_XLS/workingpaper\_15.pdf (accessed January 31, 2009), 3 25 Ibid 3

<sup>&</sup>lt;sup>26</sup> Johnson, Sherrill Literature Review on Social Entrepreneurship, Canadian Centre for Social Entrepreneurship, University of Alberta School of Business, <a href="https://www.business.ualberta.ca/CCSE/publications/default.htm">www.business.ualberta.ca/CCSE/publications/default.htm</a>, November 2000,

<sup>&</sup>lt;sup>27</sup> Ibid, 2

has resulted in a significant decrease in government funding to non-profit organizations, creating heightened competition among them.<sup>28</sup> Rapid economic change has also changed the way in which the public and private spheres operate, with the global market and the shift from a production-based economy to a knowledge-based economy exerting increasing influence.<sup>29</sup> John Catford provides a succinct summary of the problem and solution.

Traditional welfare-state approaches are in decline globally, and in response new ways of creating healthy and sustainable communities are required. This challenges our social, economic and political systems to respond with new, creative and effective environments that support and reward change. From the evidence available, current examples of social entrepreneurship offer exciting new ways of realizing the potential of individuals and communities...into the 21<sup>st</sup> century.<sup>30</sup>

Johnson also provides a summary of differing definitions of social entrepreneurship:

Peter Drucker argues that social entrepreneurs "...change the performance capacity of society" (Gendron, 1996, p. 37) while Henton et al. (1997) speak of "civic entrepreneurs" as "...a new generation of leaders who forge new, powerfully productive linkages at the intersection of business, government, education and community" (p.1). Schulyer (1998) describes social entrepreneurs as "...individuals who have a vision for social change and who have the financial resources to support their ideas...who exhibit all the skills of successful business people as well as a powerful desire for social change" (p. 1). Boschee (1998) presents social entrepreneurs as "...non-profit executives who pay increased attention to market forces without losing sight of their underlying mission" (p. 1). Thompson et al. (2000) describe "...people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money and premises) and use these to 'make a difference" (p. 328).

To add to the confusion of these somewhat differing descriptions of social entrepreneurs, several other terms are currently also used to describe similar activities and initiatives, including, but not limited to: social purpose venture; community wealth venture; non-profit enterprise (Roberts Enterprise Development Fund, no date);

<sup>&</sup>lt;sup>28</sup> Ibid, 3

<sup>&</sup>lt;sup>29</sup> Ibid 4

<sup>&</sup>lt;sup>30</sup> Catford, John (1998) "Social entrepreneurs are vital for health promotion – but they need supportive environments too" in *Health Promotion International*, Vol. 13, No. 2, 97

venture philanthropy; caring capitalism; social enterprise (Cannon, 2000); and civic entrepreneurship (Henton et al., 1997)."<sup>31</sup>

Johnson does reconcile the varied definitions to a certain degree, by stating that "the 'problem-solving nature' of social entrepreneurship is prominent, and the corresponding emphasis on developing and implementing initiatives that produce measurable results in the form of changed social outcomes and/or impacts."<sup>32</sup>

Social entrepreneurship has also been characterized as consisting of three separate approaches. The first describes social entrepreneurs who transform not-for-profit organizations into for-profit or earned income ventures; start a not-for-profit organization; or integrate social responsibility into business.<sup>33</sup> This approach combines commercial initiatives with social impacts and its goals are both commercial and social. The second approach characterizes social entrepreneurship as "innovating for social impact."<sup>34</sup> Commercial viability is not a goal, rather the entrepreneur focuses on social problems, creating innovative solutions, forging new social arrangements and mobilizing resources to respond to these problems. A third approach that characterizes social entrepreneurship is "catalyz[ing] social transformation" in such a way that small change leads to larger and lasting change. These types of entrepreneurs must "understand not only immediate problems but also the larger social system and its interdependencies, so that the introduction of new paradigms at critical leverage points can lead to cascades of mutually-reinforcing changes that create and sustain transformed social arrangements."<sup>35</sup>

Dees describes the social entrepreneur as a "change agent" that undertakes the following:

- "Adopting a mission to create and sustain social value (not just private value);
- Recognizing and relentlessly pursuing new opportunities to serve that mission;
- Engaging in a process of continuous innovation, adaptation, and learning;
- Acting boldly without being limited by resources currently in hand; and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created."36

The "social mission" creates challenges and difficulties, because it prevents reliance on market discipline as the primary indicator of success, because "markets do not do a good job of valuing social improvements, public goods and harms, and benefits for people who cannot afford to pay," which are crucial to social entrepreneurs.<sup>37</sup> Creating adequate social value that justifies the resources

<sup>31</sup> Johnson, 5

<sup>&</sup>lt;sup>32</sup> Ibid, 5

<sup>33</sup> Ibid, 4

<sup>34</sup> Ibid, 4

<sup>35</sup> Ibid, 4

<sup>&</sup>lt;sup>36</sup> Dees, 5

<sup>&</sup>lt;sup>37</sup> Ibid, 3

used to create that value is a real challenge for social entrepreneurs. It is inherently difficult to measure social value creation. Even when improvements can be measured and attributed to a given intervention, social entrepreneurs often cannot capture the value they have created in an economic form to pay for the resources they use.<sup>38</sup>

An exploratory study by the Hauser Centre for Nonprofit Organizations and The Kennedy School of Government, Harvard University, provides a comparative analysis of seven cases of social entrepreneurship that are widely regarded as successful. Factors associated with successful social entrepreneurship—specifically social entrepreneurship leading to significant changes in the social, political and economic circumstances of poor and marginalized groups—are offered. The paper produces hypotheses about core innovations, leadership, organization and scaling up in successful social entrepreneurship, ending with an examination of the implications for the practice of social entrepreneurship, for further research, and for the continued development of supportive technologies and institutions that will encourage future social entrepreneurship.

# 1.2 Environmental entrepreneurship

Focusing on environmental objectives is yet another way that entrepreneurs differs from the conventional business type who is concerned primarily with the "bottom line" or profits. Business activities that pursue both profits and social change have been called "blended return" or "double bottom line," and "triple bottom line," when environmental concerns are thrown into the mix.<sup>39</sup>

Allen and Malin believe that the blending of entrepreneurship with environmental concerns is on the rise. The authors provide a useful definition for an environmental entrepreneur.

A new kind of entrepreneur—alternately referred to as a green entrepreneur or ecopreneur—is fusing an enthusiastic business sense with a cognizance of sustainability and other tenets of the environmental movement. Ecopreneurs can be characterized or defined in a multitude of ways (Schaper 2005). For our purposes, ecopreneurs are individual innovators who see their business as embracing environmental values as a core component of their identity and as aiding in their competitive advantage in the marketplace (Gerlach, 2002).

Ecopreneurs act as agents for societal change (Anderson, 1998; Azzone and Noci, 1998; Pastakia, 1998), due in large part to their unique and enthusiastic vision and/or their feelings of obligation to budding societal norms (Keogh and Polonsky, 1998). Anderson

<sup>&</sup>lt;sup>38</sup> Ibid, 3

<sup>&</sup>lt;sup>39</sup> Wuttunee, Wanda A, Russ Rothney and Lois Gray, "Financing social enterprise: a scan of financing providers in the Manitoba, Saskatchewan, and Northwestern Ontario region," Saskatoon, SK: Centre for the Study of Co-operatives, (2008), 1

argues that at their cores, entrepreneurs and environmentalists are not as different as they appear to be on the surface. He asserts that in their basic essence, entrepreneurs create and extract value from a given situation and that environmentalists also find themselves deeply embedded in social ideas of value (Anderson, 1998, 135). With their uncommon confluence of environmental concern and business savvy, of an eco-friendly business (Anderson, 1998, 139)."

Recent research has already produced a body of typology literature to categorize ecopreneurs and businesses with environmental goals, but a gap remains in the study of small and medium-sized ecopreneurs (SME). Using American case studies of 10 SMEs, Allen and Malin identify what sets an ecopreneur apart from a traditional entrepreneur: "low levels of interest in economic success; high degrees of awareness about the business' environmental impact; and high levels of concern for social justice." Essentially, the authors find that "What makes these ecopreneurs so exceptional in the business world is the uncommonly strong connection between their business and their own personal passions and values." In addition, the case studies indicate that the ecopreneurs are motivated, not by "capitalist contentions," but by "an uncommon mix of entrepreneurial spirit, passion and humility, and a sense of personal obligation to the environment and society."

Allen and Malin go on to describe the implications of their findings on society,

At first glance these green business owners could be seen as moving toward the past, where community and locality were the primary economic and social regions and where quality craftsmanship was the key to economic survival (Allen and Dillman, 1994). However, as we look deeper into the global information age, it may well be that the emergence of green businesses reflects a new social structure. In traditional agrarian society it was difficult to integrate family, community, personal values, and economy with larger social issues or movements. In mass, or industrial, society, workers generally separated their personal values and professional lives. In our analysis of these emerging business structures, we find that the business owners have clearly integrated personal values of environmental integrity, social justice, fair trade, living wages, and the development of high-quality products and services that are hoped to last generations. This new social and economic structure poses some interesting options for those interested in natural resource management and local economies. Integrating the voices from these business owners into long-term

<sup>&</sup>lt;sup>40</sup> Allen, John C. and Malin, Stephanie (2008 "Green Entrepreneurship: A Method for Managing Natural Resources?," Society & Natural Resources, 21:9, 829–830

<sup>41</sup> Ibid, 830

<sup>&</sup>lt;sup>42</sup> Ibid, 836

<sup>&</sup>lt;sup>43</sup> Ibid, 83

<sup>44</sup> Ibid, 840

planning efforts could enhance the voice that argues for a sustainable approach to natural resource areas, social justice, and local economies. 45

# 2.0 Entrepreneurship in the North

Prevailing socio-economic conditions can act as catalysts or hindrances for entrepreneurship. While an entrepreneur strives to take advantage of his/her environment, it simultaneously shapes and/or constrains his/her abilities. The environment of the northern entrepreneur is undergoing rapid change that includes issues involving climate change, national security and expanding resource development. Since entrepreneurs thrive on exploiting change, meaningful development in the region could result.

Statistical data for SMMEs indicates that, collectively, these types of businesses represent a vital contribution to the Canadian economy. Similar data for northern regions in Canada suggest that SMMES also play an integral role in sustaining economies in the North.

# Number of SMMEs in the North

According to Statistics Canada data,<sup>47</sup> small, micro and medium-sized businesses accounted for virtually all business enterprises in Canada in 2007. The total number of employer businesses in 2007 was 1,085,719, with only 2,940 or about 0.3 per cent having 500 employees or more. Of the remaining businesses, 99.7 per cent are made up of small, micro and medium-sized businesses, with 1,062,549 employer businesses (97.9 per cent) having fewer than 100 employees; 75 per cent having fewer than 10 employees; and 55 per cent having only one to four employees.

In the northern territories, the prevalence of SMMEs is similar to the national average. In 2007, the Yukon reported 1,574 businesses, with 99.1 per cent of these being small to medium-sized businesses. <sup>48</sup> In the Northwest Territories, 99.9 per cent of all businesses were SMMEs; and in Nunavut, SMMEs accounted for 97.8 per cent of all businesses. Similar data for the northern portions of the provinces are unavailable.

## Employment by northern SMMEs

Although SMMEs comprised an overwhelming majority of businesses in Canada's northern region, the percentage of employment, although still forming a majority, was considerably less. For 2007, in

<sup>45</sup> Ibid, 842-843

<sup>&</sup>lt;sup>46</sup>Foreign Policy Conference of the Canadian International Council, "Canada's Arctic Interests and Responsibilities," *Behind the Headlines*, Toronto: Vol. 65, Iss. 4 (Aug 2008), 14

 $<sup>\</sup>frac{\text{http://proquest.umi.com/pqdweb?index=1\&sid=1\&srchmode=2\&vinst=PROD\&fmt=6\&startpage=-}{1\&clientid=12306\&vname=PQD\&RQT=309\&did=1561323161\&scaling=FULL\&ts=1233005423\&vtype=PQD\&rqt=309\&TS=1233005438\&clientId=12306}$ 

<sup>&</sup>lt;sup>47</sup> Statistics Canada, Business Register, June 2008. The businesses profiled by the Business Register include all active businesses in Canada that have a corporate income tax (T2) account, are an employer or have a GST account.

<sup>&</sup>lt;sup>48</sup> Statistics Canada, Business Register, June 2008.

the Yukon, small and medium-sized businesses employed 9,616 people, comprising 54 per cent of all employment in the territory (17,533).

Similarly, in the Northwest Territories, small and medium-sized businesses employed 12,926, or 56 per cent of all employment (23,077). Lastly, Nunavut reported that 6,899, or 65 per cent of all employment (10,558) was provide by SMMEs.

These numbers are mirrored with national employment figures for SMMEs. In 2007, SMMEs employed just over 6.8 million, or 64 per cent, of private sector employees covered by the Survey of Employment, Payrolls and Hours (SEPH).<sup>49</sup> Overall, in 2007, small businesses accounted for over two thirds of employment in five industries: the (non-institutional) health care sector (89 per cent), the construction industry (75 per cent), other services (72 per cent), forestry (68 per cent), and accommodation and food (66 per cent). In three other industries, at least half of the workforce is employed by small businesses.

## Contribution of northern SMMEs to GDP

Statistical data on the contribution of small businesses to the GDP are not available for the northern territories or northern portions of the provinces. However, at the national level, over the 2000 to 2007 period, the contribution of small businesses to GDP increased slightly from 23 to 26 per cent.<sup>50</sup> In the Atlantic provinces and Alberta, the contribution of small businesses has remained fairly constant, while the contribution increased in the largest provinces (Ontario and Quebec) as well as in Manitoba and Saskatchewan. The most volatility occurred in British Columbia, where the GDP contribution was 26 per cent in 2000, 36 per cent in 2005 and 33 per cent in 2007.

Please note that these data represent only a portion of the overall contribution of SMMEs to the national GDP, since the source defines small businesses as those with fewer than 50 employees, and did not include medium-sized businesses in its analysis.

Given the importance of small businesses to the overall economy and the incomplete statistical picture in terms of the overall contribution of SMMEs, one could reasonably conclude that SMMEs in the North add considerable value to the gross domestic product.

<sup>&</sup>lt;sup>49</sup> Statistics Canada, Survey of Employment, Payrolls and Hours. (SEPH draws its samples from the Business Register (BR) maintained by the Business Register Division of Statistics Canada and from a list of all businesses registered in Canada Revenue Agency's Business Number program with one or more active payroll deduction accounts. Its target population is composed of all employers in Canada, except those primarily involved in agriculture, fishing and trapping, private household services, religious organisations and military personnel of defence services.

<sup>&</sup>lt;sup>50</sup> Government of Canada. Industry Canada. Key Small Business Statistics – January 2009, www.ic.gc.ca/eic/site/sbrp-rppe.nsf/eng/h\_rd02339.html

# 2.1 What are the characteristics of a northern entrepreneur?

A northern entrepreneur appears to be a mix of social entrepreneurship and ecopreneurism in that: "Profit is only one measure of success for these business owners." Other values that motivate them, and even surpass the profit motive, are "supporting their families in a chosen lifestyle, meeting the needs of the community, and being happy with their choice of occupations." All "are aware of the importance of clean surroundings to their customers, and they all meet this minimal standard of environmental friendliness. Others go further and sell environmentally friendly products and consciously do their best to operate in ways that are safe for the environment."

Revisiting aboriginal entrepreneurship in 2004, through a series of case studies, two of which analyze northern communities, Wuttunee introduces the concept of "indigenous economics" to explain the motivations of these entrepreneurs. Indigenous economics has been defined by the First Nations Development Institute in Virginia, U.S.A. as: "the science of dealing with the production, distribution, and consumption of wealth in a naturally holistic, reciprocal manner that respects humankind, fellow species, and the eco-balance of life."<sup>54</sup>

Wuttunee advocates the "Elements of Development" model to facilitate Indigenous economics in communities. This model was also developed by the First Nations Development Institute (FNDI), "as a planning tool and starting point for evaluating the impact of development projects through an Aboriginal lens." This model goes beyond measuring success by "jobs created, incomes increased, loans made, people trained, houses built, goods and services produced" to include the measurement of impacts on "community values, traditions, and perspectives measured." <sup>56</sup>

The model uses "circles within circles" to explain how "relationships between people, communities, and environment with a spiritual underpinning are honoured and are the focus for economic development within a context of values, culture, and tradition. Many of these factors were labelled as problems or ignored in the regular approach to business and economic development. Now they form the basis for success."<sup>57</sup>

<sup>&</sup>lt;sup>51</sup> Wuttunee, W. In Business for Ourselves: Northern Entrepreneurs: Fifteen case studies of successful small northern businesses.Montreal, QC, Canada: McGill-Queen's University Press, 1992. p xiv. -

http://site.ebrary.com/lib/usask/Doc?id=10135928&ppg=xiv

<sup>52</sup> Ibid, xiv

<sup>53</sup> Ibid, xiv

<sup>&</sup>lt;sup>54</sup> Wuttunee, Wanda. Living Rhythms: Lessons in Aboriginal Economic Resilience and Vision.

Montreal, QC, CAN: McGill-Queen's University Press, 2004, http://site.ebrary.com/lib/usask/, p. 3

<sup>&</sup>lt;sup>55</sup> Ibid, 19

<sup>&</sup>lt;sup>56</sup> Ibid, 19

<sup>57</sup> Ibid, 24

This model is supposedly applicable to any community, organization or individual, no matter where they live.<sup>58</sup>

In addition, many of the more conventional characteristics of entrepreneurship are clearly evident in the North. When asked to give advice and insight on their strategy, the 15 entrepreneurs studied offered the following: put thoughts into action, "set goals, plan, be tenacious, "be flexible, "break the rules, "know your own strengths and weaknesses, "make a sensible commitment to the business, and "have fun." 59

# Indigenous entrepreneurship

However, Leo Paul Dana found that the common understanding of entrepreneurial characteristics may not be entirely applicable to aboriginal entrepreneurs. Dana conducted a study among 107 self-employed individuals in Churchill, Manitoba, located in the Canadian sub-Arctic, in 1996. Dana revisited this same community in 2007, and made many of the same conclusions. He states that, "the Western understanding of the entrepreneur, incorporating innovation, growth and job-creation, undermines the importance of cultural values and their impact on behaviour." He found that for entrepreneurs, culture plays a significant role in identifying and responding to opportunity:

"Whereas traditional self-employment literature emphasizes innovation, opportunity and jobcreation, these concepts are less central to culturally influenced self-employment among aboriginals in Churchill. While self-employment among non-aboriginals in Churchill is largely a result of opportunity identification, self-employment among aboriginals is more an expression of traditional activities such as hunting and fishing. Indeed, a sensitivity to ethnocultural differences is essential in the quest for furthering the understanding of self-employment.

This study supports the finding of Gasse and Bherer that "individualism seems to be rare in native communities, and while more or less accepted, is looked down on" (1990, p. 31). Presented with the same opportunities in Churchill, aboriginals and non-aboriginals responded differently. While non-aboriginals concentrated in formal self-employment, aboriginals focused on the informal. As explained by Arellano, Gasse and Verna (1991), informal enterprise may have deep cultural roots, and as elaborated upon by Arellano et al. (1992), to some cultures, informal enterprise is natural while formality is a foreign concept. Response to a business opportunity is thus culturally influenced. "Opportunity cannot receive the same response in all cultures, nor should it be expected to.

<sup>58</sup> Ibid, 25

<sup>59</sup> Wuttunee (1992), 286-289

<sup>60</sup> Dana, Leo-Paul, "A comparison of indigenous and non-indigenous enterprise in the Canadian sub-Arctic," International Journal of Business Performance Management. Vol. 9, Iss. 3 (2007).

<sup>61</sup> Dana, Leo Paul, "Self-employment in the Canadian sub-Arctic: An exploratory study," Revue Canadienne des Sciences de l'Administration, Vol. 13, Iss. 1 (March 1996), 10

Similarly, government should recognize the impact of culture on enterprise, and policy should avoid the translocation of inapplicable models."62

Dana stresses the importance of cultural ties to promoting entrepreneurial activity among aboriginal people or any other population with cultural characteristics that diverge from the mainstream culture. In the case of aboriginal people, he advocates future research in informal enterprise.

#### Is northern entrepreneurship necessary? 2.2

Since the North is undergoing rapid change, and entrepreneurs are characteristically adept at exploiting and building upon change, it would follow that entrepreneurship is vitally needed in the North in order to capitalize on any and all opportunities. In addition, the dependence on government, external businesses and megaprojects indicates that the North would benefit immensely from greater local control. Lastly, entrepreneurship is a valid and useful response to many of the current issues facing the north, such as climate change, sovereignty and increasing resource development.

Although he does not use the term explicitly, Rob Huebert a political scientist with the Centre for Military and Strategic Studies, University of Calgary, and a Canadian International Council Senior Fellow, advocates for a degree of entrepreneurial activity in the North. He states, "Perhaps one of the greatest challenges facing Canadians is that the rate of change requires new thinking about the problems and issues that are now developing."63

The former Premier of Nunavut, Paul Okalik, argues that northern sovereignty and security are best established by recognizing the continuous Inuit use and occupation of their traditional territory. He states that "Northerners are the embodiment of Canada's Arctic sovereignty. We are its human dimension. This idea is not new. It has been the basis of Canada's argument internationally. The historic activities of Inuit are the essence of the sovereignty claim."64

Wuttunee concludes that, "small business is a viable alternative for Northerners who want to break their dependency on externally controlled development projects or who want to work outside large government and corporate bureaucracies. It is essential that new businesses provide products or services that fill a market need that does not depend on megaprojects. This type of sustainable enterprise is further strengthened when environmentally friendly products, services, and operational practices are followed, protecting physical resources for future generations."65

<sup>62</sup> Ibid, 10

<sup>63</sup> Canadian International Council, 15

<sup>&</sup>lt;sup>64</sup> Canadian International Council, 4

<sup>65</sup> Wuttunee (1992), 11

In addition, the settlement of land claims offers a unique opportunity for northerners to strengthen their economies, and engage in entrepreneurship. <sup>66</sup>

In a subsequent paper that Dana co-authors with Ana María Peredo, Robert B. Anderson, Craig S. Galbraith and Benson Honig, it is asserted that "indigenous entrepreneurship" is a necessary condition of indigenous economic development, and with the vast majority of northern residents in Canada having indigenous ancestry, it follows that entrepreneurship in general is vital in the North. The authors introduce indigenous entrepreneurship as "a promising sub-field subject area deserving further scholarly attention" within the field of entrepreneurship research. <sup>67</sup> Additionally, the authors describe the subject as "understudied" and offer some "pressing questions" on the subject. <sup>68</sup>

Most indigenous people are dealing with the adverse impact of a number of historical and contemporary forces, such as shifting economic forces, advancing technologies, encroaching population centres, social acculturation and colonial expansion. Despite their diversity, chronic poverty is a common problem for the majority of indigenous peoples.

The authors identify that indigenous peoples around the world desire to not only improve their socio-economic conditions, but are also striving to "rebuild their 'nations." The authors state that the goal of most indigenous peoples "is economic development as part of the larger agenda of rebuilding their communities and nations and reasserting their control over their traditional territories." Entrepreneurial activity is regarded by indigenous peoples as "a central element" in achieving their aims. Specifically, the authors draw upon the work of Anderson and Giberson 73 to state that "entrepreneurship and business development are widely accepted as the key to building a more vibrant economy leading to nation re-building" (Anderson and Giberson, 2004). 74

The authors cite Stevens in identifying indigenous entrepreneurial activity in the private sector as the "second wave" of indigenous economic development, with the "first wave" being "direct economic assistance."<sup>75</sup>

<sup>66</sup> Wuttunee (1992), 11

<sup>&</sup>lt;sup>67</sup> Peredo, Ana María, Robert B. Anderson, Craig S. Galbraith, Benson Honig, Leo Paul Dana, "Towards a theory of indigenous entrepreneurship," *International Journal of Entrepreneurship and Small Business*, Vol. 1, Nos. 1/2 (2004), 3.

<sup>&</sup>lt;sup>68</sup> Ibid, 3

<sup>&</sup>lt;sup>69</sup> Ibid, 3

<sup>&</sup>lt;sup>70</sup> Ibid, 6

<sup>&</sup>lt;sup>71</sup> Ibid, 3

<sup>&</sup>lt;sup>72</sup> Ibid, 6

<sup>&</sup>lt;sup>73</sup>Anderson, R.B. and Giberson, R. (2004) "Aboriginal entrepreneurship and economic development in Canada: thoughts on current theory and practice," in Stiles, C. and Galbraith, C. (Eds.): *Ethnic Entrepreneurship: Structure and Process*, Elsevier Science, Amsterdam, pp.141–170.

<sup>&</sup>lt;sup>74</sup> Ibid, 3

<sup>&</sup>lt;sup>75</sup> Stevens, E. (2001) Testimony before the US Senate Committee on Indian Affairs, Oversight Hearing of the National Gaming Commission, July 25.

The first pivotal question raised by indigenous peoples' insistence on twinning self-determination with economic development raises additional questions:

The desire of indigenous peoples to rebuild their communities raises two fundamental issues. First, can indigenous people participate in the expanding global economy and its rapidly advancing technological changes with a degree of self-determination; and if so, how? The answer to the latter part of the question depends on the answer to the first, and the answer to the first depends on what we can learn from different perspectives regarding how we define and evaluate socio-economic development.<sup>76</sup>

The authors then consider three broad perspectives: modernisation theory, the radical perspectives represented by dependency theory, and the emerging contingent perspectives represented by regulation theory.

Another key question raised by the authors is: "How is indigenous entrepreneurship different from the more commonly discussed 'ethnic' entrepreneurship? Are there fundamental differences, or is it a difference of academic semantics?" The authors argue that there are areas of "overlap," but also some fundamental differences. These differences include: ethnic entrepreneurship focuses on immigrants and newcomers, whereas indigenous people's concerns centre around traditional lands and natural resources; community-based economic development is key to indigenous entrepreneurship whereas ethnic entrepreneurship focuses on the individual and/or family; and, lastly, ties to broader cultural and political factors are linked or even "indivisible" from indigenous business enterprise. The set of the following indigenous are linked or even "indivisible" from indigenous business enterprise.

The authors also cite the work of Robert Anderson,<sup>79</sup> who argues that "the Canadian aboriginal approach to economic development is predominantly collective, centred on the community or 'nation' for the purposes of ending dependency through economic self-sufficiency, controlling activities on traditional lands, improving the socio-economic circumstances, strengthening traditional culture, values and languages (and reflecting the same in development activities)."<sup>80</sup> Moreover, Anderson offers a roadmap for achieving these aims, which include "creating and operating businesses that can compete profitably over the long run in the global economy, forming alliances and joint ventures among themselves and with non-aboriginal partners to create businesses that can compete profitably in the global economy, and building capacity for economic development

<sup>77</sup> Ibid, 14

80 Ibid, 15

<sup>&</sup>lt;sup>76</sup> Ibid, 7

<sup>&</sup>lt;sup>78</sup> Ibid, 14–15

<sup>&</sup>lt;sup>79</sup> Anderson, R.B. (1999) Economic Development Among the Aboriginal Peoples of Canada: Hope for the Future, Captus University Press, Toronto.

through: education, training and institution building and the realisation of the treaty and aboriginal rights to land and resources."81

The authors conclude that there is "general agreement" that entrepreneurial enterprises must be the foundation of indigenous economic development. They pose the following "leading questions" for future research:

- Does entrepreneurship among indigenous people display distinctive combinations of entrepreneurial features? Do indigenous history, tradition and culture appear to promote or inhibit any of these features?
- Are the goals of indigenous entrepreneurship significantly different from nonindigenous entrepreneurship in neighbouring locations?
- Are indigenous people fundamentally or naturally more "collective" or communitybased in their entrepreneurial activities as often suggested, or do other legal, economic or structural characteristics mask other entrepreneurial traits embedded in indigenous communities?
- For collective entrepreneurial efforts, what are the appropriate methods for organizing such enterprises, and how should classic problems such as "free-riders," "agency costs" and "wealth distribution" among the indigenous community be managed?
- For purposes of economic development, what is the appropriate mix of collective entrepreneurial enterprises with individual entrepreneurial enterprises? Some indigenous groups, for example, such as the Tohono O'odham and the Apache tribes of Arizona specifically target and fund individual entrepreneurial efforts over more tribal-based economic development efforts whereas other indigenous peoples, such as the Andean and Canadian tribes, concentrate more on community-based enterprises.
- Do language, metaphorical stories, parables and other culture defining characteristics shape the manner in which indigenous populations view the economic and social world about them. It has been suggested, for example, that certain entrepreneurial cognitive processes, such as metaphors, do not travel well across cultural boundaries. Do these differing perceptions affect both the way entrepreneurial efforts are conducted and the appropriate mix of business activities for significant economic development?
- Can the clustering and entrepreneurial behaviour of indigenous people be examined and understood by models that are not as culturally laden as existing frameworks for understanding indigenous entrepreneurship? Do the successes of applying theoretical models such as the economic theory of clubs, institutional economics and resource dependency translate to the world of indigenous entrepreneurship?

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<sup>81</sup> Ibid, 15

- Do the agents of indigenous entrepreneurship (e.g., individuals, families, informal associations or communities acting collectively) tend to be the same as or distinct from non-indigenous entrepreneurship in neighbouring locations?
- Does indigenous entrepreneurship in different locations (within nations and around the world) show significantly similar and distinctive patterns of entrepreneurial features and/or goal structures?<sup>82</sup>

# 2.3 What obstacles are faced by northern entrepreneurs?

Certain conditions that limit entrepreneurial activity in the North have persisted for decades. A report on northern entrepreneurship published in 1978 identifies the following constraints

Resources generally are either thinly spread over a vast area or require extremely large capital investment and sophisticated technology to exploit. The potential market population is small and widely scattered, with little surplus cash. Southern resources and markets are too distant to exploit extensively for all but highly specialized or large-scale enterprises. Infrastructure is in many areas not yet adequate to support some kinds of enterprise, although it has certainly developed rapidly in recent years. Availability of skilled labour is also increasing but still low by Canadian standards. Management experience among northern natives is not yet extensive. There has been little opportunity for many to accumulate capital, and credit is difficult to obtain from commercial lending institutions. Community attitudes towards commercial ventures are not always favourable. Kinship loyalties and friendship obligations often conflict with efficient business management, and cultural values traditionally run counter to some aspects of commercial enterprise. 83

A case study of 15 northern entrepreneurs in 1992 revealed that the challenges they face are inextricably tied to the existence of "megaprojects" focusing on non-renewable resource development.<sup>84</sup>

Contracts are on a large scale, and require previous experience, existing equipment and manpower necessary for the job, and commonly are dependent upon the prime contractor subcontracting out some of the work. 85 Local entrepreneurs commonly lack access to a range of project information,

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<sup>82</sup> Ibid, 16-17

<sup>&</sup>lt;sup>83</sup> Canada. Government of Canada. Indian and Northern Affairs Canada. Northern Economic Planning Branch. Beveridge, John and C. Roger Schindelka. "Native Entrepreneurship in Northern Canada: An Examination of Alternative Approaches," A Working Report Prepared for the Regional Planning Division (May 1978), 3

<sup>84</sup> Wuttunee (1992), 7

<sup>85</sup> Ibid, 4

from financing, bidding, legal questions and labour agreements to standard business procedures. A lack of management skills persists in the North due to an overall lack of general education, and specifically, formal business or administrative training. Wuttunee states, "Many Native and local businessmen have been taught more about government subsidies, forgivable grants, northern mark-up schemes, and interest-free loans than about sound management practices." Aboriginal and local entrepreneurs in the North also have little experience and skills with calculated risk taking on new business ventures. The existence of bail-out funds, forgivable grants and easy loans are resulting "predictably" in failed businesses. Generally, a lack of self-confidence fuelled by failed aboriginal businesses is prevalent, as is discrimination, based on locality, race and sex. Interestingly, the perception that fundament differences exist among aboriginal, local "bush values" and entrepreneurial values, often leaves the local or aboriginal entrepreneur isolated from their community, which is a major concern in small, close-knit communities in the north. Lastly, northern entrepreneurs tend to encounter more difficulty in accessing risk capital than their southern counterparts, despite the merit of their ideas.

A two-phase study conducted in 2005 to assess the knowledge and skills required and the socio-political environment necessary to support entrepreneurship in the Fond du Lac community in northern Saskatchewan identified some of the same obstacles. Six themes emerged from interviews with prospective trainees and existing small business owners regarding obstacles to entrepreneurship in the community: "community jealousy, competition/cooperation issues, unfriendly provincial government regulations/agreements, issues around protecting traditional land, lack of education/training and need for start-up funding." One of the most significant obstacles identified under the theme of competition/cooperation issues is related to local chief and council, and the conflict between band-owned businesses and individual business ownership. 94

In 2003, Sheila Watt-Cloutier at a conference to the World Summit of Indigenous Entrepreneurs mentioned a number of major challenges for entrepreneurs in the Arctic. "The basic infrastructure (proper roads, water and sewers) in many of our communities often is simply not there to support businesses development. Many of our communities are also lacking the transportation and telecommunication tools (such as broadband access or even basic telephone access) that are key to business development in remote settings. Access to capital for Inuit entrepreneurs is also a major

87 Ibid, 5

<sup>86</sup> Ibid, 5

<sup>88</sup> Ibid, 6

<sup>89</sup> Ibid, 6

<sup>&</sup>lt;sup>90</sup> Ibid, 6

<sup>&</sup>lt;sup>91</sup> Ibid, 7

<sup>&</sup>lt;sup>92</sup> Ibid, 7

<sup>&</sup>lt;sup>93</sup> Jonker, Peter, Colleen Whitedeer and Diane McDonald. "Building Capacity of Fond du Lac Entrepreneurs to Establish and Operate Local Tourism Business: Assessment and Proposed Training," Community – University Institute for Social Research, University of Saskatchewan (2005), 12–14.

<sup>94</sup> Ibid, 14

impediment. Most of our communities do not have banks and banking services are difficult to get hold of. And while some jurisdictions may have business incentive programs by which Inuit can access capital funding, the professional business supports—whether it is bookkeeping, accounting or legal services—that are necessary to start and grow a business often cannot be found."<sup>95</sup>

Watt-Cloutier also highlights how a valuable Inuit arts and crafts industry is being undermined by non-authentic reproductions of their original creations and art forms by non-Inuit. The early success of Inuit entrepreneurs in this sector has not resulted in increased economic activity for Inuit, but instead has resulted in the misappropriation of indigenous intellectual and cultural property. Essentially, for Inuit entrepreneurs, "the market they created is being stolen away," and so far no legal protection has been afforded them. <sup>96</sup>

Leo Paul Dana, Aldene Meis Mason and Robert Brent Anderson provide a recent overview of the enterprise sector in Rankin Inlet, the second largest community (in residential area) in the Territory of Nunavut. <sup>97</sup> It combines a case study of the community (Eisenhardt, 1989, 1991; Ellram, 1996; Jensen and Rodgers, 2001; Leenders et al., 2001; Rowley, 2002; Stake, 1995; Yin, 2003) with participatory observation (Jorgensen, 1993). It identified interviewees through "snowball sampling" (Goodman, 1961). This type of sampling is done by asking "those already interviewed who else they think should be interviewed." In addition, newspaper stories, procedure and policy manuals, government documents, research studies, statistical data from Statistics Canada, Indian and Northern Affairs Canada, Human Resources and Skills Development, Health Canada and archival records were studied. <sup>99</sup> This 2009 study sheds some light on the implications of rapid change on a contemporary aboriginal community in Canada.

Although Rankin Inlet is relatively multicultural, with more than 20 per cent of the population being non-Inuit, including Asians from India and Iran, it remains predominantly Inuit. Several firms in the formal sector, including stores and hotels, operate in Rankin Inlet. Most citizens of Rankin Inlet supplement their formal income with traditional subsistence activities, such as fishing. 101

Rankin Inlet has grown significantly since its creation half a century ago, mostly due to the discovery of nickel in the 1950s. Further change to Rankin Inlet and its enterprises is imminent, because a road

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<sup>95</sup> A presentation by Sheila Watt-Cloutier, Chair, Inuit Circumpolar Conference to the World Summit of Indigenous Entrepreneurs

http://inuitcircumpolar.indelta.ca/index.php?auto\_slide=&ID=77&Lang=En&Parent\_ID=&current\_slide\_num= 96 Wuttunee (1992), 7

<sup>&</sup>lt;sup>97</sup> Aldene Meis Mason, Leo Paul Dana and Robert Brent Anderson, "A study of enterprise in Rankin Inlet, Nunavut: where subsistence self-employment meets formal entrepreneurship,"

International Journal of Entrepreneurship and Small Business, Vol. 7, No. 1 (2009)

<sup>98</sup> Ibid, 9

<sup>99</sup> Ibid, 10

<sup>100</sup> Ibid, 10

<sup>&</sup>lt;sup>101</sup> Ibid, 10

linking the community to the rest of Canada is in development, which would decrease the cost of freight to the region all year long, thereby greatly reducing the overall cost of living. <sup>102</sup> However, this road will likely disturb the caribou herds in the region, which would have adverse effects on the traditional subsistence of residents. <sup>103</sup> In addition, a rich gold deposit on the Meliadine River, and the discovery of kimberlite, volcanic rock that often contains diamonds, near the hamlet promises to yield further change in the form of increased activity in the local extraction industry and service sector. <sup>104</sup> But the authors caution about the negative effect of such activity on the caribou. <sup>105</sup> It would seem that this contemporary study reinforces the need to balance traditional subsistence activity with contemporary economic activity.

# 2.4 What are the advantages of being a northern entrepreneur?

Some advantages directly related to entrepreneurship in the North have been identified, and include: "limited competition, the chance to provide essential services to communities, opportunities for those with little or no formal training, and (as mentioned) economic spin-off opportunities from the strong government presence. Other personal factors that might attract entrepreneurs in the North include lifestyle choices for their families and the chance to combine traditional cultural practices and modern business opportunities." <sup>106</sup>

In addition, northern entrepreneurs who are aboriginal can also draw upon the knowledge of Elders, and for some entrepreneurs such insight is key to their success.<sup>107</sup>

# 2.5 How can northern entrepreneurship be encouraged?

Okalik believes that Canadians must focus on the strengths and aspirations of the citizens who live in the North, specifically Nunavut, by building capacity in the North, investing in its infrastructure <sup>108</sup> and including Nunavummiut in the stewardship of the Arctic. <sup>109</sup>

P. Whitney Lackenbauer, Assistant Professor and Chair of History, St. Jerome's University and a Canadian International Council Junior Fellow, believes that Arctic and circumpolar policy should incorporate both "militarism" and "civility." She draws upon the writings of Franklyn Griffiths, who accepted "an integrated concept of security—one in which military requirements are combined

<sup>103</sup> Ibid, 16

<sup>&</sup>lt;sup>102</sup> Ibid, 16

<sup>104</sup> Ibid, 19

<sup>105</sup> Ibid, 19

<sup>106</sup> Wuttunee (1992), 8

<sup>&</sup>lt;sup>107</sup> Wuttunee (2004), 18

<sup>108</sup> Canadian International Council, 7

<sup>109</sup> Ibid, 4

<sup>&</sup>lt;sup>110</sup> Canadian International Council, 22

with an awareness of the need to act for ecological, economic, cultural and social security."<sup>111</sup> According to Lackenbauer, the direct engagement of northerners and investments in local capacity-building initiatives must be priorities for any governmental northern strategy.

Andrey N. Petrov believes that one answer lies in the promotion of a northern "creative class." He begins with the understanding that past studies have shown not only that the northern labour force is disadvantaged in terms of skills and education, but also that the quality of human capital in Canadian peripheral areas is associated with better economic performance.

The study of human capital as a "crucial factor" of regional economic growth and development began in the 1970s. Petrov builds upon the work of Richard Florida, who found that "although all humans possess creativity, the distinctive feature of the creative class is that its members translate their creativity into economic returns." Subsequently, Florida and his followers have argued that a region's economic success is based on "its ability to attract and retain the creative class." A "relationship between economic development and the ability to attract and embrace creative and educated people" has been proven empirically. Included in the relationship between economic growth and human capital is the idea of knowledge driven growth. Studies on the creative class tend to focus on large, centralized cities, rather than remote or peripheral regions. It's important to look at "the role and function of talent—and more broadly, of the creative class—as factors of endogenous development" in non-central regions. However, it's important that processes that ring true in "metropolized cores" are not applied to peripheral regions.

His main objective is to discuss the utility of the creative class argument to the case of northern Canadian communities and to measure and map the creative class in the Canadian North. He redesigns the creative class metrics and uses them to rank northern communities. This ranking can help planners to develop alternative strategies of regional growth in the Canadian periphery. He explores interrelationships among different groups within the creative class, between occupation-and education-based measures of the creative class, and between these creative class metrics and indicators of quality of place. Special attention is given to the Native population as a potential element of the northern creative class. <sup>115</sup>

<sup>&</sup>lt;sup>111</sup> Ibid, 22

<sup>&</sup>lt;sup>112</sup> Florida, R. Cities and the Creative Class. New York: Routledge, 2005.

<sup>113</sup> Florida, R., "The economic geography of talent. Annals of the Association of American Geographers," Vol. 94(2): (2002); Florida, R., The rise of the creative class. New York: Basic Books.; Gertler, M.S., Florida, R., Gates, G., and Vinodrai, T., "Competing on creativity: Placing Ontario's cities in the North American context," Toronto: Institute of Competitiveness and Prosperity and the Ontario Ministry of Enterprise, Opportunity and Innovation (2002).
114 Petrov, Andrey N., "Talent in the Cold? Creative Capital and the Economic Future of the Canadian North." Arctic,

<sup>&</sup>lt;sup>114</sup> Petrov, Andrey N., "Talent in the Cold? Creative Capital and the Economic Future of the Canadian North." *Arctic*, Vol. 61, No. 2 (June 2008) 164

<sup>115</sup> Ibid, 164

This article provides an alternative perspective on regional development in the Canadian North—which he defines as the three territories and the northern portions of seven provinces.<sup>116</sup>

He argues that, from the path-creation perspective, the creative class is no less important in the northern frontier area than in central metropolitan areas, where it acts as the agent of economic transformation and revitalization. Petrov considers the creative class as a heterogeneous entity consisting of at least four large groups—scientists, entrepreneurs, leaders and bohemians—that apply creativity in different ways.<sup>117</sup>

Petrov believes that a "policy shift" must occur in the North, particularly within selected leading communities, to ensure that education, business skills, leadership abilities and artistic talents develop simultaneously. He argues that such development is likely to stimulate economic growth if pursued thoroughly through bottom-up, community-based approaches. However, he concedes that human creative capital is a "necessary, but not sufficient condition" of economic growth in peripheral areas, and that nurturing the creative class will not automatically deliver positive results unless complemented by other development incentives.

He cites the fact that northern artists earn considerably less than their counterparts in other parts of Canada as a prime example of how the North is failing to realize its economic potential. He believes this weakness arises from a lack of entrepreneurial opportunities, poor business management practices, and inadequate infrastructure for marketing local arts and crafts. He views the promotion of the cultural economy as vital, because it may not only provide an additional source of income, but will strengthen the northern labour force by attracting non-participants, especially Native women. He concludes that the results of his preliminary analysis indicate that more attention should be given to developing creative economies, "soft" infrastructure, and creative human capital. Some of these activities will be linked to staples or to the public sector; others will rely on the cultural and environmental uniqueness of the North, or on local industries. While the creative capital in peripheral northern communities is not the only indicator of potential success, the availability of this factor improves the North's prospects for future economic transformation and development. This theory, however, remains the subject of ongoing research.

<sup>116</sup> Ibid, 167

<sup>&</sup>lt;sup>117</sup> Ibid, 165

<sup>&</sup>lt;sup>118</sup> Ibid, 174

<sup>119</sup> Ibid, 165

# 3.0 Conclusion

No matter where they live, entrepreneurs clearly exhibit some distinct characteristics. They thrive on exploiting change by recognizing opportunities and successfully drawing on available resources to make the most of any given situation. They are associated with risk taking and starting new ventures. Increasingly, the motivations that drive entrepreneurs are shifting, from the sole pursuit of profits, to social and environmental concerns.

However, tempered with this finding is the growing body of research on "indigenous entrepreneurship," which highlights fundamental differences between indigenous and ethnic entrepreneurs. More research is needed in this area, but it is widely accepted that some of the unique characteristics of indigenous entrepreneurs and economic development include: indigenous peoples' connection to traditional lands and natural resources; the central importance of the community to economic development; the importance of ties to broader cultural and political factors; the twin aim of indigenous people collectively to rebuild nations and improve socio-economic conditions; and the existence of treaty and aboriginal rights to land and resources.

Geography is crucial to any entrepreneur in two respects. First, it often dictates the availability of resources in a region. Northern entrepreneurs face many obstacles not encountered as often by their southern counterparts, such as: scarcity and lack of access to capital and credit; a small and scattered market population; lack of infrastructure; lack of skilled labour; lack of management skills; unfavourable community attitudes towards entrepreneurial activity; over-reliance on non-renewable resource megaprojects, and; a lack of mechanisms to properly incorporate cultural values and protect cultural property. When promoting entrepreneurship in the North, these unique factors must be taken into account.

Second, *place* determines the prevalence of perceived opportunities, and in this respect the North presents a unique opportunity for entrepreneurs. It's undergoing a period of great change and increasing importance in terms of regional security, resource development and environmental considerations. This focus on the North could translate into meaningful benefits for northerners, but most importantly, it's crucial that this focus *does* translate into economic, social and environmental benefits for individuals and communities.

Entrepreneurial activity that targets the creation of small and medium-sized businesses is key to improving the livelihoods and lives of people in the north. Small and medium-sized businesses are a major driver of economic growth, comprising the bulk of all economic enterprises in Canada, and providing the majority of employment for Canadians. Development of SMMEs in the North

through increased entrepreneurial activity would foster economic prosperity. In addition, given the trend by northerners to engage in entrepreneurial activity that focuses on social and environmental benefits, the overall impact of entrepreneurial activity in the North would be three-fold. Although there are some courses in the North directed at new and existing entrepreneurs (see Appendix below), educational and training opportunities are failing to promote this type of entrepreneurship.

Northern entrepreneurs must be supported in order to capitalize on advantages unique to the North, which include: limited competition; the chance to provide essential services to communities; a rich and active cultural heritage; and economic spin-off opportunities from the strong government presence. This means a policy shift to ensure that education, business skills, leadership abilities and artistic talents develop simultaneously. The potential of the human capital in the region must be capitalized upon.

# 4.0 Appendix

#### 4.1 Government resources

The federal, provincial, territorial and aboriginal governments have roles and responsibilities for economic development set out in legislation. Within the federal government, responsibilities for economic development rest with a number of federal ministers. For the three northern territories, the Minister of Indian and Northern Affairs (INAC) has the regional development mandate as defined under the *Department of Indian Affairs and Northern Development Act*. Each territory has its own investment plan under the Strategic Investments in Northern Economic Development (SINED).

(Please note that a wealth of government-sponsored and supported resources for northern economic development and entrepreneurial initiatives currently exist. Due to time constraints, this is a partial list, focusing primarily on federal and territorial resources, and some key provincial resources.)

#### 4.1.1 Federal

Strategic Investments in Northern Economic Development (SINED) – Through SINED, Indian and Northern Affairs Canada focuses on the following objectives: strengthening the sectors driving the territorial economy; broadening the economic base of the territory; and strengthening northerners' abilities to take advantage of economic opportunities. <sup>120</sup> In the March 2004 Budget, the federal government committed to spending \$90 million across the three territories over a period of five years in support of northern economic development. SINED's two main program elements to accomplish this goal are: the Targeted Investment Program; and the Innovation and Knowledge Fund. Funding for the Targeted Investment Program is guided by a multi-year investment plan, based on the needs of each territory. It focuses on four main investment areas: building the knowledge base, enhancing the economic infrastructure base, capacity development and economic diversification. However, SINED is scheduled to end March 31, 2009.

# Other government resources for the North and entrepreneurs

Northern Development Ministers Forum (NDMF) – The Northern Development Ministers Forum was established in 2001 to advance the diverse and common interests of northerners while raising awareness among decision-makers and the public about the accomplishments, contributions and potential of the North. <sup>121</sup>

<sup>&</sup>lt;sup>120</sup> Canada. Government of Canada. Indian and Northern Affairs Canada. Strategic Investments in Northern Economic Development, December 10, 2008, http://nwt-tno.inac-ainc.gc.ca/iis/iis-A-eng.asp

<sup>&</sup>lt;sup>121</sup> Northern Development Ministers Forum. www.focusnorth.ca/home.html

#### 4.1.2 Yukon

The <u>Government of Yukon, Economic Development</u><sup>122</sup> offers several programs for entrepreneurs, including the following:

- Product Development Partnership Program Stimulate the development of niche tourism products, facilitates tourism workshops and builds capacity throughout the Yukon.
- Cultural Industry Training Fund Funded by Department of Education and administered by MusicYukon, this fund assists Individual Yukon entrepreneurs, businesses, collectives, industry associations or organisations engaged in cultural industries or the arts.
- Regional Economic Development Fund Funds are available for projects that promote organizational capacity and facilitate regional economic development.
- Small Business Investment Tax Credit This tax credit is intended to create jobs and promote economic growth and expansion in the Yukon by reducing financial risk for investors in Yukon companies.
- Strategic Industries Development Fund Assistance is available for strategic projects or activities in the preliminary, development and implementation stages.
- Tourism Cooperative Marketing Fund Funding is available for market-ready or export-ready businesses and groups.

# 4.1.3 Northwest Territories

Northwest Territories Industry, Tourism and Investment – The Department of Industry, Tourism, and Investment has focused on finding better ways to promote diversification of its economy while continuing to promote and support development opportunities in all communities. The Support to Entrepreneurs and Economic Development (SEED) Policy intends to replace the existing Business Development Fund and Grants to Small Business Programs to focus more on smaller communities. <sup>123</sup>

In addition, under SINEAD, three complementary programs have been established in the NWT: the Targeted Investments Program (TIP); the renewed Innovation and Knowledge Fund (I&K); and the Partnership and Advisory Forums (PAF).

## 4.1.4 Nunavut

Under SINED and through the Targeted Investment Program fund, a total of \$25.1 million will be distributed between 2005 and 2009 in Nunavut.

The Small Business Support Program Policy is committed to supporting small businesses and community-based economic development by providing assistance to new and existing small

<sup>&</sup>lt;sup>122</sup> Government of Yukon. Economic Development. www.economicdevelopment.gov.yk.ca

<sup>&</sup>lt;sup>123</sup> Government of the Northwest Territories. Industry, Tourism and Investment. Support to Entrepreneurs and Economic Development (SEED) www.iti.gov.nt.ca/businesseconomicdevelopment/seed.shtml

businesses through investment in new business attraction, retention and expansion.<sup>124</sup> Indian and Northern Affairs Canada works with the Government of Nunavut and the Nunavut Economic Forum to identify investment in projects based on the program's four thematic areas.

The policy establishes the general terms and conditions by which small business support and entrepreneur development funding will be provided by the Department of Economic Development and Transportation through: the Small Business Opportunities Fund; the Entrepreneur Development Fund; and the Sustainable Livelihood Fund.

#### 4.1.5 Saskatchewan

Government of Saskatchewan. Ministry of First Nations and Métis Relations, Northern Affairs Branch – www.northern.gov.sk.ca

#### 4.1.6 Ontario

Ontario. Government of Ontario. Ministry of Northern Development and Mines – www.mndm.gov.on.ca

The Ministry of Northern Development and Mines provides a Northern Prosperity Plan, Northern Ontario Heritage Fund and Northern Development Councils to assist with development in the North.

The Northern Prosperity Plan is aimed at bringing renewed economic strength and prosperity to northern communities. The plan's four pillars are: Strengthening the North and its Communities; Listening to and Serving Northerners Better; Competing Globally; and Providing Opportunities for All.

For more than 20 years, the Northern Ontario Heritage Fund worked with northern entrepreneurs and businesses to foster private sector job creation while supporting critical infrastructure and community development projects that build a foundation for future economic growth and enhanced quality of life. The NOHFC is pleased to offer six unique programs to help create sustainable jobs for northerners and foster hope and opportunity across Northern Ontario.

The Ontario government has established four Northern Development Councils (NDCs) to advise the Minister of Northern Development and Mines by providing input on issues and initiatives affecting Northern Ontario. They provide a direct link between the Minister and northern communities, generally focusing on pan-northern matters that can lead to a range of recommendations for rural, urban and aboriginal communities.

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<sup>&</sup>lt;sup>124</sup> Government of Nunavut. the Department of Economic Development and Transportation, "Small Business Support Program Policy," June 19, 2008, www.edt.gov.nu.ca/docs/SBSP\_policy.pdf

The Northern Enterprise Fund assists in financing initiatives primarily through direct and participation loans for all sizes of commercially-viable developmental, real estate and commercial projects that will succeed and benefit northern communities in Saskatchewan. 125

# 4.1.7 Training opportunities for northern entrepreneurs

College Programs

## Nunavut Arctic College, Nunavut

www.arcticcollege.ca/programs/ProgramView eng.aspx?ProgramID=031

Management Studies Program

Management Studies is a general management program intended to provide the knowledge and skills necessary for students who want to start administrative and management careers in business, government and non-profit organizations. The program emphasizes content relevant to the Nunavut employment market. The two Diploma program offers specialized concentrations in Community Economic Development, Public Administration and Business Administration. A one-year Certificate program without specializations is also available

# Aurora College, Northwest Territories

www.auroracollege.nt.ca/default.aspx

Aurora College-Aurora Campus

Continuing Education

Performance Coaching in the Workplace Certificate

Performance Coaching in the Workplace Certificate is a program developed and delivered by Advance Corporate Training Ltd. It is designed to empower executives, managers, consultants and coaches in assisting others to develop personally and professionally in order to produce more satisfying results for themselves and their organizations. This program offers a practical, step-by-step approach to guiding employees to excellence by helping them analyze their problem areas, develop creative solutions, and implement change. If coaching is to deliver these significant benefits, employers need to ensure that their employees are provided with updated, cutting-edge training to be able to deliver the results. Participants in this program will learn how to take others from good to great by: using tools like the Performance Coaching Process, Performance Counselling Guide, and Performance Analysis Worksheets; tailoring the amount of direction and support to an employee's specific abilities and motivations; applying the Situational Coaching model to teams and individual employees; motivating people to make the changes required to reach their potential; and creating development plans which have clear signposts for achievement and production of concrete results.

Aurora College-Yellowknife Campus

Continuing Education

Supervisory Skills Workshop

The participants will be introduced to the most up to date principles in supervisory skills, leadership, delegation, interviewing and hiring, and schedule planning. Some of the topics include: roles and responsibilities of supervisors; verbal communication for effective listening, speaking and feedback; effective written communication; analyze leadership styles and employ their strengths; motivation,

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<sup>125</sup> www.nefi.ca

how to affect the motivational environment in the workplace in a positive way; leadership, steps to creating a productive team; how to make the transition from employee to supervisor; guidelines to produce an effective/efficient work schedule; recognition of employee needs; staffing a position, interview and hiring techniques; supervisory functions, counselling, coaching, managing conflicts and discipline; and developing a more productive workplace.

### Continuing Education

Managing Diversity in a Project

Improve the way your project team accomplishes tasks, and enhance their interpersonal and problem-solving skills. Identify operating stereotypes and other obstacles to communication. Learn different cultures' approaches to work, relationships, time and exchange of information and how this affects attitudes and performance on the job.

#### Continuing Education

Stakeholder Management and Project Communication

Stakeholder Management is one of the most critical factors of project success. This course provides the project manager with an understanding of stakeholder management processes using proven tools and techniques for managing the stakeholders during the various phases of a project. In this course, you will learn to:

- Learn the obstacles to project communication
- Identify and Assess project stakeholders using proven tools and techniques;
- Develop communications strategies for achieving buy-in and cooperation from stakeholders
- Explore different types of communication methods
- Prepare a communications plan and put it into action

#### Continuing Education

Aligning and Developing Your Team

In this course, you will learn to:

- Build high-performance project teams through effective leadership and team communication
- Use power, politics and influence to motivate your team
- Resolve conflicts using proven techniques
- Implement effective and creative problem-solving and brainstorming processes
- Select the right team members and balance resources between projects
- Learn proven negotiation techniques
- Explore the stages of team development
- Work effectively with people with different personalities

#### Continuing Education

Managing Multiple Projects

Balance the conflicting resource and priority demands of multiple cross-functional projects, while maintaining the strategic values of your organization In this course, you will learn to:

- Manage resources through project prioritization
- Evaluate and select projects based on strategic importance to the organization

- Learn to apply a filter mechanism to assess all projects prior to making a "go-no go" decision
- Define success criteria for each project

#### Continuing Education

Project Management Fundamentals

This workshop will examine project management from conceptualization through to final completion. You will learn: setting up an effective plan, applying project planning steps, developing the project plan and implementing it, managing work in progress, monitoring controls and reporting status.

#### Continuing Education

Project Monitoring and Control

In this course, you will learn to:

- Establish a baseline from which to measure results
- Develop contingencies for "unknowns" which may impact your project
- Control the project scope and take measures to avoid "scope creep"
- Implement a simple change management process
- Apply techniques for shortening project duration
- Track cost, schedule and quality data
- Report project progress and status

#### Continuing Education

Managing and Administering Contracts, Joint Ventures and Partnerships

Running a successful project is more than just aligning your project team to project goals. It also requires a clear and conscious focus on aligning corollary team participants, contractors and subcontractors through contract management and administration. In this course you will learn

- Drafting RFPs and bid document
- Analyzing and evaluating responses
- Fundamentals of contracting
- Identifying key deliverables and objectives
- Establishing quality and delivery criteria
- Monitoring budgets and delivery
- Managing without micromanaging or "giving away the store"
- Closing out agreements
- Dismissing contracts

# Yukon College

www.yukoncollege.yk.ca/programs/lat/index.php

# Leadership and Management Training Courses

Project Management for Administrative Professionals

ADMN 006

This introductory course will teach you how to find the time, master the process and establish the authority to be trusted with any project. How you will benefit:

- Develop the self-confidence and authority to take charge
- Communicate and work with other managers and professionals who see the big picture
- Use project management tools effectively

#### You will learn about:

- Planning a project from start to finish
- Working with diverse personalities and establishing credibility and authority
- Monitoring project progress and evaluating results
- Using automated project management tools, logic diagrams and task lists
- Producing and determining a project's critical path

Get Sharp: Decision Making and Critical Thinking

#### *ADMN 012*

This dynamic, interactive workshop will help you build and expand your decision-making, critical thinking and creative problem-solving skills, and learn the ins and outs of taking on a leadership role in your organization. Top outcomes:

- Enhance your ability to be more proactive and to act independently
- Become more confident in making decisions
- Decrease stress related to making critical decisions and solving workplace problems
- Strengthen your ability to influence and persuade others

#### You'll learn about:

- Understanding and identifying how you learn best
- Creating new ways to ask questions: open questions, closed questions, leading questions, assumption challenges

#### Laws of Contracts

#### LAW 001

A full day of instruction focusing upon the basic rules and laws of contract, including:

- Essential elements of a contract
- Common problems in contract formation
- Breach of contract rights and remedies
- Improving your rights and remedies
- Verbal, fax and e-mail contracting
- Purchase orders and other form contracts
- Common problems in enforcing contracts
- Tips, tricks and checklists for contracting

# Law of Agents, Employees and Independent Contractors

#### LAW 003

A full day of instruction focusing upon the legalities, similarities and differences between agents, employees and independent contractors, including:

- The agency relationship
- The employment relationship
- The independent contractor relationship
- Personal liability of agents and employees
- The special risks of :contracting out
- Conflicts of interest (definition and resolution)
- The hidden dangers of being an agent
- Sample clauses and checklists for agency
- Wrongful and lawful dismissal of employees and independent contractor contracting
- The implied conditions of the agency and employment contracts
- Terminating the independent contractor relationship; and the rights, responsibilities and differences between agents, employees and independent contractors

# Cyberlaw – The Laws of Electronic Commerce and the Internet

#### LAW 007

In this one-day seminar on the laws regarding electronic contracting and the Internet in Canada, we explore the current state of the law with respect to electronics, the Internet and cyperspace. Topics will include the legal requirements of forming a contract electronically, the issues involved in enforcing an electronic contract, the laws applicable to websites, chat rooms and message boards, Canadian legislation on privacy, electronic commerce, spam, and many others. If you use the Internet during the course of our business, this course is for you.

## Public Sector Contracting

#### LAW 009

The two-day workshop will give you the know-how to manage the legal risks of public procurement. Topics include:

- The effect of policy on public procurement of goods and services
- The Canadian laws of competitive bidding applicable to all government entities
- Canada's national and international trade agreements, when and how they apply to your work
- A series of short treatments of critical legal issues for public procurement including, when you have to award to the lowest bidder (and when you don't), how to make negotiation with bidders part of your competitive process, how to deal with non-compliant bidders, and what to do if you need to cancel a competitive bid process
- Important case summaries from the courts of Canada on competitive bidding, prerogative writs and judicial reviews, and how some of the most recent changes in law will affect your

policies, your procedures, your processes and your position. This course is designed for purchasing, contracting and supply management professionals working in federal, municipal, provincial and territorial governments, and in colleges & universities, schools, hospitals and crown organizations.

# Drafting Contracts I

### LAW 012

This two-day intensive legal education workshop explores the complexities of legal drafting and creating exceptional purchase orders, purchase agreements and service contracts for your organization. Designed especially for the supply management and purchasing profession, this course will guide you with skill, knowledge and humour through the art of creating your own goods and services agreements. Topics include:

- The laws of contract
- The purpose of purchasing contracts
- The structure and style of contracts
- Ensuring your Purchaser orders govern
- Mandatory and optional clauses
- Avoiding deemed employment relationships
- Controlling trade secrets, intellectual property and privacy issues
- Controlling risks of electronic contracting
- Drafting better "scopes of work" and more

Project Management – Tools and Techniques

#### PROJ 001

This three-day workshop focuses on providing participants with a basic project management skill set. It is appropriate for all levels of experience. For new project managers, it offers new skill sets while, for more experienced project managers, it offers a project management methodology that is consistent with standards of the Project Management Institute (PMI), the professional association for project managers. Specifically, the workshop:

- Provides a comprehensive overview of the project management framework
- Provides basic skills to effectively plan, manage, and control projects based on Project Management Institute standards
- Provides skills that participants could apply immediately on the job

Project Management – Tools and Techniques will be delivered by National Project Management Institute www.nationalpm.net

PMP Certification Exam Prep

#### PROI 002

PMP Certification from the Project Management Institute is the industry standard for demonstrating competence and a solid foundation of project management skills. This workshop prepares participants to write the PMI Project Management Professional (PMP) certification exam and provides the 35 hour educational credits required for new applications. All official exam topics are

covered using the PMI framework. The program features:

- Five full days of instruction
- Comprehensive review of all PMBOK subject matter
- Review of all PMI Knowledge Areas
- 1,000-page Reference Binder covering all PMP exam topics organized by subject, knowledge area, and hundreds of review questions with answers for each topic
- No. 1 Best Seller PMP Prep Study Guide Text
- Free online technical assistance
- Exam Simulation Software to gauge your readiness to take the exam. Participants evaluate their existing knowledge, determine what knowledge is missing, and create a study plan to fill the gaps.

This workshop is appropriate for all project managers that want to take the PMP Certification Exam and also provides comprehensive project management training based on PMI standards. This course will be delivered by National Project Management Institute www.nationalpm.net

## Other Entrepreneurship Training

# Kivalliq Partners in Development (KPID)

www.entreprisescanada.ca/servlet/ContentServer?cid=1089652605980&pagename=CBSC\_NU/display&lang=fr&c=Finance

Youth Entrepreneurship (YES) – Assists youth-oriented businesses (youth between the ages of 18 and 29) with the preparation of business plans, marketing and financing the start-up, expansion, modernization or acquisition of a commercially viable business, as well as with business advisory services. It can also assist with the eligible costs of activities that lead to entrepreneurship development of aboriginal youth, including youth awareness initiatives, business skills training and access to new business opportunities and technological advances.

# Baffin Regional Chamber of Commerce Nunavut

# www.baffinchamber.ca/youth

Nunavut Youth Conference – This annual three-day event brings at least two youth leaders from every community in Nunavut to Iqaluit for discussions and presentations on a wide variety of topics, including training, entrepreneurship and the role of youth in the future of Nunavut.

Presenters also help the youth realize how Nunavut came to be what it is today, and what needs to be done to help it prosper in the future. In 2009, the conference will also allow other organizations to get feedback from the youth in areas such as program development, career training and employment opportunities.

# E-Spirit

E-Spirit is an Internet-based national Aboriginal Youth Business Plan Competition with online modules, mentoring and business plan templates for aboriginal youth in Grades 10–12. This program is designed to increase aboriginal youth participants' awareness of entrepreneurial/business opportunities, management/business skills, and e-commerce and technological capacities

# First Nations and Inuit Youth Business Program Northwest Territories

# www.nwtmddf.com/main/fniybp.htm

The program offers: participation in the workshop "How to Start Your Own Business or Create Your Own Job"; a Self-assessment Guide for evaluating entrepreneurial potential, a business opportunity and management skills; assistance in the form of mentoring and advisory support during the development of a business project and personalized follow-up during the first two years of operation; and access to commercial financing.

# **Brief Description**

The program comprises five steps that participants progress through at their own pace:

STEP 1: Assessment of entrepreneurial potential

STEP 2: Summary of the business project

STEP 3: Starting a business

STEP 4: Project financing

STEP 5: Post-start-up follow-up

# Non-governmental northern resources

Arctic Co-operatives Limited www.arcticco-op.com

Arctic Institute of North America www.arctic.ucalgary.ca

Arctic Research Consortium of the United States (ARCUS) www.arcus.org

Arctic Science and Technology Information System (ASTIS) <a href="https://www.aina.ucalgary.ca/astis">www.aina.ucalgary.ca/astis</a>

Association of Canadian Universities for Northern Studies www.acuns.ca

Beverly & Qamanirjuaq Caribou Management Board (BQCMB) <a href="https://www.arctic-caribou.com/">www.arctic-caribou.com/</a>

Canadian Circumpolar Institute www.ualberta.ca/~ccinst/

Canadian Polar Commission (CPC) <a href="https://www.polarcom.gc.ca/">www.polarcom.gc.ca/</a>

Centre d'études nordiques www.cen.ulaval.ca

International Arctic Science Committee (IASC) <a href="https://www.iasc.no">www.iasc.no</a>

International Polar Year (Canada 2007-2008) <a href="https://www.ipy-api.ca">www.ipy-api.ca</a>

Inuit Tapiriit Kanatami www.itk.ca

Meteorological Service of Canada (MSC) www.smc-msc.ec.gc.ca

Northern Research Forum (NRF) www.nrf.is

Polar Continental Shelf Project (PCSP) www.polar.nrcan.gc.ca

The Royal Canadian Geographic Society <a href="https://www.rcgs.org/rcgs">www.rcgs.org/rcgs</a>

University of the Arctic www.uarctic.org

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