

The Use of Joint Ventures to Accomplish Aboriginal Economic Development: Two Examples from British Columbia

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Abstract

“Aboriginal economic development” differs from other forms of development by emphasizing aboriginal values and community involvement. Joint ventures, while providing business advantages, may not be able to contribute to aboriginal economic development. This paper examines two joint ventures in the interior of British Columbia to examine their ability or inability to contribute the extra dimensions of development desired by aboriginal communities. The AED framework examines business structure; profitability; employment; aboriginal capacity in education, experience, and finance; preservation of traditional values, culture and language; control of forest management over traditional territory; and community support. Established in the context of unresolved land claims, both enterprises partially contribute to aboriginal economic development, but in different ways and with different overall results.

Keywords: *Forestry, joint ventures, aboriginal economic development*

I. Introduction

This paper uses a modified Aboriginal Development Framework (Anderson 1999) to examine the structure and results of two forestry joint ventures in British Columbia (BC). Because the extent of aboriginal rights to land in BC have not been determined, considerable uncertainty exists both for forestry corporations and for First Nations. Negotiations between aboriginal communities/nations with both the federal and provincial government over aboriginal rights and title will be a long, frustrating, and expensive process. Some forest companies have tried to build relationships with aboriginal communities within their forest license areas. A popular business form has been the joint venture defined as “any business venture where an agreement is made between two or more companies (who remain separate entities) to engage in ongoing collaboration to pool complementary assets and/or skills for a common goal (i.e. profit, capacity)” (Reiter and Shishler 1999).

Approximately 80% of all aboriginal² communities in Canada reside in timber productive zones (Hickey and Nelson 2005). A joint venture (JV) is one type of business venture used by aboriginal communities to gain access into the forest sector. A recent

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² In Canada ‘Aboriginal’ is a term that identifies First Nation, Inuit, and Metis people. This paper will use this term as much as possible.

research project on forestry business ventures involving aboriginal communities entitled “First Nations³ and Sustainable Forestry: Institutional Conditions for Success” found seventeen forestry JV’s in their national survey (Trosper et al. 2008). Another national study earlier in the same year on aboriginal forestry collaborations identified twelve forestry JV’s in their study (Hickey and Nelson 2005). Although the exact extent of forestry joint ventures involving aboriginal communities across Canada is unknown, clearly this type of business venture is commonly used.

International and forestry JV literature do agree that the main reason businesses get involved in a JV relationship is to obtain assets/skills to their business that would otherwise be unavailable to them. If a business knew it could do something on their own they would not get involved in a JV (Killing 1983;Reiter and Shishler 1999). Is this the case in the Canadian forest sector? The short answer is yes, because most aboriginal communities/nations still are asserting their aboriginal rights and title over their traditional territories to the provincial and federal governments. Meanwhile forest companies are harvesting within the unceded traditional territories of BC’s First Nations with provincial permission of course. BC’s First Nations continue to assert their sovereignty while forest companies want to continue operating without impediments. The forest sector knows it must build a business relationship with aboriginal people to create certainty to accessing the timber supply and a JV is one of many ways for them to achieve and sustain this objective.

A 2004 study on aboriginal forestry commissioned by the Institute on Governance found that aboriginal participants had different opinions on the value of JV’s. Some believed the business form was good for building an economic base for their aboriginal community but others felt the forestry JV was too much of a financial risk and not conducive to capacity building within the aboriginal community (Graham and Wilson 2004). Although forestry JV’s involving aboriginal communities are common, there is much to learn about this type of business alliance.

Two reasons for a forest company to participate in a JV are to obtain access to the timber fiber and to obtain a good corporate image with the aboriginal community/nation whose traditional territory contains their forest tenure’s operations (Brubacher 1998;National Aboriginal Forestry Association 2000). In return the aboriginal community/nation hopes the JV will allow them to build capacity at the technical and managerial level, to create training and employment opportunities for their community/nation, and to help build an economic base that will be required to fully assert their self-governance (Bourgeois 2002;Brubacher 1998;Ferrazi 1989;Findlay 1999;Fraser 2001;Lewis and Hatton 1992;Whiting 2001). However, many believe that forestry JV’s favor the mainstream mode of forest management, benefiting the forest licensees rather than the aboriginal partner. If so, then the unique goals of Aboriginal Economic Development are not being realized. How are forestry JV’s providing to the aboriginal communities who are involved in one?

This paper will focus on the extent to which forestry joint ventures provide Aboriginal Economic Development for two BC aboriginal communities. In order to examine this question we first discuss the Aboriginal Economic Development framework.

³ In this paper First Nation will refer to a status Indian or band as defined by the *Indian Act*.

II. Aboriginal Economic Development Framework

The Aboriginal Economic Development (AED) framework for this paper combines elements from other AED frameworks in the literature. It draws mainly on Anderson and Whiting's work on AED (Anderson 1999b;Whiting 2001). This AED framework has the following seven components:

1. **Business structure**
2. **Profitability**
3. **Employment**
4. **Aboriginal Capacity**
 - a) Education and Training
 - b) Work Experience
 - c) Financial Capacity
5. **Preservation of Traditional culture, values, and language.**
6. **Forest Management Decisions and Control over their asserted traditional territory.**
7. **Community Support**

A correct **business structure** may lead to the politics not overrunning the business, may improve the business's success, and may aid to fulfilling all components of AED. The business structure will reveal how the corporate governance will be handled leading to its affects on profitability and employment. **Profitability** and **employment** are needed in order to sustain the business over unforeseen events. In fact, these two factors are seen as the main measures for success in mainstream economic development and are also important to a degree in AED.

Aboriginal capacity was further divided into education and training, work experience, and financial capacity. The *education and training* subcomponent can be measured in either JV by the educational and training opportunities offered by the business through programs such as apprenticeships and scholarships. The *work experience* achieved by aboriginal employees in either JV is a necessity for capacity building. This is especially important for logging and sawmilling operations, which have a "learning by doing" approach associated with most positions. Learning to manage an enterprise also requires experience. The third subcomponent of aboriginal capacity is the *financial capacity* of the aboriginal community to contribute to business start up costs such as business planning, and the financial capacity of the JV to pay for capacity-building initiatives within the JV itself. Aboriginal capacity is important for building an economic base within any aboriginal community and it's important for achieving self-governance, because you cannot have one without the other (Royal Commission on Aboriginal People 1996).

The **preservation of traditional culture, values, and language** for the aboriginal partner in either JV will help to truly fulfill the component of AED that distinguishes it from Community Economic Development (CED) (Anderson 1999a;Gandz 1999). An example of a traditional or cultural value can be a fishing site that is integral for one or more aboriginal communities. This paper will not define traditional or cultural values for an aboriginal community because communities are so diverse in BC. Each aboriginal community identified what they felt was compromised or

even lost because of the JV. Furthermore, the effects of the JV on the aboriginal partner's role in **forest management decisions and control over its asserted traditional territory** will be examined. It is considered to be a major inhibitor for the success of AED if the aboriginal partner has no control or shared decision-making authority over their land base and resources (Ross 2002; Royal Commission on Aboriginal Peoples 1996).

Community support for the JV leads to a stable business environment without political interference from the aboriginal community, allowing the business to flourish. This is the kind of environment helps to prevent the politics from overrunning any aboriginal business. Community will be defined as the boundaries of the reserve for both aboriginal communities involved in these two case studies, since the on-reserve band members are more prone to being influenced by the business activities than off-reserve band members.

The next two sections of the paper will review of each aboriginal community and their forestry joint ventures, using the Aboriginal Economic Development framework. We start with the Esketemc First Nation.

III. Ecolink Forest Services Ltd

Alkali Lake is in the Cariboo-Chilcotin region in the central interior of BC. Alkali Lake (called "Esk'et" by the locals) is a rural aboriginal community situated 50 km southeast of Williams Lake- the nearest town (Johnson 1986). Alkali Lake Indian Band is one of seventeen bands comprising the Secwepemc (*The People*) Nation, previously known as Shuswap (Secwepemc Cultural and Education Society website 2005). The Secwepemc Nation traditional territory stretches from the east of the Rocky Mountains to west of the Fraser River, and it is bounded in the north by the upper Fraser River and in the south by the Arrow Lakes. The Secwepemc traditional territory is just over 100,000 km² and the current population is about 8,000 members. The language is called Secwepemctsin (*language of the Secwepemc*) which falls under the Interior Salish subgroup of the Salishan language (George Manuel Institute website 2004). Alkali Lake is comprised of 19 reserves with a total size of 3,931.8 hectares and the main community is situated on Indian Reserve #1. The community is called Esk'et, which means "white ground" in Secwepemc because of the white alkali deposits that are left on the ground when the lake dries up or recedes (Esketemc First Nations website 2002). The Alkali Lake Indian Band is now called the Esketemc First Nation (EFN), and it has 411 on-reserve and 309 off-reserve band members for a total membership of 720.

a. Business Structure

Although the EFN had failed at past forestry businesses Ecolink Forest Services Ltd (Ecolink) has remained in business since its establishment in August 1990. The EFN and Lignum, a privately owned sawmill, signed the shareholder agreement that created Ecolink as a corporation. According to the elected EFN Chief at the time "I was hesitant at first to get into another forestry business because we did get in debt with the sawmill which put the band administration into third party receivership"(Chelsea 2005). The EFN Chief's brother and other band members urged him to talk to Lignum and he

did leading to a business relationship. Immediately after the signing, the JV's operations began with trained EFN band members working in silviculture. The EFN started Ecolink out small because of past forestry business endeavors failing because they started out big too soon.

Ecolink began with a six member Board of Director's (BOD). When Tolko purchased Lignum, the membership was reduced to four, two from each shareholder. A majority vote is used to decide on any Ecolink business decisions. Ecolink has the business structure to limit each shareholder's liabilities because it is a registered corporation, but because political leaders of the EFN are seated on the Board of Directors, the structure allows for political decisions to supersede business decisions regardless of who is the shareholder.

b. Profitability

Ecolink was profitable in its first 5 years in silviculture helping them to diversify into logging, but poor management decisions later on put the company in debt. They are still trying to recover and have only recently started making a profit again. Interviewees reported they learned from this. However, the EFN does not rely on Ecolink for financial gain. They are most interested in gaining capacity amongst its members. Ecolink was profitable enough to diversify into logging providing training and employment for its members and this is a huge accomplishment.

c. Employment

Ecolink fulfills the employment component of the AED framework because they currently employ an aboriginal workforce. Ecolink represents the EFN community and has a primary goal of providing employment for its members first. During its first five years of operation, Ecolink had hired about 80 people per year within its silviculture operations, utilizing all available EFN band members and other aboriginal people. As one former Ecolink employee states "In the ten years I worked with Ecolink, we always had people on standby when Ecolink was running and they would be ready for us when we needed their services" (Paul 2005). Ecolink has experienced a decline in silviculture work due to a lack of available contracts being tendered in the region, but the logging division has its employees working fulltime. If the silviculture division were operational with 2 crews, Ecolink would have employed an additional 10 EFN band members.

Ecolink's logging division has all aboriginal employees (5 EFN and 5 Tsilhqot'in employees) and the corporation owns all of its logging equipment, which consists of a skidder, two dangle-head processors, a top head loader, and a feller buncher. Although some advocates in the EFN do not want outside aboriginal people working in their company, the EFN has hired outside aboriginal employees with extensive logging experience. The logging supervisor is from the Chilcotin Nation, which is the EFN's western aboriginal neighbor. According to the logging supervisor "we can do 125,000 m³ with the logging crew we have in an optimal logging season with minimal downtime" and he also goes on to say that Ecolink's goal should be 100,000 m³ because if they obtain more volume it would mean more logging equipment and overhead (Wynja 2005).

At the time of this research, Ecolink had aboriginal people filling all available positions within its company truly fulfilling the EFN's goal of local employment.

d. Aboriginal Capacity

Aboriginal capacity is the ability of a community to have the necessary human resources through education and training and through work experience to fill all of its community development initiatives. Also, an aboriginal community needs financial capacity to meet community development goals.

Ecolink has not funded any EFN band members through apprenticeship, diploma, or degree programs. They plan to help fund their office administrator to complete a bookkeeping diploma. She would be the first to be funded by Ecolink to go to post secondary. However, outside of the JV's, some EFN band members are pursuing a forestry diploma or degree, funded exclusively by the band. Therefore, Ecolink has not quite fulfilled the financial capacity subcomponent of aboriginal capacity.

Ecolink has provided work experience for the EFN on the silviculture side and not so much on the logging side. The EFN has a very experienced technically trained silviculture workforce who can fill any potential silviculture position from Ecolink. However, there are very few technically trained or experienced EFN band members who can immediately be productive at any of Ecolink's logging positions. Those EFN band members who could be productive at any of the Ecolink logging positions are not available because they either have their own logging business or work for someone else. A person needs the training and experience to operate logging equipment safely and this training takes awhile. However, the former Tolko joint venture administrator believes "...a goal for any aboriginal business should be succession planning. Managing your operation at a level equitable enough to hire new employees for training can occur" (Beck 2003). Finding this opportunity is tough making Ecolink hire outside the EFN because no one from the community can operate at or near the current production levels. This is common in the logging business.

The Ecolink JV has a growing aboriginal managerial capacity because there are two aboriginal people in management positions. Management positions allow aboriginal people to be more involved in strategic business decisions, empowering everyone involved. However, the two aboriginal people in management positions within the Ecolink JV are far from truly fulfilling their roles and responsibilities because they are still learning their positions through experience. Past Ecolink managers have moved on to other EFN managerial jobs so the succession is evident within the community.

Ecolink has fulfilled the aboriginal capacity quite well considering there are aboriginal people in managerial roles and an aboriginal workforce on payroll. The financial capacity is low but this can be fulfilled when the operations become more profitable.

e. Preservation of traditional culture, values, and language

The EFN has used some of the profits from Ecolink to help fund cultural events such as the community's pow wow and the band's social programs. The EFN told me that Ecolink is a business and with their tight operational budget there is no room for

fulfilling this component for now. The EFN did not say this component was meaningless but the business needs to sustain employment for its members first and foremost. The balance between sustaining the business and the preservation of traditional culture, values, and language is an ongoing challenge for all parties involved in the Ecolink JV.

f. Forest management decisions and Control over their asserted traditional territory

Ecolink has not fulfilled this component of AED because it is a logging/silviculture contractor for its forest industry partner, who has the forest management authority/responsibility over the timber supply area that encompasses the EFN's traditional territory. The EFN does not have control over the type and amount of harvesting, because the forest licenses require that forest management practices adhere to BC provincial forest legislation, regulation, and policies. The EFN have expressed that First Nations need more control over their land base at the strategic level (i.e. government-to-government level). The EFN have been trying to make more forest management decisions over their traditional territory through other forest management planning initiatives (i.e. small forestry plans) but it still proves to be difficult and ongoing challenge. The EFN have made sure their most sacred areas on the land were protected from all harvesting activities

g. Community Support

The Ecolink JV had community support and interviewees expressed how important certain community members had the power to make sound business decisions for their respective communities. These band members are called champions and have the power to persuade political and business decisions for the community. Also families within aboriginal communities can influence the political and business environments, making it an unattractive environment for anyone unless there is a truce amongst them. Although this is all speculative, the EFN have the above traits of family segregation and active key role players or champions in the community. During the research one main family was operating the EFN's administration and social programs while the other main family was involved in the businesses. Further research needs to be done to see how community dynamics (i.e. large families) can affect the level of support for any community program or economic development initiative.

IV. West Chilcotin Forest Products Ltd

Anahim Lake is also situated in the Cariboo-Chilcotin region. Anahim Lake is 328 km west of the nearest town, Williams Lake, on the western edge of the Chilcotin Plateau. The Ulkatcho First Nation (UFN) is the main aboriginal community; it is one of twelve bands that make up the Carrier Nation. Ulkatcho means "Fat of the Land" in the Carrier language, which is in the Athabaskan language family group. The UFN is also called "Ulkatchot'en", which means "People of the Ulkatcho." The UFN's main language is Carrier but they have strong relational ties with their aboriginal neighbors from the west (Nuxalk Nation) and the east (Tsilhqot'in Nation). In fact, some UFN band

members have strong Tsilhqot'in family ties and can speak the Tsilhqot'in language as well as Carrier (Birchwater 1991; Birchwater 1994). The UFN is made up of 21 reserves totaling 3,245.7 hectares and most of the band members reside on Squinas reserve #2 adjacent to Anahim Lake (Indian and Northern Affairs Canada website 2005). The UFN has 540 band members on-reserve and 368 off-reserve, for a total band member population of 908.

The UFN has been very proactive on asserting their aboriginal rights and title within their traditional territory. On July 17, 1989, the UFN blockaded the construction of a bridge leading into the Beef Creek Trail region on their traditional territory, to protest the harvesting being done by forest licensee Carrier Lumber (a privately owned sawmill based in Prince George, BC). Carrier Lumber had a large portable sawmill and a planer mill established in Anahim Lake and it was operational for about four to five years before the UFN roadblock led to the forest license cancellation (Carrier Lumber and Province of BC (Minister of Forests) 1999).

In 1993, the UFN, CAT Resources (Chilcotin-Anahim-Tatla Resources- a privately owned business made up of 49 local non-aboriginal investors from the Anahim Lake and Tatla timber supply region), and Carrier Lumber began negotiating a forestry JV after the roadblock. All interviewees were vague on how the three shareholders started negotiating together and there was some disagreement on who initiated the JV. The UFN interviewees were adamant that they initiated the possibility of developing a business relationship with Carrier Lumber with support from the provincial government because of their blockade at Beef Creek Trail. According to one UFN interviewee "the Minister of Forests told us a forest license will not be issued in their region unless the UFN were involved" (Dester 2005). Non-aboriginal interviewees declared that the JV would not have happened without the non-aboriginal community's support (James 2005). Regardless of who initiated the JV relationship it provided certainty among the UFN, the non-aboriginal community, the forest sector, and the provincial government.

In December 1994, all three shareholders negotiated a shareholder's agreement to formalize the West Chilcotin Forest Products Ltd (WCFP) JV, and operations began in January 1995. Each partner contributed \$500,000 for the startup business costs and expenses. Carrier Lumber loaned the start up capital to the UFN with interest until they could pay it off through the JV's dividends. Both CAT Resources and the UFN bought the sawmill, planer mill, and land from Carrier Lumber through a devised formula that would garnish part of the business's revenue until the debt was fully paid off. The UFN were able to pay the loan of \$500,000 off in two and a half years.

Band owned Yunka Whut'en Holdings Ltd (YKW) was formed to be a holding company for all of WCFP's forest licenses. The UFN made sure the forest licenses were to be in their name and according to one UFN interviewee: "The Ministry of Forests was there for any questions we had on the obligations and liabilities for being a forest license holder because it was new for us and we did not want to lose a forest license like Carrier Lumber did in the past" (Dester 2005; Vaughan 2005). Currently, YKW holds five non-replaceable forest licenses for the sole benefit of WCFP with a combined AAC of 330,000 m³. Since these forest licenses are non-replaceable, the expiration date and AAC for each is different, as the former YKW manager states: "with all these forest licenses it can be an administrative nightmare. The provincial government should just give us one forest license instead of all these non-replaceable forest licenses that reside

within our traditional territory. Silviculture agreements and other things have to be tracked for all these forest licenses and it is tedious work” (Vaughan 2005). This YKW manager and other UFN people that have held her position in the past have learned through experience the pros and cons of being a forest license holder in BC.

WCFP has a sawmill and a planer mill division. The sawmill runs two shifts annually, the planer mill utilizes one shift annually, and a second planer shift works for about 6 months. WCFP manufactures lumber for the Japanese and USA markets. The Americans are their main export market. WCFP’s end products include Stud Grade 2 x 4’s and 2 x 6’s and a number of other different lengths and grades (WCFP website 2005). According to the WCFP general manager “WCFP started out doing 140,000 m³ in its first year, 240,000 m³ in its second year, and on average 300,000 m³ thereafter. Now we are doing 350,000 m³ this year alone” (James 2005). WCFP’s mill can produce 80 million board feet a year composed mainly of Lodgepole Pine (90%) and some spruce and Douglas-fir. The AAC for this sawmill is modest, considering they still use the same old equipment with a few upgrades such as a new optimizer edger and lumber stackers. The planer mill has used the same equipment since it was built, but it has added a new electronic controlled tray sorting system. WCFP also air dries its own lumber, which takes about 3-6 months to fully dry. WCFP would like to have a kiln dryer like its competitors, but they cannot afford it since they pay about 15% more on energy costs and they also have to truck their product since the nearest railroad is 300 kilometers away (Holst 2005). WCFP is also International Standards Association (ISO) 14001 certified, meaning its operations adhere to an environmental management system for its products, activities, and services. WCFP has managed to remain competitive since its inception, despite a weak lumber market, the unresolved softwood lumber dispute, the rising Canadian dollar, and rising fuel costs.

a. Business Structure

WCFP is also a JV corporation (JVC) with a stringent shareholders agreement to keep the shareholders together. WCFP has voting rules that require policy to satisfy three shareholders for financial decisions. A 5 to 1 vote is required from its six member board (two from each shareholder) for all money decisions and a 4 to 2 vote for any other business decisions. This voting procedure on the WCFP board of directors protects the business from being overrun by politics despite the high changeover rates amongst the CAT Resources and UFN appointed board members. The Carrier Lumber board members have remained the same since the inception of WCFP.

b. Profitability

WCFP is profitable and according to the former YKW manager, “the UFN gets about \$500,000 to \$1 million in annual dividends from the WCFP JV” and she goes on to say “we knew there was to be more money made in sawmills than in logging” and she was right considering the dividends are much higher from a sawmilling business compared to a logging operation (Vaughan 2005). The UFN has used their money for most of the band’s various programs and it also helps to employ UFN band members in silviculture and harvesting. WCFP has managed to make a profit since inception

according to my interviewees who sit on the WCFP BOD. In some years they did reinvest their dividends back into the business rather than putting them towards community development.

c. Employment

The employment results must be shown in two parts for WCFP, which are local employment and aboriginal employment. WCFP is a community JV, so local employment means employing both the local aboriginal and non-aboriginal community members. WCFP's management continues to employ local community members and as the general manager states: "WCFP will continue to exist and create employment for the people of Anahim Lake and surrounding areas" (James 2005).

WCFP shareholders made an informal agreement (not written) during negotiations that there would be 50-50 aboriginal and non-aboriginal employment within its operations and associated contract work. The contract work for WCFP has achieved the equal split amongst aboriginal and non-aboriginal communities. However, WCFP has only 30-40% aboriginal employees and only half of them come from the UFN (15%-20%) but this was not always the case. According to interviewees, more UFN band members were employed within WCFP at the beginning of the company's operations. WCFP's business has a high changeover rate because some employees cannot handle the stress and repetition of their job regardless of ethnicity. According to the WCFP manager: "we have a small core of local employees who have been with the company since inception while there are others who are still new" (James 2005). In fact, all of the WCFP interviewees have been with the company since inception and they agreed that not everyone can handle working within WCFP because they have seen people come and go.

Just like Ecolink the management of WCFP have to hire outside help if no local people are available or if a reduction in overhead is required. As the current WCFP treasurer and board member states: "The company now needs a computer electrician and we will be looking for outside expertise since no one in the area is qualified" (Holst 2005). Although outside hiring may seem undesirable, the option has to remain available in order for the business to meet its financial bottom line.

d. Aboriginal Capacity

WCFP is strong in the education and training subcomponent of aboriginal capacity because it has a millwright and electrician apprenticeship program offered to its employees and local people. Although some local people have successfully completed both programs, only one UFN band member completed the electrician apprenticeship program to date. According to the WCFP general manager: "the company also has 5 bursary programs for the local high school students" (James 2005). Also some UFN band members are pursuing a forestry diploma or degree, funded exclusively by the

band. In the end, WCFP has used its business's success to entice and recruit local community members to get a diploma or higher and this helps to build an economic base for everyone in the region.

The UFN has not had sufficient work experience within WCFP's operations because only 15-20% of all WCFP employees are UFN band members. The UFN band members currently employed within WCFP are not in supervisory positions, according to UFN interviewees. Although most have positions under the supervisor, and are extremely valuable employees, there is no one from the UFN who has even been trained or experienced being a WCFP supervisor. Also, because only one UFN band member has successfully completed a trade's diploma, UFN has very little technical capacity at the millwright and electrician levels (Vaughan 2005). Even non-local aboriginal WCFP employees do not have the technical capacity to fill all of these WCFP positions.

WCFP had only one UFN band member in a managerial position. However, the UFN has been able to employ UFN band members for the YKW manager position. Some managerial capacity is being built within WCFP and some have moved onto managerial and supervisory positions within the UFN business community.

Some capable people did not want to be in management positions within the WCFP or within the UFN's businesses because they feared losing respect from their own people. As the former YKW manager states: "Management is a tough position because you can be isolated from your own community. I mean I walk into a community event or business and my own people will be quiet towards me. It can be lonely but you need those positions filled by our own people" and she explains how just having two more managerial type aboriginal people can make a difference in sustaining the business (Vaughan 2005). Of course, one has to respect a person's wishes for not embarking on something they do not want to do, but one person's resistance should not be generalized to apply to all band members. In order for the aboriginal community to gain control over the JV's they need the technical and managerial capacity has to be there along with succession planning for future candidates within the community. This reluctance of some aboriginal people to take on managerial positions needs further research and may be a key issue for obtaining the work experience that is needed.

WCFP provides more financial capacity to the UFN due to its silviculture trust fund, silviculture administration fee, and contract opportunities offered to the UFN. WCFP pays into a silviculture trust fund that is administered by the UFN and the provincial government to cover all silviculture contract work needed for the JV's forest license obligations. Also the WCFP pays the YKW staff a silviculture fee for administering and meeting all the company's forest license obligations. Both of these fees are costs to the JV so they are not considered to be part of either shareholder's dividends. Lastly, the WCFP contracts are split between both aboriginal and non-aboriginal communities giving a lot of financial capacity to the forest entrepreneurs in the region.

e. Preservation of traditional culture, values, and language

WCFP has contributed to cultural and traditional events and programs due to the high dividends being made from the business. The UFN uses its WCFP dividends to

fund the elders and youth fund. WCFP dividends have contributed to cultural and educational initiatives within the UFN. For example, the UFN built a \$1.3 million dollar community center and a brand new church with its WCFP dividends. Social, cultural, and sporting events take place in the community center shared by both aboriginal and non-aboriginal communities.

f. Forest management decisions and Control over their asserted traditional territory

WCFP has enabled the UFN to see the economic benefits that can come from the timber resources within its traditional territory, through its involvement at the BOD level. The UFN has access to harvesting contract work that will be performed by the WCFP contractors. This level of information helps them have some control over which contractors will harvest what areas. Also the UFN through its holdings company YKW obtains the experience of managing a forest license. However, the aboriginal community does not have control over the type and amount of harvesting, because the forest licenses require that forest management conform to BC provincial forest legislation, regulation, and policies. The UFN has expressed that First Nations need more control over their land base at the strategic level (i.e. government-to-government level). Both aboriginal communities have been trying to make more forest management decisions over their traditional territory through other forest management planning initiatives. But making these strategic plans equivalent to the province's Forest Stewardship Plan (i.e. forest licensee level) proves to be difficult.

g. Community Support

The authors' known measure for fulfilling this component of AED was that there was no stoppage of business activities on the WCFP JV from the UFN and the local non-aboriginal community. One problem was the research' definition of community not being simply 'the area within the boundaries of the reserve and traditional territory where immediate impacts (social, economic, etc') are felt,' but something more inside the community was happening amongst the people that this research could not capture due to time and funding constraints. In fact, Arun Agrawal and Clark Gibson argue that assumptions of community being small sizes, territory dependent, homogenous, and having shared norms is incomplete because of actors within a community can influence decisions and the possibility of alliances at multiple levels of politics (Agrawal and Gibson 1999). The WCFP JV had community support and interviewees expressed how important certain community members had the power to make sound business decisions for their respective communities. These band members are called champions and have the power to persuade political and business decisions for the community.

V. Summary of AED Framework

Neither JV is able to fill all the goals of AED for the aboriginal community involved, however, both JV's act as vehicles toward achieving AED. The AED process is too large to be fulfilled by a JV business alone. The preservation of traditional culture, values, and language, and the control over forest management decisions within the aboriginal community's asserted traditional territory go beyond the business realm. Also, the aboriginal capacity required to build self-reliance within either aboriginal community was not sufficiently created by either JV. This may suggest that more businesses are needed for diversifying the economic base.

AED results should be measured by these important components, because the primary goal of AED is aboriginal community self-reliance, which will be needed if the community wants self-governance or some form of control within their territory. Once self-governance is achieved the aboriginal community/nation must have the human and financial resources needed to properly administer the institutions needed for self-governance. An analysis of AED in the community can help an aboriginal community see how close they are to self-reliance or far they must go to achieve it and it will not happen overnight. It's important to look at all components of the AED framework to have a useful result.

Both JV case studies give the aboriginal community minimal control over forest management decisions and on harvesting rights. Ecolink is a silviculture/harvesting contractor for its forest industry partner so this role is limited to a contractual relationship. The UFN also has minimal control over forest management decisions since these decisions are being made by WCFP through the business's higher level forest management plans (i.e. Forest Stewardship Plan). Both aboriginal communities have gained experience with administering provincial forest licenses, but the JV's still give them minimal control over strategic management decisions occurring within their territories. Co-management at the strategic level has to occur in order for each aboriginal community to have a 'say and share' over all forest management decisions within their asserted traditional territories.

The aboriginal capacity is lacking in both JV's. In total, aboriginal people in both JV's fill three managerial positions, but neither JV is planning to train anyone else. WCFP has one technically trained UFN band member who utilized the electrician apprenticeship program offered by the business. Ecolink cannot train any more people unless it becomes more profitable. Even though WCFP is profitable, there are still no aboriginal people in supervisory positions. One reason mentioned by interviewees to explain why there are no aboriginal employees in supervisory positions within WCFP's operations is because aboriginal employees do not want such positions because of the huge responsibilities and related alienation from their own community members. One WCFP aboriginal employee begs to differ by saying he has never been offered such a supervisor opportunity, even though he has been there since the beginning (Charleyboy 2005). This interviewee would accept an offer for a managerial position in WCFP.

The Ecolink BOD still elects to train both its logging and silviculture supervisors all year, even when the business is barely meeting its financial bottom line. On the contrary, WCFP has exceeded its financial bottom line since inception, but there have never been aboriginal employees in supervisory positions in over a decade of operations. Although forestry JV's may not have the high technical/managerial capacity opportunities seen in other sectors, many believe a risk is associated with these training

opportunities regardless of the business venture. WCFP has not taken that risk but Ecolink has even if it impedes on the business's financial bottom line.

The case study results show that JV business operations do not address the preservation of traditional culture, values, and language. No cross-cultural training was offered to anyone employed by either JV. The JV's, however, have made some cultural contributions to their communities. Both JV's sponsor community and sporting events. In fact, because WCFP was more profitable, the UFN's dividends helped the band build a church and community center and fund the youth and elders programs. Both JV's were established with the understanding that all traditional, spiritual, and cultural sites will be protected for the aboriginal partner within the business's area of operations, and the forest industry partners and the province has been upheld this.

This research has shown that although JV's involving aboriginal communities do not fulfill all components of AED, they are a vehicle to keep the aboriginal community/nation moving towards the ultimate goal of self-reliance and self-governance. A JV should be seen as one opportunity and not the total solution for aboriginal self-reliance. JV's are business solutions that can help to create a stable business environment. In fact, JV's occur when assets need to be borrowed and a business relationship has to occur because neither shareholder could obtain the required assets alone. JV's should be formed for the purposes stated above, and aboriginal communities should recognize that JV's are only part of a broader aboriginal economic development strategy.

Because the research was only a snapshot of the activity within both aboriginal communities, an update is needed for both JV's business activities acknowledging both forest companies are operating in the worst Canadian lumber market in history (Boyd 2002). Ecolink is still trying to amalgamate with the EFN's other forestry business to improve efficiencies; however, they are still harvesting but the silviculture division is still inoperable due to limited opportunities. WCFP is now a JV between the UFN and Carrier Lumber because the third party CAT Resources voluntarily got bought out (Price 2008). Due to the poor Canadian lumber market both JV's are exploring opportunities to keep the JV operational in order to sustain local employment by looking at innovative ways to harvest Mountain Pine Beetle (MPB) infected wood and turn it into bio-energy purposes. Both aboriginal communities are located in the most extreme MPB zones in BC harming each JV's future in forestry due to a depreciating timber supply.

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