



The Evolving Corporate and Aboriginal Relations Path to Prosperity for All

Corporate-Aboriginal relations are improving, but there are still many fences to mend due to decades of exclusion. Continued progress depends on developing a greater understanding of the Aboriginals' new position in modern day Canada.

Though the Aboriginals were the original people in what is now Canada, it is only since the Constitution Act of 1982 that they were legally named as the Indians, Inuit and Métis. It was a first major step in an ongoing, now decades-long, process to recognize the unique standing of Aboriginals in Canadian history and society, and to begin building new business and social relationships based on equality rather than exclusion.

Since then, significant events have strengthened the role of Aboriginals, including the reinforcement of treaty rights, the creation of Economic Development Corporations, the introduction of Impact Benefit Agreements, and a plethora of court cases establishing or reinforcing the rights of Aboriginal communities.

As corporations and Aboriginals work on improving their relationships, it is important to understand that the Aboriginals of today who are strongly protecting their rights are not the Aboriginals of yesterday who were at the mercy of the government and big corporate developers. Continued progress in corporate-Aboriginal relationships requires new perspectives and an understanding of the factors most influencing Aboriginal relations.

Changing Hearts and Minds

Canada's Aboriginal peoples have a difficult history that led many people to a perspective that Aboriginals are people who can never be fully integrated socially or economically. This is not surprising given that Aboriginal communities were created in a way that kept them isolated from mainstream Canada, and there was an effort for a long while to eliminate the Aboriginal cultures.

Over the last couple of decades, a number of events have begun a reversal process in which Aboriginals are asserting their rights, Canadian courts are defending those rights, and social pressure is encouraging the Canadian government to take steps to create a national culture of engagement and inclusion.

Changing the hearts and minds of people is not easy.

Canadians are generous people who embrace multiculturalism with a passion that other countries envy, but cultural factors create conscious and unconscious biases that are difficult to erase. A set of



integrated factors is accelerating the process, but the impact of centuries of exclusion is not easily overcome.

For example, Aboriginal peoples are one of the country's fastest growing populations but also the poorest demographic. The population for Canada as a whole increased 5.2 percent between 2006 and 2011, while the Aboriginal population grew 20.1 percent. Aboriginals have the highest rates of infant mortality, illiteracy and unemployment. This has sparked a bevy of corporate-sponsored programs to work with youth and young adults in Aboriginal communities who offer a new source of labor in a country with a labor skills shortage.

One of the most important set of events for Aboriginal equality emanated from its community locations in resource-rich lands. Natural resource development companies want access to the resources and so does the government.

The Aboriginals were not against doing business with these companies but wanted their relationships with corporate Canada and the federal and provincial/territorial governments to protect their legal rights and not be a source of cultural and environmental destruction. That led to a series of court cases that in turn led to a new way of doing business with Aboriginals. With hundreds of court victories across the nation already settled in favor of Aboriginals, the Tsilhqot'in Nation.

British Columbia Supreme Court of Canada case gave Aboriginals title to a tract of Crown-owned lands outside of a reserve, which was a major advance from the "consult and accommodate" duties that other court cases had set as requirements for project developments.

Shifting the Balance of Power and Building Relationships

There is a shifting balance of power.

Out of the court cases, giving Aboriginals more legal rights and reinforcing constitutional rights, arose organizations like Economic Development Corporations (EDCs) and Impact Benefit Agreements. EDCs protect the cultural and economic rights of Aboriginals by partnering with corporations on projects or by developing their own projects. Impact Benefit Agreements hold corporations accountable for how they do business on Aboriginal lands. Thus another factor influencing the corporate-Aboriginal relationship is the growing body of legal obligations and socio-economic considerations.

To do business with Aboriginal communities, corporations must work with Aboriginal people to build relationships. This new level of relationship developed over time through court cases has enormous implications for corporations across Canada, including in urban areas. To develop relationships with and engage communities, it is important for the workforce, senior management, and the boards to reflect the communities where they want to do business. Companies should have Aboriginal representation and should include Aboriginals in their talent management systems.



Following the lead of the many court cases, it is also important to include Aboriginal communities in decision-making.

For example, the Lax Kw'alaams have a proposed agreement with the Malaysian-owned Petronas, which wants to establish a Liquefied Natural Gas Facility (LNG) in northern B.C. The \$36 billion project, of which the Lax Kw'alaams would net \$1.15 billion over 40 years, was rejected by the band in 2015 because of concerns over the impact on the watershed. After much negotiation, the Lax Kw'alaam band agreed in March 2016, in principal only, to the development but only if the federal government established a committee with band representation and enforces environmental standards.

This is a complex issue for Aboriginals because many in the community fear the salmon runs will be harmed by the LNG plant, while others want the economic benefits the agreement will bring. As of August 2016, the project was still in the discussion stage.

This case demonstrates the growing power of Aboriginals to determine their own future and the importance of developing honest relationships. If corporations can establish solid relationships, everyone wins – Aboriginals, corporate Canada and the economy.

The evolution of the Aboriginals as equal members in Canadian society still has a long way to go. However, the First Nations, Inuit, and Métis have already proven that threatening their cultures and economic well-being is unacceptable.

>Corporate Canada is instrumental in advancing the new paradigm in which Aboriginals are fully accepted and equal partners in Canada's economic success.