Aboriginal Youth Development: The Social Enterprise Dimension

By: Alan Morantz
Executive Summary

There is a persistent and well-documented education gap between Aboriginal and non-Aboriginal youth in Canada. For a number of complex reasons, young people in First Nations, Métis, and Inuit communities as well as Aboriginal youth in urban centres generally lack the career supports that most other Canadian youth take for granted, and as a result start out less equipped to take advantage of economic opportunities. Judging by news report and public opinion, it would appear that political and policy levers to address these gaps in attainment have seized up, with Aboriginal youth concerns taking a back seat to acrimony and distrust.

Beyond the headlines, however, First Nations, Métis, and Inuit youth are attracting an unprecedented amount of interest. They are inspiring innovative initiatives by Aboriginal groups, foundations and other social enterprises, and universities, supported by a nascent social finance sector. Perhaps most significant of all, young and articulate Aboriginal leaders are telling their communities what they need and want — and are being heard.

This discussion paper takes stock of some of the forces driving positive change and offers examples of how those in the social enterprise sector are co-creating with Aboriginal communities adaptive yet focused models that help Aboriginal youth achieve their full potential. In particular, the paper offers several defining features of successful social enterprise and foundation initiatives in this space. They are:

- Initiatives are properly targeted and strategically sound.
- Initiatives respond to Aboriginal youth aspirations.
- Initiatives are built to last by working with communities.
- Initiatives are built to scale through collaborations.
- Initiatives use impact investment to support entrepreneurship.
- Initiatives build in learning loops for partners to get smart.

In a national context, there is tremendous upside to engaging Aboriginal youth, a demographic cohort on the rise. The economic impact is significant: researchers estimate that closing the education gap would increase Canada’s gross domestic product by $401 billion by 2026. The labour market impact would be no less impressive: the rapid growth of the Aboriginal labour force could help reduce labour shortages in the decades ahead.

Beyond these factors, however, is simply the urgency of addressing one of the most compelling human development needs in Canada. Social enterprises and foundations have a prime opportunity to make an out-sized impact. They are better positioned than government to take risks, build deeper relationships, and pursue a strengths-based approach to Aboriginal youth development. There are already signs that they have taken up the challenge.
Introduction

“I have said it is our time as indigenous peoples, that we must smash the status quo, and that my job is as an advocate to open doors for First Nations to drive change.”
— Shawn Atleo, former National Chief of the Assembly of First Nations, May 2, 2014

What a dispiriting sight it was to watch Shawn Atleo walk away from the leadership of the Assembly of First Nations. Announcing his surprise resignation in May 2014, he talked forcefully and passionately about the need to “smash the status quo” and “open doors for First Nations.” Yet the unfolding story was less about change and open doors than the familiar confrontation between parts of First Nations leadership and the federal government.

At issue was Bill C-33, the First Nations Control of First Nations Education Act, that was designed to bridge the gap between what First Nations children living on reserves receive in federal government funding for education and what other children in Canada receive from their provincial governments. Created with the input of First Nations leaders and backed by Atleo’s explicit endorsement, Bill C-33 would have gone some way to ensuring First Nations children earn recognized diplomas in professionally administered schools while supporting band-specific language and cultural programming in communities that requested it. Yet some First Nations chiefs were angered that the federal government would retain final say on education funding. Faced with the division in the ranks of the Assembly of First Nations, the federal government in May 2014 withdrew the bill.

To the broad Canadian public, the events fed into an entrenched narrative that "identity politics" or intrusive politicians trump any effort to address deep-seated social problems in Aboriginal populations. If First Nations and Ottawa cannot put aside differences to address obvious and pressing educational needs of youth living on reserves in Canada, what hope is there for the next generation?

But is the story of Aboriginal youth development really all that hopeless? Hardly. In fact, viewed from the larger perspective of First Nations on- and off-reserve, Métis, and Inuit across Canada, youth are attracting an unprecedented amount of interest and inspiring innovative approaches. In recent years, smart and effective initiatives directed at youth have been launched by Aboriginal groups, foundations and other social enterprises, and universities. The social finance sector in Canada is finally hitting its stride. The Aboriginal business sector is booming, modelling entrepreneurship as a viable life path. Aboriginal youth themselves, both on-reserve and in big cities, are finding their voices and telling their communities what they need and want.

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Calvin Helin, son of a Tsimshian Nation chief and well-known Aboriginal lawyer, has written about the four waves of Aboriginal life in North America. In the first wave, prior to contact with European explorers and settlers, populations and social structures were sustained by natural resources. The second wave was dominated by the forces unleashed by colonialism, such as residential schools and forced relocation. During the third wave, indigenous communities were further weakened by the social pathologies of the welfare trap. The fourth wave, writes Helin, is characterized by today’s First Nations, Métis, and Inuit transitioning, albeit haltingly, from grievance to development mode.¹

Though Helin does not mention it, there have been waves of change buffeting Canada’s institutional side as well. It was not long ago, for example, that a mere handful of Canadian universities paid any attention to Aboriginal youth, let alone lip service. Today, many Canadian universities are creating educational programs and offering financial and social support for Aboriginal students.

A survey by the Association of Universities and Colleges of Canada (AUCC) in 2012 indicated that there were almost 300 different programs designed for Aboriginal students, more than 90 Aboriginal studies programs, and some 20 native languages taught in 34 universities. Almost half of the Canadian universities surveyed offer undergraduate programs specifically for Aboriginal students. The AUCC survey indicated that 78 percent of the universities offer social and cultural activities such as sweat lodges and pow-wows; 68 percent host elders on campus; and 71 percent offer linkages with local Aboriginal communities.²

Something is changing in Canadian universities, foundations and NGOs, and the wider social enterprise sector.

:: Context

Over the past decade, there has been many reports and studies commissioned in Canada looking at the current state and future prospects of the Aboriginal labour market. Think tanks, educational experts, economists, and foundations all have weighed in. There is considerable agreement on many of the issues surrounding the opportunities and challenges facing Aboriginal youth, if not agreement on measures to move forward. Here are several storylines:

The educational attainment of Aboriginal youth is improving yet gaps remain.

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According to the 2011 National Household Survey, working-age Aboriginal people with a university education are earning almost the same median income as the non-Aboriginal population with comparable education. Statistics Canada reports that differences in proficiency between Aboriginal and non-Aboriginal populations are all but eliminated at higher levels of education. Yet the proportion of Aboriginal youth with postsecondary education is still low. In 2012, 43 percent of off-reserve First Nations people, 26 percent of Inuit, and 47 percent of Métis had a postsecondary qualification; the comparable figure for the non-Aboriginal population was 64 percent.\(^3\)

Most of this is meaningless for people who are leaving the education system before graduating from high school (only 42 percent of Inuit, for example, have a high school diploma or equivalent). According to the Office of the Auditor General, the length of time required for the First Nations population to close the high school education gap may take longer than the 28 years estimated in 2004.\(^4\) As the Conference Board of Canada has noted, high school completion is the prime area for improvement, particularly for some trades where a high school diploma is the minimum standard.\(^5\)

**Many Aboriginal students still perceive secondary education as an instrument of assimilation.**

The historical impacts of colonization, racism, and residential education linger in today’s Aboriginal societies, manifesting in distrust and negative parental attitudes passed on to children. This legacy is often linked to current-day barriers in achieving a post-secondary education and moving on to successful employment. Culturally insensitive curriculums, teaching methods, and assessments are cited as factors contributing to Aboriginal students’ low achievement rates.\(^6\)

**Family and community well-being have a major impact on youth education and employment outcomes.**

Education completion rates have been found to be positively related to family support. On the other hand, dysfunctional communities, lack of role models, language differences, peer pressure, and lack of family and community support are perceived by Aboriginal people as more significant barriers to successful education and employment outcomes than they are by their non-Aboriginal counterparts. Aboriginal youth prefer to stay close to family and community for long-term employment. This reduced mobility can pose a problem when remote communities areas offer limited opportunities.\(^7\)

**Demographically, there are two trajectories moving in opposite directions.**

Canada’s population is growing slowly and greying while the Aboriginal population is growing rapidly and is much younger. One-third of Aboriginal population is 14 and under, compared with 19 percent of non-Aboriginals. By 2021, most Canadian baby boomers will be over the age of 55, while the largest Aboriginal age group will be 20 to 34 years old.\(^8\)

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7 Ibid
The employment story is hardly rosy yet it could be worse.
Between 2007 and 2011, the employment rate of Aboriginal youth deteriorated less than for non-Aboriginal youth (decrease of 2.3 percentage points versus 4 percentage points), according to the Centre for the Study of Living Standards. The changes in the unemployment and participation rates were also more favourable in the Aboriginal population.9

Many of these issues will need to be addressed by well-grounded public policy that enjoys wide support. If the latest misadventure over Bill C-33 is any indication, Canada has a long, pot-holed road ahead. Yet there is no need to wait for the political stars to align. For those working in the social innovation space, it is a fine time to step in and apply what has worked elsewhere to help co-create with Aboriginal communities adaptive yet focused models that engage indigenous youth and help them achieve their full potential.

Which raises the question, When social enterprises are making a positive contribution to Aboriginal youth development — when they are operating in this space at their best — what does it look like? This discussion paper offers several defining features.

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Initiatives are properly targeted

For social entrepreneurs scoping out needs and gaps, there is such a wide range of contexts for First Nations, Métis, and Inuit youth that it is very easy to oversimplify the issues and misdirect efforts.

Learning indicators, for example, vary tremendously among Aboriginal groups and within various parts of the country. Aboriginal people living in eastern Canada have better education and employment outcomes than those living in western Canada or the North. In Nova Scotia, about 75 percent of Aboriginal youth have graduated from high school and more than half have completed postsecondary education. In Nunavut, almost 75 percent have not graduated from high school and only 15 percent have completed postsecondary education. High school incompletion rates for First Nations living on-reserve range from 38 percent in Prince Edward Island to 72 percent in Manitoba.10

Similarly, there are large variances between urban centres and rural areas. A higher percentage of Aboriginal people living in large urban centres have a university degree as their highest level of educational attainment than do Aboriginal people living in small communities. Among on-reserve Aboriginal students, successful completion of programs for those enrolled in college are significantly higher (63 per cent) than those enrolled in university (38 percent). Métis youth tend to fare better than First Nations and Inuit.11

Social enterprise initiatives that are strategically sound will, more often than not, avoid setting stretch goals and instead target key transition points in Aboriginal youth development.

And where are the needs? According to a report commissioned by the Council of Ministers of Education report on factors affecting the transition of Aboriginal youth from school to work, the groups most struggling with transitions to the workforce are low-performing secondary students, high school dropouts, and those from remote and isolated communities. “These groups in particular will benefit from holistic intervention programs that provide multiple services and supports.”

According to Statistics Canada study of Aboriginal youth who had not met the requirement of a high school diploma (defined as “leavers”), 39 percent of off-reserve First Nations leavers, 34 percent of Inuit leavers, and 32 percent of Métis leavers dropped out multiple times. Men dropped out due to a desire to work, money problems, school problems, and lack of interest. “Pregnancy/childcare

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11 Ibid
“responsibilities” was reported by one-quarter of off-reserve First Nations and Métis women and 38 percent of Inuit women who did not complete high school.12

The most common reasons why First Nations people living off reserve, Inuit, and Métis reported not finishing postsecondary education were: got a job or wanted to work; lost interest or lacked motivation; pregnancy, caring for their children or other family responsibilities; and courses were too hard. First Nations people living off reserve and Métis also cited financial reasons for not finishing their postsecondary education.

Initiatives aimed at easing these transitions can involve support for mentorships or leadership training to build self-confidence. They may take the form of incentive plans, paid apprenticeships, scholarships, or travel subsidies. According to the Report of the National Panel on First Nation Elementary and Secondary Education for Students on Reserve, special needs are a significant challenge in Aboriginal education. Assessment is limited and resources for special need students are inadequate in most First Nation on-reserve schools. Given this double-edged sword, programs that accurately assess special needs, especially at the early primary level, can yield big gains.13

Social enterprises and NGOs can also look to develop partnerships with post-secondary institutions and Aboriginal communities to ease the transition from school to the workforce. An example is Pathways to Education Canada, a charitable organization that helps youth in low-income communities graduate from high school and successfully move into post-secondary education or training. At its Winnipeg site, Aboriginal youth receive academic support via after-school tutoring and social support through mentoring. The program is said to have reduced high school dropout rates by more than 70 percent and increased the number of youth going on to college or university triple fold.


Initiatives respond to aspirations

A STUDY IN 2008 BY SOCIOLOGIST REGINALD BIBBY EXPLORED THE ASPIRATIONS OF 950 Aboriginal youth (mostly on-reserve) as part of a larger survey of Canadian students aged 15 to 19. It indicated that 84 percent of Aboriginal youth surveyed expected to get the job they wanted, and 79 percent expected to be more comfortable financially than their parents.14 Other research has noted the desire of Aboriginal youth to adopt careers that will enable them to serve their home communities or to express and strengthen their culture. These career ambitions tended toward public service (such as health, education, policing); traditional occupations such as trapping, hunting, and herbal medicines; and various forms of Aboriginal art.

Beyond impersonal surveys, Aboriginal youth are now finding platforms to clearly articulate their interests and take leadership roles. In many Northern on-reserve First Nations communities, for example, active youth councils are speaking up on issues that touch their lives and offering their perspectives on community-wide matters. Elected members of the youth council at the Sandy Bay First Nation in Northern Ontario have official standing in community leadership meetings, and funds are set aside for the youth council to implement programming and other initiatives. It has worked so well that members of the Sandy Bay youth council have been recruited to train other First Nations youth councils in Northern Ontario on how to develop effective team-building and community outreach strategies.

In 2013, the Ontario’s Provincial Advocate for Children and Youth brought together more than 100 youth from 62 northern First Nations communities to talk about issues affecting their lives. The resulting report, Feathers of Hope, was released in February 2014.15 It speaks of the lingering effects of residential schools, the issues of identity and culture, the quality of education, mental and physical health, the need for sports/recreational and leadership programs; role models; sustainable funding; and corruption within their own communities.

The Feathers of Hope report called on businesses and universities to outreach to their communities and make young people aware of the wide variety of careers and education paths that they have open to them. They called for leadership training and workshops on self-esteem, and access to apprenticeship programs so they could become certified tradespeople in their communities.

Social entrepreneurs and non-profits would do well to listen to these youth voices and follow their lead, involving Aboriginal youth in governance. It is not a matter of signing a blank cheque but in engaging in a true partnership. As an example, in Atlantic Canada, Nova Scotia chiefs started the Red Road Project to help Mi’kmaq youth aged 15 to 29 learn to lead a healthy lifestyle without drugs and alcohol. The program is now run by a cadre of more than 23 youth leaders in 13 Mi’kmaq communities in Nova Scotia and New Brunswick.

Youth perspectives also guided the development of the Sundrum program. An initiative of the Centre for Integral Economics, a charitable organization based in B.C., Sundrum is a one-day program for First Nations youth that explores — through stories, art, and video — how to build an economy that respects the land and people and how to practice social entrepreneurship. It is topped off by a game that allows participants to “create” a social venture, solve problems with the support of money, and be exposed to mentors. “We were invited by a series of elders to build this program,” explains Donna Morton, founder of the Centre who grew up in First Nations communities. “We collaborated with more than 60 youth. We listen, we share our own stories, we share stories of social innovators from around the world that made beautiful businesses that heal.”

Social entrepreneurs can also have a role in amplifying these efforts by helping build and support networks of youth leaders who can share learning with one another (as opposed to meeting with adults). The recently formed 4Rs movement (for Respect, Reconciliation, Reciprocity, and Relevance) was initiated by 14 organizations representing some four million Canadian youth, including the Assembly of First Nations, Congress of Aboriginal People, Boys and Girls Clubs of Canada, Big Brothers Big Sisters of Canada, YMCA and YWCA Canada and Community Foundations of Canada. The movement brings together Aboriginal and non-Aboriginal youth to share stories and explore individual identities and diversity.

Some voices from Feathers of Hope:

“The mainstream education system places First Nations youth at a disadvantage and forces us to surrender/lose our identity in the process of achieving credits in subject matter that is of no value to us back in our home communities. We want to know why we cannot live, grow up, thrive and give back in our own communities in ways that are meaningful and relevant to our local customs and traditions?”

“We, as First Nations people, need to start questioning the beliefs we hold about each other and ourselves. Youth need to be engaged in a self-learning process to start undoing the negative images we see and believe about ourselves. We must explore where these beliefs come from and start questioning the validity of the sources and then work to rebuild our identities with positive and empowering self-images. Working with our Elders will be a vital part of this process.”

“We want support to enable us to connect with Right to Play or other organizations that can provide training to youth in our communities so we can create recreation programs or other activities for our peers. . . We are disappointed that Right to Play, a non-governmental service organization that delivers sport, life skills and recreation programming to third world countries, recognized our need for play when the governments of Ontario and Canada did not.”
MORE OFTEN THAN NOT, ROBUST AND SUSTAINABLE INITIATIVES THAT SUPPORT ABORIGINAL YOUTH are anchored in Nunavut hamlets, First Nations reserves, and other Aboriginal communities. These locally-appropriate approaches are based on community knowledge of what works on the ground and help build local capacity.

**Wapikoni Mobile** is one social enterprise showing the way. Co-founded in 2003 by Montreal filmmaker Manon Barbeau, the Council of the Atikamekw Nation Youth Council, and the First Nations of Quebec and Labrador, Wapikoni Mobile offers practical film-making workshops to youth living in Aboriginal communities. With the blessing of the local band council, Wapikoni assesses community needs and meets with youth and social service workers. Once the project is scoped out, the field teams are trained and briefed on topics related to the First Nations community that they will be visiting. Their mobile studios then roll into the community for the month-long workshops that cover writing, directing, camera work, sound recording, and editing. Wapikoni has worked with more than 20 communities and trained more than 2,500 youth.

Beyond offering creative skills to Aboriginal youth, there are a number of social goods that come from these workshops. For one thing, they are supervised by two young mentor-filmmaker professionals and an assistant filmmaker from the host Aboriginal community, trained by Wapikoni. A social worker and an Aboriginal coordinator are also part of the team.

Wapikoni has recently built on this model by offering audiovisual services to communities and various organizations. An advanced participant from its workshop is paired with a senior filmmaker to create videos, giving the participants the chance to earn money and build their professional portfolio.

Closely working with communities requires patiently building relationships and sticking with a project through tough times. In some Aboriginal circles, foundations, NGOs, and social enterprises have a checkered reputation for either overlooking the Aboriginal sector or helicoptering in with ready-made solutions and not consulting in good faith. Cindy Blackstock, executive director of the First Nations Child and Family Caring Society of Canada and an associate professor at the University of Alberta, conducted a study in 2002 with the First Nations Child and Family Services agencies and voluntary sector organizations; it looked at the degree to which First Nations children living on-reserve in B.C. benefitted from voluntary sector services. The results suggested that despite significant need and a desire by First Nations to partner with the voluntary sector, only a handful of children received any benefits from relevant voluntary sector or philanthropic organizations. Only seven of 47 First Nations serviced by agencies
participating in the survey reported having any engagement with the voluntary sector over previous year.\textsuperscript{16} Blackstock revisited the subject for a book in 2011 and concluded that the situation hardly changed for the better.

The sometimes fraught relationship between the voluntary sector or social enterprises and Aboriginal communities was one of the themes in an article on the Mamow Sha-way-gi-kay-win/North-South Partnership for Children (the story appeared in the publication \textit{Leading Together: Indigenous Youth in Community Partnership}, produced by the J.W. McConnell Family Foundation, Journalists for Human Rights, and the Tyee Solutions Society\textsuperscript{17}).

The North-South Partnership began in 2006 when First Nation Chiefs, elders, and youth living in remote communities in northwestern Ontario came together with voluntary organizations based in southern Ontario. The mission of the organization is to respond to the identified needs of First Nation communities by building relationships and securing resources from voluntary sector organizations, individuals, the corporate sector, and other funding bodies to meet basic needs and provide programs, training, and other forms of support.

North-South was invited to Neskantaga First Nation in northwestern Ontario to conduct a community assessment; Neskantaga was being approached by companies interested in mining on their traditional lands and was seeking North-South’s guidance. At the time, the community was struggling with a number of youth suicides, and North-South needed to continually reassure the community that it had no intention of abandoning them as other southern organizations had done in the past. The NGO had no intention of doing that: any staff or student working with them in a Northern Ontario community is asked to commit to keeping up relations with the community for 10 years.

The North-South facilitators know that for any new community project, results take time. They practise the “three cups of tea” method of developing relationships, which co-chair and co-founder Judy Finlay explained this way: “The first visit to the community, it’s like they barely acknowledge us. The second visit is more of an engagement. And the third visit we have more of a true relationship developing. . . It isn’t just about collecting the information and giving them back what they ask for. We do it over a long period of time and we keep going back to nurture the partnership.”

There is no doubt that Aboriginal youth issues are now high on the agenda for social enterprises, foundations, and organizations in the voluntary sector. This alone is a promising development: in the coming years we can look forward to a range of field-tested models that may be suitable for adapting in other parts of the country.

With this interest, though, comes a number of potential challenges, particularly when social enterprises choose to go it alone rather than strike partnerships. Good intentions or high expectations can morph into cynicism and resignation when organizations with little experience working in Aboriginal settings or understanding cultural norms struggle to engage youth groups or communities. Successes and lessons may not be shared widely, leading to missed opportunities to increase the impact.

By contrast, strong collaborations lead to more stable and longer terms relationships and the spreading of risk and approaches to issues that a single organization or community could not handle. They offer entryways into communities that would otherwise be closed to social entrepreneurs. The Aboriginal Friendship Centre Program is a prime example of an entryway for potential partners. Not-for-profit Friendship Centres are the primary service delivery agents for culturally-appropriate programs for First Nations, Métis, and Inuit living in cities and hamlets across Canada. The Friendship Centre movement can even give birth to social enterprises, such as the Ontario-based Kitigan online Aboriginal art business.

Collaborations can take a number of forms: among business, educational institution, foundation/NGO leaders working to improve conditions for Aboriginal youth and their communities; among Aboriginal youth leaders in communities across the country (social entrepreneurs can help make these happen with travel grants); and between Aboriginal youth leaders and foundations or social entrepreneurs.

A number of new initiatives are showing how these forms of collaboration can work.

The Circle on Philanthropy and Aboriginal Peoples in Canada, the network of foundations and NGOs, launched the Collaborative Circle on Education and Youth Leadership late in 2012 to “cultivate the dialogue in the country around Aboriginal education in increasingly positive and tangible ways; foster and strengthen connections between diverse parties – community foundations, private foundations, United Ways, individual philanthropists, Aboriginal Peoples organizations, corporations, government and others – finding ways to link communities and organizations toward common goals.”
The **PARO Centre for Women’s Enterprise**, a social enterprise that provides services to aspiring women entrepreneurs across Northern Ontario, is a partner in a three-year program called Bami’aawaso. The project is aimed at helping Aboriginals aged 15 to 35 acquire skills in social enterprise. Nishnawbe Aski Nation is leading the project with the support of Ontario Trillium Fund and in partnership with PARO and Keewaytinook Okimmakanak First Nations. The objectives are to develop an accredited high school course in which students learn how to create an effective social enterprise and share experiences and best practices with each other through an online hub.

Another example is the **Aboriginal Professional Association of Canada** (APAC) is a membership-based, leadership-focused organization that allows First Nations, Métis, and Inuit professionals to connect and support one another. It was co-founded by Gabrielle Scrimshaw, a 25-year-old Dene from central Saskatchewan who was the first member of her family to receive a post-secondary degree and the first aboriginal youth to represent Canada at an Asia-Pacific Economic Cooperation summit. APAC was able to grow to 400 members in three years with foundational sponsorship from RBC and Accenture. And it’s now shifting some of its focus to student initiatives and mentorship with help and funding from the Urban Aboriginal Strategy, which facilitates community-based partnerships among the government, indigenous organizations, and the private sector to help improve social and economic opportunities for urban Aboriginals.

The hunger for scalability in the Aboriginal youth sector is really the same as in any other area in which NGOs and social entrepreneurs operate. There has been an explosion in small social innovation start-ups but when they work in isolation their impact is like a thousand points of light rather than a fireball. That is why the leading social entrepreneurs who understand the importance of scale are now urging the social enterprise sector to find ways to marshall complementary forces for wider impact. The new mantra: Lead collaborations, not just organizations. Amplify the voices of the constituents you want to serve. Scale the impact.
Initiatives use impact investment

On April 22, 2014, at Wachiay Friendship Centre in Courtney, B.C., the province’s first Aboriginal Social Enterprise Day was celebrated with the unveiling of a symbolic logo designed by Kwakwaka’wakw artist Andy Everson. It was great day to showcase a number of Aboriginal social enterprises, including the Gwa’wina (Raven) screenprinting co-op of young entrepreneurs, who displayed their skills by transferring the new Aboriginal Social Enterprise Day logo onto T-shirts.

It is a sign of the times. Entrepreneurship is proving to be very attractive in Aboriginal communities. Although Aboriginal youth (aged 15 to 24) are about half as likely to be entrepreneurs than Canadian youth in general, entrepreneurs under 25 years old made up about 5 percent of all self-employed Aboriginal people, nearly double the figure for the general Canadian population. Between the 2001 and 2006 censuses, the number of Aboriginal people who were self-employed jumped more than 25 percent, much more than the 8 percent increase reported in the same period for non-Aboriginal people.18

This increase is a reflection of the growing number of educational initiatives aimed at offering young Canadians, including Aboriginal youth, the tools and mentorship to strike out on their own. The Martin Aboriginal Education Initiative, for example, runs an Aboriginal youth entrepreneurship project in partnership with the National Foundation for Teaching Entrepreneurship to Youth. The Haliburton School of The Arts (Fleming College), Nogojiwanong Friendship Centre, and the Aboriginal Research Institute operate the Aboriginal Youth Entrepreneurship Program to help young and aspiring Aboriginal entrepreneurs in the arts, crafts, and music sectors. They show participants how to develop or expand a micro-enterprise and enhance their understanding of conducting business in the arts sector. The Native Women’s Resource Centre of Toronto runs social enterprise workshops for First Nations, Métis, and Inuit female youth between the ages of 18 and 28.

Education and mentoring, however, will only go so far. Lack of capital is often the key barrier to getting an enterprise off the ground, and access to capital for young Aboriginal entrepreneurs is a particular challenge. In one survey of Aboriginal businesses, 52 percent identified Aboriginal lending agencies as the main source of financing for ongoing operations. The capital gap faced by the Aboriginal economy is estimated at $43.3 billion.19

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18 Northern Development Ministers Forum. Aboriginal Youth Entrepreneurship Success Factors and Challenges. 2010
Slowly, that gap is being filled in. Typical financing for social enterprises comes from banks and credit unions offering micro-loans and government-backed loan guarantee programs, such as the Aboriginal Capital Corporations (funded through Aboriginal Affairs and Northern Development Canada), which offers loan programs for Aboriginal clients.

The Business Development Bank maintains an Aboriginal Business Development Fund (ABDF) for Aboriginal entrepreneurs who in normal circumstances would not qualify for a loan. ABDF loans combine financing with management training and on-going mentorship; they involve amounts varying from $5,000 to $20,000, repayable within three years. In return, the Aboriginal entrepreneur commits to undertaking training to enhance management skills and agrees to ongoing mentorship. The Business Development Bank has committed $1 million for four ABDFs across Canada.

Beyond conventional lending sources, young Aboriginal entrepreneurs will also be able to benefit from socially-minded “impact investing.” In a presentation to the Public Policy Forum in November 2013, Dr. Ilse Treurnicht, CEO of MaRS Discovery District, defined an impact investment as an investment in a project, business, or financial vehicle with the explicit intention to create a positive impact and generate a financial return. Impact investors seek to move beyond “doing no harm” and towards intentionally deploying capital in businesses and projects that can provide solutions to societal problems.20

According to Treurnicht, Canada is now in the “marketplace building phase” of impact investment: centres of activity are beginning to develop and the infrastructure is being built that will reduce transaction costs and support a higher volume of activity. Capturing the value of the marketplace phase is still five to 10 years away, when mainstream investment players enter the market and growth takes off.

We can already start seeing what that will look like for Aboriginal entrepreneurs. An early leader in the area is the Capital for Aboriginal Prosperity and Entrepreneurship (CAPE) Fund, a $50-million private equity investment fund that aims to encourage Aboriginal entrepreneurship and build Aboriginal business.

The Coast Opportunity Fund manages more than $60 million from investors including foundations and governments. The Fund works with the First Nations of the Great Bear Rainforest and Haida

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Gwaii to support sustainable and meaningful economic development, conservation management, and community health projects.

And the Youth Social Innovation Capital Fund provides young social entrepreneurs with micro-loans as well as mentorship, connections, and business education to effectively implement their socially and financially viable ideas.
Initiatives build in learning loops

SOCIAL ENTERPRISE AND ABORIGINAL YOUTH DEVELOPMENT ARE, IN SOME WAYS, TWO SIDES OF the same coin. In the Canadian context, social enterprise is a fairly recent phenomenon (particularly on the social finance side), while the interests of First Nations, Metis, and Inuit youth are just now capturing wide public attention. For both, there is tremendous upside but also much to learn.

When they speak at forums, Aboriginal youth leaders say they desperately need to learn more about their career and work options. In fact, the gap in reliable and practical career guidance programs for Aboriginal students has long been noted. A study in Atlantic Canada in 2009 reported that students generally were not aware of what courses they needed to take and required greater support at the post-secondary level. Survey participants — those who had not completed their post-secondary studies — said they would have benefitted by having academic advisors and career counsellors helping them choose the courses they needed. Overall, a lack of career planning assistance negatively impacted the postsecondary-school-to-work transitions of Aboriginal people in Atlantic Canada.21

Aboriginal youth leaders themselves say they have ideas on how to contribute to their communities and but need help in becoming agents of change and in learning business culture, how foundations work, and what employers and investors expect. Social entrepreneurs are in a good position to offer this knowledge both as direct supporters and investors and as role models in youth initiatives.

“It is incredible to spend time in the communities, listening to people and processing how things are done. It reconfigures how your brain works. It makes you really think about connections between land, culture, language. Every time we go north, there’s another layer pulled back.”

Learning happens organically with each exchange, when there is openness and active listening. It can also happen formally in dedicated learning spaces either online or in person. The Collaborative Circle

on Education and Youth Leadership is one; it describes itself as a community of practice for adults and youth to share their knowledge about what works in the area of youth engagement.

Such opportunities to share knowledge through direct interactions is priceless. Long-term relations must be developed in person, which is a challenge itself since many communities are located in remote regions of Canada. The foundation and social enterprise sector has a mixed record in this type of relationship management. A report commissioned by the Circle on Philanthropy and Aboriginal Peoples in Canada described a two-solitudes situation in which “we don’t hear about, don’t know, don’t see Aboriginal people. They are separate; it is rare for people in the foundation community to know or see Aboriginal people. We are trying to attract more Aboriginal people to come into the foundation circle; foundations need to dig deeply to find ways to be a support.”

But when exchanges of happen, the payoff is substantial. As another foundation executive noted in the report: “Good foundations crave learning opportunities. It is a privileged position to be able to step back and think about how change happens. It is incredible to go and spend time in the communities, spend time listening to people and processing how things are done. It challenges, reconfigures how your brain works. It makes you really think about connections between land, culture, language. Every time we go north, there’s another layer pulled back.”

These are some of the ways in which social enterprises can contribute to Aboriginal youth development in Canada.

The most common call to action is economic. In a widely cited report for the Centre for the Study in Living Standards in 2009, researchers Sharpe, Arsenault, Lapointe, and Cowan examined the hypothetical results of having Aboriginal Canadians reach the 2001 non-Aboriginal education and labour market outcomes in 2026. If this were to happen, the authors estimated a total increase in income levels of $36.5 billion by 2026. Tax revenues would be $3.5 billion higher annually, and government expenditures would decrease by as much as $14.2 billion as a result of increased social well-being among Aboriginal people. Canada’s gross domestic product could increase by an estimated $401 billion by 2026.23

Another call to action relates to labour market development. In recent years, alarms have been raised about a looming crisis in the Canadian labour force — a shortage of labour caused by low birth rates and the aging of the Canadian population. The rapid growth rate of the Aboriginal labour force presents an opportunity to offset these demographic pressures to some extent and could benefit both Aboriginal people and the Canadian economy. (By 2017, the number of young adults aged 20 to 29 entering the labour market is projected to increase by more 40 percent, more than four times the projected growth rate of 9 percent among the same age group in the general population.)24

While these macroeconomic and labour market impacts are useful and valid ways to capture the attention of policy makers, they are an odd way to frame a call to action for foundations, NGOs, and social entrepreneurs. If there were little economic impact in closing the gap in educational outcomes between Aboriginal and non-Aboriginal youth or if there were no skilled trades gap, would the case be any less compelling?

Various levels of governments and representatives of First Nations, Metis, and Inuit have a job to do resolving differences dating back to first contact. In the area of educating Aboriginal youth, now such a hot-button topic, do we take the so-called “parallelism” approach of “Aboriginal and non-Aboriginal

communities travelling side by side, coexisting but not getting in each other’s way”? Or is integration the goal, at least in terms of Aboriginal educational achievement?

The federal government’s Education Act could not survive this debate. Hopefully, policy windows will open at another time. Shawn Atleo’s *cri de coeur* about “smashing the status quo” was spoken in frustration and fully understandable. Yet he may not be right. Perhaps change will come, is coming, not at the national leadership level but internally, within communities and families and boardrooms. Small steps. Incremental actions. Building blocks in the form of proof-of-concepts and success stories.

And that is where social enterprises come in. They are better positioned than government to take risks, build deeper relationships, and pursue a strengths-based approach. As a respondent in the report from the Circle on Philanthropy and Aboriginal Peoples in Canada pointed out, “One of the exciting things about foundations . . . is that they are better positioned to provide expertise and advice to communities and they are able to do so in an innovative way that government funders cannot, as government funders are restricted by policy and election cycles. Foundations that have taken the steps to truly understand First Nations’ unique cultures are at the forefront of developing new relationships with First Peoples.”

The vision is of healthy First Nations, Metis, and Inuit youth, within supportive families and communities, having the foundational tools to achieve their aspirations, be it as band council leaders, skilled workers at northern gold mines, artists, health care practitioners, Master Chef contestants, or video game programmers. It is one of most compelling human development visions in Canada.
In short . . .

This discussion paper asked the following question: When social enterprises are making a positive contribution to Aboriginal youth development — when they are operating in this space at their best — what does it look like? It offered several defining features.

Initiatives are properly targeted and strategically sound.
They recognize the wide range of contexts for First Nations, Métis, and Inuit youth and avoid oversimplifying the issues or misdirecting efforts. Social enterprise initiatives that are strategically sound avoid setting stretch goals and target key transition points in Aboriginal youth development.

Initiatives respond to Aboriginal youth aspirations.
First Nations, Métis, and Inuit youth are clearly articulating their interests and take leadership roles. Social entrepreneurs would do well to listen to Aboriginal youth and involve them in governance. They can also help build and support networks of youth leaders who can share learning with one another.

Initiatives are built to last by working with communities.
Sustainable projects that support Aboriginal youth are anchored in Nunavut hamlets, First Nations reserves, and other Aboriginal communities. These locally-appropriate approaches are based on community knowledge of what works locally and help build local capacity.

Initiatives are built to scale through collaborations.
Rather than staying small and going it alone, social enterprises that are based on robust collaborations lead to more stable and longer terms relationships, reduced risk, and entryways into communities that would otherwise be closed.

Initiatives use impact investment to support entrepreneurship.
New social finance instruments are put in play to give young First Nations, Métis, and Inuit entrepreneurs the backing to take calculated risks to start their own businesses. Impact investing usually has longer time horizons than short funding cycles, making it conducive for deeper relationships to take root.

Initiatives build in learning loops for partners to get smart.
They have a reflective dimension that allows Aboriginal youth, social enterprises, and communities to assess what works, where things go wrong, and how to make adjustments, not only for the initiative but for their own future roles.

What are your views? Share your thoughts with Smith School of Business Centre for Social Impact by contacting us at csi@queensu.ca