

Haida building toward prosperous future

Looking beyond the resource-base economy is crucial first step

By Monte Stewart
Business Edge

It is not exactly a Trump tower. But, for Paula Lawson, it spells hope for more economic development on the Queen Charlotte Islands – also known as Haida Gwaii – the string of islands populated by about 6,000 people and located about 120 kilometres off the northern B.C. coastline.

This hope lies in a small hotel in the Haida Gwaii town of Skidegate on the southern end of Graham Island that will cost about \$8-\$10 million to build.

The problem is finding a financial backer and looking beyond the islands' simple resource-based economy.

Lawson is the general manager of Gwaalagaa Naay Corporation, the economic development arm of the Skidegate Band Council, one of two – along with the Old Masset Band Council – that form the Haida First Nation.

"We don't even have any three-star accommodation... unless you want to go to the (hunting and fishing) lodges, which are not (affordable) for the average person," says Lawson, who returned to Haida Gwaii – where she was born and raised – eight years ago.

She is among a growing group of people who are now trying to generate more business and job opportunities on the islands that, she says, have an unemployment rate of 80 per cent.

Ideally, she says, the Haida would like to partner with corporations from the mainland on large projects that ensure long-term prosperity. But such opportunities are unlikely, given the region's small population.

British Columbia and the Haida Nation agreed to a new land-use deal this past December that will limit the annual timber harvest to 800,000 from 1.3 million cubic metres per year and protect an additional 250,000 hectares from development, bringing the region's entire protected area to about half of the islands' land total.

But the agreement also raises questions about how the Haida can diversify their economy after forestry and fishing, which are both in rapid decline, provided the economic base for many decades.

The proposed hotel is more of a priority now that the \$20-million Haida Heritage Centre, which officially opened in 2006, is up and running. It includes the Haida Gwaii Museum, a canoe house and teaching centre named after late legendary Haida artist Bill Reid, performing house, carving shed, artisans' workshops, gift shop and café.

The hotel, along with a proposed 320-megawatt Naikun wind-power

Quotable

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project – a joint venture between the Haida Nation and Vancouver-based Naikun Wind Energy Group – are initiatives on which the Haida hope to partner with mainland companies.

Lawson hopes the wind farm, which has raised controversy because plans call for it to be built over water rather than land, can help develop more industrial operations, such as a value-added wood-products plant.

But Lawson predicts small business will likely play the most prominent role when it comes to developing future projects on the islands.

Lynda Dixon and her husband Larry Bateham are trying to do their part. They are in the process of launching a chanterelle mushroom business through the QC3 Culinary Co-operative, which they founded two years ago. It has now grown to 37 members, including members of the Haida Nation and other non-Aboriginals.

"We are a new breed of co-ops that brings everyone together," says Dixon, the co-op's general manager and lone full-time employee.

Growing, marketing and distributing the mushrooms presented some initial challenges.

Dixon and Bateham were about to scrap their plan because conventional freeze-drying techniques changed the natural colour and texture of the mushrooms.

But they changed their minds after hearing about a new technology, originally developed at the University of British Columbia, that dehydrates the mushrooms with radiant-energy-vacuum technology known as nutraREV.

The technology preserves the product's natural characteristics and aroma while also ensuring a long shelf life.

Dixon and Bateham acquired a small-scale, eight-kilowatt "batch"

version of the technology from its developer, Vancouver-based EnWave Corporation, and pushed on.

Their QC3 Culinary Co-operative is now using the microwave energy-transfer system to dry out 3,500 pounds of mushrooms and prepare them for marketing in Europe, while also looking for other products from the islands to dry and sell.

Ultimately, Dixon says, the co-op is trying to help the Haida people make up for cutbacks in their forestry and fishing industries.

EnWave, which develops drying technologies for both the biomedical and food sectors, is also working with Richmond-based blueberry producer Cal-San Enterprises to test the commercial viability of the technology. The company's goal is to reach a commercial production rate of 100 kilograms of finished product per hour.

The QC3 Culinary Co-op is "trying to create small industries for themselves and they would like to use the technology to develop a specialty product for themselves," says EnWave president John McNichol.

People of Haida descent are among the co-op members, Dixon says.

"(The co-op model) can bring people together from the different communities," says Dixon.

"The co-op model can actually serve as a way for people who share a vision – and are creating something that they're going to benefit from – to work together, despite where they come from."

The Queen Charlottes business is one of 9,000 co-ops, which include credit unions, across Canada.

According to a study by the University of Saskatchewan's Centre for the Study of Co-operatives, there were 133 First Nations co-ops in Canada in 2001, most found in Canada's Arctic.

Approximately 40 First Nations

co-ops are part of a network that is a member of the Ottawa-based Canadian Co-operative Association (CCA).

"We certainly promote (First Nations co-ops) as a good fit in terms of the business model," says CCA executive director Carol Hunter.

"It's been a really good training ground for Aboriginal directors to get their first experience in democratic decision-making."

But she and others believe that First Nations band politics can be a factor in the slow growth of co-ops on reserves.

But the Haida's Lawson questions whether the co-op model would thrive in First Nations or other communities.

She adds while co-op owners would be paid based on what they produce and provide, younger generations do not appear willing to put in the hard work that co-op require, and they would only earn subsistence-level wages.

The CCA is working to develop a program that makes all Canadians – not just First Nations – more aware of co-ops.

Ian Gill, president and CEO of Vancouver-based Eco-Trust Canada, which has funded some co-ops and other First Nations enterprises, says Aboriginal communities lend themselves well to the co-op model because they tend to be more community-minded.

But, he adds, traditional entrepreneurship, where an entrepreneur or staff owns a company, is not favoured in many First Nations communities because there's more of a desire for the business to benefit the entire community.

"Some of the corporations that have been set up on First Nations reserves haven't been successful in some cases because they've mixed politics with business," he notes.

Gill adds that many Aboriginals who live on reserves often don't see the benefits of First Nations-operated corporations because they do not receive a direct return.

But if structured properly, he says, a co-op has a way to look after three bottom lines – economic, environmental and social sustainability – naturally.

For the people of Haida Gwaii, other challenges stand in the way of economic development. "Because the federal government has tightened up their budget for economic development, it's a hindrance for us," says Lawson.

"There are many things we would like to do. All of these things have been hopes and dreams for years."

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