



Prime Minister Justin Trudeau, pictured on the Hill on Oct. 2, 2016, at a rally for missing and murdered Indigenous women and girls. At least one aspect of implementing the UNDRIP really could be that simple. So what is Prime Minister Trudeau's government waiting for, writes Shannin Metatawabin. *The Hill Times* file photograph

Economic self-determination through lending: empowering Indigenous peoples, implementing UNDRIP

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Shannin Metatawabin

Indigenous issues

In the 1980s, the federal government and Indigenous leaders were on the right track. Prior to the United Nations

Declaration on the Rights of Indigenous Peoples, the Truth and Reconciliation Commission and even prior to the Royal Commission on Aboriginal Peoples, it was known that the Indigenous economy needed attention. This resulted in the creation of a network of Indigenous business development financial institutions. With an initial federal investment of \$240-million, these institutions have since provided more than 42,000 loans totalling \$2.3-billion to Indigenous communities and entrepreneurs.

The businesses these loans made possible are diverse. One factor unites them: all are led by Indig-

enous individuals or communities taking their economic futures into their own hands. In very concrete, everyday ways, these businesses help realize the right to economic self-determination guaranteed in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

As the federal government seeks ways to implement the UNDRIP, it is also crucial to value efforts and initiatives already underway. Of special relevance here are Articles 5 and 23, which state that Indigenous peoples have the right to maintain their own economic institutions and administer their development through them.

The financial sector offers a valuable precedent of an Indigenous/state partnership to promote economic self-determination. It has existed for three decades, and this network of 58 Aboriginal Financial Institutions (AFIs) serves First Nations, Métis, and Inuit clients in every province and territory across the country. The National Aboriginal Capital Corporations Association (NACCA) represents

the AFI network nationally, advocating on its behalf.

Why are Indigenous lending institutions required? Capital is the bedrock of business development. More than that, it is the bedrock of building an independent, healthy and sustainable Indigenous nation. Yet, as sources including the Conference Board of Canada, National Aboriginal Economic Development Board, and Canadian Chamber of Commerce point out, Indigenous people do not have equal access to loan and equity capital compared to their non-Indigenous counterparts.

Barriers to access are complex, and vary by region and heritage group. They include such factors as community remoteness, legal impediments under the Indian Act, and lower personal savings, credit ratings and financial literacy rates. Collectively, they hinder Indigenous peoples in realizing their right to economic self-determination.

Enter the AFIs, which are equipped with a deep understanding of the barriers faced by the communities they serve. AFIs provide Indigenous entrepreneurs with capital they could not otherwise obtain, as well as services to address their capacity needs. Report after report now point to banks needing to be as close to the client as possible to ensure uptake and success. This has been the AFI network's success for decades.

The results are a success story in economic self-determination. For 2016 alone, NACCA internal data indicates that AFI lending had a direct impact of \$264-million on Indigenous economies and created or maintained over 4,000 jobs. That same year, the Canadian Council for Aboriginal Business found that our Indigenous lending institutions remain an important part of the financial eco-system.

Despite its established successes, the AFI network has received minimal additional

lending capital from the federal government in the past twenty years. And this is at a time when Indigenous businesses are becoming larger and more complex. Their demand for capital far exceeds the supply that AFIs have available to lend out.

So what now? As the federal government strives to find means to implement the UNDRIP, one potential means lies close at hand. It requires no changes to law or policy—only substantial investment, of a kind that has paid dividends many times over, to continue the good work of an existing Indigenous-led infrastructure.

There is a need to support the capacity of Indigenous-led institutions to deliver business and financial skills, as well as a more diverse set of products and services for clients with larger and more innovative projects. Above all, the federal government should provide new capital to assist in the development of a long-term sustainability fund that will allow AFIs to continue helping Indigenous communities realize their right to economic self-determination.

At least one aspect of implementing the UNDRIP really could be that simple.

So what are we waiting for? *Shannin Metatawabin is the chief executive officer at the National Aboriginal Capital Corporations Association (NACCA.ca). Shannin is Cree/Innino from Fort Albany First Nation of the Mushkegowuk Nation. He holds a bachelor of arts in political science from Carleton University and an Aboriginal Economic Development certificate from the University of Waterloo. He previously served as the executive director of the Ontario First Nations Technical Services Corporation and the manager of Aboriginal Affairs and Sustainability with De Beers Canada.*

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