

# Toward Sustainable Development in the North: Exploring Models of Success in Community-Based Entrepreneurship

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**Abstract:** This article intends to achieve a better understanding of economic and social development in the remote, northern regions in Saskatchewan. The authors review development models that were employed by various communities. By benchmarking the practices documented and reported in the extant literature, the authors discuss the need for comparative empirical research for further development of the theory on northern development. Following a comparative case analysis method, the authors select cases that were theoretically and empirically comparable to Northern Saskatchewan, re-examine the reported relationships among relevant factors, and categorize the themes regarding developmental strategies and their resulting outcomes. These cases are from communities in Canada, the US, and Northern Scandinavia. While there seems to be general agreement on what constitutes “good practices” for regional economic and social development, there is no consensus or panacea for success. Each case was heavily embedded in a set of contextual circumstances. Some communities have undertaken different strategies to achieve the same kind of outcomes, while similar strategies have produced drastically different results in other communities.

## 1. Introduction

Northern Saskatchewan is crucial to the province’s economic future. Northern Saskatchewan is endowed with a vast amount of tangible resources, including forestry, uranium, and other minerals, and with potential to further develop oil sands,<sup>1</sup> hydroelectricity,<sup>2</sup> and tourism opportunities.

Although the Provincial North is an integral element of, and a major contributor to, the province’s newly found prosperity, it is often “forgotten”<sup>3</sup> in the sense that it is still home to some of the poorest and most socio-economically challenged communities in the country. According to the 2006 Census data, the average family income for residents of Northern Saskatchewan is less than 60% of the provincial average.<sup>4</sup>

Historically, the province has given some consideration to the development of its North. The establishment of the Enterprise Region Program in 2009, for example, was designed in part to help local businesses and regions change and become more entrepreneurial and competitive, as well as to foster innovation and success in the new global economy.<sup>5</sup> This northern focus by the province has not been sustained, however. The 2012 Saskatchewan Provincial Budget cut the funding to such programs, leaving many northern communities at an uncertain crossroads yet again.

On the one hand, Northern Saskatchewan is now in a dramatically improved economic position thanks to increased exploration and mining activities along with the potential for development in the oil sands and other resources.<sup>6</sup> On the other hand, many of the northern communities have not been able to fully participate in the development activities, or enjoy the benefits of the boom. Under the combined influence of the uncertainty of continued government support for the northern region, the ever-increasing global demand and market value for northern resources, the transitions in emerging governance structures for northern Aboriginal communities, and rapidly changing regional economic and social dynamics, Northern Saskatchewan communities must be proactive and become engaged participants of social and economic development of their home region. This requires comprehensive economic development and governance strategies driven by a strong desire for economic prosperity and supported by sound evidence-based decision making.

Successful and sustainable regional economic and social development models can provide valuable lessons for Northern Saskatchewan. This article benchmarks the practices that have been documented and reported in the extant literature.

## **2. Sustainable Northern Development Must Engage Aboriginal People**

One of the key features that characterize Northern Saskatchewan is that it is home to many Aboriginal peoples, including First Nations, Métis, and others. In the Boreal West and Athabasca Northern Enterprise regions, for example, over 90 percent of the population is of Aboriginal descent (see table 1). Over three-quarters of the population in the Churchill River Northern Enterprise Region are Aboriginal. Together, these three Northern Enterprise regions cover approximately half of the geographic area in Saskatchewan.

With that in mind, one cannot talk about northern development in Saskatchewan without addressing the issue of Aboriginal entrepreneurship, which occurs when Aboriginal people create, manage, and develop new

ventures benefiting Aboriginal people.<sup>7</sup> Aboriginal entrepreneurship can also be conceptualized as a special case of social entrepreneurship<sup>8</sup> because Aboriginal enterprises typically create employment to benefit community members and create wealth to fund health, education, housing, and other social concerns of the community. Aboriginal entrepreneurship is distinct from mainstream entrepreneurship because it places important emphasis on community,<sup>9</sup> and is seen as a component of *sustainable* development.<sup>10</sup> Accordingly, a sustainable successful northern development strategy must engage Aboriginal entrepreneurship in a meaningful way.

**Table 1:** Aboriginal Peoples in Northern Enterprise Regions<sup>11</sup>

	Saskatchewan	Boreal West Northern ER	Churchill River Northern ER	Athabasca Basin Northern ER
Total Population	953,850	11,359	17,080	3,492
Non-Aboriginal	811,960	668	3,916	216
Aboriginal				
First Nations	91,400	4,864	11,360	3,086
Métis	48,115	5,508	1,693	140
Inuit, other, or multiple	2,375	319	112	49
Total Aboriginal	141,890	10,691	13,164	3,275
Percentage Aboriginal	14.88%	94.12%	77.07%	93.78%

### 3. Sustainable Northern Development as an Evolving Topic

The extant research on the topic of sustainable northern development includes a collection of studies with diverse approaches and perspectives, many of which have mainly focused on a specific sub-topic or geographic region. Many Canadian researchers have made significant contributions to the development of the theory of Aboriginal entrepreneurship.<sup>12</sup>

Researchers in the United States have undertaken one of the most ambitious large-scale research programs on Aboriginal entrepreneurship, known as the Harvard Project on American Indian Economic Development (the Harvard Project), which has produced many books,<sup>13</sup> case studies,<sup>14</sup> and journal articles.<sup>15</sup> The findings and recommendations drawn from the Harvard Project have influenced the development of northern and Aboriginal entrepreneurship in Saskatchewan. This does not mean, however, that the

Harvard Project is the only model that can lead to successful outcomes. Each community must deal with its own unique set of contextual circumstances in order to achieve their own success.

Scandinavian researchers have noted the delicate balance between the Aboriginal entrepreneurship of the Sámi people in Northern Scandinavia, and the regional economic development of the northern communities that consist of both Aboriginal and non-Aboriginal peoples.

Few studies, however, have contrasted the economic and social development models employed by various communities, taking into consideration both the similarities and dissimilarities of their contextual circumstances, in order to build an integrative and multifaceted theory. Regional development in rural and Aboriginal communities can be considered a complex process of modernization with a history of dependency.<sup>16</sup> Sustainable northern development is not just about an economic process; it also involves location, politics, identity, culture, and history.<sup>17</sup> As the cases from Canada and around the world will demonstrate, modernization, dependency, and regulation are not mutually exclusive topics in northern development. Rather, they are interconnected. Each community has its own unique story and experience, shaped by not only its idiosyncratic history or resource endowment, but also steered by the strategies they employ.

#### **4. Sustainable Development Models that are Comparable to Northern Saskatchewan**

The comparable case method adopts the logic of hypothesis testing, and selects cases to maximize the variance of the independent variables while keeping the variance of control variables to a minimum.<sup>18</sup> As such, the case-based comparative method is not merely observation of a random collection of cases. Instead, it requires that the possible relationships among key variables have a theoretical base and be falsifiable. Researchers should select cases that have similar backgrounds so that the influences from spurious control variables are kept to a minimum.

The comparative case study method has become widely used in social sciences as this method can provide deeper insights than other methods.<sup>19</sup> In the context of studying the social impact assessment in northern communities, for example, Asselin and Parkins<sup>20</sup> set a good example of utilizing this method. Essentially, they selected two similar small remote communities, each with a large Aboriginal population, and with similar characteristics and with similar projects taking place. The logic was that, everything else being

equal, if a certain set of outcomes is produced as the results of the project in one community, similar outcomes should be expected in the other.

Similarly, in order for the Northern Saskatchewan communities to establish sustainable long-term regional community economic and social development, they should learn from the successful economic and social development strategies that produced desirable outcomes elsewhere. Accordingly, we studied the successful models that have been tried and tested by communities characterized as Canadian, Aboriginal, and northern.

Because it is difficult to find cases that meet all three criteria, we opt to select three clusters of comparable cases; each cluster meets one of the three characteristics. The first cluster includes several cases of Aboriginal community development in Canada. The experiences of Canadian Aboriginal communities are useful to compare because these communities are Aboriginal-based and share similar legal and regulatory frameworks with many Northern Saskatchewan communities. The second cluster includes cases of American Indians in the United States as reported in studies produced by the Harvard Project. These cases were selected because they are well-known and influential around the world. The drawbacks of these cases are that some of the successful Aboriginal communities are much closer to major metropolitan centers and are located in less harsh climates than Northern Saskatchewan communities. Consequently, when applying the US success models to Northern Saskatchewan, the logistic and climate factors need to be considered and properly accounted for. The third cluster includes communities in Northern Scandinavia. Like the communities in Northern Saskatchewan, these Northern Scandinavian communities are located in the northern part of those countries, sparsely populated, strongly entrenched in their own Aboriginal heritage, and usually endowed with rich resources waiting to be developed.

#### *4.1 Lessons from Canadian Experiences*

Canadian researchers have made significant contributions to the knowledge of Aboriginal entrepreneurship. For example, Dana, Dana, and Anderson<sup>21</sup> argued that entrepreneurship in northern Aboriginal communities is different from entrepreneurship in the traditional sense. Aboriginal economic development is often community-based and the contextual characteristics of the community assert strong influences on how the community-based Aboriginal entrepreneurship takes place.<sup>22</sup>

**Osoyoos Indian Band** is located in southern British Columbia, only a few kilometres from the Canada–US border, with 350 of its 451 members living on the reserve. The band has over 32,000 acres of reserve land, with significant and beautiful lake frontage on the Osoyoos and Tuc-el-Nuit lakes. According to Williams’s 2009 report,<sup>23</sup> the uniqueness of Osoyoos’s success story is that the chief and band council took the opportunity provided by their land designation and developed and operated First Nations owned businesses on behalf of the community. The chief and the council are the board of directors for the Osoyoos Indian Band Development Corporation, with the chief as the CEO. The Band Development Corporation, in turn, have hired individuals based on their skills and experience, regardless of their band membership, to take on the positions of chief operating officer and chief financial officer. Most, if not all, existing and potential projects the band undertakes are measured and evaluated by predetermined minimum internal rates of return. Through partnership with the government and industry players, the Osoyoos Indian Band has been able to generate sustainable revenue streams and access to financial resources based on a strong credit rating. A substantial part of the band’s revenue also comes from land leased for commercial and residential usage. Today, Osoyoos has become a booming business hub for the region, with wineries, resorts, a golf course, and a heritage centre.

**Westbank First Nation** is also located in the south-central interior of British Columbia, about 120 kilometres north of Osoyoos, on the west bank of Okanagan Lake, near Kelowna. Westbank has 5,342 acres of land and 652 members, with 65% of its members living on reserve. Unlike Osoyoos, as noted in the Williams report, Westbank focused on developing their economy through support for local entrepreneurs and the development of their individual enterprises. Following the original land designation and residential subdivision in 1972, Westbank, under the leadership of its chief and council, actively pursued partnership opportunities in a wide variety of areas including business and land development, forestry, and mining. Westbank’s economic approach has been to develop a stable and desirable business environment on reserve that encourages member entrepreneurs and attracts external investors and businesses. One of the key economic development activities Westbank undertook was controversial. It involved issuing certificates of possession to land holders, which almost legitimized private ownership of properties on reserve. This, in turn, allowed the band members to receive income from land leases to developers. As a result, Westbank has established a lively business community, with both First Nation business owners and non-First Nation developers and investors.

**Iqaluit** is the capital city of the territory of Nunavut, and is located on Baffin Island. Nunavut is the least populous, but largest in area of the provinces and territories of Canada. It is also one of the most remote and sparsely settled regions in the world. Originally established as an airbase for the US Army in 1942, Iqaluit eventually become the capital city of Nunavut following the signing of the Nunavut Land Claims Agreement in 1993 and the official creation of Nunavut in 1999. Iqaluit received its city status in 2001. According to the 2011 Census, Iqaluit has 6,699 residents; about 60% are Inuit. The Inuit are recognized by the Canadian government as Aboriginal people in Canada. Many of their communities have been occupied for over a thousand years. With Iqaluit organized and managed as a city rather than an Aboriginal reserve, the Inuit are presumed to work and live, and conduct their businesses, just like people who live in other municipalities. Alarmingly, Dana et al. found that companies in Iqaluit are disproportionately owned by non-Aboriginal people.<sup>24</sup> Many of the local companies are owned by former employees of larger firms. They came from other part of Canada, settled in Iqaluit for employment, and eventually became entrepreneurs to start their own businesses. The Inuit, in contrast, are often engaged in informal and subsistence self-employment, such as hunting caribou, polar bears, and seals for food and for pelts. The Inuit model of entrepreneurship is considerably different from the typical mainstream entrepreneurship, which focuses on profit and growth. The Inuit are more likely to identify with the land, and share their resources with family, friends, and other members of the community. As Dana et al. have reported, young Inuit people often express that they feel caught between two worlds, not knowing whether they should maintain their traditional values and cultures, or fully participate in the modern economy through mainstream entrepreneurship. This concern is shared by many members of the Northern Saskatchewan communities.

**The Diavik Diamond Mine** is located near Lac de Gras, approximately 300 kilometres northeast of Yellowknife in the Northwest Territories, about 220 kilometres south of the Arctic Circle. Missens, Dana, and Anderson have reported that five neighbouring Aboriginal groups—the Tlicho Government (formerly Dogrib Treaty 11 Council), Yellowknives Dene First Nation, Lutsel K'e Dene First Nation, the North Slave Métis Alliance, and the Kitikmeot Inuit Association—have entered into partnership agreements with the Diavik Mine, individually and collectively.<sup>25</sup> These partnership agreements address joint control of training, employment, and business opportunities. For the Aboriginal communities in the region, the mining operation brought about many jobs and business opportunities. Diavik's procurement priorities



give first consideration to Aboriginal enterprises and northern businesses; it committed a target of 38% of spending during the construction phase and 32% of spending during the operation phase to go to northern businesses.<sup>26</sup> As of 2003, northern businesses provided over \$900 million worth of contract jobs for the mine. Roughly two-thirds of these went to Aboriginal enterprises.<sup>27</sup> As of 2004, northern residents made up over 70% of Diavik's workforce, about half of them Aboriginal.<sup>28</sup> Aboriginal and northern businesses supply approximately 70% of the goods and services the mine operation requires. Diavik's success story shows that a good mining strategy is to think beyond just the extraction of natural resources. It makes good business sense to be a good corporate citizen and support local communities and their enterprises. With the right mix of partnership agreements and outside investors, initiatives such as a mining operation can be a catalyst to bring about opportunities and prosperity to the local Aboriginal communities.

Based on these reported Canadian experiences in regional and community development and Aboriginal entrepreneurship, it is clear that the communities in question must take an active and, perhaps, a leadership role. The involvement at the community level, with a well-planned, coordinated, and persistent long-term strategy, has produced enviable success in Osoyoos, Westbank, and in the Diavik region. If the local government chooses to leave economic development entirely to the market forces, as it seems is the case in Iqaluit, it might be difficult to harness the kind of synergy and coordination necessary to ensure the success of Aboriginal entrepreneurship and equitable participation in economic development. Secondly, partnerships between Aboriginal communities and non-Aboriginal enterprises are key factors for success as indicated by the experience shared among these three more successful cases. Thirdly, there is no one-size-fits-all approach to Aboriginal community development. The contrast between the strategies employed by Osoyoos and Westbank indicates that community involvement and community leadership can be expressed in different ways. The Osoyoos achieved their success by conducting Aboriginal entrepreneurship collectively. As the Westbank experience indicates, communities can achieve economic prosperity and social equity by coordinating activities and businesses carried out by individuals. Finally, external investment by mining and other companies can be a catalyst for change. Historically, some of the northern communities have looked at mining operations with suspicion. The story of Diavik suggests that it is possible to find a win-win solution through partnership and collaboration.



#### *4.2 Lessons from American Experiences*

The Harvard Project aims to understand and foster the conditions under which sustained, self-determined social and economic development is achieved among American Indian nations. At the heart of the Harvard Project is the systematic, comparative study of social and economic development on American Indian reservations as to what works, where, and why. Since its inception in 1987, the Harvard Project has conducted hundreds of research and consulting projects, and has been very influential in the domain of Aboriginal entrepreneurship and economic development. Echoing the lessons learned in the Canadian experience, the Harvard Project found that when the Aboriginal communities make their own decisions about what development approaches to take, they consistently out-perform communities for whom decisions are made externally. Leadership embedded within the community coupled with culturally grounded institutions is a key success factor for political self-determination and economic independence.<sup>29</sup> Some of the most informative insights from the Harvard Project are that resource endowment alone is not enough to guarantee economic prosperity, and governance plays a more direct and prominent role in transforming resources to prosperity.<sup>30</sup> The following cases reported in the Harvard Project document some of the spectacular stories of success and failure.

**The Crow (Apsaalooke) Nation** is located in south-central Montana and has a population of approximately 10,000 people. With a reservation of 2.5 million acres of land, the Crow is one of the largest owners of coal resources in the world. The Crow reservation also contains extensive timber, range, agricultural, water, and mineral resources. Despite its tribal wealth, with a total asset value of \$27 billion,<sup>31</sup> and a relatively well-educated population (52% of the community members have high school or better education), according to Cornell and Kalt,<sup>32</sup> 78% of the Crow labour force were reportedly unemployed; social pathologies such as alcoholism, crime, and ill health are present in the extreme. The only significant income from economic activity within the tribe's lands consisted of a non-Indian coal mine that paid royalties to the tribe; land lease payments from local ranchers (at lease rates typically equal to less than one-third of market value); and a modest stream of stumpage receipts from below-market timber sales. Because of a poor management infrastructure with no separation of power between politics and business management, the annual earnings on the \$27 billion of tribal assets amounted to an estimated annual rate of return of 0.01%.<sup>33</sup>

**The Mississippi Band of Choctaw Indians** is located in East Central Mississippi. Despite its lack of natural resources, the Mississippi Choctaw reservation was the development “tiger” of Indian country. With virtually full employment, the Choctaw provided approximately 6,000 jobs to the residents of the surrounding communities, according to a 1999 report by the University of Southern Mississippi.<sup>34</sup> This same report also showed that the Choctaw had a diversified portfolio and business ventures, including plastics manufacturing, automobile subassembly, greeting cards, shopping centre, electronics manufacturing, printing and direct mail, construction, golf resort, late-arriving casino, and so on. Together, these businesses generated 12,000 jobs and more than \$170 million in annual wages. Its own public sector, including schools, law enforcement, social services, health services, and public utilities not only provided excellent services to its own residents, but also employed hundreds of professionals and other workers from the surrounding area. Amid the booming economy and rising standards of living, the rate of Choctaw language use in everyday life is high and rising, as the Tribe invests in its cultural heritage.

**The Pine Ridge (Oglala Sioux) Indian Reservation** covers approximately 2.8 million acres of reservation land in southern South Dakota. With an on-reserve population of approximately 20,000, its primary reservation economic activity is agriculture. Tribal members operated about half of the Indian-owned agricultural property, generating approximately \$3.5 million in annual revenue. The other half of the Indian-owned agricultural property was leased to non-Indians, who were able to generate approximately \$6.5 million annually. The Tribe entered a joint venture in a meat packing plant to employ forty tribal members, which failed within eighteen months amid charges of mismanagement and embezzlement.<sup>35</sup> According to Cornell and Kalt’s 1990 article,<sup>36</sup> the Pine Ridge Reservation covered one of the poorest census tracts in the United States, with per capita income equal to only about one-fourth of the national average, and 73% unemployment.

**The White Mountain Apache Tribe** has approximately 10,000 people, occupying 1.6 million acres of forest and rangeland in east-central Arizona. Approximately 750,000 acres of the Tribe’s Fort Apache Reservation is prime logging country, and another 400,000 acres is high quality rangeland. The White Mountain Apaches operated nine tribally owned enterprises, including a major ski resort with seven lifts and \$9 million per year in revenues; a sawmill with \$30 million per year in revenues; a reservation forest that yielded \$7 million in net logging royalties per year; pay-per-

visit wilderness hunting and fishing that produced annual revenues of approximately \$1.5 million; and a small gaming casino and associated motel. Unemployment among the White Mountain Apaches was approximately 11%, compared with a national average for reservation Indians of 45%.<sup>37</sup> The Tribe's economy is the central driving force in the region, supporting tourism-based non-Indian communities and making the Tribe a recognized and increasingly respected polity.

The contrasting stories of the success of resource-poor Choctaw and the failure of resource-rich Crow are interesting because they accentuate an ongoing debate in mainstream organization management theory. The resource-based view of the firm (RBV) posits that each organization is endowed with a finite amount of resources. Some of these resources are rare, valuable, and difficult for competitors to copy, and therefore provide the firm with opportunities to gain sustainable competitive advantages.<sup>38</sup> It is reasonable to expect that many Northern Saskatchewan communities have the strong potential to become economically prosperous because they are blessed with rich resources, including gold, diamonds, uranium, forestry, and oil sands.<sup>39</sup> It is alarming, though, to witness the unsuccessful experience of some of the resource-rich communities. Penrose<sup>40</sup> maintains that human capital, including skills, experiences, and leadership, is a key resource endowment. Ketchen et al.<sup>41</sup> propose that the RBV should be extended to include strategies, which mediate the relationship between resource endowment and firm performance. The Harvard Project's findings empirically support the importance of such mediating bridges. In other words, without the right people and right strategies, resources alone cannot guarantee prosperity.

Another important lesson learned from the cases documented in the Harvard Project is the separation of politics from the day-to-day operation of the businesses and development programs. This is easier said than done, however. The Pine Ridge Sioux faced the dilemma between maintaining the financial bottom line of its joint venture in meat packing plant, and maintaining the band's objective of providing employment for its members. The lesson is that without a healthy financial bottom line, a community enterprise is unable to perform its intended social services in a sustainable fashion. This notion of separating politics from business has far reaching implications. Osoyoos, for example, decided to measure and evaluate every project by a predetermined minimum internal rate of financial return.<sup>42</sup>

From a different perspective, Anderson et al. argued that Aboriginal entrepreneurship should be considered as a special case of social entrepreneurship.<sup>43</sup> As social entrepreneurship, these Aboriginal enterprises

fulfill multiple purposes. They not only create economic wealth, but also provide jobs, and fund health, education, housing, and other social concerns in the community. A reasonable question is whether Aboriginal enterprises should be evaluated primarily on their economic merit and secondarily on the social outcomes they generate.

#### *4.3 Lessons from Scandinavian Experiences*

Scandinavian researchers have extensively studied northern entrepreneurship and economic development. The Norwegians have been investing short-term resource revenues to ensure a long-term financial base, which should in turn ensure public services for their North in terms of education, health and culture, and economic infrastructure. Northern Scandinavia, including some of the Far North regions of Norway, Sweden, and Finland, share many similarities with Northern Saskatchewan. Some of the communities across the northern regions of these Nordic countries and the Canadian provinces share many similar characteristics, including being sparsely populated, rich in mineral deposits and forestry resources, and with very cold climates. Northern Scandinavia is home to the Sami people, who are indigenous to the region, with rich cultural traditions. Their traditional ways of life include coastal fishing, fur trapping, sheep herding, and reindeer herding. The Sami people have been actively pursuing self-governance and participation in the development of their northern resources. The Norwegian government recognized the Sami as an Indigenous people in 1990, in accordance to the Indigenous and Tribal Peoples Convention, 1989, also known as C-169. The Swedish government, although has not adopted the C-169, recognizes the existence of the "Sami nation." Similarly, Finland recognized the Sami as a "people" in 1995.

The following are some of the stories about their effort to transition into, and find a place, in the modern economy.

**Kemi** is located in the Lapland province in northern Finland, just south of Sápmi.<sup>44</sup> The city has a population of about 22,000, characterized by its working class and left-wing politics. The main economic activities of the town include two large paper and wood pulp mills and the only chromium mine in Europe. With traditional industry jobs rapidly disappearing, the community is trying to reinvent itself in the new economy by focusing on technology and tourism, in addition to the traditional forestry industry.<sup>45</sup> The town hosts the annual construction of the world's biggest snow castle. While this has not been a financially profitable endeavour on its own, the town still supported the project because they saw the initiative as key to changing

the perception of the town from an old forestry centre to a community that embraces the new economy.<sup>46</sup>

**Kemijärvi**, with a population just over 8,000, is another community located in the Finnish Lapland with beautiful forests, swamps, and lakes. However, the community has experienced significant job losses due to a failed fur industry. The town did not give up, however. Its residents engaged new actors and developed new potential themes for the town's future. Through education, creativity, and an entrepreneurial spirit, the town re-grouped around a new pulp mill and an emerging tourism business. The town attributes its success to embracing a multi-faceted business model involving the state, the market, and the third sector, as well as collaborative partnerships among these players.<sup>47</sup>

**Pajala** has a population of 6,000 people. It is located in the Swedish Sápmi on the border between Sweden and Finland. Historically, the community is associated with Sámi reindeer herding. Its forestry and mining industries have gone through ups and downs, with mostly downs in the recent decades. Seeking diversification, the community went through a cultural revival of the indigenous language. The town has now become a regional centre for handicrafts and tourism.<sup>48</sup>

**Narvik**, population 18,380, is located inside the Arctic Circle, in northern Norway. Despite its latitude, the port of Narvik is ice-free all year around, making it a unique and important northern port city with railway connections to mines nearby. The governance of the town has transitioned from government-style planning to company-style management in recent years, and proven to be more effective and efficient than before.<sup>49</sup>

**Fjarðabyggð**, population 4,600, is located on the east coast of Iceland. Originally a primarily fishing community, the town has transformed itself into a knowledge centre. More recently, it added an aluminum smelting factory in its repertoire. While education has changed the perceptions of the community, its risks are now tied to a volatile global industry.<sup>50</sup>

**Egilsstaðir**, population 2,257, is also located in eastern Iceland. Its traditional reindeer business has not been very profitable in recent years. Furthermore, its textile industry is also closing down. However, the town has recreated an energetic cultural life through developments in handicrafts, an international art centre, and women participating in governance.<sup>51</sup>

To outside observers, the rich Sami cultural heritage has clearly set a unique backdrop to these Northern Scandinavia communities. Traditional ways of life are a prominent part of the local social fabric. Reindeer herding and handicraft making have played important roles in the cultural revitalization and the transition into the tourism-heavy, experience-based new economy. For political and historical reasons, Aboriginal entrepreneurship in the region has been viewed just like entrepreneurship in the traditional sense. The notion of Sámi entrepreneurship is only emerging. At the present time, it appears that these towns are organized and managed much like other municipalities in the countries in which they are situated. Like the communities in Northern Saskatchewan, some of them are endowed with rich natural resources. Also like the communities in Northern Saskatchewan, these communities are struggling to deal with large mining corporations, whose decisions are often made in large southern cities. It does appear, however, that by employing a host of divergent regional economic and social development strategies, these Northern Scandinavia communities have by and large overcome the obstacles they are facing and reached reasonable levels of self-reliance and prosperity. A recent report<sup>52</sup> indicated that Sweden, for example, besides having a higher GDP per capita than the European Union average, also exhibited smaller regional differences. More interestingly, the northern regions of the country are showing a trend of GDP growth, compared to a modest shrinkage in the country's south.

## 5. Discussion

This article benchmarked the best practices for economic and social development in Saskatchewan's Provincial North by using a comparative case analysis method to search for developmental and governance strategies from elsewhere that have proven to be effective, efficient, and sustainable. Northern development is a complex subject matter; the development in Northern Saskatchewan will be highly contextual to its circumstances. In searching for comparative cases that might potentially yield insights that are relevant, we identified several key characteristics that are common to the Northern Saskatchewan communities—Canadian, Northern, and Aboriginal. Instead of trying to find perfect matches to compare against the Northern Saskatchewan context, we selected three clusters of cases reported in the literature that match at least one of these characteristics.

We can learn from the Canadian cases, including Osoyoos, Westbank, Iqaluit, and Diavik, that the communities in question must take an active leadership role in community development to achieve political self-determination and economic independence. In addition, the communities

must coordinate within themselves and with government and industry partners.

The American cases found in the Harvard Project are also comparable because they focus on Aboriginal peoples. From the stories of Crow in Montana, Choctaw in Mississippi, Sioux in South Dakota, and Apache in Arizona, we learned that resource endowment does not automatically guarantee prosperity. Instead, well designed and managed governance mechanisms can act as the bridge that leads to success.<sup>53</sup>

The stories of the Northern Scandinavia communities are so similar, yet so different from the stories we heard in Northern Saskatchewan. Like many Northern Saskatchewan communities, they have rich cultural heritages yet they face the threat of losing their traditional ways of life. They are endowed with vast natural resources, but the decisions on the resources are often made in the south. They fight for self-governance, but need cooperation with government and industry. What they have achieved, and more interestingly, how they achieved it, is dramatically different from the Northern Saskatchewan experience. In Northern Saskatchewan (Census Division 18, which covers, approximately, the northern half of the province), the median family income in 2005 was only about \$31,000, compared to the provincial median of \$56,000,<sup>54</sup> indicating significant disadvantages. This disparity would be even worse if purchase power differences were also taken into consideration, because food costs in Northern Saskatchewan are considerably higher than those in the province's cities.<sup>55</sup> Anecdotal evidence in Northern Sweden and Northern Finland indicates that GDP per capita is higher than the European Union average,<sup>56</sup> adjusted for purchase power. The three counties located in Northern Norway—Nordland, Troms, and Finnmark—ranked first, second, and fourth, respectively, among the nineteen counties in Norway, in terms of household income growth in 2011.<sup>57</sup> The Scandinavian experiences provide fertile ground for out-of-the-box innovative solutions that can be applied in a Northern Saskatchewan context. The similarities between towns in Northern Scandinavia and communities in Northern Saskatchewan provide an interesting opportunity for more in-depth first-hand comparative analysis.

Finally, there is a common thread that weaves through all of these stories from very different communities in different parts of the world—people working together. The human capacity to pull together persistently and consistently in pursuit of a common purpose is an essential component for success.<sup>58</sup> Building administrative capacity in Northern Saskatchewan has been identified as one of the most urgent pre-conditions for northern development.<sup>59</sup> Creating and managing prosperity in the Provincial North



will require effective governance systems and sustainable long-term strategies supported by the local Aboriginal communities and in partnership with federal, provincial, municipal, and Aboriginal governments. It requires people who have the right kind of skills and capacity to take advantage of the emerging economic opportunities and to manage the rapid social changes in Northern Saskatchewan communities.

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### Notes

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