

Exploring Economic Development Strategies for Canadian Indigenous Communities Post-Pandemic

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Abstract: The COVID-19 pandemic has strongly impacted the Indigenous Canadian economy. Indigenous enterprises exist in every industry, from small proprietorships to major organizations employing thousands of people. The research concerning the effects of such peculiarities on Indigenous corporations is sparse. This research aimed to examine how the pandemic affected development companies by comparing pre-epidemic forecasts to the trajectory of Indigenous-owned firms after two years of the pandemic and analyzing its singularities. The study was conducted by the Canadian Council for Aboriginal Business (CCAB) and supported by mixed methods techniques such as surveys, interviews, and non-participatory observations obtained from ten distinct Canadian Indigenous Economic Development Corporations, revealing a reality in which Indigenous businesses confront significant challenges in terms of access to public finance, human resources, community well-being, company diversification, and innovation. The result compared pre-pandemic forecasts and analyses that found Indigenous enterprises failing to recover and move ahead on company diversification and innovations, public finance, human resources, and sustainable development.

Keywords: indigenous business; indigenous corporations; indigenous economy; indigenous labor.

JEL classification: P52; O36.

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1. INTRODUCTION

The COVID-19 epidemic presented unprecedented problems to Indigenous enterprises, businesses, and communities throughout Canada. Over three years, businesses and organizations faced public health restrictions, lockdowns, capacity limitations, and operation interruptions. Indigenous-owned operations faced unique and compounding challenges, with limited access to health care, digital infrastructure, and emergency financing (Pergelova *et al.*, 2022).

The Indigenous economy is a comprehensive but overlooked part of the broader economy and Canada's reconciliation efforts. The last data from the Government of Canada estimates that there are over 50,000 Indigenous businesses in Canada, which has significantly increased since Statistics Canada reported in 1996.

The Canadian Council for Aboriginal Business (CCAB, 2019) developed research in 2019 and reported that Indigenous businesses could support 24% of the Federal government's procurement needs. Besides, before the COVID-19 pandemic, the Indigenomics Institute estimated that the Indigenous economy in Canada was valued at some \$32 billion with the potential to grow to \$100 Billion by 2023-24 (Hilton, 2021).

By 2027, the Indigenous youth population in Canada is expected to reach one million and is growing at four times the national average for youth, making it a significant part of the country's future labor force (Kamalnath, 2021; Statistics Canada, 2021).

Indigenous businesses operate in all industries, from sole proprietorships to large firms employing thousands of individuals (Volynets, 2015), and Economic Development Corporations (EDC) hold a unique place in the indigenous economy. One or more Indigenous communities own these businesses or corporations and act as revenue generation for investors and community members. The EDC operates at arm's-length from Indigenous leadership but often works to employ community members (Volynets, 2015), contribute to community socioeconomic well-being (Kamalnath, 2021), and own or invest in local businesses (CCAB, 2019).

The larger scale of operations compared to many Indigenous businesses and their connections to the well-being of their community makes them an essential part of the Indigenous economy.

Research problems emerge regarding how the EDCs are preparing for post-pandemic recovery and how the pre-pandemic projections related to the trajectory of Indigenous-owned business successes have been impacted.

This study aimed to explore how the pandemic has impacted development corporations.

The research justification arises to answer a need for a more thorough understanding of the Indigenous economy in Canada and how it is faring in the period of economic recovery post-pandemic. In addition, as an academic contribution, after a comprehensive bibliometric review, this article explores the Canadian Indigenous business realities, providing an essential discussion of how the pandemic has impacted these corporations, collaborating to build precise literature and a better understanding of the Indigenous business development.

This article is structured following the research process. Section 2 presents the literature review supported by a bibliometric evaluation of the central concepts studied. The methodology is described in Section 3 and includes where the data were obtained, the technique used to retrieve information, and the methods used. In Section 4, findings are presented and comparably discussed. The earned results are shown in Section 5, which also brings research limitations and further research recommendations.

2. LITERATURE REVIEW

The First Nation communities, which have the largest indigenous population in Canada, play a unique role in the Canadian business scenario. They are notably adept at growth, as highlighted by more than 1.6 million people identifying as Aboriginal during the 2016 Census of Canada. In addition, those communities have pursued business development with increasing success in recent decades.

Indigenous communities usually own businesses for economic development that meet community goals (Hotte *et al.*, 2018; Jarvis *et al.*, 2018; Kamalnath, 2021) such as employment for community members, access to training and skills development and financial transfers to support programs and service delivery. However, the literature is few, especially those depicting the Canadian First Nation's business reality, whose lack of research was also highlighted by Gordon *et al.* (2017); Ratten and Dana (2017); Gladun *et al.* (2021); Kant and Vertinsky (2022).

Considering aligned literature, the Indigenous Economic Independence Study (Jarvis *et al.*, 2018), which focused on the indigenous business development in northern Australia, has contributed to support the proposition that expenditure on Indigenous land and sea management programs generates positive spillovers for other Indigenous businesses, creating a solid chain (Jarvis *et al.*, 2018).

On the other hand, the Indigenous Economies in the Arctic Study (Gladun *et al.*, 2021) focused on explaining the different types of Indigenous economies on the continuum between subsistence and market across three Arctic countries: Russia, Finland, and the United States (Alaska). The research demonstrated that some features of Indigenous economies are a crucial part of Indigenous culture and help sustain the traditional way of life and interaction with the market economy. The study discussed Indigenous economies, differentiating three types: subsistence, redistribution, and market economies, which included corporations, nonprofit organizations, and enterprises. The Arctic's research emphasized a concern in its conclusion regarding the Indigenous communities and businesses being forced to adapt to new circumstances associated with the transformation of their economic and cultural life.

Nevertheless, most of the literature explored the importance of separating Indigenous EDCs from politics (Tulk, 2013; Poelzer and Coates, 2015; Hotte *et al.*, 2018; Kamalnath, 2021), and notwithstanding its importance, the EDC's management operations, profits, and community connections remain less explored. Indigenous EDCs can also be considered part of a broader set of social enterprises, defined as hybrid organizations that pursue economic and social objectives.

This article reinforces the concept that Aboriginal Economic Development Corporations are community-based organizations that provide unique revenue streams, helping Indigenous communities to prosper (Gladun *et al.*, 2021). Besides, these corporations tend to be larger than Indigenous privately-owned businesses, which has allowed some of them to be pathfinders, breaking into the regional supply chain (Poelzer and Coates, 2015; Hotte *et al.*, 2018; Pergelova *et al.*, 2022).

While Canadian Indigenous economic development has been academically explored, there is still a lack of information about the operations and their singularities, primarily related to the effects of the COVID-19 pandemic.

This study was carried out by the Canadian Council for Aboriginal Business, using a research methodology approved by its board. The approach involved conducting surveys and interviews with ten different Canadian Indigenous Economic Development Corporations. Mixed methods supported the study, consolidating it as a quasi-experimental study (Leech and Onwuegbuzie, 2009; Yin, 2017).

Effectively, the mixed-methods approach comprised quantitative and qualitative analysis, and the survey instrument contained twenty-two questions that had been informed by previous CCAB questionnaires with additional questions designed by CCAB, the University of Saskatchewan, and the Northern Policy Institute. The researchers re-interviewed participants who took part in the 2019/2020 Aboriginal business survey and compared the findings.

The new survey was divided into two sections: the first examined current business characteristics using the same questions as the 2019 business survey, and the second covered future business trends. The second segment examined the pandemic's consequences on five themes: general implications, effects on relationships, finance and funding, and outlook and recovery.

According to Yin (2017), the survey participants were chosen intentionally, and 10 Canadian Indigenous EDCs were chosen. Once the sample mirrored to the best of our abilities at a nationwide range, it was tested and authorized. The sample included Four First Nation EDCs from Saskatchewan, three from Yukon, one from the Northwest Territories, one from Nova Scotia (representing Atlantic Canada), one from Ontario, and one from British Columbia are in the sample, making it well-rounded and representative.

The Ten CEOs were selected across Canada using purposive sampling, which considered industry diversity and company size. The interviews lasted for six months, with each session lasting one hour. A semi-structured guide covered topics such as leadership styles, organizational challenges, and strategic decision-making.

The CEOs were contacted via email and scheduled based on their availability. Interviews were conducted by phone or video conference to ensure a comfortable and confidential setting. The meetings and phone calls were authorized to be recorded for academic purposes.

The executives from the chosen EDCs completed a survey and were thoroughly interviewed, supporting the mixed-methods technique. Eight (8) of the ten top executives of EDCs took part in the last national business survey, which was held in 2020. The Web of Science database was searched using keywords and related phrases to methodologically support the study and find scientific output surrounding the issue, as shown in Table no. 1.

Table no. 1 – Boolean classification of Web of Science database

	Research Area	Year of Publication	Country	Author(s)
1 st	Indigenous Corporations (Government Law) (40.00%)	Indigenous Corporations (2020) (40.00%)	Indigenous Corporations (Australia) (60.00%)	Indigenous Corporations (Addison, Jane) (20.00%)
2 nd	Indigenous Labor (History) (37.50%)	Indigenous Business (2021) (17.21%)	Indigenous Labor (USA) (42.50%)	Indigenous Economy (Gladun, Elena) (8.00%)
3 rd	Indigenous Business (Business) (36.505%)	Indigenous Economy (2019) (16.00%)	Indigenous Business (Australia) (28.57%)	Indigenous Business (Dana, Leo-Paul) (3.17%)
4 th	Indigenous Economy (Business Economics) (32.00%)	Indigenous Labor (2019) (12.50%)	Indigenous Economy (USA) (24.00%)	Indigenous Labor (Acharya, Arun) (2.50%)

Source: authors

Therefore, this research is classified as exploratory descriptive in terms of its purpose, mixed in terms of the nature of the data, and non-experimental based on delimited surveys, content and documental analysis, and bibliometrics.

3. CONTEXT

Economic Development Corporations (EDCs) are organizations that operate businesses on behalf of Indigenous communities, serving as umbrella entities that are larger than privately owned businesses owned by individuals from those communities. With the ability to generate millions of dollars in assets, EDCs allocate funds to generate greater wealth for their shareholders. A comprehensive sample of ten EDCs with the topmost economic performances across Canada has been researched and listed. In addition, these ten EDCs are investing in major industrial projects across Canada, including natural resources, energy, construction, hospitality, travel and tourism, the arts, professional services and information technology.

Creating more Indigenous businesses is essential for fostering even more independence from the government for Indigenous people, besides developing a close connection with communities where businesses are located. However, the COVID-19 pandemic has created a disruptive scenario for businesses, corporations, and Indigenous communities in Canada.

The last Canadian census in 2016 reported that there were 744,855 Status First Nations people in Canada, of whom 44% or 327,736 lived on reserve. Indigenous Services Canada (ISC, 2022) reports on confirmed cases of COVID-19 testing results daily. However, it notes that due to home testing and some individuals choosing not to get tested, these numbers underestimate all positive COVID-19 cases in First Nations communities.

As of January 6, 2022, Indigenous Services Canada was aware of 57,344 confirmed positive COVID-19, 3927 active cases, 2,472 hospitalizations, 52,848 recovered cases and 569 deaths (ISC, 2022).

This research used the 2016 census population counts as a denominator to provide a relatively accurate on-reserve Indigenous Death Rate for Canada and compare it to the national level to provide one proxy measure of the impacts of the pandemic on Indigenous Canada, as shown in [Table no. 2](#).

Table no. 2 - Canadian living on-reserve: death rates per 100,000 Indigenous

Canada Total Deaths	30,788
Canada 2016 Census Population	35,151,728
Death Rate /100,000	87.59
Canada's Total Deaths – Not On-Reserve	30,219
Canada Pop – Not On-Reserve	34,820,703
Death Rate rest of Canada /100,000	86.78
Deaths On-Reserve	569
Canada 2016 On-Reserve Pop	331,025
Death Rate On-Reserve /100,000	171.89

Source: authors

Using the ISC numbers and Census 2016 population figures, it is possible to estimate the death rate per 100,000 First Nation people on reserve, the death rate for Canadians nationally, and the death rate for those not living on First Nation reserves. The numbers are substantial, with the on-reserve death rate being twice that of Canadians not living on reserves at 172/100,000 compared to 86.8/100,000 nationally.

The Canadian responses to the pandemic leave it internationally ranked amongst the more prosperous Western nations, especially compared to the USA at 257/100,000 or the United

Kingdom at 226/100,000. In contrast, the death rates on-reserve in Canada are comparable to the South and Central American nations of Uruguay (179), Panama (176) and Bolivia (174), all of which have high Indigenous population counts, as informed by [Johns Hopkins Coronavirus Resource Center \(2022\)](#). Therefore, the pandemic has resulted in massive reductions in productivity in the labor force and workplace, affecting different sectors of the economy. Due to school closures and connectivity issues, the Indigenous youth were significantly affected, which will reinforce the local labor force. Many respondents highlighted this topic:

“We have low population numbers and high barriers to the workforce, you know, through generational trauma. So, it definitely amplified that and made it a lot worse” (CCAB, 2020a).

“There are few people that are not working right now. Besides, if they are not working because they are on the Canadian Workers Compensation Board, they can't physically work. So that labor pool is dramatically shallow” (CCAB, 2020a).

“Yeah, it's been getting intense because I remember we used to have job ads out for just our convenience store, just gas attendants, and we used to have well over 100 applicants every time we put ads out, and now I got like four (CCAB, 2020a).

The older and less adaptable members of indigenous communities will experience difficulty finding new employment, and many who were earlier highly productive members of the workforce will become permanently unemployed ([Hotte et al., 2018](#); [Brüssow and Timmis, 2021](#); [Gladun et al., 2021](#); [Knoerr et al., 2021](#)).

On the other hand, First Nations economic development corporations are business ventures that invest community-held monies and have oversight of at least one subsidiary business on behalf of the Indigenous community they represent. The EDCs are essential actors within a thriving Indigenous economy ([Kamalnath, 2021](#)) and are estimated to be close to 500 corporations, as informed by the [CCAB \(2020b\)](#).

These corporations help promote economic stimulation and business development for First Nation, Metis, and Inuit communities. The primary forms of community reinvestment are related to employment and skills development. As a key economic driver, EDCs often have a diverse business portfolio in economic sectors ranging from natural resources, energy, construction, hospitality, travel and tourism, the arts, professional services, and information technology. Within this capacity, collaborating with the community allows EDCs to provide tools and resources for long-term prosperity and increased self-sustainability amongst Indigenous communities.

3.1 First Nations Economic Development Corporations

The survey was conducted, and the results indicate that the COVID-19 pandemic had negative impacts on EDC finances, especially on business revenues, but also some unique outcomes related to employee-management relations and community response.

Financial outcomes depend on the industrial sectors in which the EDC is involved. Industries like tourism and retail sales were heavily impacted, along with sectors tied to exporting commodities such as fish and seafood.

The severity of public health measures enacted locally, such as lockdowns and restrictions, leading to either temporary or permanent closures meant that some industries were more impacted than others.

The EDCs that participated in this study had a business portfolio consisting of eighty-seven businesses, ranging between two and eighteen separate business entities (Table no. 3).

Table no. 3 – Industry and number of businesses

TOP INDUSTRIES	2019	2021
Fisheries, gaming, retail, real estate, renewable energy	6	7
Investments, forestry	6	7
Forestry, retail, construction	2	8
Tourism, retail, Industrial services, agriculture	12	13
Industrial construction, mining	6	7
Retail, manufacturing, hospitality, property development	13	18
Utilities, real state, communications infrastructure	11	10
Fuel, mechanical, and professional services	5	4
Mining, retail, real estate, tourism	5	8
Hydro, construction, fisheries	-	5

Source: authors

As many of the EDCs studied in this study are active in the natural resource sector, it was common to see drilling firms, camp catering companies, and heavy iron/machinery firms in their business portfolios. Firms that specialize in tertiary-level skill sets such as surveying and remote sensing, GIS mapping, and aviation.

The sample also demonstrates the increasing propensity of EDCs to sell services or goods into other provinces or territories in Canada, representing market expansion and diversification of markets. Four respondents said they were selling services or goods internationally, thirty percent (30%) of whom noted selling in the USA and Mexico.

Due to the larger and more diversified business structure of EDCs compared to a typical Indigenous business, they are often capable of handling extensive procurement opportunities. Often, companies within their portfolios operate in sectors commonly sought out by government procurement opportunities like construction or manufacturing and generally have more experience managing large contracts.

However, the research has identified in the sample that only one EDC worked with the federal government, while nine EDCs interviewed were actively involved in sales to a provincial or territorial government.

Canada's Indigenous Business Directory, part of the Procurement Strategy for Indigenous Business program, is designed to assist and support Indigenous businesses in the pursuit of business opportunities, including federal procurement. This directory is a resource available to all government and private sectors. It is used to identify Indigenous businesses and assess their capabilities to carry out partnerships related to work completion.

However, while these collaborative opportunities exist, the lack of federal procurement business activity suggests barriers to accessing federal contracting opportunities, which continues to be an issue faced by EDCs and Indigenous businesses in Canada more broadly.

3.2 Funding programs and Aboriginal Financial Institutions

Regarding financial support during the pandemic, the study identified that all EDCs surveyed have applied for COVID-related funding from the federal government, although 20% of EDCs stated they did not qualify for any of the assistance programs. Among those who have qualified for funding, the most common programs accessed were Canada Emergency Business Account (CEBA), Canada Emergency Wage Subsidy (CEWS), Canada Emergency Rent Subsidy (CERS), and Indigenous Community Business Fund (ICBF).

On the other hand, 50% of the EDCs applied for COVID-related funding at the provincial or territorial level of government, but most businesses that accessed COVID-related funding said that the money they received was helpful but fell short of their larger funding needs.

The study also identified those who were denied funding support lacked the financial records required to meet government approval, specifically, not being able to prove revenue from the prior fiscal year.

To investigate the motivations and financial sources, the research asked if, prior to the pandemic, the EDC had outstanding loans with banks or an AFI (Aboriginal Financial Institution) such as NACCA (National Aboriginal Capital Corporations Association).

While there is a general perception that most EDCs receive considerable support from their banks or their regional NACCA, it appeared that when it came to financial management issues, the interviewees had less contact than expected based on the questions related to loans.

The study identified that 60% of EDCs had loans prior to the pandemic, and among those, only 20% had financial commitments with an AFI or the FNFA (First Nation Financial Authority), reinforced by the following quote: "The FNFA was open to assisting us with payment plans and granted it. It was a bit of a process, but it saved \$200,000 in interest. Charter banks not that open." (CCAB, 2020b).

Throughout the pandemic, NACCA helped manage government funding for Indigenous businesses in line with their mandate to find solutions and support Indigenous entrepreneurship. A CCAB (2022) survey found that (43%) of Indigenous corporations had no current lending relationships with AFIs, banks, credit unions, or government lenders (CCAB, 2022), a finding that mirrors data gathered within this research.

This lack of an existing lending relationship may pose a barrier to organizations requiring quick access to capital in a crisis or when projects have short or limited time.

3.3 EDCs Finance, Revenue and Employment

This study has access to eight of ten EDCs' financial reports regarding finance and revenue. These eight collectively had revenues of just over an estimated \$291 million in gross revenue in 2018 and had 1247 employees working for them and their subsidiaries.

In the 2018 report, the EDC revenues ranged from \$2.5M to more than \$90.0M, and only one had less than \$10M.

The picture had radically changed in 2021, with five of the eight EDCs reporting losses in gross revenue totaling \$141M. The total revenue generated by the ten EDCs in 2021 was estimated to be \$302 million, but \$74 million of this increase was generated by one outlier firm, which increased its revenue from over \$90 million to just over \$165 million in the three-year interval 2018 to 2021.

Removing this exception from the equation, the study has revealed revenues for the other firms dropping from \$200 million to \$86 million, a 57% reduction in revenue generation, as shown in [Table no. 4](#).

Table no. 4 - Estimates of Gains and Losses by ADCs 2018-2021

Organization	Revenue 2018 (EST)	Revenue 2021 (EST)	Change 2018-2021	% Change
<i>EDC 1</i>	\$13,700,000	\$318,000	-\$14,018,000	-102.3%
<i>EDC 2</i>	\$10,000,999	\$870,000	-\$9,130,999	-91.3%
<i>EDC 3</i>	Not Reported	≈\$42,500,000	Estimated Loss	-
<i>EDC 4</i>	\$57,604,000	\$14,000,000	-\$43,604,000	-75.7%
<i>EDC 5</i>	\$28,500,999	\$42,850,000	\$14,349,001	50.3%
<i>EDC 6</i>	\$75,202,997	\$2,300,000	-\$72,902,997	-96.9%
<i>EDC 7</i>	\$92,000,000	\$166,000,000	\$74,000,000	80.4%
<i>EDC 8</i>	\$2,501,998	\$1,300,000	-\$1,201,998	-48.0%
<i>EDC 9</i>	No Survey	\$5,000,000	Estimated Loss	-
<i>EDC 10</i>	\$11,500,000	\$25,000,000	\$13,500,000	117.4%

Source: authors

The study discovered three EDCs reporting revenue increases, one of which jumped from around \$90M to over \$160M, an increase of approximately 80%.

Collaborating with this complex scenario, one of the EDC senior interviewees, who has decades of experience, mentioned posting a 50% revenue reduction.

“Seafood did take a substantial hit. This year, countries like China and Italy got hit pretty hard with COVID, and our top three biggest exports had massive crashes within for seafood sales, especially lobster and scallops” (CCAB, 2020a).

The business adjustments to provide digital services as a strategy to overcome the pandemic were costly, not only based on new equipment but also on training the local force to a new business reality. Besides, most Indigenous communities lack good network providers or even options to improve it.

However, this EDC leader's ability to respond to the pandemic was in the minority. Most went into "survival mode," with an emphasis on protecting their community, their family members, and their staff.

Losses could be genuinely staggering for partnerships that failed during the pandemic, as shown by the collapse of one EDC's gross revenues, which had been steadily climbing since the formation of their construction partnership 2015-2016, as shown in [Figure no. 1](#).

The surveyed EDC reported that the partnership ended in 2021 under the pressure of the pandemic, and for 2021, estimated revenues of \$2.3M, a staggering 97% decline in revenue over two years. In this circumstantial scenario, the Indigenous Economic Development Corporations suffered during the pandemic, especially those with revenue streams from tourism and casinos.

Furthermore, on Canada's coasts, where Indigenous fisheries have become big business, with hundreds of millions in investment going into fishing fleets, processing plants, fishing quotas, and fish farms, the EDC noted that their international sales for specialist products had taken a significant hit. One of the EDC's senior managers mentioned that countries such as China

and Italy got hit hard by the pandemic, which caused an enormous consumption reduction of seafood from the Canadian Atlantic, putting the indigenous EDC's exportations in check.

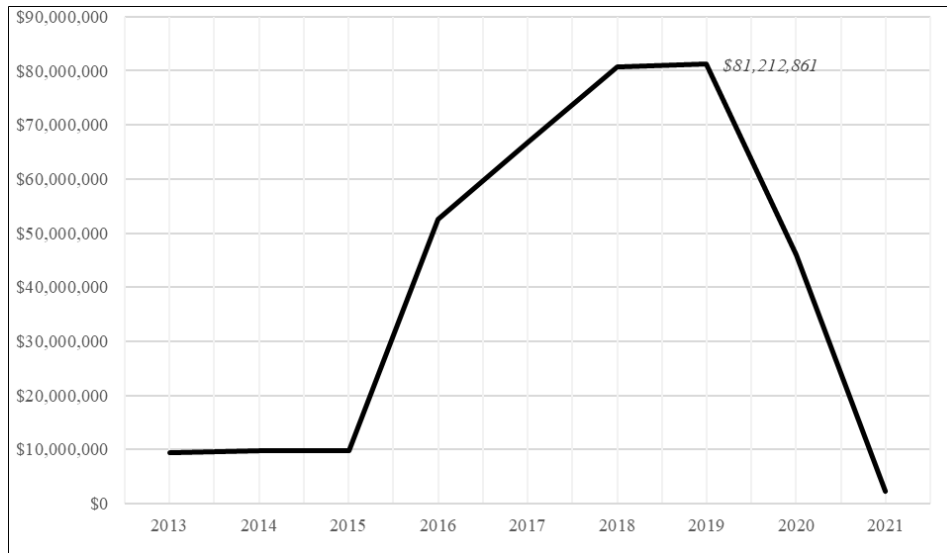


Figure no. 1 - Consolidated Revenue Financial Statement

In this scenario of revenue loss, 70% of the EDCs interviewed in this research reported lower revenue between 2018 and 2021, with losses ranging from 48% to a staggering 102%, once this last one has configured a negative revenue position as the EDC paid down debt owing to its Trust.

However, the EDCs interviewed also showed initiative in adapting their business, despite that some of the EDCs surveyed had not pivoted their products or services due to the industries specificities they are part of, such as gaming and hotels, construction, mining, and energy services. These corporations focused on continuity and adapting their processes to working from home rather than changing their products or services and diversifying their portfolios.

Regarding employment, in the first quarter of 2022, the Canadian federal government announced that Job vacancies climbed to 957,500, the highest quarterly number on record. Notwithstanding all the employer's efforts, businesses have faced an increasingly tight labor market driven by the lack of workers.

The challenge of finding employees increased during the pandemic. It was a topic that arose in many interviews once some EDCs struggled to find human resources before the pandemic, highlighting the importance of local training programs. The digital divide urges as one of the most significant factors contributing to issues surrounding employment within Indigenous communities because as Canada's socioeconomic makeup becomes digitized, the pre-existing connectivity issues faced by Indigenous peoples are becoming amplified.

Regarding businesses in rural Canada, the top industries are retail trade (28.6%), agriculture, forestry, fishing and hunting (14.8%), construction (12.5%), manufacturing (12.4%), and wholesale trade (11.1%). Therefore, the rural nature of many Indigenous

communities and businesses, which have less reliable internet and connectivity overall, made the online shift a challenge for the EDCs.

In addition to the employment scenario, the EDCs respondents specifically mentioned CERB as a factor in finding employees. This is a challenge identified by other studies, alongside other reasons. In July 2020, a survey by the Canadian Federation of Independent Businesses showed that of the 858 business owners whose staff refused to return to work, 62% said their staff preferred CERB (ISC, 2022). Respondents were also concerned with their own physical health and that of their loved ones (47%), childcare obligations (27%), believed there were no hours available (16%), and were concerned about public transport (7%).

Indigenous businesses have previously noted obstacles to attracting employees with the right qualifications (39%) and retaining employees (30%) (CCAB, 2016). In this study, several development corporations perceived CERB to be exacerbating this issue, noting that it had created an extra challenge in filling open positions. However, they mentioned other factors, including job risks, health, access to childcare, and lack of training.

3.4 Pandemic and the Indigenous Economy

Statistics Canada reported in December 2021 that compared with December 2019, total employment among Indigenous people was up 10.4% (+67,000) in December 2021. Increases in manufacturing (+19,000; +47.8%) and public administration (+15,000; +32.7%) contributed most towards these gains (Figure no. 2).

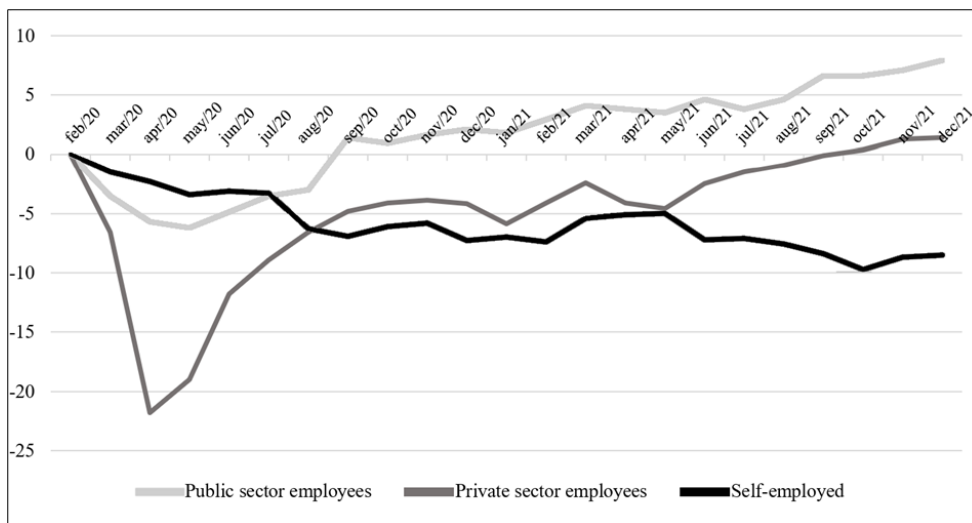


Figure no. 2 – Compared Labor Force Survey in Canada

Source: Statistics Canada (2016b, 2016a)

Over the same period, employment increased by 0.7% (+138,000) among non-Indigenous people (Statistics Canada, 2022). While this points to a recovery in the Indigenous labor force, it does not necessarily equate with long-term recovery. In addition, in the Yukon Territory, the Indigenous governments acted as a security net for their people during this

period of high unemployment, adding jobs in the First Nation government to help community members bridge a period of considerable distress.

Indigenous self-employment, while a small percentage of the total employment of First Nation people in Canada, at only 4.7% of all workers, which is less than the Canadian non-Indigenous rate of 7.6%, is an essential foundation for building entrepreneurship and wealth in the Indigenous economy (Table no. 5).

Table no. 5 – Indigenous vs. non-Indigenous: Canada Labor Parallel through 2017 to 2021

	2017	2018	2019	2020	2021
Total (x 1000)	1,033.50*	1,073.80*	1,114.30*	1,153.80*	1,195.90*
	28,730.70**	29,146.70**	29,580.50**	29,898.80**	30,130.20**
Percentage Change	-	3.9%*	3.8%*	3.5%*	3.6%*
	-	1.4%**	1.5%**	1.1%**	0.8%**
Not in Labor Force	375.6*	393*	409.5*	454.1*	433.2*
	9,873.00**	10,110.60**	10,164.30**	10,737.70**	10,535.40**
Annual % Change	-	4.6%*	4.2%*	10.9%*	-4.6%*
	-	2.4%**	0.5%**	5.6%**	-1.9%**
Participation rate	63.7*	63.4*	63.3*	60.6*	63.8*
	65.6**	65.3**	65.6**	64.1**	65**
Unemployment Rate	11.4*	10.4*	10.2*	14.2*	11.6*
	6.2**	5.8**	5.6**	9.4**	7.4**

Note: *Indigenous; **Non-Indigenous

Sources: Statistics Canada (2016b, 2016a)

However, these are often small business owners working on contracts in the construction, transportation, and resource extraction industries, as well as in service industries such as professional services, health care, hairdressing, and retail trade.

4. CONCLUSION

This study focused on exploring how the pandemic has impacted development corporations by surveying EDCs after a long pandemic period. The methodology applied and research questions were satisfactorily answered and concatenated to support the conclusion, which converged inquietudes such as: How have First Nation economic development corporations weathered pandemic-related economic uncertainty? How are these EDCs preparing for the era of post-pandemic recovery?

The research's main objective, to develop a comprehensive understanding of how the pandemic in Canada has impacted the Indigenous Development Corporations, was achieved.

The study has found that the most pressing need brought forward by Indigenous businesses continued to be the return to normal. Some EDCs are unable to adapt to remote work or have faced cancellation of contracts due to the pandemic, with 72% responding that they still needed financial support.

The EDC's responses were summarized by common difficulties faced during the pandemic and listed in Table no. 6.

Table no. 6 – Relation of EDCs and their difficulties

EDCs	Findings
EDC3; EDC5; EDC6; EDC8; EDC10	1. Declining or no cash flow due to prolonged business closure and decreased demand for services or cancelled contracts was especially challenging for the tourism industry.
EDC1; EDC2; EDC3; EDC10	2. Prolonged lockdowns and restrictions impacted businesses, especially in retail and hospitality, and gravely affected revenues such as casino profits, which has limited the ability of the EDCs to support their First Nation governments and other programs financially.
EDC1; EDC3; EDC6; EDC8; EDC10	3. Meeting public health regulations were costly (paying for PPE, body temperature scanners, increased cleaning, reducing in-store capacity), and some reported challenges communicating the protocols to staff. The two-week isolation period and travel restrictions were difficult for remote, northern, and border communities with a labor shortage and more dependent on the tourism industry. In some cases, EDCs were dependent upon interprovincial or migrant workers.
EDC3; EDC4; EDC5; EDC8; EDC10.	4. Communication with community, leadership, and governments became more difficult for a variety of reasons, not the least the decision by many First Nation governments to shut down without work-from-home plans or limited access to the internet and the tools to work from home. Some EDCs took a while to adjust to videoconferencing and working from home.
EDC2; EDC4; EDC5; EDC9	5. Lack of childcare was especially problematic as daycares and schools were closed, which either affected staff's ability to concentrate while working from home, or they could not work in the office/site because they had to stay home and take care of their children.
EDC1; EDC2; EDC3; EDC4; EDC5; EDC6; EDC8; EDC10	6. The cost of doing business drastically increased as construction and raw materials prices increased, and the availability of goods and services became a worldwide issue magnified in remote poor communities, as well as difficulties finding labor and enacting and understanding health regulations.
EDC2; EDC4; EDC5 EDC;7 EDC9; EDC10	7. Some challenges are historical and remain, including access to capital, equity, and funding, intergenerational trauma, state dependency for some Indigenous people, and communication of health and safety protocols with governments.

The EDC staff responded quickly, and in most cases effectively, to the pandemic despite no playbook for managing businesses during a pandemic. Some EDCs effectively transitioned to a digital transformation using different technologies to continue to operate their businesses and protect their corporate assets. Even though some EDCs thrived during the pandemic, increasing their revenue and growing their assets, it was not the case for all participants or the most representative of the experiences of Indigenous-owned companies during the pandemic. Despite the flexibility offered by remote work, which allows their staff to stay safe and care for their families, the changing landscape of remote work presented a challenge for EDCs since reserves and remote communities disproportionately lack access to reliable internet.

Several EDCs credited their diversified industries with helping them survive the pandemic. This allowed them to adapt to changes in employment and revenues when industries like tourism were closed. Alongside diversification and adaptation, another theme was planning and evaluation. The EDCs looked for opportunities and reviewed the state of their assets in a rapidly changing landscape.

A significant challenge during the pandemic was hiring, a prominent theme in nearly every interview. There simply were not enough people to fill vacant or new roles in the EDCs and their subsidiaries. Participants noted difficulty attracting people with the expertise required for

specific positions in remote or northern areas. Some mentioned a lack of amenities found in larger cities, making it difficult to attract people from the rest of the country. Additionally, pandemic restrictions meant they could not bring in foreign workers, whom they usually rely on. Respondents felt that CERB contributed to the challenging situation, with several noting that roles like cashier or gas bar attendant were proving challenging to fill.

It was consistent and notorious for the consulted EDCs that operational costs were increased during the pandemic. The lack of skilled laborers has significantly aggravated an already deficient situation.

In this scenario, many respondent EDCs, upwards of 70% in this study and 73% in a national survey completed by CCAB, saw their revenues drop precipitously and even closed businesses.

The scenario after the pandemic remains seriously complex. The EDCs are struggling to access funding to move forward and overcome the strong losses. The skilled workforce's low rates remain critical, which is a strong pushback for sustainable growth.

The valuable data collected from this research illustrates important economic landscapes related to Indigenous economies in Canada. The findings highlight the resilience and opportunity for prosperity associated with Indigenous economic development corporations. Parallel to this, the data also reiterated some of the pre-existing socioeconomic issues within Indigenous communities, which have become aggravated during the pandemic. Problems like employment and employee retainment were exacerbated, reflected in (48%) of Indigenous businesses laying off staff either temporarily (33%) or permanently due to the pandemic (15%). In comparison, only 11% of new staff were hired, as [CCAB \(2020b\)](#) noted.

The study's limitations include its focus on only ten Indigenous Economic Development Corporations, which may limit the generalizability of the broader Indigenous business landscape. Additionally, the study's two-year post-pandemic analysis timeframe may overlook long-term effects and recovery trends.

However, to achieve progress in the future, it is advisable to allocate resources fairly across various areas. These encompass employment strategies, digital accessibility, and skill enhancement. Enhancing crisis and strategy planning, fostering diverse alliances, and developing assets is equally crucial. Moreover, establishing a strategic EDC association can facilitate negotiations and funding access at the provincial and federal levels.

Furthermore, this study recommends undertaking comprehensive research on EDC's digital transformation. The research should aim to bridge the gap between diverse technological environments across Canada and uncover potential business disparities.

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