

*SECRETARIAT
AUX ALLIANCES ÉCONOMIQUES
DE LA NATION CRIE
- ABITIBI-TÉMISCAMINGUE*



*SECRETARIAT
TO THE CREE NATION -
ABITIBI-TEMISCAMINGUE
ECONOMIC ALLIANCE*

Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue



Chaire Desjardins en développement des petites collectivités

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When strolling in the streets of the downtown areas of Val-d'Or, Amos or Notre-Dame-du-Nord during the weekends, one will clearly realize that a large number of Aboriginal persons shop in these towns . Yet, few data concerning the economic contribution of Aboriginals in the region were available until now.

Province of Québec

Algonquins: 9,278 inhab.
Crees: 15,582 inhab.
Inuit: 10,202 inhab.

Source: INAC 2005

The demographic statistics show that the Algonquin, Cree and Inuit people represent quite a young and growing population living essentially on-reserves. Their economic situation in the areas of employment and income is not favorable in comparison to the non-native population in the province of Québec. The Cree communities benefit, however, from significant development funds as a result of the signing of the James Bay Agreements in 1975 and the more recent *Paix des Braves* Agreement in February 2002.

According to a study on the peripheral regions of Quebec¹, Abitibi-Témiscamingue seems to resist to economic difficulties better than other remote regions. Can a link be established between the presence of Aboriginal people in our region and the economic situation observed? Our survey sought to answer this question.

Economic situation

	Abitibi-Témiscamingue	Northern Québec	Québec
Non-Aboriginal Population			
Unemployment rate	13,7 %	12,1 %	8,1 %
Average employment income	28 847 \$	33 502 \$	29 999 \$
Aboriginal Population			
Unemployment rate	21,1 %	17,6 %	18,5 %
Average employment income	21 506 \$	19 959 \$	21 725\$

Source: Statistics Canada. Census 2001. Aboriginal Communities Profile.

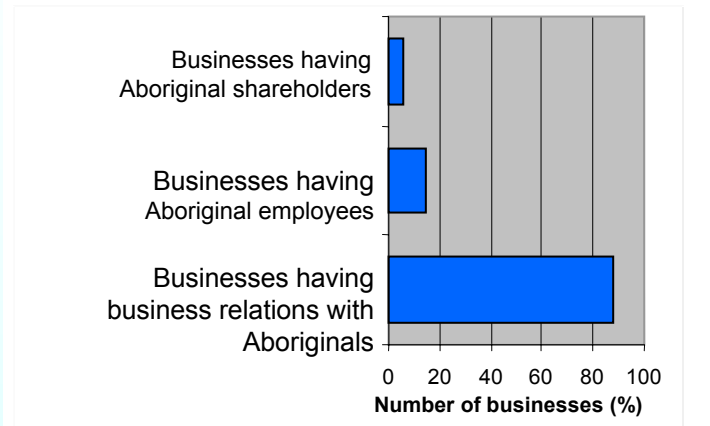
The survey: 110 businesses of the region having economic links with Aboriginals were interviewed by telephone during the summer of 2006. The selection was based on a list of 250 businesses found in the contact file of *the Secretariat to the Cree Nation - Abitibi-Témiscamingue Economic Alliance* and was completed by 60 other businesses in order to cover the whole regional territory and various sectors of activity. The survey was designed to determine the nature and volume of the economic relations as well as the perception of business leaders in regards to these relations.

¹ CHENARD, P., POLÈSE, M. et R. SHEARMUR (2005). L'évolution économique et démographique et les perspectives de développement des régions périphériques du Québec. INRS-Urbanisation, culture et société, Montréal.

For the businesses of the region, Aboriginals are clients on the most part

The economic relations between the businesses of the region and Aboriginals are mainly based on commercial exchanges: Aboriginals are present in the life of the businesses as clients on the most part, sometimes as employees and rarely as shareholders (a few Cree or Algonquin businesses that are established off reserve).

Nature of the economic exchanges

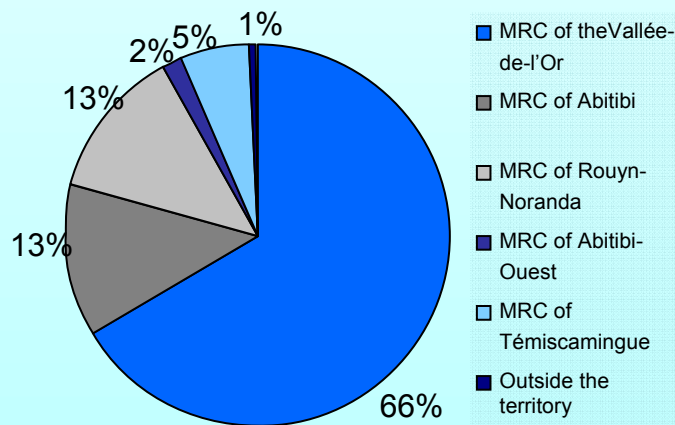


Source: LARESCO/Chaire Desjardins, *Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue*, 2006.

Businesses are mainly situated in the Vallée-de-l'Or

The businesses surveyed are mainly situated in the MRC of the Vallée-de-l'Or, followed by the MRC of Rouyn-Noranda and the MRC of Abitibi. They are depicted in a more limited number in Temiscamingue and are virtually absent in the MRC of Abitibi-Ouest. The original sample privileged this distribution from the start and the phenomenon was accentuated by a higher response rate in the MRC of the Vallée-de-l'Or. It can be concluded that the businesses of the Val-d'Or area felt more concerned with the subject than those of the other MRCs.

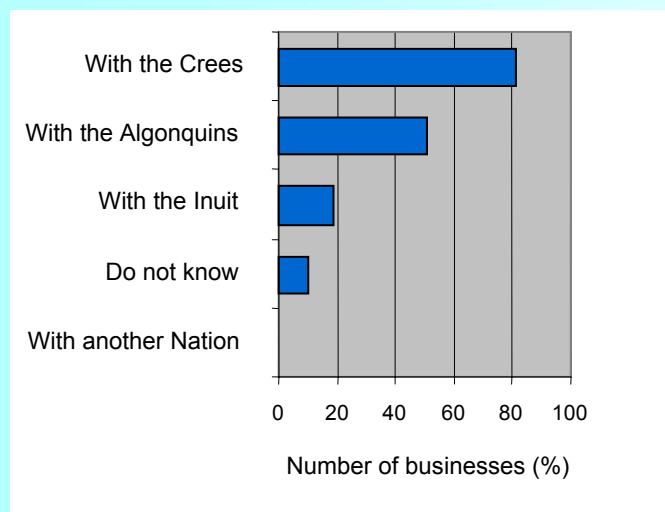
Location of the businesses surveyed



Source : LARESCO/Chaire Desjardins, *Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue*, 2006.

Businesses having economic relations with Aboriginals are defined as having at least one of the three types of the following relations: having Aboriginal shareholders, having Aboriginal employees or having business relations (sales or purchasing) with Aboriginals

Nations with whom the businesses have relations



Source: LARESCO/Chaire Desjardins, *Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue*, 2006.

Various types of Aboriginal nations and clients deal with the businesses surveyed. Three nations appear in decreasing order: Crees, Algonquins and Inuit. Band councils, individuals and businesses constitute the key Aboriginal clientele of the businesses. Many businesses are requested to send their orders to the reserves or to work directly in the reserves, but another part of their activities are carried out on site. Thus, the regional businesses travel to the reserves and the various types of Aboriginal clients travel in the region.

Sales attributable to the Aboriginal clientele by MRC

	Average proportion of sales (%)	Median (%)
MRC of the Vallée-de-l'Or	17,9	10
MRC of Témiscamingue	9,8	10
MRC of Abitibi	8,1	5
MRC of Rouyn-Noranda	5,6	5
MRC of Abitibi-Ouest*	n.a	n.a
For all MRCs	14,9	10

*The low sample size situated in the MRC of Abitibi-Ouest did not permit us to calculate the rate.
Source: LARESCO/Chaire Desjardins, *Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue*, 2006.

A clientele that is considered important but not essential to the activities of the businesses

A large majority of the businesses surveyed estimate that their commercial exchanges with Aboriginals are important. But, they do not believe that this clientele is essential to their survival. It rather appears that the Aboriginal clientele contributes to the smooth operations of the business.

The average sales attributable to the Aboriginal clientele clearly illustrate this information. At an average of 14.9 % for the businesses having declared that they have business relations with Aboriginals, this represents an amount of 100 million dollars. This rate varies according to the location of the businesses. The MRC of the Vallée-de-l'Or recorded the strongest rate (17.9 %), followed by the MRC of Témiscamingue (9.8 %) and the MRC of Abitibi (8.1 %) then Rouyn-Noranda (5.6 %).

A few of the benefits and problems identified by the businesses

Benefits	Problems
- Easy, pleasant and loyal clientele	- Delays in payments
- Mutual development	- Lack of organization on the part of managements and individuals
- Strategic advantage in dealing with Aboriginals	- Communication problems

One-third of the businesses establish partnerships with Aboriginals

One-third of the businesses surveyed that maintain business relations with the Aboriginal people declared that they established partnerships with their Aboriginal clientele. The businesses in the sectors of construction, professional services, transportation and mining are those that established the highest number of partnerships with Aboriginals. The partnerships established by retail trade businesses and by the hotel industry essentially involve sponsors granted to their regular clients in the form of financial participation to Aboriginal events such as sports tournaments. The agreements could also pertain to the distribution of goods or services on the reserves as, for example, car repair services or banking services.

The business partnerships, defined as a formal agreement between the business and the client or supplier, are related to sponsors, the implementation of services in the communities, training activities or work contracts or at times joint ventures between two companies.

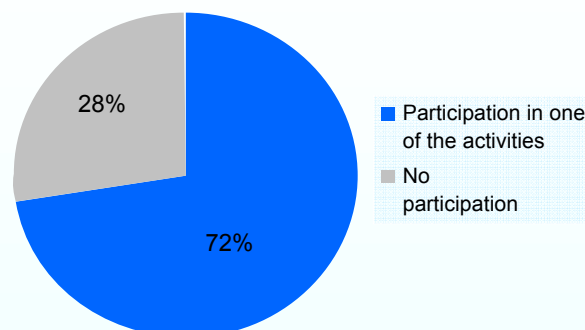
“A Relation Based on Trust”

Virtually all of the businesses consider that they maintain harmonious relations with their Aboriginal clients or suppliers. Trust and respect between the business and the Aboriginal clients are considered as fundamental for the establishment of sustainable relations.

SAENCAT

We sought to assess the appreciation of the businesses with respect to the Secretariat to the Cree Nation/Abitibi-Témiscamingue Economic Alliance. The study revealed that 76 % of the respondents believe that the Secretariat highly contributes to the development of business relationships. Also, a total of 72 % of the businesses participated in at least one of its activities.

Participation in an activity of the SAENCAT



Source: LARESCO/Chaire Desjardins, *Survey on the Economic Relations between the Aboriginal People and the Businesses of Abitibi-Témiscamingue*, 2006.

The survey revealed that the economic relations between the businesses of Abitibi-Témiscamingue and the Aboriginal people are mainly based on a supplier-client relationship and that the integration of Aboriginals into the non-Aboriginal labour market remains significantly low. The Aboriginal clientele is considered to be important but not essential to the activities of the businesses. It is also perceived as a loyal and pleasant clientele. The survey also shows that the economic involvement of the Aboriginal nations in the region measures up to their demographic presence. They are now part of the economic life of the region.

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You may view the survey online at :
<http://web2.uqat.ca/chairedesjardins/>



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