

## Editorial: Exploring Northern Economic Development

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Business, and economic development more generally, face specific challenges—and a few unique opportunities—in the Canadian North. The barriers to commercial success are obvious: high costs, isolation, small populations and the attending diseconomies of scale, acute shortages of highly qualified personnel, transportation difficulties, complex government regulations, limited access to investment capital, among others. However, land claims settlements, Indigenous and treaty rights, and the devolution of authority to territorial governments produce a surprising number of commercial possibilities.

As entrepreneurs, local businesses, and outside firms seek commercial opportunities, they can draw on a small number of government loan and support programs. No Government of Canada initiative has a broader reach and more impact than CanNor, the Canadian Northern Economic Development Agency. This agency, with offices across the North, does a remarkable job of supporting the personal development of entrepreneurs, building communities of interest among northern businesses, and providing seed capital for commercial startups, specific equipment, or other targeted investments.

CanNor is also committed to raising the profile of northern business and economic development. The *Northern Review* is delighted to partner with CanNor on three special issues (one per year) on this vital theme. The editors were surprised by the invitation to collaborate—and a little worried about our capacity to recruit enough writers and a wide range of topics. We were wrong to be concerned. Within a few months of getting started, we discovered that we had tapped into a deep vein of talent and subject matter on northern commercial activity.

This set of essays demonstrates, from a variety of perspectives, the importance of business and economic development, and it will inform—and we hope provoke—further debate about the North’s economic future and whet readers’ appetites for future special issues. One essay examines the processes involved in developing, for commercial purposes, the Yukon First Nations land allocations arising from modern treaties, detailing the complicated legal and political processes involved in converting the promise of modern treaties into local economic opportunity. An insightful article on the impact of mine closures on engaged Indigenous communities in the Northwest Territories reminds us of the transitory nature of extraction economies. The lessons from the diamond mines are important to keep in mind as the North attempts to ramp up the next wave of Arctic mineral development. While a great deal of attention focuses on efforts to create “new economy” businesses in the North, a perceptive essay looks at the role of cooperatives in expanding commercial activity. A key aspect of northern economic differentiation is the impressive size of the “social economy,” a complex and invaluable network of not-for-profit organizations that are the sinews that bind together many northern communities. This sector is rarely seen as integral to regional prosperity, but another paper argues that the social economy is vital to social cohesion and prosperity building.

A particularly timely essay, published as the government of Prime Minister Mark Carney leads a nation-wide effort to fast-track resource and infrastructure projects deemed to be in the national interest, warns against jumping on the development accelerator. The potential collision between large-scale initiatives and Indigenous rights and harvesting, could cause serious downstream dislocations for Inuit, Métis, and First Nations Peoples and communities. In an excellent illustration of how integrated northern policy can be, the essay on the Canadian Rangers is a timely analysis of how Canada’s civil defence force is a formidable presence in the Canadian North—and its role will expand substantially as part of the Government of Canada’s \$9 billion expansion of the armed forces, announced June 2025. The effort to build Arctic economies also involves engagement with the new economy. The Gordon Foundation, a superb think tank with a decades-long commitment to Arctic affairs, hosted a policy hackathon involving youth from across the Circumpolar World, focusing on the promotion of northern tourism. The report highlights the value and excitement associated with mobilizing new technologies, young people, and circumpolar connections to the betterment of the Arctic economy. The last contribution in this issue reminds northerners that they should look widely for examples of successful Arctic business and economic development. Finland, a country rarely discussed in Canada, has experienced substantial and creative commercial activity in the northern regions,

much of it demonstrating that the standard assumptions about the limits on Subarctic and Arctic economic growth may be seriously wrong, and that local creativity, collaboration, and determination can overcome the North's geographic disadvantages.

CanNor's sponsored series seeks to spark discussion and innovative thinking about the possibilities for business and economic growth in the Canadian North. The papers in this first issue do just that, challenging us to better understand current realities, structures, and barriers, to look closely at historical developments in the North, and to open our collective eyes to the manner in which other northern regions have responded to economic barriers and opportunities. The North needs ideas—just as it needs insights, courage, effective policy, and entrepreneurial energy if it is to achieve its potential and build sustainable prosperity across the region.

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