The State and the Northern Social Economy: Research Prospects

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Abstract: This article describes an initial approach to understanding the northern social economy in light of historical changes in the role of the state and in the overall northern economy. Focus on the social economy promises an analysis of northern development that avoids sterile dualisms (such as “traditional” contrasted with “modern”) that have haunted the discussion of the northern development policy for many years. It might also provide a basis for realistic northern development planning that is respectful of Indigenous communities’ way of life. This article offers a very early explanation, in three linked sections, of the elements of what I hope will be a new and more complete analysis of northern development in Canada. It is a discussion of research prospects and very early findings. These include a discussion of the importance of the enduring and resilient mixed economy of predominantly Indigenous communities, and the historical changes in the way federal and other government policies take this economy into account.

Two great historical processes have shaped what we now call the northern social economy. The first is the evolution of northern Indigenous societies that began in their encounter with religious and trading emissaries of the emerging capitalist societies of Europe as the latter roamed and colonized the planet to create, eventually, a world economy. The second is the advent and then the changing form and practices of the multi-level Canadian state, itself a product of European colonialism, and equally subject to changes in the global political economy.

In this article I use a selective literature review to isolate some particular empirical questions and interpretive challenges related to understanding the evolving northern social economy in light of historical changes in the role of the state and in the overall northern economy. My goal is to show how such an analysis has the potential to generate an understanding of northern development that allows us to see past the sterile dualisms that have
dominated the discussion of the northern development policy for many years. It might also provide a basis for realistic northern development planning that is respectful of Indigenous communities’ way of life. This article offers a very early explanation, in three linked sections, of the elements of what I hope will be a new and more complete analysis of northern development in Canada. It is a discussion of research prospects and very early findings.

The term “social economy” is used in different ways. Here, it refers to the part of the social productive system that lies outside the direct ambit of government programs and large businesses. It includes small business, not-for-profits, co-operatives, family-based production, traditional or non-commodified production, and volunteer support to others. A simpler and nearly compatible definition is “all the community-based organizations that occupy the societal space between the private and public sectors.”

In northern Indigenous communities, “community-based organizations” include the (informal) institutions of the mixed economy, described later. Indeed, as I shall argue below, there is reason to see the mixed economy as the centrepiece of the northern social economy, particularly outside the wage-based regional centres.

The northern social economy has evolved significantly over the last two centuries, and so has the complex of public institutions we call “the state.” The earliest state-like presence in the North arrived in the form of emissaries of the para-state institutions typical of the periphery of the nascent, post-Tudor British empire, along with mercantilist agents of other powers such as Russia and France. The great trading companies of each of these countries had some state-like responsibilities and powers, but generally they did not consolidate territory or police borders. In the Canadian North, these specific concerns of the modern state date from 1867, when the new Canadian state assumed “dominion” over a vast land north and west of non-Indigenous settlement and, thirteen years later, over the even more distant Arctic Archipelago. Regional public institutions came first to the Yukon, in 1898, and much later in the twentieth century to the rest of the territorial North. By the last two decades of the twentieth century, new state forms were developing, as Indigenous peoples negotiated modern treaties and other agreements. This long evolution of the state presence in northern Canada has resulted in a historically unique array of public authorities and institutions. There are nearly-province-like territorial governments, regionally adapted provincial institutions, various innovative forms of Indigenous self-government, a range of constitutionally protected resource co-management boards, and a set of distinctive, entrenched political practices through which northern residents make collective decisions. The federal state remains active, and in some
areas, dominant. In simple institutional and behavioural terms, “the state” in northern Canada is easily the most intricate and unusual in the country. Both its institutions and its policies are important to understanding the northern social economy, which also must be appreciated in its full complexity.

Social Innovation in Community Economies

Northern Indigenous societies entered into mercantile and, later, industrial capitalist economic relations initially through the export of furs and import of various goods and, over time, through working associations with whalers, miners, foresters, missionaries, and, eventually, representatives of the state. One important result of the early contacts was the invention of the “mixed” economy, a distinctive economic form that blends, within a household and among kin networks, traditional productive activity such as hunting, gathering, and fishing, with income from a range of cash-generating activities and cash from social transfers. Within and among households, the harvest from the land is shared. Some cash income (from wages, transfer payments, craft production) is also shared, to the extent that it is used to support on-the-land productive activity in purchasing necessary commodities: snowmobiles, outboard motors for boats, gasoline, and the like. In addition, cash buys foodstuffs and materials not available from the land, pays taxes, rent, and mortgages, and is used to buy utilities and various consumer goods.

The mixed economy is an Indigenous adaptation of longstanding (pre-contact) productive practices and social relations to trade opportunities, which arose with the arrival of Europeans in search of fur, and later adaptation to the introduction of cash, credit, and wage employment. Over one hundred years old, it is found today in many communities where a substantial proportion of food and other necessities of life are taken from the land. It has proven to be enduring and resilient, surviving large fluctuations in the fur market, and the changes in living conditions that came with the establishment of permanent northern communities, among other structural changes. Indeed, aspects of new circumstances were knit into the mixed economy. For example, when social transfer payments (such as old age security and social assistance) became available, these were used in part to support harvesting. Far from being drawn “out” of traditional practices, and into the wage economy, as many early observers expected, for many decades Indigenous people have continued to harvest food and materials from the land while they incorporated changing technologies (from radios to global positioning systems) and adapted the way they made their living to increased opportunities for wage employment.
There are practical reasons for the persistence of the mixed economy. The essence of the mixed economy is that the individuals and households within it do not rely upon a single source of income for their livelihood, but rather upon several. These may include small business activity, wage employment, gathering, hunting, and trapping, domestic care of others, service to the community, and other activities. Because sources of cash and in-kind income and resources are plural, and because risk is shared among members of the household, the mixed economy provides protection from the discipline of the market, and—a notable feature given the modern structure of the northern economy—from the boom and bust cycles of the resource frontier. Faced with unemployment, within the framework of the extended family and the community, individuals may undertake essential non-waged activities, such as child and elder care, hunting, fishing, gathering, food preservation, and making products based on the gifts of the land.

There are non-Indigenous people who have adopted the practices of the mixed economy, but overwhelmingly it is sustained on the basis of Indigenous peoples’ knowledge, skills, and traditions. Indigenous languages, place-specific knowledge, and behavioural norms are essential to harvesting. These are passed on from older to younger participants. For this reason, it is probably impossible to understand the impact of the state on the northern social economy exclusively in English: the changes in the Indigenous communities have been registered, understood, and elaborated in the concepts found in local Indigenous languages.

The mixed economy plays a role in Indigenous communities similar to that of “conventional” social economy institutions in other parts of Canada. Indeed, it might be said that social economy institutions such as neighbourhood associations, affiliation and self-help groups, food banks, and the like, as well as aspects of the welfare state, take the place of the mixed economy in parts of the society where integration of all workers into the wage economy is more or less complete. The mixed economy is a form of social provision that elsewhere is substituted by either the programs of the welfare state or by publicly funded activities in the social economy.

Over time the proportion of cash income relative to income-in-kind in most northern social economies has grown, and with this change has probably come some alteration in sharing and mutual aid practices. In some settings at least, the direct introduction of conventional “wage society” social economy institutions, such as co-operatives, community social agencies, and voluntary organizations, has likely also had a significant effect. A good starting hypothesis would be that the mixed economy persists in some form, even in the face of the arrival of such institutions, along with massive changes.
to waged work opportunities and consumptive behaviour over the last thirty years. The precise shape, extent, and dynamic nature of the contemporary mixed economy and its connections to all of these other factors are matters for further empirical research.9

The Social Economy in the Wage-Based Centres

Evolving British and Canadian colonial policy, interacting with international security and economic pressures, shaped the North that exists today. These forces created not only the numerous small, predominantly Indigenous communities, but also a number of somewhat larger centres sustained by nearby mineral development activity, by their mission as regional service centres, or by their combined role as military bases and regional service centres. Examples include Happy Valley–Goose Bay in Labrador, a regional service and commercial centre that is also the site of a major military establishment; Iqaluit (formerly Frobisher Bay), hosting the same activities and now the capital of Nunavut; Yellowknife, originally a gold mining settlement that is now the capital of the Northwest Territories; and Whitehorse, capital city, tourist centre, and home to most of the Yukon population. There are perhaps sixteen wage-based centres of this nature in Labrador, Quebec, and the territorial North.10

The larger wage-based centres typically have a mixed Indigenous and non-Indigenous population—and, with recent immigration, an increasingly diverse population as well. It is an open question whether it makes sense to think of the mixed economy as existing in any sense in these places. Certainly some of the exchange practices survive, but the dominant social and economic relations are similar to those in places of similar size everywhere in Canada. Like many small towns and cities elsewhere in Canada, the northern wage centres have (1) relatively concentrated populations in which non-Indigenous people predominate or are a large minority; (2) an economic base in which waged work and small businesses depend upon natural resource extraction and services to government and industry; (3) publicly provided medical and educational institutions; (4) limited and mainly informal connections to a food-producing countryside; and (5) a full array of voluntary associations and clubs devoted to recreation and social provision. In short, they have a reasonably sized local labour market that is shaped by both private and public sector investment, as well as a third, or voluntary sector.

It is difficult, however, to be clearer than this about the nature of the social economy in such settings, or about their evolution over time. For one thing, it is likely that there are important variations in their natures and in their histories: Whitehorse, the largest northern city, is a metropolis of nearly 23,000
people, with ready access to Vancouver and other Canadian (and Alaskan) cities, and a local economy similar to those of many British Columbia cities outside Vancouver’s metropolitan area. In contrast (but so far in this analysis treated in the same set of “wage centres”), Rankin Inlet in Nunavut, though sharing with Whitehorse a government service centre raison d’être and a growing mineral sector base, is much smaller, less accessible to the south or other centres and, probably, much more dependent still on locally harvested resources. Many such contrasting pairs can be identified, and surely further research into the history, governance arrangements, and local economies of specific northern communities is required.\footnote{11}

There is scant published research on the history of the voluntary sector in northern wage-based communities, although the broad outlines of federal policies and local impacts are known. Zaslow, Coates, Abel, and other northern historians show that until the period of the Second World War, federal policies with respect to the third sector, as for those with respect to social provision, were animated by the expectation that those who moved to the North should be supported by the agency that had dispatched them, or should be, like the population of permanent Indigenous residents, self-sufficient.\footnote{12} For various parts of the North, at different times, there was also a concern that Indigenous people should not be disturbed in their traditional ways of making a living.\footnote{13}

In this respect, Dominion behaviour towards the North did not differ from its orientation towards the economy and social relief elsewhere in the country. In a pre-Keynsian Canada preoccupied with the consolidation of internal markets and then, from the late 1920s, coping with drought on the prairies and ultimately with the domestic impact of global economic collapse, the northern state presence remained minimalist. The colonial frontier was sustained by the large, para-state institutions of the churches and the great trading companies, as it had been for decades, and by small, isolated mining towns whose residents tended to be self-sufficient.

**The Role of the State**

Signs that this pattern was about to shift emerged in the late 1930s, as attention was drawn to northern resources,\footnote{14} and it changed decisively with the advent of the Second World War. Fear of an invasion through the North Pacific led to the construction of the Alaska Highway and an oil pipeline from Norman Wells to Whitehorse; similar worries about an eastern invasion led to the construction of military bases in Labrador. These ventures drew thousands of American and Canadian military personnel into the Arctic, as well as a great deal of material. The military presence was sustained in the Cold War
peace that followed, as United States strategic concern shifted to fears of a Soviet invasion from the north.15

The Second World War ended forever the minimalist Dominion policies with respect to northern social provision, and it opened a vigorous new phase in the promotion of northern economic development. After the Second World War, the impulse to isolate northern Indigenous peoples—for reasons of protection and for cost containment—came to be seen as neglect. Wartime incursions and the disturbances of the postwar period were creating ever more serious health problems. In a period of the relatively strong and interventionist states in Canada and around the globe, there was both the incentive and climate for intervention in the affairs of resident northerners too. As the various elements of what came to be known as the Canadian welfare state were developed, these were provided in northern Canada, even as services long available in the rest of Canada were also introduced. In order to facilitate service delivery, particularly education, social housing was provided in many small communities and measures taken to encourage people to settle there.16 These changes in turn drew a larger number than ever before of professionals into the North—the teachers, nurses, and other public servants who were to establish a small permanent presence in many northern communities, where they formed the backbone of the voluntary sector. Even as they staffed the schools, hospitals, and government offices all over the North, they also established Girl Guide and Scout troops, volunteered for charitable work through their churches, and founded choirs and amateur theatrical troops. During this period, more non-Indigenous women came to the North, and they appear to have formed the bulk of the volunteer staff who created this sector.17

It is important to understand that public policy but likely also the professionals who were drawn to the North in this period, were energized by the interventionist successes of wartime planning and a new sense of national purpose. In the late 1950s the governments of John Diefenbaker caught this wave, initiating a massive construction of infrastructure to open northern “Roads to Resources.” The spirit of this time was well-expressed by Frank Underhill on behalf of the Royal Society of Canada, which met in 1958 to consider the recent sequence of events in the northlands:18

No aspect of the remarkable economic expansion of Canada since World War II has attracted more public attention than the large-scale resource development that has been taking place in our Northwest. What has chiefly characterized this area, in the public mind at least, has been the spectacular big project—the mining enterprises
producing uranium and nickel, the water-power harnessed to produce electric power to refine bauxite into aluminum, the wells that extract oil and gas, the pipelines that deliver these fuels to distant centres of consumption, the new highways and air routes. All this has stirred romantic ideas in the minds of most Canadians and encouraged grandiose dreams about national destiny. More important, it has roused a new sense of responsibility for the future of this hitherto largely unknown and neglected fifth of the country. (p v)

... All of [the authors in the symposium] agree on the desirability of much more research and planning (which involves much more expenditure of money) by both public authorities and private enterprises if future development is to be carried on wisely and economically. (p vi)

The developmental edge of the state in the postwar period was not a democratic one. Measures were planned in the South and then implemented in the North, often by people who may have had good intentions but an imperfect grasp of the local impacts of their actions. That this was so became completely clear when Indigenous people had an opportunity to comment on what had been done to and for them in the first two decades after the Second World War. The rising of the Indigenous movement in northern Canada after the mid-1960s was sparked by pressure on northern resources and state-led plans for their development, and it was sustained by the Canada-wide movement. But northern Indigenous people were also reacting to the massive incursion of public programs, institutions, and officials into their homelands since the 1940s. These initiatives of the state reached into the lives of every family and every settlement, with a far more thorough and long-lasting impact than had been felt from mining or mineral exploration.

Social Economy – Political Economy: Patterns and Prospects for Analysis

The organized political activities of northern Indigenous people contributed to a revolution in Canadian constitutional politics, and they transformed the institutions of northern political life. They challenged, also, the terms upon which economic policy was made. In 1968, Kenneth Rea published a study of the dramatic changes in postwar administration, cast as an interpretation of the history of northern development. He defines development as
the establishment of economic activities capable of sustaining a population residing in a given area and the subsequent creation of the political and other social institutions which we have come to regard as being the normal attributes of a civilized community. 20

This vision of development as it might apply in the North was widely shared,21 and likely it was held by many of the generation of public servants who moved north to implement the new programs and to staff the new institutions. As most of these public servants lived in the wage-based service centres, it is likely also that this ideology informed their expectations of northern social life and their voluntary activities.22 But in light of the challenges of the northern Indigenous movement, and the accompanying debates about northern development, it quickly became impossible for commentators to refer uncontrovertially to “political and social institutions” that were “the normal attributes of a civilized community.”

By 1978, just a decade later, the discourse had changed radically. Speaking to a workshop organized by the non-governmental organization, the Canadian Arctic Resources Committee, public servant Ed Weick recommended that participants look at the question of how small northern communities that wish to preserve their essential character can undertake development that is compatible with their preferences and aspirations. What is the nature of community decision making with respect to economic and other matters, and how does it take place? What roles might local resources and the application of “appropriate technology” play in locally-based development? What training needs might arise, and how should these needs be met? How does a small community prevent its young people from going away to work on some large industrial venture? Under what circumstances will the young people stay in the community or come back to it? In the case of larger northern communities, what possibilities exist for mounting development projects that could add a considerable measure of stability to the local economy; that could, in other words, smooth out some of the economic peaks and troughs that are now so characteristic of the growth of these communities? 23

It is remarkable that in 1978, Weick’s comments were relatively uncontrovertial. A decade of Indigenous activism had produced a sea change in how northern development questions were to be framed. Equally remarkable, however, is the fact that thirty years later the concerns raised by Weick about community well-being, training and employment, and coping...
with industrial impacts remain current. His statement would not be out of place in a modern hearing on a potential mine or pipeline, a fact that deserves further analysis.

The battles over pipelines, mines, and other developments in northern Canada that have animated the last forty years have stimulated a series of debates and controversies. These may be found in the testimony to public hearings (beginning with the most famous of all, the 1974–76 Inquiry into the Construction of a Pipeline in the Mackenzie Valley) and also in the academic literature. Quite strikingly, the discussion of northern development that has developed in this way has been cast as a series of dualisms. These were captured first in the title of the Mackenzie Valley pipeline inquiry—*Northern Frontier, Northern Homeland*. This title was meant to express the contrast between the longstanding Dominion government—and perhaps general southern view—that the northlands were the last frontier for national development, a treasure chest of resources awaiting exploitation, and the perspective of northern Indigenous residents, who knew the North as their (already economically rich and sustaining) homeland. A parallel debate erupted in the 1970s between scholars who were struck by the vitality and complexity of the mixed economy, and those who saw in contrast a dying “traditional sector” of a dual economy. Later, traditional ecological knowledge was contrasted with scientific understanding and, again, the preoccupation was with the death of the former in the face of the entrenchment and insidious powers of the institutionalized forms of modernity. Indeed, the basic framework of the present article reinforces such dualistic thinking, by identifying in effect two northern social economy patterns—that of the smaller, predominantly Indigenous centres, and that of the wage-based centres.

There is something artificial and ultimately sterile in casting an analysis of northern history in terms of such dualism, however faithful these may be to appearances. I believe that the longer historical perspective suggested at the beginning of this article, combined with a focus on the northern social economy, promises a way out of sterile dualistic thinking. Focusing on the social economy draws our analytical gaze to the local level, compelling an analysis that provides a helpful corrective to the policy studies that fix on large state initiatives and their motivations, and the broad brush economic debates about the northern economy. It promises to illuminate the unremarked efforts of volunteers, often women, and to integrate the non-waged helping and productive activity into our understanding of northern development. Studying the social economy completes the catalogue of salient human social activity, building in a study of voluntary and self-organized actions and
organizations. It requires us to consider how these are affected by large state and economy forces, but also to understand how they in turn have changed the terms of life in all areas of the North. There is also the potential that such a focus will illuminate the integral connections between the two economies in each phase of northern history, and thus advance historical understanding as well as provide a better basis for public policy.

Proceeding in this fashion requires an historically grounded account of how various forms of human behaviour came to be understood variously as “volunteerism” or “social provision” or “paid work” or “just a job” —first in Europe and in the parts of North America that were firmly integrated into the economic system spun out from Europe after the seventeenth century. The essence of the mixed economy, after all, is that kin relations, broadly understood, order production and exchange. In contrast, the concept of the social economy assumes a separation between personal or family obligation, and public service or charitable activity. Kin relations do not normally order the social economy in wage-based societies (though much informal aid may co-exist). In Indigenous communities in which the mixed economy prevails, then, how do people conceive of what they are doing when they share with others, or help them, or take jobs in a helping profession? Is bringing meat to an elder understood differently from bending social assistance rules to accommodate a need in the community? Paid social service positions in communities may mark a decisive commodification of community-spirited work, but maybe not. Are these jobs adapted to serve community purposes—that is, are they knit into the ever-adaptive mixed economy? There is substantial anecdotal information in oral histories, and personal memoirs, but the question seeks a more concrete empirical answer, one that can only be derived in discussion with the communities that have undergone these changes, and by conducting historical research in the local Indigenous languages. It requires an understanding of the concepts expressed in those languages to describe both historical contemporary productive activity and, of course, sharing or generalized reciprocity.

Understanding the social economies of the wage centres created or expanded in the latter half of the twentieth century, then, must first of all be an exercise in retrieval—of first person accounts of what was done, of local and urban histories where none have been published, and of the ideologies and enthusiasms of a particular phase in the development of the Canadian state. Comparing the postwar evolution of social economy institutions in wage centres across the North should permit generalization, and teach something about the subtle effects on the social economy of economic development.
policies and programs meant for quite different purposes—the opening of a resource hinterland.

Finally, to the best of my knowledge, there has been almost no synthetic research on the internal development of the many regions of the North, to help us understand, for example, the internal dynamics of the northern regional economies. Do community mixed economy sharing networks extend into the wage centres to any significant degree? How does the boom and bust cycle of the mineral resource production economy affect the relationship between the larger centres and predominantly Indigenous communities, over time?25 Are there connections among evolving social economy institutions in the wage centres (such as, for example, the YWCA, or in Quebec, the caisses populaires, the co-operative credit unions) and changes in the mixed economies of the smaller communities? Do these institutions supplant mixed economy practices or weaken commitment to them, by removing some of the practical reasons for their survival—or are they subsumed, becoming aspects of the evolving mixed economy strategy for community well-being?

The sketch of large trends in northern history presented earlier assigns a major role to the evolving and elaborating institutions of the various state forms that have been active in the North, and that now shape its social relations. It is time to weave together what can be learned from the multiple published case studies, personal memoirs, and contemporary empirical research, to understand how the societies of the North have responded to and shaped state actions, and how they are continuing to do so in this new era.

Acknowledgements

Some of the analysis in this article was sharpened in discussion with lively and demanding co-editors and co-authors in the preparation of Abele et al. 2009. See Abele 2009. I am grateful also to colleagues in the Social Economy Research Network of Northern Canada, particularly Dave Natcher, and to Jack Hicks, Jerry Sabin, Deborah Simmons, and Chris Turnbull, for many lessons learned. Two astute and generous anonymous reviewers showed me how to strengthen the arguments. To my husband, George Kinloch, thank you, as ever, for so much intellectual stimulation and nourishing companionship.

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Notes

1. More research prospectus than analysis, this article is a first airing of work undertaken for the State and the Northern Social Economy theme of the Social Economy Research Network of Northern Canada, Social Sciences and Humanities Research Council grant # 392040.

2. “Dualism” refers to such artificially contrasting binary categories as “traditional” versus “modern,” “traditional pursuits” and “wage employment,” “traditional knowledge and western knowledge,” among others.


5. This is a generalized description, a conceptual model of an economic form that knows many specific versions, and that has adapted over time to changing conditions.

6. See, for example, Rowley 1981 and the DNANR Annual Report 1954-55, quoted in Zaslow 1988: “As the native people engage more actively in the economic development of the northern territories, they will develop increasingly a sense of personal responsibility, and the solution of these problems of economic and social adaptation will emerge.”


9. Very interesting research is available for a number of locations. See for example, Stern 2002, 2005; Buklis 1999.

10. There are sixteen communities in these regions in which significant regional services are provided (thus qualifying them as “centres”), and in which the labour force participation rate exceeds 70%. They vary widely in terms of size (from tiny Norman Wells to the metropolis of Whitehorse) and ethnic composition. I am indebted to Jerry Sabin’s research on this point.

11. Excellent studies exist for particular locations: Honigman and Honigmann 1965, 1970; Ittinuar 2008; Brody 1975; and Drummond 1997; for example.


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17. I am reviewing personal memoirs published by members of this cohort of northern migrants—teachers, nurses and public officials—whose experiences in the middle decades of the twentieth century can illuminate this period, as well a growing body of information in film, oral history, and written work that describes northern Indigenous people’s experience of the same period. Among dozens of written sources in this genre, see Bird 1961, Buerschaper 1977, Burnford 1973, Camsell 1966, Copeland 1960, Hinds 1958.
19. See, for example, Canada, High Arctic Relocation, 1994.
21. For example by senior public servants such as former deputy minister of Indian Affairs and soon-to-be Clerk of the Privy Council, Gordon Robertson. See Robertson 1960.
22. There is a small library of “my northern experiences” books published by public servants who went north during this period. This literature remains to be analyzed for what it may teach about the ideas and actions of the people who built the northern social economy in the wage centres.
24. For example, see the exchange in The Musk-Ox between Stabler 1977 and Usher 1978.
25. Gardiner 1994 is a rare example of empirical research on this question.

Sources


