

Royal Commission on Aboriginal Peoples

La Loche Community Case Study

Final Report

Gary N. Tompkins, Ph.D.
Research Director

Ian W. Rongve, Ph.D.
David L. Beattie, Ph.D.
Jane Wang, M.A.
Connie Cheecham
Research Assistants

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Part I

Introduction

1. Acknowledgments

The author would like to acknowledge with appreciation the contribution of a number individuals who helped with the project, without whom the report could not have been completed. Foremost are the individuals within the community of La Loche who cooperated with the personal interviews, which form the primary bases for the recommendations contained in this report. I am also indebted to Connie Cheecham, who assisted with the literature survey, translated, conducted and compiled the results of the interviews of the people of La Loche and wrote portions of the report. Jane Wang also provided valuable research assistance by conducting literature searches, finding data, and a myriad of other assorted research tasks. Jack Ganvier transcribed the surveys while Doug Gailey, Town Administrator of the Northern Village of La Loche, lent valuable assistance in terms of directing the research team to sources of information and helping with administrative matters.

Numerous people within the Government of Saskatchewan also assisted us with our literature survey including: Robin Woodward, Saskatchewan Community Services Housing Division, David Goldsmith of Saskatchewan Health, and John Hylton. Bill Sainnawap of the Royal Commission on Aboriginal Peoples assisted with the administrative details of the project. Professors David Beattie and Ian Rongve of the Department of Economics, University of Regina assisted with some of the research work in the final stages of the project. Finally, the contribution of Fred Wien of the Royal Commission on Aboriginal Peoples should not go unmentioned. His support, administrative assistance, patience and encouragement were greatly appreciated.

The usual caveat applies to any errors or omissions.

2. Background and Study Objectives

La Loche is a Metis community in northwest Saskatchewan with a population of approximately 2200 people. There is an adjacent Indian reserve with a population of about 600 people. At present, the only significant economic base of the community is government assistance programs, which has resulted in a local unemployment rate in the range of 85-90 per cent. The economic problems faced by the community are widely recognized but previous initiatives have had little or no success in improving its long term economic prospects.

This study has two primary objectives. The first is to present a community profile of La Loche, including a descriptive portion dealing with its demographic characteristics, community infrastructure, regional economic resources and a brief history of the community. The second is to advance recommendations which, if implemented, should facilitate the identification and exploitation of economic opportunities that exist in La Loche and its surrounding region. The recommendations are largely based on the responses received from the personal interviews of residents of La Loche.

The local consensus that arises from the interviews is that both the conduct and implementation of previous economic development studies were hampered by a lack of community involvement in either process. There is also frustration with respect to the apparent willingness of the provincial and federal governments to fund enormous social welfare programs in health care, welfare and other community programs while few resources have been made available for local economic initiatives. It is widely held that the net impact of the activities of senior governments has been to inhibit economic development due to bureaucratic red tape, institutional rigidities and the diminution of incentives for development and job training that has arisen out of a reasonably generous

welfare system which has created and perpetuated a form of economic welfare trap. The problem does not appear to be a lack of external financial support but rather the lack of effective use of the resources that have been made available. A recent study¹ estimated that the provincial government spent \$13.27 million in La Loche in fiscal 1985/86 on its then 1,832 residents. This \$7,243 per capita expenditure was dominated by spending on social services, education, justice and health; less than 15 per cent of expenditures were allocated to promote economic development.

The major purpose of an economic development strategy is to end the vicious circle of dependence that has been in part sustained by the welfare system supplanting traditional activities in the north. In order for this to be achieved, development initiatives must rely on a local perspective on what can be achieved and how the goals of the community may be best realized. Therefore, the recommendations of this study will rely primarily on an intensive series of interviews of the residents of La Loche to obtain their perspective on the problems of the community, the barriers that hinder economic development, and the prospects for the future.

¹The study was not released to the public but was referred to in another study, by Joan Duncan *et.al.*, Report of the Northern Economic Development Task Force, Province of Saskatchewan, 1991.

Part II

Community Participation

1. Community Liaison and Local Research Assistance

The research director met on a number of occasions with the La Loche Town Administrator, Doug Gailey, who was gracious in offering his insights into the problems of La Loche and was also able to suggest government sources, directions of inquiry for the study, and so forth. He was also helpful in providing source materials for the report. Connie Cheecham, a local resident, performed interviews of local residents and community leaders.

A preliminary draft of this report was sent to La Loche for further review and a research team traveled to La Loche in the final stages of the project to receive comments, criticisms and suggestions for improving the draft report as well as to research the Town Office's economic development files, which provide a clear historical record of the amount of energy, good faith, dedication and commitment that the community has devoted to the task of economic development and which unfortunately also provide a reason for the frustration that was expressed by many members of the community with the government-led economic development process

2. Resident Survey

The report is primarily based on in depth personal interviews of a number of residents of La Loche which were conducted on tape, translated from Dene when necessary and transcribed. The individuals interviewed include Roy Cheecham, former Town Administrator and current Chief of the Big 'C' Band and Doug Gailey, the current Town Administrator. Additional interviews of a cross-section of residents were performed so that the report could be based on a reasonably wide sample of opinion. The interviews were conducted by Connie Cheecham, who speaks Dene and was able to

allow those being interviewed to speak in the language of their choice.

This recommendations of this report are based primarily on the opinions, concerns, suggestions and aspirations expressed by the residents of La Loche who agreed to share their insights with Connie Cheecham and the author and research assistants are grateful for their cooperation.

3. Summary

In the opinion of many residents, La Loche has been "studied to death". Yet another descriptive survey of the social and economic problems of its residents would add little to the stock of information that has already been accumulated and history has shown that acquiring data does not necessarily inspire government and community action to address the social and economic problems of the community. While the statistical data does serve to give a context with respect to the magnitude of the social and economics problems as well as the strengths of the community, this study was designed to be forward looking, canvassing community opinion as to why some development initiatives have worked and some have not, the facets of the economic development process which inhibit success, and how individual residents of La Loche believe they could participate in economic development. This "bottom-up" approach is directed towards providing local insight regarding the nature of the barriers to social and economic development, the human and other resources that are present in the community, and the aspirations of the citizens of La Loche. This information would prove useful by giving assistance to government in how to target and deliver social programs more effectively and how best to utilize local resources and opportunities to promote economic development.

The objectives of this study could only be met with community involvement,

which was obtained through initial contact with community leaders, the use of a local resident as a research assistance and planned meetings to review draft version of the final report. It is hoped that this process of consultation will continue into the future as the federal, provincial and local governments attempt to deal with these formidable problems in an effective manner. If a lasting solution to the situation can be found, it will only be with the cooperation and assistance of the people of La Loche, even if their inclusion into the economic and social development process may be difficult to achieve. Many of those interviewed indicated that the primary strength of their community is the people and many are optimistic that economic and social development will ultimately be achieved if governments are able to implement strategies which take advantage of those resources.

Part III

Community Profile: La Loche and Region

1. Historical Development

Prior to the arrival of Europeans, the Dene of northern Saskatchewan were nomadic, deriving a self-sufficient subsistence living from hunting, fishing and trapping. The fur trade dramatically changed all that. La Loche was a natural location for a trading post, having a strategic location as a gateway to the Athabaska region, an area which had a wealth of furs. The fur trade commenced with Peter Pond's arrival in La Loche in 1778, and a thriving economy had developed long before the arrival of European immigrants in the late nineteenth century. The local aboriginal population adapted their economic activity to their new circumstances, supplementing their livelihoods by supplying services to the fur trade, including boat building, guiding, and providing provisions and freight services for food and supplies. The local employees were paid "in notes for trade goods along with some tobacco and a lecture on the evils of drink and the consequences of trading with anyone but the honorable company".²

The Hudson Bay Company sent twelve barges per year to its northern forts, assigning some space in each one for Protestant and Catholic missionaries. In 1845, the first missionary, Abbé Thibault, established a mission at La Loche and reported that the inhabitants of the area were "inexpressibly docile and readily converted to Christianity".

Interestingly, the impact of dependency was seen almost immediately. A local Hudson's Bay employee wrote:

Their immediate wants have been fully supplied, but of course the scenes of extravagance are at an end, and it will be a work of time to reconcile them to the new order.....

I have made it my study to examine the nature and character of Indians and(am).... convinced they must be ruled with a rod of iron to bring

²Many of the quotations regarding the early history of La Loche were derived from secondary sources, usually written histories, which did not reference the sources of the quotations.

and keep them in a proper state of subordination, and the most certain was to effect this is by letting them feel their dependence on us....

In the woods and northern barren grounds this measure ought to be pursued rigidly next year if they do not improve, and no credit, not so much as a load of ammunition, given them until they exhibit inclination to renew their habits of industry. In the plains, however, this system will not do, as they can live independent of us, and by withholding ammunition, tobacco, and spirits, the staple articles of trade, for one year, they will recover the use of their bows and spears and lose sight of their smoking and drinking habits, it will therefore be necessary to bring these tribes round by mild and cautious measure...

The mission proved to be a magnet for Dene families who moved from their camps and trap lines to cluster around the mission and the Hudson's Bay trading post. After a fire destroyed the store in 1937, the settlement was rebuilt on the other side of the lake in the village's present location, encouraged by the manager of the local Hudson Bay post and the local Catholic priest. A store and a school were established at the present site in 1940 and a convent and hospital were constructed in 1943. Over time, the economic rationale for a settlement in La Loche disappeared but the community continued to survive because it was convenient and cost effective to provide social services such as education, medical care and welfare to a spatially concentrated population. The local population was encouraged to take part in the welfare programs provided by the government - it was reported, for example, that family allowances were withheld if the children did not attend school. The establishment of a number of other government services during the period 1950-1970, including a provincial school, a Royal Canadian Mounted Police detachment, health care, social services, all-weather roads, electricity, housing and sewer and water, furthered the centralization process.

Despite the lack of a private sector economic base, the community has become the

second largest community in northern Saskatchewan, with only La Ronge having a larger population.

"...what has happened here is an artificial economy, artificial community created because there is no real economic reason for La Loche to be here.It was through the church, the Bay and so on, and apart from that, it grew on nothing but government handouts in one form or another."

The gradual process of cultural transformation of the Dene and subsequent transition of the traditional economy to the non-traditional economy has produced a slow, continuous growth of economic and social dependency on government. The economic base of the region continues to be based on external exploitation of resources with little participation by local residents in that activity, aside from their receiving social assistance payments which could be considered to be partially financed by government resource revenues.

Table 1 - Summary of the History of La Loche

1776	Peter Pond crossed Methy Portage
1850	Francis Montgrand built the first house in La Loche
1877	First Church built in West La Loche
1880	Hudson's Bay store built in West La Loche
1895	First priest, Father Berrard, comes to La Loche
1936	Post office established
1941	White School built by Aimie Janvier and Little John Montgrand
1942	First teacher - Alex Sapowski
1943	St. Martin's Hospital built, additions made in 1952, 1968 and 1980
1944	First Grey Nun arrived
1947	Sawmill built
1958	Coop opened - power plant built
1961	L.C.A. established
1968	RCMP depot opens - Bill Harrison and Big John first officers
1974	Hydroelectric power established in La Loche
1976	Television viewed for the first time in town -first program viewed - Get Smart
1978	arena opens - Robbie Fontaine Memorial Centre
1979	Construction of Dene High School completed in February, opened officially on October 22
	All weather road to Cluff Lake opened

The current state of the village can only be described as a human tragedy. Unemployment ranges between 75% and 90% and there are approximately 500 employable individuals who currently receive social assistance. La Loche has the highest crime rate in Saskatchewan, the police having to deal regularly with 1000 of the community's 2800 residents, and expenditures on justice are approximately nine times the per capita provincial rate.³ The teen pregnancy rate is double the provincial average, and a high population growth rate has created an acute housing shortage. La Loche also suffers from extremely high rates of family breakdown, physical and sexual abuse of women and children, and sexually transmitted diseases.⁴ The use of mental health facilities is only about average, which likely describes the limited accessibility to mental health services rather than community need. The youth are faced with problems such as family violence, teenage pregnancy, alcohol and drug abuse, high crime and incarceration rates and welfare dependency to a far greater extent than their counterparts in other areas of the province.

2. Natural Geography

La Loche is located in north-west Saskatchewan, 350 kilometers northwest of Meadow Lake and 650 kilometers northwest of Saskatoon. The bedrock geology is mainly sedimentary rocks (sandstone, shale conglomerate, marine and non-marine). There is coal and bentonite in the area and limestones and dolomites immediately to the east. It is located on the Saskatchewan Plains Region of the Central Lowlands, the Second Prairie level, which is a vast area of relief lying between 1500 and 200 feet above sea level. La

³Presentation by R. Cheecham to the Royal Commission on Aboriginal Peoples, December 10, 1992.

Loche is located within the Ile-a-la-Crosse Lowland section of the Upper Churchill Lowlands. The dominant form of soil is wet, poorly drained peat soil. The natural vegetation is bog, muskeg, and swamp area with stunted trees (pine, spruce, aspen and poplar). There are no major mineral deposits in the area.

3. The Regional Economy

Saskatchewan has an agriculture and resource based economy that is highly dependent on the operation of external world markets. In recent times, the prices received for the four major export goods - wheat, oil, potash and uranium - have declined for various reasons and as a result, the Saskatchewan economy has experienced very little economic growth over the past decade. The economic base of the northern portion of the province consists almost entirely of resource extraction and tourism, neither of which is currently present in the immediate area around La Loche. The non-aboriginal population of the province is also quite mobile, and as a result economic downturns tend to take concrete form as out-migration rather than unemployment.

The native peoples of Saskatchewan have not been integrated into the economy, leading to the loss of their potential contribution to the economy and the creation of numerous social problems. In the past, various government have tried to include local populations in resource development by requiring companies active in the north to fulfill employment quotas or to allocate a portion of their external contract work to northern-based companies. However, these programs have had little long term effect because of problems of enforcement and the lack of qualified local people capable of

⁴See John H. Hylton, The La Loche Report: A Report Prepared for Saskatchewan Municipal Government for a description of the social ills facing La Loche.

filling positions.

Another characteristic of the aboriginal population in northern Saskatchewan is that they tend to be relatively immobile, tethered to their communities by cultural values and traditions as well as their social and economic circumstances.

The 1991 Aboriginal Peoples Survey describes the employment situation of individuals in Saskatchewan who identified themselves as North American Indian or Metis as well as the barriers to employment.

Table 2
Employment and Business Characteristics of the Adult (15+) Population
Who Identify as North American Indian or Metis in Saskatchewan

Selected Characteristics	Metis	Indian
Employment Status - June 1991		
Total Population Surveyed	15,670	17,465
Employed	7,295	5,830
Unemployed	1,810	2,920
Not in the labour force	6,495	8,565
Not Specified	65	150
Participation Rate (%)	58.1	50.1
Unemployment Rate (%)	19.9	33.4
Barriers to Employment		
Few or no jobs near residence	3,525	4,250
Inadequate Education/Experience	2,285	3,055
Availability of Child Care	435	865
Information Re: Job Availability	1,360	1,955
They were Aboriginal	970	2,110
Other Reasons	325	595

Source: Statistics Canada, Schooling, Work and Related Activities, Income, Expenses and Mobility 1991 Aboriginal Peoples Survey, Catalogue 89-534

4. Demographic Characteristics

La Loche has a population of approximately 2,300 people, with an additional 450 members of the Big "C" Band living either on a reserve adjacent to the village or in the village. There are 70-100 new births per year, and as a result the population has grown by

approximately 3.25% per annum over the past decade. As a result, the population of the community is very young compared with non-aboriginal communities.

Table 3
Age Distribution of Population Covered by Health Insurance
La Loche, 1993

Ages	All	Share	Cumul.	Males	Share	Cumul.	Females	Share	Cumul.
		(%)	(%)		(%)	(%)		(%)	. (%)
0-9	267	22.8	22.8	137	22.0	22.0	130	23.7	23.7
10-19	214	18.3	41.1	112	18.0	40.0	102	18.6	42.3
20-29	217	18.5	59.6	111	17.8	57.8	106	19.3	61.6
30-39	210	17.9	77.5	120	19.3	77.1	90	16.4	78.0
40-49	102	8.7	86.2	55	8.8	85.9	47	8.6	86.6
50-59	85	7.2	93.4	53	8.5	94.4	32	5.8	92.4
60-69	46	3.9	96.3	23	3.7	98.1	23	4.2	96.6
70+	30	2.6	100.0	12	1.9	100.0	18	3.3	100.0
Total	2,106	100.0		1,109	100.0		997	100.0	

Source: Government of Saskatchewan, Saskatchewan Health, *Covered Population 1993*

The population of La Loche is overwhelmingly aboriginal, comprised of the status Indian members of the Big "C" Band, a large number of non-status Indians as well as a few Metis.

Very few of the residents of La Loche have educational attainments beyond that of a basic adult education. In 1986, 65% of La Loche residents did not complete Grade 9 and only 2.1% of people had some form of trades certificate or diploma.⁵ The major reason for this is that family and community ties seem to be especially dominant in La Loche, and few people are willing to leave their homes and live in a foreign community in order to obtain post-secondary education or technical training.

Recent trends in La Loche show that the length of stay in school is improving. In 1983, the first student graduate from grade 12 and since then, the numbers have been

⁵Statistics Canada, *Selected Characteristics for Census Divisions and Census Subdivisions, 1986 Census*

growing rapidly.

5. Community Services and Infrastructure

The remote locations and dispersion of population that exist in Northern Saskatchewan provide plenty of economic and social disadvantages for residents of northern communities, especially with respect to access to markets, costs of transportation and energy, lack of local capital and inadequate community infrastructure and services. La Loche is not an exception to this and there are very few services in the village. Due to a recent upgrading, the water and sewer facilities have adequate capacity for a population of 5,000. However, not all residents have access to these facilities, especially in two major areas - the subdivision of Poplar Point and the Other Village (the original site of La Loche). There has recently been approval given for extending the water and sewer system to the homes in Poplar Point.

The two public schools in La Loche - Ducharme Elementary School and Dene High School- are perceived to provide one of the best school systems in northern Saskatchewan. There is a grocery store, confectionery, a department store, a new liquor store, police services, a post office, a rink and an adult training center, the latter which only provides adult literacy classes. The nearest bank is in Buffalo Narrows and there is no local newspaper although newspapers in Meadow Lake and La Ronge provide some local coverage. The hospital, St. Martin's Hospital, has two doctors who provide services on a rotational basis, but the facility is currently over-taxed with the number of medical services it provides.

La Loche is served by an all-weather highway. It has an airstrip but there is no scheduled air service to the airport. The airport is used, however, by a number of charter

airline companies.

There is little available in the form of social services, such as shelters for victims of abuse, services for the disabled and elderly, recreational infrastructure and so forth. There is a facility called Dene Kwa which houses three offices for one youth worker, a teen parent worker, and a fine option worker. The Clearwater Outpatient Center is a counseling center funded by SADAC, and has a staff of only three members - one counselor, one secretary and a director. There are also government agency offices such as the social services department, probation services, NorSask Outreach Center and the ten member RCMP detachment. Case overloads and time constraints limit the social service workers' ability to implement programs to help alleviate the social problems.

The only recreational facilities in La Loche are an arena, gymnasium at the elementary and high schools and one softball field.

6. Education and Job Training Facilities

As indicated above, the level of educational attainment of the people of La Loche is very low - fully 43% of the population in northwest Saskatchewan has less than Grade 9 education.⁶ The interviews indicated on numerous occasions the belief that training opportunities beyond simple adult literacy were needed and could contribute to encouraging economic development. One of the problems faced by the community is that training resources are only available outside the community, in Buffalo Narrows, La Ronge, Prince Albert and Saskatoon. Given the relative immobility of the population and the lack of local input into what specific training programs should be offered, the existing resources available for the development of job skills have been underutilized due

lack of access and inappropriateness of courses offered. In 1989, there were 4,565 northern residents who had enrolled in school at the Grade 9 to 12 level, but only 595 of those received a Grade 12 certificate.⁷

Some respondents also believe that the quality of education being delivered to northern students is lower than that achieved in the south, citing people in Grade 10 who cannot read, and so forth. For the most part, however, there is general satisfaction with the standard of education being offered in the public school system in La Loche. A majority of the criticisms has been with respect to the limited scope of the educational program, especially with regard to Indian studies and vocational/business training.

However, what is not clear is how the problem can be resolved. In order to have a more productive educational system, the appropriate courses must be offered and people must be willing to take the courses. While it was acknowledged that there exist opportunities for training outside the community, some of the respondents expressed considerable skepticism about the potential of training courses to improve the social and economic conditions of the community.

"Well, the people that are there, it will help, but lots of people are not taking initiative to just go and do it on their own. They'd just rather sit home and draw welfare. But I mean if that welfare was reversed, like that money that they were getting would be put into an account that they could get paid from and maybe benefit from it at the end. The council [should] sit down with the education board, college board or social services..."

The Dene High School has not been used as a vocational training center although it is believed that it was initially established as such and could be used to provide training programs in the future. It would appear that the infrastructure is in place to facilitate

⁶Hylton, *op. cit.*, p.12.

some limited job training programs. Recently, the high school produced 24 graduates and the high school administrators project a graduating class of 42 in 1996. Currently, there is little in the way of employment opportunity for these graduates as well as limited local access to further job training. Even if there was better access to educational and training programs, it is unlikely that people will be motivated to invest in their skills if there is no prospect of benefiting from that training once it is obtained.

In recent times, the community of La Loche and surrounding communities have been trying to promote the establishment of a training center. As a result, the Clearwater Regional Training Council (CRTC) was formed to identify and offer training to local people to enable them to access employment prospects in the region. The intention of the CRTC is not to become an employment center but rather to assist those who are in the process of developing job skills. One of the institution's goals is to pursue an introductory training program at the Dene High School which would allow students to take trades courses in the areas of carpentry, electrical, plumbing and heating, gas fitting and sheet metal work while completing high school.

It will still be necessary to obtain professional training outside the community and the relative immobility of residents is a difficult obstacle to overcome. In order to allow residents to aspire to professional occupations, the community may need to provide financial incentives such as bursaries and scholarships carrying the proviso, where appropriate, that the student return to the community to allow residents to receive some benefit from that training. As well, the possibility of offering training courses delivered by satellite should be explored for purposes of professional training. However, these programs cannot achieve much without there being job opportunities for those who

⁷Source: Northern Education Task Force, *Report to the Minister of Education*, 1989

graduate.

7. Housing

The people of La Loche rely primarily on public housing for their housing needs, since high levels of unemployment and welfare dependency seriously limits the affordability of private sector housing. There is currently a shortage of public housing in La Loche due primarily to the high birth rate in the village. The Carter Associates report identified 99 names on the waiting list, about half of whom are single parent households (p. 20). The level of maintenance is very low, again due in part to low income levels of the community. Approximately 80 per cent of the residents of public housing are in arrears.⁸ The data on household characteristics shows an average of five persons per household.

Table 4
Private Households by Size and Number of Census Families
La Loche, 1991 Census, 100% Data

Total number of private households	340
By Size of Household	
1 person	35
2 persons	40
3 persons	30
4-5 persons	100
6 or more persons	130
By Number of Census Families	
Non-family household	50
1 census family	285
2 or more census families	10
Avg. number of persons per household	5.0

Source: Statistics Canada *Profiles 1991 Census Catalogue 95-365*

⁸See Carter Research Associates, *A Three Year Plan to Improve Housing in La Loche* January 1993.

8. Health

The health outcomes for aboriginal populations throughout Canada are very poor, and the primarily aboriginal population of La Loche does not provide an exception to this general rule. There is limited access to medical services due to the relative under-supply of physicians (especially specialists) even though demand is high relative to the size of the population. The statistical support for this is readily available. For illustrative purposes, this section will present various statistics which describe the state of health of individuals in northern Saskatchewan.

Table 5
Comparisons of Death Rates, Aggregate and by Cause
Saskatchewan and Northern Saskatchewan, 1989

	Saskatchewan (All)	Northern Saskatchewan
Life Expectancy		
Males	74.5	69.1
Females	80.9	77.9
Infant Mortality Rates		
Males	972	1,822
Females	716	1,522
Suicide Rates		
Males	19.6	31.2
Females	4.3	6.8

Source: Government of Saskatchewan, *Vital Statistics by Health Region*, 1989

Data on the availability of physicians and the use of medical services in Saskatchewan shows a great deal of variation across regions.

Table 6
Physicians per 10,000 Population, by Location
1985/86 with Percentage Change Since 1977/78

	All Urban	All Rural	N. Sask. (Rural)	All Locations
General Practitioners				
Number	8.8	5.7	3.0	6.9
Change	27.6	-5.4	-29.0	12.5

Source: Saskatchewan Health, *The Growth in the Use of Health Services 1977/78 to 1985/86*, April 1990

Table 7
Cost per Person by Area by Patient Residence
1985/86 with Percentage Change Since 1977/78

	All Urban	All Rural	N. Sask. (Rural)	All Locations
Cost/person 1985/86	\$184.30	\$149.70	\$221.73	\$169.83
Percentage Changes				
Use/person	20.1	11.8	28.1	17.7
Patients/person	5.6	5.0	18.1	5.6
Use/patient	13.7	6.4	8.5	11.5

Source: Saskatchewan Health, *The Growth in the Use of Health Services 1977/78 to 1985/86*, April 1990

Table 5 clearly demonstrates that the access to health services is worse in northern Saskatchewan than in the rest of the province, resulting in a lower total cost per patient, but the growth rates in the use of health care by residents of northern Saskatchewan is higher than in other parts of the province. The same situation holds for hospital services - the local hospital has about 10,000 admissions per annum, which indicates high per capita use of the facility. This pattern is general across northern Saskatchewan, which has an average 2,575.3 hospital days per 10,000 population in 1985/86 compared with the provincial average of 1,853.7.⁹

⁹Source: Saskatchewan Health, *The Growth in the Use of Health Services 1977/78 to 1985/86*, April 1990, p.138.

9. Local Government

There was general satisfaction among the individuals interviewed with the structure of local government and its responsiveness to the needs of the community. However, it was felt that the local government was essentially powerless to act on its own, despite having a better understanding of the problems and prospects of La Loche than higher level governments.

It is true, however, that the increase in local autonomy in delivering social programs and economic development may require additional local expertise and the evolution of a governmental structure that has more accountability both downward to the residents of La Loche and upward to the provincial and federal governments. However, the community apparently is confident that the local government has advanced to an extent that it is able to take greater control of and responsibility for the economic future of the community. An example of a successful local government initiative is Methye Construction, a non-profit company that was incorporated in 1983. From 1985 to 1992, the company worked on local construction projects valued at \$5.147 million and has assets of \$818,000. It employs thirteen local residents during an average year.

Some respondents complained about a lack of communication between the local government and residents, placing the blame primarily on the barriers imposed by language. When asked whether the local government should use Dene translators, one respondent replied:

Yes, I would think the town council and the mayor should be aware of themselves, letting other people in the community know what's really happening. You know, I'm sure they're on top of things, but that's where it stays...it's not going out to the public and the only time you know about these things is when people...bring up their issues and sometimes you hear about it when its over."

10. Federal/Provincial Presence in the Community

It is well-recognized within the community that La Loche has been a drain on the rest of the province and there is willingness to act to change that situation. While it is generally (but not universally) accepted that the federal and provincial governments have attempted to implement programs that will end the community's dependency on welfare, the failure of those programs has led to considerable frustration and, in some cases, questioning of the true motives of those governments. Many people believe that the federal and provincial governments trapped people with the cheques and housing and now find it convenient to maintain the status quo. It is also suspected that a partial explanation of the lack of effective government action is that there would be a large political cost associated with a comprehensive commitment to economic development due to either competition for the resources which will need to be directed towards the village or increased competition for businesses located outside of La Loche.

It is not surprising that this suspicion has emerged. It is difficult to understand how a government that is spending millions of dollars every year would appear to be dragging its feet on proposals which would restore some sense of self-worth to those currently on welfare.

The major concern is that national or provincial programs tend to have standards which must be met regardless of local situations. The problems of La Loche and the solutions that may exist differ from those of Buffalo Narrows, Meadow Lake and so forth and often require different administrative structures and policy approaches. There is currently a trend towards devolution of central authority in both Canada and Saskatchewan. Provincially, this is evident in the recent health reform initiative which is attempting to allow local health districts some autonomy in deciding how to deliver

services geared to achieving "wellness". This may involve redirection of resources that have been devoted to delivering traditional health care such as hospitals, doctor visits and so forth to preventative measures such as nutrition education for pregnant women, alcohol and drug counseling, and others. The intent of the reform is to transfer financial responsibility for delivering "wellness" to local health boards while allowing those boards to pursue local solutions to the health needs of their residents while requiring that the Boards meet certain minimum provincial standards.

An additional example of devolution of the delivery of social programs has been the growth of the use of Alternative Financing Arrangements (AFAs) with status Indian bands.

There is currently a consensus that effectiveness of centralized line department programs is reduced by the need to have a common set of rules for all communities, lack of local input and, in general, an inability to use local knowledge and expertise to assist in achieving the goals of the program. Further, compartmentalized programs are often contradictory, with the effects of one program working contrary to what another program is trying to achieve.

An example of this is that at a time when the problems of alcohol abuse and crime are major concerns of the residents and there is a perceived need for a shelter for abused women and children, drug and alcohol counseling, and so forth, the newest government facilities in La Loche are the liquor store and the jail.

Look at right now, they're building a brand new liquor store, they're building a brand new jail, and where are our young people going to be going? To those two buildings...

This prediction is supported by a study by the Saskatchewan Alcohol and Drug Abuse Commission. A study published in 1989 (1986 data) showed that the alcohol and

drug related offense rate in northern Saskatchewan was five to six times greater than in other regions of the province. The La Loche community profile contained in that study contains some startling numbers.

Table 8
Alcohol and Drug Related Legal Offences (1986)
La Loche and Surrounding Area and Saskatchewan
Offence Rates per 1,000 Age 15+

La Loche, Saskatchewan		
Type of Offence	Offence Rate	Offence Rate
Liquor Act	886.7	52.2
Drinking and Driving	62.3	12.6
Drug	3.9	3.1
Assault	128.8	7.4
Disturbing the Peace	76.4	3.8
Total Offences	1,158.3	79.1

Note: The category of Liquor Act includes public drunkenness and other liquor act offences
Source: SADAC, *Legal Offences in Saskatchewan: The Alcohol and Drug Connection, 1989*

According to the *Report of the Northern Development Task Force*, their analysis of the impact of government safety net and protection programs "clearly demonstrates that a destructive trap has been set which serves to feed, perpetuate and increase dependence on the welfare state....The current trend of limited out-migration will seriously exacerbate existing social and economic problems, as well as costs, if nothing is done."

Provincial spending in La Loche is as impressive from the standpoint of the sums involved. Unfortunately, these expenditures have not had a measurable impact in improving the long-term prospects of the residents of the village. In summary, it is felt that the federal - provincial social welfare system has successfully maintained the community. However, the disincentives created by the welfare system are themselves acting as a deterrent to economic development.

Part IV

Barriers to Sustainable Economic Development

The village of La Loche faces formidable obstacles to economic development. In the rest of the province, migration has acted as a powerful force which has mitigated the negative economic consequences on individuals of the recent problems of the agricultural and resource sectors. However, few adults leave La Loche. Therefore, local economic development is needed to improve the standards of living of local residents.

For the most part, economically viable communities in isolated areas are located there to take advantage of the local presence of natural resources - minerals, fish and so forth. If not for the presence of those resources, the economic disadvantages of a small northern community would be sufficient to eradicate any economic rationale for settlement in the area. While self-sufficiency in such communities may be encouraged by the high transportation costs associated with importing goods and services from outside, the low population and low incomes of local residents allow little scope for having viable local businesses rely exclusively on the local market. Given that successful enterprises will necessarily require access to outside markets, a remote location becomes a hindrance to economic development.

Other barriers to economic development that must be overcome in La Loche include an inexperienced and untrained labour force, a lack of local sources of capital, poor community infrastructure and the long term debilitating effects of welfare dependency. However, it should be noted that despite these disadvantages, there are still many people in La Loche who wish to find work and escape the welfare dependency cycle. Recently, there was funding for a fire suppression crew with about 80 positions and there were over 200 applications. While there are those who have become despondent and have given up, there is still a large group of people who react quickly and positively to economic opportunity.

....it goes back to the sixties...in those days, social services coming in, people being offered, you know, housing and so on. These tricks were all introduced by the government themselves, why they were doing that is that it was easier to manage people when they are in the community...The nomadic way of life of the Dene and other people, it was not a convenient way of keeping track of people or controlling them.So you have a school in a central location, that draws people in, once you've drawn the people in, you offer a house and a welfare cheque. Well, that's a hell of a lot better than freezing your behind off in 40 below for pelts...."

The experience of the residents of La Loche with the Cluff Lake uranium mine underscores the importance of the barrier to development posed by lack of education and job skills. The mining company was willing to set aside a number of jobs for residents of La Loche but the ultimate participation of the community in the mine was limited to the preliminary construction phase because there were few, if any, individuals in La Loche who had the necessary skills to work in the mine. This experience demonstrates the need for government to address the problem of economic development in a comprehensive fashion. If a job training program had been introduced that was specifically geared to future employment at the mine, prospective students could have been reasonably assured that there would be employment opportunities at the end of the course and the mining company would have been able to successfully fulfill its intention to hire local residents. The lack of an integrated employment strategy resulted in the ultimate failure of the local employment initiative, despite good intentions and a viable opportunity to improve the economic situation of the community. Evidence of this problem is presented in Table 7, which shows how transient workers have been needed to fill positions in La Loche, despite there being more than enough unemployed people to fill the positions.

Table 9
Employment in La Loche, 1985

Employment Status	Transients	Locals
Employed full time	101	102
Employed part time	7	33
Unemployed	12	758
Welfare	0	29
Totals	120	922

Source: D. Gailey, La Loche

It may be the case that transportation costs will ultimately dominate any economic advantage that the community might develop through job training, and developing local resources. In that case, governments may need to assess whether a transportation subsidy for a local business might yield better social returns than continuing to support the current welfare system.

Another barrier to development is the lack of local entrepreneurial talent. According to one individual surveyed, this problem is exacerbated by jealousy and suspicion that many feel towards the few people who are successful in business.

The barriers to economic development show up very clearly in an employment survey carried out in February 1992.¹⁰ Approximately 45% of all employed individuals were transients, and there were more transient workers with full-time employment in La Loche than there were local residents with full time jobs. Clearly, one form of import substitution that may be implemented is to train local people for professional positions that currently exist in La Loche but are filled by transient workers.

¹⁰Carter Research Associates, Inc., *op.cit.*, p.10.

Part V
Opportunities for Economic Development

Historically, the development of remote regions in Canada has followed a similar pattern. Initially, people are lured into the area by economic opportunities in a resource based or agricultural activity. As the population grows, high transportation costs from populous regions to the hinterland region offset the economies of scale which exist in the production of some goods and services and some import substitution occurs. In some areas, the population continues to grow and eventually the region achieves a sufficient size to allow it to produce goods other than resource or agricultural based products for their own consumption and for export. Therefore, economic development in La Loche must have two simultaneous purposes - the identification of a economic export activity that could be sustainable and to begin to provide for itself some of the goods and services that are currently imported from outside the area.

Aboriginal communities face another difficult choice between returning to traditional ways of living, integration with the non-aboriginal economy or some combination of both options, with some form of coexistence between the two worlds. However, generations of welfare dependency and large increases in population have left the community with little alternative than to participate in non-traditional economic activity. While the welfare system has clothed, housed and fed the majority of people in La Loche, it has also reduced incentives to maintain the skills necessary to return to traditional ways and the structure of welfare payments has indirectly promoted population growth so that it is unlikely that the surrounding area could support the current population in traditional economic pursuits.

"Because a lot of these people can't, let's face it, a lot of these people do not go into the bush and do it. I don't care what anybody says, there's a handful of people that can do it, and a majority that can't."

Trapping has been diminished as an economic activity in La Loche, with the number of active trappers declining from 117 in 1978 to only 20 at present. The industry has been weakened by the easy money of welfare but as well by decreased world demand and prices of furs due to animal rights protests. The local elementary school still attempts to promote the traditional way of life, offering cultural programs, teaching the Dene language and running trapping courses. The people still involved with the traditional economy teach students basic survival skills and the school offers a two week cultural fish camp.

There have been a number of studies done which have attempted to identify export based economic activities which could be promoted in La Loche and have some possibility of eventually becoming self-sustaining. Forestry has been mentioned as a possible economic base since there is a forested area south of La Loche. However, high transportation costs would make such activity uneconomic and the trees are stunted and not particularly suited to many types of forest products. There are no known mineral resources near the village. In the past, there has been hope expressed that residents of La Loche may be able to participate in the development and exploitation of the Cluff Lake uranium mine and the Athabaska Tar Sands either through direct employment or through the contractual provision of goods and services, but this did not occur.

The megaproject approach to development, popular in Canada during the early 1980s, has not proved successful in generating the economic spin-offs that were anticipated, nor have the projects served as a starting point for more sustained and balanced development. This was due to a number of factors, especially the recent world-wide decline in resource prices and the specialized nature of the jobs that were created, which limited the ability of the local labour force to participate in the projects.

Tourism and fishing have provided a significant economic base to communities in northeast Saskatchewan, such as La Ronge, but this has not been the case for the western side of the province. There is some potential here as the sandier soil has produced a number of beaches and the region includes the provincially designated of the Clearwater River wilderness area. However, the development of tourism will require significant capital investment and is not likely to provide economic benefits to the area in the near future. There has been some success with the creation of a construction company controlled by the village but fiscal realities and the lack of labour skills preclude the existence of a great deal of opportunity for employment of local citizens in that area.

There were a series of small scale economic ventures initiated by the local government that were implemented during the period 1976-1989, including a glass manufacturing plant, commercial laundry, a sulphur plant and a barrel manufacturing plant. These ventures were linked to the Cluff Lake uranium mine, which was under construction during this period. Feasibility studies were also performed for projects such as greenhouse agriculture, aquaculture and various farm-related projects. None proved to be the trigger to the development of a economic base, due to a lack of support, direct and indirect, but they demonstrate the willingness of the leadership of the community to attempt to break the pattern of welfare dependence.

Statistics seem to indicate that businesses owned by aboriginal people tend to have a larger impact on employment of aboriginal people than those owned by non-aboriginal people.¹¹ Important factors which contribute to the success of such businesses are the following:

¹¹Thorne, Stevenson Kellogg, Province of Saskatchewan, Indian and Native Affairs Secretariat, 1984

- i) the presence of local business and financial leaders;

One of the common themes that emerged from the interviews was that many respondents recognized that long term dependency on government social assistance programs has led to many of the social problems faced by the community. Many of those interviewed recommended that the government redirect social spending to create jobs. To some degree, this represents a contradiction of the widespread belief that local solutions were needed to address the problems of the community and that the external advisors and government officials who came up with social programs and economic development schemes devoid of any local input have not served any useful purpose to the community and may have deepened and perpetuated the social and economic problems faced by the community. Despite this feeling, many respondents still believed that the government should step in and solve the problem by creating jobs, rather than facilitating local job creation.

This view may be present due to the feeling of powerlessness that seems to be shared by many members of the community or due to a more communal view of social organization. However, it suggests that any further economic development initiatives ought to involve local input at every stage, including the initial ideas for import substitution or development of exports, the procedures for implementation of proposals, how government resources in education and job training may be used to facilitate development initiatives, and especially how local people will be involved at each stage of the process. Local control over the economic development process will not only be helpful in successfully identifying appropriate economic opportunities for the community but it should as well serve

to promote community empowerment so that a sustainable local economy can be created.

ii) the ability to identify pragmatic enterprise opportunities;

The existing government and community structures appear to have difficulty in advancing economic proposals much beyond an initial identification of potential opportunities. Given the current situation in La Loche, it is unlikely that economic development can proceed without a partnership between the members of the community and various government agencies. The local government, external development specialists and some of the interview respondents all have been able to identify economic opportunities that may be both economically pragmatic and consistent with community objectives. The problem occurs in trying to go beyond that step.

"Commercial fishing, again, I count those people who participate in commercial fishing on one hand. It's nice to see some of the younger boys do it - not necessarily to live on it, but to do a lot of it."

"Housing is always going to be present in La Loche, construction. There should be a lot of work done in that area. The mining sector - La Loche hasn't really benefited from that, yet."

"...most of the professional opportunities in this community are held by non-Natives...such as for teachers and nurses.....This is a big community in itself. It would be enough work for 2-3 mental health workers."

iii) availability of capital;

Without external involvement, the supply of local capital will be insufficient to ensure local private control of economic development. Private investors from outside the community will likely be sufficiently deterred by the appalling social conditions

and the lack of success of previous economic development initiatives so that equity investment is not a likely prospect in the initial stages of economic development. In addition, external private investment will compromise local control of development initiatives. It is likely therefore that a local development corporation will require external government funds for investment in local enterprises. While the current fiscal pressures faced by the Canadian and Saskatchewan governments may suggest that governments are likely to be unwilling to commit additional funds to the community, successful economic development will reduce the need for welfare payments, law enforcement and other social expenditures and thus may lead to long term savings. Additionally, the senior governments must recognize that their previous expenditures in La Loche have been both large and ineffective and that a new approach must be found in which the social spending in La Loche will contribute to rather than inhibit economic development. If this is achieved, government intervention can be directed towards ending the cycle of dependency that has captured many of the people of La Loche.

iv) internal and external development expertise;

There has been no shortage of external development expertise for La Loche. As argued above, the critical shortage has been with respect to internal expertise and whatever institutional frameworks are used to promote economic development, they must involve local people so that realistic opportunities are identified and local economic development expertise and entrepreneurial talent is developed. At the very least, external development expertise should not be used to identify economic opportunities but rather to assess the suggestions that arise from

the community. The poor historical record of previous development initiatives (see next section) strongly suggests that the external expertise that was employed did not have a comparative advantage with respect to finding appropriate sustainable development strategies. Local initiatives could hardly fare any worse.

- v) the ability to become competitive over time;

Government support of local enterprises is essential in the initial stages of a development strategy. It is also important, however, that support such as contract set asides, government procurement policies, direct subsidies and so forth must be seen as transitory measures. If these become permanent, the only effect of economic development will be to create a somewhat more benign and probably less secure form of dependency on government, thus accomplishing very little. Community empowerment can only be achieved by eventually creating a sustainable local economy that exist without an extraordinary commitment of government resources.

- vi) coordinated and focused government support.

An effective economic development strategy must focus the efforts of all government agencies so that there is a common, consistent objective. This report has attempted to concentrate on economic development, but it is clear that the most formidable barrier to economic development are the social problems faced by the community and so an effective economic development strategy cannot be developed independently of a strategy to address the social problems of La Loche.

Therefore, it will be necessary for the community and government agencies to address these problems in a holistic way, using interdepartmental representation so that economic development, education, child care, local technical training,

local delivery of social programs, law enforcement and justice, and the all of the other activities of government may be coordinated so that more effective use of government resources can be achieved.

In John Hylton's recent report, the author recommends that a development authority be instituted to deal with the social and economic problems faced by the community.

"There are many examples where government has responded to issues that are fundamentally interdepartmental in nature - the child action plan, young offenders, family violence, Aboriginal policy, and policies and programs affecting women are but a few examples. Typically, a steering committee of one form or another is established to represent various departmental interests in inter-departmental planning. Often, this committee is mandated at very high levels of government... This is the type of approach that is needed to deal with the complex, inter-related problems of communities like La Loche."¹²

Development in La Loche must be begun through a strategy of import substitution. Given the economic disadvantages faced by the region, it is unlikely that a strategy could become successful without an initial period where local entrepreneurial and job skills are developed so that the talent is available to take advantage of whatever opportunities are available. To accomplish this, serious consideration should be given to how the United States government has tried to promote black entrepreneurial skills through the use of public sector contract set-asides. Recent evidence¹³ shows that if such programs are implemented and enforced conscientiously, they can be quite effective in allowing American urban

¹²John Hylton, *op. cit.* p. 73.

¹³See, for example, Timothy Bates Banking on Black Enterprise, Washington: Joint Center for Political and Economic Studies, 1993.

ghettos to develop internal investment and employment opportunities through import substitution. As a first step, the provincial government could mandate the use of local suppliers for the delivery of social policies. An obvious example is the use on the community-owned construction company to build and maintain social housing units. Other examples include intervention and prevention counseling, probation officers, and other services related to the social problems that exist in La Loche. There is, for example, some resentment over the recent hiring by the social services department of an unqualified non-aboriginal who would receive on-the-job training. This kind of opportunity could be used to promote job skills in the community while at the same time ensuring that there is local input into the delivery of social services, hopefully adapting those services so that they meet the needs of the community.

In order for this to happen, there will have to be increased program flexibility in social housing. The Rural and Native Housing Program was established by the Canada Mortgage and Housing Corporation with cost-sharing between the federal and provincial governments. However, the program has very stringent nation-wide guidelines and the problems that exist with the program could not be addressed at the local level and, as a result, were never addressed. For example, the public tender process that was required by the Canada Mortgage and Housing Corporation did not allow for preference to be given to contractors who gave a commitment to hiring local people, and there was no provision to allow people to build their own homes. This program has since been canceled and it is hoped that its replacement will be better tailored to local circumstances. This could be accomplished by allowing a community development office, using

local construction companies, to have responsibility for program delivery within certain general guidelines.

Among the recommendations of the Carter Research Associates housing report was the creation of a community based housing authority to oversee the planning, delivery and administration of social housing policy in La Loche. If such a recommendation was implemented, this organization could be used to not only provide more appropriate forms of social housing programs but could be used to train and eventually employ local residents in the areas of property management, maintenance, clerical and administration. While this does not represent an economic development strategy that creates a self-sufficient local economy, such a program will enhance the economic prospects for the community by increasing local involvement, creating a better-trained work force, and should facilitate further economic development initiatives.

Another policy which has a similar effect as program set asides is local employment quotas, where companies working in the region are directed to offer a certain number of jobs to the residents of La Loche, with the village economic development office acting as a local coordinator to ensure that there will be people with appropriate skills to fill the positions. If, due to the nature of the project, there are few or no direct jobs that can be matched with the available local labour force, companies could be required to direct some of its contracted out work to the community or, alternatively, the provincial government could direct some of the taxation revenue toward economic development efforts in the community.

Once the first step is taken, the development of entrepreneurial and job skills should allow the possibility of further small scale economic development

through import substitution. Examples include the production of food through gardening, developing a livestock operation, and so forth.

There are a number of other possibilities for export oriented economic activity. Buffalo Narrows is currently considering the establishment of a small lumber mill which would be responsible for the production of a limited number of products, the market for which would be guaranteed by NorSask Forest Products.¹⁴ A post camp could be established under similar circumstances.

"...there's a large box of things with thirty-some files and we have different things in there, making glass to past stamp operations to saw mills to market gardens to road building to working in mines, commercial fishing, processing of rough fish, the list goes on, a lot of small-scale ideas were being checked out.

One of the few success stories has been Methye Construction, a community-owned company. The advantage of community ownership of firms is that it will allow coordination of the activities of these firms with a local economic development office and with local job training. The firms could serve both in terms of providing employment opportunities for individuals who go through training programs and as an instrument for job training through apprenticeship programs. Once job skills and entrepreneurial talent is developed within the community, the need for community owned firms may diminish - however, these firms could serve as an effective bridge between the unacceptable situation that now prevails and a situation where the community of La Loche is economically viable, populated with businesses which able to compete for external contracts.

¹⁴Source: Interview with Doug Gailey, La Loche Town Administrator.

There are opportunities for individual persons....obtaining the necessary skills to eventually branch and establish their own small company where they are self-employed. This has happened...with Methye Construction because over the years, there are several people that do a lot of contracts, whether it be carpentry or electrical work on their own as a result from experience through Methye Construction"

The community believes that similar community-owned corporations could be established and operated successfully, potentially in the forestry industry, providing rough lumber to surrounding mines, local furniture manufacturing, and other supplies to area mines, such as clothing. Although there have been instances where external contractors have been required to hire local residents, the trend was that these companies would hire locals initially, fire them after a week and then hire "their own people".

One of the vehicles which has so far been ineffective in generating economic development has been the so-called "workfare" program, where welfare recipients who are able to work are given manual labour to perform in order to qualify for assistance. The program has not been successful in promoting long-term employment prospects partly because the program is not integrated with economic development strategies so that the program can promote appropriate job skills. While perhaps the initial benefits of workfare can be measured in terms of pride and self-worth, its long term ineffectiveness will inevitably cause these benefits to diminish.

"Our people are shuffled from welfare cheques to welfare work programs to employment insurance cheques. It's a depressing cycle that gets nowhere."

Part VI

The History of Economic Development Initiatives in La Loche

Development initiatives, proposals, feasibility studies, pilot projects and other manifestations of top-down economic development initiatives have had a long history in La Loche but, for the most part, the only concrete and permanent product that remains is frustration with the process. For example, a December 18, 1990 La Loche Community Planning meeting discussed ongoing proposals that were being studied at that time, including a steel drum plant, an industrial laundry, a commercial mall, the construction of rental housing, an expansion of the day care centre, and the construction of an alcohol rehabilitation centre, a group home and a market garden.

The purpose of this section is to provide a partial summary of the economic development proposals that have been initiated for La Loche in an attempt to identify where the current economic development process has been lacking. Such a review should assist in determining what changes should be made to the process of how economic opportunities are identified and how development initiatives are started and carried out.

i) Economic Development Plan

In 1980, the Council of La Loche produced an economic development plan which called for the creation of the La Loche Economic Development Board and the La Loche Economic Development Bank to promote managed development, defined in the report as economic development that promoted self-sufficiency but lessened the negative impact of development, namely the tendency to uproot traditional values and replace them with modern market-oriented values. While the Council recognized the dark side of development, it nevertheless accepted the need for economic independence for government welfare programs.

"Moreover, we recognize that if we do not attempt to attain self-sufficiency, those opportunities which will enable us to do so will be fulfilled by people from outside the community, leaving us:

- (i) in poverty without the traditional means of the past to sustain us
- (ii) lacking self respect, deprived of our identity and of the ability to earn a decent living for our families and children, and in danger of losing control of our land."¹⁵

The Economic Development Board was to be composed of three elected members, the Community Manager and representatives from the Fishermen & Trappers Association, the Band Council, the Steering Committee, the Government of Saskatchewan and the local Metis society. The objectives were to develop a permanent economic base in harmony with the wishes of the community and to monitor the environment. Additionally, the Board was charged with assessing the level of education and skills in the community and to attempt to match improvements in human capital with the anticipated future needs on the community.

The Economic Development Bank was created in order to assist in the arrangement of financing either directly or as a guarantor of loans.

One of the first proposals initiated by the Board was to build a building which would act as a commercial centre. The study on this topic was prepared by Davidson Johnson Consultants Ltd. of Buffalo Narrows, completed in 1980 and submitted to the Economic Development Board on the Local Community Authority of La Loche. It was perceived at the time that the lack of availability of commercial property and the prohibitive costs of building individual structures for each commercial proposal were significant barriers to economic development and that the construction of a commercial service centre, a two story multipurpose facility, would address this problem.

¹⁵Davidson Johnson Consultants Ltd. Economic Development Plan for the Community of La Loche.

The study concluded that the local and surrounding population would support the mall, which was to be designed in the following fashion: a lower mall with space for a general store, hairdresser/barber shop, laundromat, restaurant and financial institution; and an upper mall, which would house administrative offices. There had been interest expressed in the latter by the provincial Department of Northern Saskatchewan, the La Loche Development Corporation, the Local Community Authority and the provincial Department of Justice.

ii) Cluff Lake Uranium Mine

The Surface Lease Agreements negotiated between the mining companies and the provincial governments required the mines to hire northern residents to the extent of 50% of its staff and that northerners would be distributed through a wide number of job classifications. Eventually, the percentage targets were dropped and the proportion of northerners in the workforce was in the 30-40% range. The two most negative aspects of the job creation was that the northerners tended to fill lower quality positions and that there was low participation by the Peter Ballantyne Band, the La Ronge Band, the community of La Loche and Dillon/Michel Village. While La Loche had about 7.6% of the total workforce of Northern Saskatchewan, the residents of the community only represent 1.8% of total employment of northerners in mining.

The lack of success was primarily due to the fact the most northerners are not well-equipped to participate in uranium mining. However, this does not necessarily imply that northerners were not in a position to benefit from the development of the uranium industry. The other possible benefits - jobs from supplying the mining

companies and royalties collected from the companies - could have been used to spread the economic benefits of uranium mining across northern Saskatchewan. The rationale for supply contract set-asides or direct transfer of royalty revenues to northern communities is that the mines represent one of the only tax-producing property of any consequence in the north and because northerners have to deal with the social costs of development.

The uranium mines spent approximately \$23 million in the North in 1989, but benefits were largely limited to the communities of Buffalo Narrows and La Ronge.¹⁶

iii) Post Harvesting Study

Gordon Shaw performed a study in 1994 for the Northern Village of La Loche, the Northern Hamlet of Turner Lake and the Northern Settlement of Bear Lake to investigate the feasibility of a post harvesting operation in the Clearwater region. The study concluded that there was sufficient post inventory adjacent to Highways 155 and 909 to support an annual production level of 500,000 posts for at least ten years.

The operation was forecast to create approximately 12,600 hours of employment per year over its duration, as well as additional employment in service and related forest activities, such as power saw sales, firewood sales and contract hauling. In order for the local community to fully participate in the enterprise, there would need to be skills training for local residents. The report suggested that this initiative should come from the Clearwater Region Development Corporation.

¹⁶ Source: M. Husain Sadar *et. al.* Assessing Cumulative Effects of Saskatchewan Uranium Mines Development Report Prepared for Joint Federal/Provincial Panel on Uranium Mining Developments in

iv) La Loche Bottled/Bulk Water Sales Study Proposal

This was a proposal to look at the feasibility of a bulk and/or bottled water manufacturing operation in La Loche. The proposal was developed in 1985 by Ken Zonderman, the Saskatoon Branch Manager of Stanley Associates Engineering Ltd.. There was nothing in the files to suggest that there was further investigation of the proposal, other than a similar proposal being submitted in the same year by William M. Mercer of Edmonton.

v) La Loche Planning Study

This study was prepared by Montgomery J. Samson, Architect and Planner for the La Loche Local Community Authority and the Department of Northern Saskatchewan and was submitted in 1981. The study was organized by Samson but had considerable input from the local community as well as federal and provincial civil servants and elected officials. The purpose of the study was to establish a policy or plan for the future economic development of La Loche. A later study by the same consultant titled "La Loche Community Development Plan 1992" formalized the proposals.

vi) La Loche Country Residential Study

This study was undertaken by M. Samson of Pineridge Consultants in Meadow Lake in 1985 and was submitted to the mayor and council. It investigated to possibility of developing residential country lots on Crown land and suggested that such an action would be part of the necessary build-up of municipal infrastructure which would allow economic development to proceed.

While the study was largely concerned with town planning issues, it also

recommended an organizational system to deal with economic development, including the creation of the Economic Development Board and a locally controlled Economic Development Bank. One of its recommendations was to develop transportation systems to assist local residents to find outside employment, such as at the Alberta Tar Sands project.

vii) Market Gardens

Intergroup Consulting Economists Ltd. of Winnipeg prepared a preliminary feasibility study for an outdoor garden/greenhouse project in La Loche in 1980. The study was prepared for Amok Cluff Mining Ltd. and the Community of La Loche. The study objectives were to determine the technical feasibility of outdoor gardens and a greenhouse, determine the nature and size of the potential market in La Loche and Cluff Lake, identify options to supply these markets and to estimate the local benefits of the proposal.

The frost-free period in La Loche is only 70 - 80 days. The geographic area is typically described as non-arable from a commercial agricultural viewpoint due to the such soil characteristics as coarse texture, stoniness, low fertility, unfavorable topography and the short growing season. However, high transportation costs had increased the price of fresh vegetables to twice the level in Saskatoon.

Given this price differential, the study predicted that both a greenhouse and market garden were feasible and that local market demand would warrant a 7.5 acre market garden devoted to the production of potatoes, carrots turnips, onions and cabbages and a 5,000 square foot greenhouse which would allow the production of tomatoes and cucumbers. The employment benefit was forecast to be 2.6 full time equivalent jobs.

In this case, the proposal went ahead to some degree. An undated report (1982?) indicated that 25 acres were allocated to the garden and \$15,922 was spent on the development of the proposal. There appeared to be no results (or revenues) and the report forecast revenues and expenditures for 1982, 1983 and 1984.

A report apparently related to this proposal was written in 1980 and called for the construction of a Dene Group Home in La Loche. The home was intended to provide a program for the rehabilitation of adolescents and suggested that the activities of the residents include cutting firewood for the group home and for local sale, fishing and trapping programs and producing marketable vegetables.

Finally, in 1989 there was a report which attempted to revise the proposal, which was never implemented.

viii) Resource Harvesting Program

This was a program to train adolescents the skills necessary to earn a living harvesting resources from the area, *e.g.* logging and trapping. There was no evidence in the files that this proposal got beyond the initial discussion stage.

ix) Northern Ventures

Northern Ventures was to be a construction consortium comprised of SINCO Developments Ltd., Montreal Lake Band Development Corporation Ltd., Internorth Enterprises and the La Loche Development Corporation. The consortium was to participate in the construction of the Key Lake mine camp and was given initial loan financing of \$50,000 from the provincial government. Northern Ventures was to set aside 10 - 20 per cent of total revenue to be used as an economic development fund. There is no indication that the venture ever developed beyond the initial planning stages.

x) La Loche Barrel Plant

A feasibility study was performed by Sunwoods Engineering Ltd. to study whether a steel barrel fabrication plant located in La Loche to serve the Key Lake and Cluff Lake mines would be economically feasible. The barrels would be used to contain and transport yellow cake from the mines to refineries. The study was financed by the La Loche Community Authority (50%), the Key Lake Mining Corporation (25%) and Amok/Cluff Mining (25%). The proposal also include the possibility of producing other metal products such as wood stoves. The provincial Department of Industry and Commerce to not be economically feasible despite having a significant impact on local employment, creating approximately to 30 jobs.

xi) Commercial Laundry

A feasibility study was performed in 1980 by Intergroup Consulting Economists Ltd. of Winnipeg to see whether there was an economic opportunity to transport laundry from the Cluff Lake mine to La Loche rather than Saskatoon. The study found that the cost in La Loche would be 58-89% higher than in Saskatoon, even with the difference in transportation costs and the authors did not anticipate any improvement in the relative cost.

xii) Sawmill

Formal discussions concerning the possibility of establishing a commercial portable sawmill operation first began about 1972. In 1976, an application was made to the Department of Northern Saskatchewan (DNS) and in 1977 there was approval given to move a small portable mill to La Loche from Cumberland House. In 1979, the proposal was turned down due to poor economic conditions in the forest industry and in 1980, the

proposal was formally rejected by the provincial Treasury Board. In 1990, a village meeting gave permission to Armand Murray to use the mill free of charge.

The list of proposals given above is by no means complete - there has also been preliminary consideration of initiatives such as a flat glass manufacturer, barber shop/hair stylist, welding shop, poultry farming, building stone, fish farming, tourism, livestock operations with ducks, geese, turkeys, hogs and chickens, a woodlot operation and so on. The consistent characteristics that arise from the historical experience of La Loche with respect to economic development initiatives may be summarized as follows:

- a) neither external nor regionally based consultants have had a great deal of success in identifying economic opportunities. It appears that the major criterion for determining whether a proposal should be looked at was whether external funding was available to perform the study. Given this, the proposals had to come from consultants recognized by the external agencies and there was little ability on the part of the community to direct development funds to investigate proposals that appeared to have some chance at success. Two exceptions to that generalization are the steel barrel and laundry studies.
- b) most of the development proposals appeared to not be overly concerned about the availability of local skills.
- c) the proposals appeared to arise from governmental or quasi-governmental agencies, rather than individual entrepreneurs. There was nothing in the files that identified any local residents who would be interested in running the proposed operation. Many of the operating plans called for community or government operation of the facility.

There can be no questioning that there was a great deal of energy and enthusiasm

expended by the various community organizations to try to bring economic development to La Loche. It is also evident, however, that the approach that was used was not successful. If La Loche is to eventually become independent of government support programs, that energy and enthusiasm will need to be redirected within a hopefully more productive development strategy.

Part VII

Child Care in La Loche

The poor economic climate in La Loche, with few employment opportunities for females and little prospect for immediate improvement in the situation, would normally mean that there would be little demand for day care facilities in La Loche. However, the provision of an adequate locally controlled day care facility in La Loche is of primary importance due to the disproportionate presence of social problems in the community. These problems often surface in the form of teenage pregnancy, a high number of special needs children due to Fetal Alcohol Syndrome and learning disabilities. As a result, many young women who require basic education or specific job training in order to be able to participate in the economic progress of the community will need the support of day care services in order to be successful.

In addition, the demographic characteristics of the community suggest that the need for child care will grow in the future. In a recent report it was indicated that the number of young adults residing in the "west side" of northern Saskatchewan had increased by 16% during the period 1984-1990 and the number of females of child-bearing had increased by 17% over the same period.¹⁷

The need for local control is self-evident. Child care programs could prove to be an important contributor to the effort to preserve the culture of the community and so should reflect local values and traditions. While there is currently very little available in the form of aboriginal early childhood education programs, the involvement of village elders in the delivery of these programs should allow a holistic introduction of cultural values into the program, rather than having local culture as a part of a larger curriculum.

The Northern Village of La Loche and the Board of Directors of the Sekwi Care/

¹⁷W.A. Dorsett and B.D. Poste, "Review of the Northern Medical Services Division", College of Medicine University of Saskatchewan, November 1991.

Teen Parenting Center produced a business plan for such a center in 1988. The perceived need for the project was indicated in the statement of intent, which particularly focused on the need for a day care center to allow teenage mothers to complete high school. The principal of Dene High School "recognized the willingness and commitment of a number of teen mothers to return to school, if only there were adequate services in the community to assist them."¹⁸ The document indicates that a survey was undertaken for the 1987-88 school year which identified thirty-eight teenage mothers in La Loche, three of whom were still in elementary school.

The proposal received support of the local school district, a special ARDA grant, the provincial and federal governments as well as a number of prominent members of the community. Funding was put in place to renovate an annex of the high school and to hire a full time worker for the first year of the project (1989). However, the utilization of the facility was far less than was anticipated and the proposal was found not to be viable. In the following year, Dene High School took over the facility and is operating it on an unfunded basis.

The problem is that teenage pregnancy is only one of a number of contributing factors to low rates of completion. An interview with a group of high school students indicated that they did not perceive there to be a shortage of available day care spaces. The problem is that there is little incentive for most students to complete high school and so many teenage mothers will choose to leave school in order to take care of their child/children.

The day care proposal shared the communitarian approach of many of the

¹⁸Northern Village of La Loche and the Board of Directors of the Sekwi (Child) Care/ Teen Parenting Centre "Sekwi (Child) Care /Teen Parenting Centre Business Plan" 1988, p. 6.

economic development initiatives. Child care will be needed if women perceive a possibility of achieving a better life for themselves and their families through obtaining education and training and participating in the labour force. Until there is such a possibility, large organized day care facilities which reflect local culture and traditions will be under-utilized. At the moment, the availability of child care is not a problem in La Loche but rather the quality of care, especially in a community with the degree of alcohol and drug use, domestic violence and other social problems. At present, the most effective and relevant means of improving child care for women in La Loche would be to implement a system of direct subsidies to women who seek to improve their employment skills through education or training, to take a job, or to start a small business, even if they intend to leave the community to accomplish their goals. Local training programs in child nutrition, first aid and safety, and so forth as well as other community-provided resources would ensure that child care of adequate quality would be available on an individual provider basis and that if the demand is ever large enough to support a more organized delivery mechanism, there will be qualified local people available to staff the facility.

Part VIII

Conclusions and Recommendations

La Loche has experienced a long history of economic development strategies that have yielded very little in the form of a permanent economic base for the community. The community has now apparently accepted that even if the development of an external or internal market-oriented economic sector may have a dark side by loosening ties to the history and culture of the community, it will bring with it personal control and self-esteem to members of the community. An improvement in economic well-being will allow residents to devote time and economic resources toward sustaining a knowledge of local traditions in future generations. However, in order to mitigate the negative aspects of economic development, there needs to be local control and/or input into child care, education, delivery of social programs such as housing, welfare and health as well as mechanisms which will encourage local residents to participate in the socioeconomic development of La Loche.

One of the difficulties that is posed by economic development is that the same control mechanisms which need to be in place to guide economic development along an "appropriate" path may in practice present obstacles to individual economic initiative. In some types of market economic activity, there is a contradiction between economic development on an individual level and community economic development. If, for example, an individual perceives that he or she will maximize their economic potential by seeking opportunities for education and/or employment outside of La Loche and environs, this may be inconsistent with community goals such as preserving locational proximity of extended families, preserving cultural traditions, and so forth. It will be important for the institutional mechanisms put into place to promote economic development to ensure that consistency with community values does not place overly restrictive limits on the type of local economic endeavour that will be sanctioned by a community authority or on

the potential desire to relocate by particular individuals in the community.

The history of development initiatives for La Loche that have undertaken by various agencies over the past years indicates that, in general, the institutional mechanisms were in place to identify potential opportunities, to carry out initial feasibility studies and, in some cases, carry out initial phases of particular proposals. However, there are three major shortcomings with the mechanism that is currently in place:

- a) the identification of opportunities tended to come from outside the community from consulting firms with little evidence of entrepreneurial initiative coming from individuals within the community.
- b) the development proposals tended to involve government agencies and development authorities and rarely included relatively small scale projects from individual entrepreneurs. This does not imply that the development initiatives were explicitly discouraging small scale individually based enterprise. Indeed, the community mall proposal was in part motivated by the need to provide reasonably priced commercial space for businesses and the development bank was geared to support local economic initiatives. However, it is clear that few, if any, proposals came from individuals within the community. Whether this phenomenon resulted from real or perceived bias by the development authorities and government against non-communal economic development or if it simply arises from a lack of opportunity in La Loche is difficult to determine. Given the failure of previous proposals, it will be important to develop an institutional structure which encourages individuals with entrepreneurial ideas to pursue their goals.

c) a lack of funding. The amount of money spent on economic development in La Roche has been substantial but has largely gone to outside consultants who have identified potential opportunities. The next step of the process, the implementation of the initial phases of a particular proposal, appears to be far more difficult to accomplish. One of the reasons for this is that the local development agency relies on outside and often arbitrary funding sources and the economic viability of particular proposals is not assessed in a holistic way - counting potential savings from lower expenditures on welfare, social benefits and so forth. In order to achieve a more general assessment of proposals, there should be the opportunity to divert funds from some areas of social expenditure to economic development.

The literature on economic development is replete with policy debates on how appropriate and effective development initiatives may be identified. Three major differences in approaches to economic development may be described as:

- i) the importance of local self-sufficiency relative to reliance on export markets;
- ii) supply side education and training programs against demand side initiatives identifying market opportunities, and;
- iii) economic development for individuals, which includes having people find opportunities in other geographic regions contrasted against the development of a region, and so forth.

There is also a debate about whether there is any value to economic development expertise at all, with some expressing the belief that individuals are much better at finding economic opportunity than a government agency or self-styled experts who do not reside in the community. Support for this view comes from the failure of development

experiments in many nations in Africa.

In the case of La Loche, these debates do not have a great deal of relevance. The immobility of the population has essentially erased the distinction between the economic advancement of individuals and the economic advancement of the community, aside from the transient workers. In a community like La Loche, neither demand or supply side approaches to development can work by themselves. Finally, while it is clear that the failure of previous development initiatives was partially due to lack of local input, there is still a role for government in acting as an incubator for entrepreneurial talent. The people who were interviewed for this report are frustrated with government because they believe there has been and still are many opportunities for self-sufficient economic enterprises which could contribute to the social and economic development of La Loche. However, many of those interviewed expressed the belief that government must find those opportunities and guide the development process, revealing a lack of confidence in the ability of local entrepreneurs to independently take advantage of what is available. There are probably many reasons for this but the most obvious ones are the culture of dependency that has been built up over the decades, the social problems facing the community and the lack of a local history of a successful business class.

In order to be successful, community economic development must address both economic and social development at a local level, with the participation of local citizens in a partnership with the institutions whose responsibility is to promote economic development and economic and social justice. What is less clear, however, is how the private and public sectors, local citizens and "outsiders", can develop an institution that is capable of delivering sustainable development consistent with the goals of the community.

Since the primary economic base of the community is government support programs, it is tempting to ask governments to redirect the funds spent on welfare, health and so forth into economic development. Indeed, it is suggested that an investment in economic development may end up saving government money by reducing the demand for those social services.

It is unlikely, however, that this proposal by itself will provide the "magic bullet" which will eradicate the social and economic problems faced by the people of La Loche. The federal and provincial governments have a responsibility to deliver public programs to La Loche and a consistent complaint surrounding those efforts has been that there seems to be a lack of local sensitivity in implementing government programs. However, governments are answerable for all expenditures to their respective legislatures and this means local input into or, in extreme, autonomy over decisions affecting how social programs are delivered and public sector funds are spent within a region will inevitably be restricted by the need to satisfy the goals of those governments.

A second obstacle that must be overcome is that centralized, or "top down" development strategies have simply not worked in La Loche and, for that matter, have had little success anywhere else.

One possible way to address this need to balance local and outside visions while maximizing local benefit of government expenditures is to have economic development policies created and implemented through a partnership of federal and provincial governments and autonomous local organizations. The local organizations should be responsible for identifying the economic and social problems of the community as well as the programs and institutions that may be developed to effectively deal with the problems. In addition, they would be charged with working with appropriate private and public

sector institutions to facilitate cooperation between corporations, government agencies and local citizens to jointly achieve the goals of the community. In recent years, there have been a number of examples of local organizations which have achieved some success in aboriginal communities, including social development initiatives in Hollow Water, Manitoba, Alkali Lake, British Columbia, Atikamekw (Quebec) Health and Social Services and others.¹⁹

Achieving a solution to the economic problems in La Loche will likely prove to be more difficult than developing appropriate responses to the social problems. Even with the financial commitment in place and an committed group of local citizens determined to find effective development initiatives, the economic disadvantages of La Loche's remote location are a formidable barrier to its economic progress.

There are two basic strategies for economic development. The supply side approach directly focuses on the inability of a community to compete in the world economy and provides remedies such as education and training opportunities, improved infrastructure, and so forth. A demand side approach looks at the existing resources of the community and looks for opportunities to establish market niches or to engage in import substitution so as to achieve the most effective allocation of the community's human and natural resources. For La Loche, no one approach will be sufficient to provide effective economic development strategies. For example, it is difficult to identify the causal relationship between the lack of skilled workers in La Loche and the lack of opportunities for skilled workers in La Loche. The strong community ties felt by the people of La Loche means that individuals will bear significant economic and social costs by going outside the community to obtain post-secondary education or training.

¹⁹See John H. Hylton, *op. cit.*, for a discussion of these and other initiatives.

Given the lack of local economic opportunity, the returns to such an investment in human resources are likely dominated by those costs. On the other hand, without a trained work force, it will be difficult to take advantage of economic opportunities which require skills beyond those of a menial labourer.

It is clear that the major barrier to economic development is to break the sociological and economic welfare trap that has captured a majority of the residents of La Loche. The sociological welfare trap, which is caused by the debilitating effects on individuals of long term dependency on welfare, learned behavior and nature of role models, and so forth, cannot be broken down within the short term. Fortunately, the economic welfare trap is more easily dismantled.

Since welfare programs in general are designed to help the truly needy, benefits are linked to family income and are reduced or eliminated when family income passes certain threshold levels. While this structure appears to be equitable, giving more support to those who are more needy, it also has the effect of discouraging people from accepting low paying or part-time employment because the reduction in welfare benefits represents in effect an additional income tax on the working poor. When combined with the existing income tax system, Canada Pension Plan premiums, commuting costs, and other costs associated with working, the effective income tax rate on the working poor is extremely high and can, depending on family circumstances, be in excess of 100%. While one can always argue that accepting employment will have significant non-wage benefits such as independence, a better feeling of self-worth, and so forth, it is unreasonable to expect a household that is already poor to suffer in economic terms in order to achieve these benefits.

In order to free the community from the welfare dependency trap, it will be

necessary to allow flexibility in the payment of welfare benefits so that the incentive to seek employment is maintained. Further, the evaluation of the success or failure of a particular job project should take into account the savings realized through the reduction in welfare benefits. An organizational improvement would be to not treat welfare and social housing as line department issues but rather to treat all expenditures on welfare, job training, employment subsidies and economic development as part of an expenditure envelope where, for example, if an opportunity for a work initiative is identified, funds could be transferred from one area to another. This would be similar to the Alternative Funding Arrangement program that has been developed for some status Bands by the federal government, albeit with a wider scope.

A recent accounting done by the Department of Northern Affairs showed that total spending on social and support services in La Loche, including education, justice, urban affairs, social services and health, amounted to about \$11.5 million per year. By contrast, economic development expenditures amounted to \$77,000.

RECOMMENDATION 1:

THAT THE FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS IDENTIFY THE LEVEL OF THEIR CURRENT EXPENDITURES ON SOCIAL, WELFARE, ECONOMIC DEVELOPMENT AND OTHER RELATED PROGRAMS AND ATTEMPT TO INTEGRATE THESE PROGRAMS AS MUCH AS POSSIBLE INTO A GLOBAL BUDGETARY ENVELOPE FOR THE PURPOSE OF PROVIDING MAXIMUM FLEXIBILITY IN PROGRAM DELIVERY.

Even if the institutional and financial arrangements were in place to develop employment programs which replace welfare dependence with eventual economic self-sufficiency, it will be just as important to be able to identify existing and future opportunities for employment of local residents. As indicated earlier in this report, the

shelves of local and provincial government libraries are replete with previous reports which have recommended various economic development strategies. However, the local consensus is that the strategies were developed by outsiders who often recommended strategies that were inappropriate for various reasons, the main being that they were inconsistent with the availability of professional and technical skills in La Loche. The stock of human capital severely limits what can reasonable be expected to succeed in the community and initiatives that are proposed without reference to how local people can be matched to the employment opportunities that are expected to be created are unlikely to prove useful in the long term. Local input should be a prerequisite for the identification and implementation of specific development strategies. Local management of the process would also facilitate economic development, given the importance of coordination of economic investment, job training and other related programs.

While the focus of this report is on economic rather than social development, it is clear that the problems are so intertwined that there can be no effective separation of these issues. In Hylton (1993), the author addresses the potential structure of a holistic authority which would be concerned with both economic and social development initiatives.

One of the weaknesses of the development initiatives that have been undertaken in the past is that there was little involvement with individual members of the community who had small scale entrepreneurial ideas. The development authority should ensure that community-run or government-run operations be structured so that eventually the operation becomes "privatized" In this way, the authority will encourage entrepreneurial activity which will lead to self-sustaining economic activity.

It should also be noted that the local tax base for the village administration is

minimal and development initiatives will require external public funding.

RECOMMENDATION 2:

THAT THE FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS PROVIDE RESOURCES TO CREATE AND SUSTAIN A LOCALLY CONTROLLED ECONOMIC DEVELOPMENT OFFICE WHOSE RESPONSIBILITIES WILL INCLUDE THE IDENTIFICATION OF ECONOMIC OPPORTUNITIES FOR THE RESIDENTS OF LA LOCHE, THE COORDINATION OF SOCIAL PROGRAMS, SUCH AS WELFARE EXPENDITURES, HOUSING AND EMPLOYMENT TRAINING, WITH ECONOMIC DEVELOPMENT STRATEGIES, AND THE PROMOTION OF LOCAL CAPITAL ACCUMULATION AND ENTREPRENEURIAL ACTIVITY.

It will still be necessary to jump-start the process. One method that has proved to be successful in minority dominated neighbourhoods in the United States are set-aside regulations that encourage the development of local businesses. The actual form of the set-aside benefits should be flexible, depending on how the residents and businesses of La Loche are able to participate. If the community is unable to directly participate in a particular development, contracts and jobs could be traded off for some form of revenue sharing which would be invested in economic development or job training which would enable the community to be in a better position to participate in the economy of northern Saskatchewan in the future.

RECOMMENDATION 3:

THAT THE PROVINCIAL AND FEDERAL GOVERNMENTS BEGIN A SET-ASIDE PROGRAM WHICH WILL ENSURE THAT THE COMMUNITY OF LA LOCHE RECEIVES AN EQUITABLE PORTION OF THE BENEFITS OF ECONOMIC DEVELOPMENT. WHERE POSSIBLE, THIS PROGRAM SHOULD INCLUDE CONTRACT SET-ASIDES FOR THE DELIVERY OF PUBLIC SERVICES, CONTRACT SET-ASIDES FROM MINING AND FORESTRY DEVELOPMENT PROJECTS AND/OR REVENUE SHARING FROM RESOURCES AND OTHER TAX REVENUES REALIZED FROM THE DEVELOPMENT OF NORTHERN SASKATCHEWAN.

RECOMMENDATION 4:

THAT FUTURE SOCIAL HOUSING PROGRAMS BE STRUCTURED SUCH SO THAT A COMMUNITY ECONOMIC DEVELOPMENT OFFICE IS SIGNIFICANTLY RESPONSIBLE FOR PROGRAM DELIVERY.

The residents of La Loche should not be limited to non-professional occupations. It should be recognized, however, that the immobility of the local population precludes this opportunity for most of the residents. Further, financial support for post-secondary studies cannot be expected from families who rely on welfare. There is a need for a community-based organization to provide financial assistance to students who wish to leave the community to pursue post-secondary education. Ideally, this organization should work with the economic development office or be a part of that office so that the needs of La Loche with respect to services like public health, alcohol and drug counseling, teachers, etc. could be met with local residents who received benefits under the program.

Professional training programs might also be delivered in part through satellite technology, which would allow residents to receive training without the financial and social costs associated with leaving the community for extended periods of time.

RECOMMENDATION 5:

THAT AN ACADEMIC BURSARY FUND BE ESTABLISHED EITHER WITHIN OR IN CO-OPERATION WITH THE ECONOMIC DEVELOPMENT OFFICE WITH THE PURPOSE OF PROMOTING INCREASED PARTICIPATION OF THE RESIDENTS OF LA LOCHE IN POST-SECONDARY EDUCATION. ELIGIBLE COSTS SHOULD INCLUDE DIRECT ACADEMIC COSTS SUCH AS TUITION AND BOOKS AS WELL AS EXTRAORDINARY LIVING EXPENSES INCLUDING CHILD CARE.

RECOMMENDATION 6:

THAT THE ECONOMIC DEVELOPMENT AUTHORITY INVESTIGATE THE FEASIBILITY OF HAVING ALL OR PART OF PROFESSIONAL TRAINING PROGRAMS DELIVERED LOCALLY BY MEANS OF SATELLITE COURSES.

Another way to increase the earnings of households in La Loche is to promote secondary (usually female) participation in the labour force. While the above recommendations certainly apply to this group, there are additional barriers which must be overcome in order to promote the integration of this group into the Saskatchewan labour market. One major barrier to female labour participation is the availability and affordability of child care. Given the depth of social problems in the community, it is probably difficult to find reliable, trustworthy child care workers. Dene High School currently offers day care but there is a lack of demand for spaces due to the limited job opportunities for females. If an economic development strategy is to be successful, it will be necessary to ensure that sufficient professional day care is available to allow females to participate in the economy.

RECOMMENDATION 7:

THAT THE LOCAL ECONOMIC DEVELOPMENT AUTHORITY PLACE A MAJOR PRIORITY ON INCREASING THE LABOUR FORCE PARTICIPATION RATES OF SECONDARY WAGE EARNERS AND THAT ONE OF THE IMMEDIATE STEPS THAT SHOULD BE TAKEN TOWARDS THIS GOAL IS TO ESTABLISH A TRAINING PROGRAM AND LICENSING SYSTEM FOR CHILD CARE WORKERS.

RECOMMENDATION 8:

THAT AS A PRELIMINARY MEASURE TO ENSURE THE SUPPLY OF CHILD CARE SERVICES AT A REASONABLE COST, THE COMMUNITY AUTHORITY PROVIDE DIRECT PAYMENTS TO INDIVIDUALS TO REDUCE THE EFFECTIVE COST OF PRIVATE CHILD CARE. PAYMENTS SHOULD BE PREDICATED ON THE SUPPLIER HAVING COMPLETED THE TRAINING AND LICENSING PROGRAM IN RECOMMENDATION 7.

Finally, the implementation of a comprehensive economic and social development program will require communication between various levels of government as well as communication among the residents of La Loche and between the community and the various level of government. Some of those interviewed believe there is a serious communication problem between the local government and residents and suggested that language barriers significantly contributed to the lack of communication. Some also suggested that language barriers also prevented people from being treated fairly by the justice system.

RECOMMENDATION 9:

THAT THE LOCAL GOVERNMENT ENCOURAGE PARTICIPATION OF ALL RESIDENTS OF LA LOCHE IN LOCAL ISSUES. AS A FIRST STEP, THE LOCAL GOVERNMENT SHOULD SEEK PROVINCIAL FUNDING TO ESTABLISH TRANSLATION SERVICES FOR PEOPLE WHO ARE NOT FLUENT IN ENGLISH.

The promotion of a bottom up holistic development process with more emphasis on individual initiative that is supported, encouraged and to a degree directed by community organizations and less emphasis on collective community action requires the participation of many different government departments and levels of government, community and regional development agencies, but most importantly, the people of La Loche. If the recommendations listed above are implemented, there will be a significant devolution of responsibility for the delivery of social and economic programs for the community down to the local or regional government. There are three main sources of concern about this approach.

The first problem is that if such devolution occurs across northern Saskatchewan, there may develop destructive competition between communities over specific economic development initiatives. This means that upper levels of government should still retain some authority over the direction of economic development so that development initiatives are not spread too thinly across the region.

The second difficulty is the concern of some that the managerial and bureaucratic expertise that exists in local governments will not be able to cope with the increased responsibility that will result from the devolution of powers. This is an issue that is often raised in the context of aboriginal self-government. As in that case, the administrative ability of local governments as well as the desired degree of devolution unquestionably varies significantly from location to location. However, this does not imply that devolution of authority is a bad idea but rather that the process must be carried out carefully and in an idiosyncratic manner.

The final problem is that even if the devolution of authority succeeds in removing the institutional rigidities that have hampered economic development plans in the past, there is no guarantee that the new institutional structure will prove to be completely successful in achieving economic self-sufficiency in La Loche. Most individuals who were interviewed believed that

the removal of rigidities would lead to better results. However, the economic rationale for a community at La Loche was primarily its position within a thriving fur trade and even then, it supported a much smaller population than the current number of inhabitants. Given that the economic rationale for the town no longer exists, the geographic disadvantages of the town may preclude its transformation into a stable, economically viable community. If economic development does not take place, the community will face a very difficult choice between two unpalatable alternatives - the continuation into future generations of the dependency cycle created by reliance on social assistance or the eventual end of La Loche itself. Given these choices, it is easy to understand why the community seems eager to try various ventures and it is also easy to justify a dramatic change in the approach the provincial and federal governments take to dealing with the social and economic problems that exist in La Loche in the hope that such a change will lead to a more successful exercise which will both integrate the residents of La Loche into the mainstream Saskatchewan economy while preserving the cultural values and traditions that, despite all of problems in the community, resulted in the overwhelming sense of community pride that surfaced again and again in the interviews.

PART VII

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