



governance toolkit

best practices

Principle: Economic Realization
Government: Osoyoos Indian Band

OPPORTUNITY

The Osoyoos Indian Band (OIB) is located in the interior of British Columbia. They are a member community of the Okanagan Nation Alliance. The Band was formed in 1877 and is home to about 370 on-reserve band members. The goal of the OIB is to move from dependency to a sustainable economy like that that existed before contact.

Situated on 32,200 acres in one of Canada's premier agricultural and tourism regions, the land has offered the band opportunities in agriculture, eco-tourism, commercial, industrial, and residential developments. With a focus on supportive education and training, the band operates its own business, health, social, educational and municipal services. The result is virtually no unemployment and financial independence.

The nation's efforts to reduce dependency and attain self-sufficiency began in 1988 with the establishment of the Osoyoos Indian Band Development Corporation (OIBDC). Chief Clarence Louie, serving as both Chief of OIB and President of the OIBDC, recognized that successful businesses adhere to certain business

NCFNG

is a national, independent, First Nations-controlled organization dedicated to supporting First Nations as they work to implement their inherent right to self-governance. The development of a set of shared principles that clearly articulate our approach to effective governance is one way in which we support that work. This NCFNG Effective Governance Case Study profiles a best practice in the principle "Economic Realization".

To learn more about this case study, contact:
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principles. "People talk about running Native businesses the Indian way, but there is only one way to do business and that is the business way."

The make-up of the board of directors of the OIBDC further reflects this business-based philosophy. In addition to the Chief and three councillors, it includes two former councillors, five "outside" advisors including a banker and an accountant and the Chief Operating Officer, who is not a member of the OIB.

PRINCIPLE IN ACTION

The OIB developed a comprehensive plan and implemented the specific pieces as they had capacity to do so. CEO Chris Scott says, "We were prepared to act on business opportunities, to seek successful businesses that were strategic to the vision."

Successful OIB business ventures include:

- Leased land in the mid 1960s to the privately owned Cherry Grove golf course. That company is now owned by the OIB and has had a multi-million dollar expansion.
- Began silviculture work in the late 1970s and logging in the early 1990s. The OIB now operates, with a U.S. company, a sawmill that can process up to 35,000 cubic meters of wood.
- Formed a partnership with Vincor, Canada's largest and North America's fourth largest wine producer. Vincor leases 800 acres from the OIB for grape production.

However, the OIB also recognizes that not every project is a business project. The focus of their economic development is through preserving culture. The band has invested in the education of its children building a preschool and grade school and expects to graduate its own future leaders of the community. The OIB has accomplished much. Pride of heritage as a means to achieve economic independence is and remains the commitment made and maintained by the Chief and council to the people.

SUCCESS FACTORS

The key determining factor for OIB's success is the presence of strong and determined business leadership backed by band members. Effective leadership with strong vision and good knowledge of business has allowed the OIB to agree on an objective of economic success.

Another part of OIB's success is their rigorous application of business principles. This has meant learning about business, and dedicating band time, money and energy to business development. It means hiring managers on the basis of merit and training, and not being shy about bringing in expert help. A benefit of this early investment was the creation of financial systems that meant when economic opportunities arose, OIB was ready for them with its financial house in order.

Success for OIB also means taking culture into consideration. Achieving economic success is important – but important as it is a means to attaining social success for the entire community.

The major advantage the Osoyoos people had and still have is their location. They held 32,000 acres of land in a valuable agricultural area. As Chief Louie observed, “You have to pick up on the economy of the area. If you are on the coast, it's trees and fish. For us it was agriculture and tourism. As they say, you fish where the fish are.”

Harvard Project analysis of successful economic development of Native American tribes has determined that the critical factors for economic success are sovereignty, cultural match, administrative ability and leadership.

It is important to have the independence to do what you think is best for the community. The OIB has not allowed others to interfere with its plans. OIB leadership and citizens have asserted their independence in their decision-making surrounding their economic development.

We are very focused on the future, and we realize that we create this future by our actions. The single most important key to First Nation self-reliance is economic development
— Osoyoos Chief Clarence Louie

Effective administrative systems are critical for nations that are planning economic development. They need their band office to be well organized so they can deal efficiently with their own businesses, their partners, and all the other governments and agencies they will work with.

CHALLENGES

The Osoyoos identify their major weakness as the leftover dysfunction from a colonial past — the control exerted by the Indian Act, the administration of nation affairs by the D.I.A., family breakdown, the cycle of welfare, the victimization syndrome, the dependency syndrome that remain evident today.

The result is that some of the people of the Osoyoos are not ready to engage in and benefit from the economic opportunities of the OIBDC.

The OIB has observed that many of their best workers are over 60 years old. They learned how to work when they were young and came from an era where there was no welfare and employment insurance. To turn this around, profits from OIBDC support social and educational programs and anyone who wants training can access it.

Chief Louie counsels that “to run successful businesses, you must deal with the people where they are. The majority of our people are not ready to compete. Get the people who can make the business a success, whatever race they happen to be.”

NCFNG GOVERNANCE LESSONS LEARNED

The effective governance principle of *Economic Realization* recognizes that First Nation governments possess the right and the tools to develop their land into sustainable economies. Aboriginal title includes an inescapable economic component. Osoyoos Indian Band continues to be highly successful in applying this principle on their reserve lands.

LINKS AND MORE INFORMATION

Osoyoos Indian Band Development Corporation
www.oibdc.com

Options for Commercial Development in First Nations
www.iog.ca/publications/FNenterprises.pdf

Our Own Vision, Our Own Plan
www.sfu.ca/cscd/pdf/our_own_vision.pdf