

# Native Women and Micro-Enterprise

by Kelly M. O'Neill

*Cet article passe en revue plusieurs projets de micro-entreprises de femmes autochtones. L'auteure met l'emphase*

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*Micro-enterprise seems to hold many possibilities in terms of income generation.*

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*sur l'importance d'une bonne évaluation de ces entreprises et elle conclut par une forte mise en garde contre une généralisation des expériences culturelles, sociales, économiques et nationales d'une communauté par rapport aux autres.*

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The Klondike gold rush of 1897 provided not only economic opportunity for male miners but also for enterprising women who recognized that Dawson City's labour shortage combined with the demands of 40,000 newly arrived people in the district meant an unusual opening for women into the world of business and economic independence. Belinda Mulrone, for instance, started off by running a lunch counter and eventually became part owner of a mining company and one of the wealthiest people in the region. Yukon First Nations women also saw the opportunities presented by the gold rush and many hired themselves out to miners as packers (Moore).

Those were exceptional economic times, however, in an unusual place. Where does female entrepreneurship fit into Canada and its attendant economic environment today? In particular, how do Aboriginal women fare in entrepreneurship, especially at the micro level? What economic and social effects does the work performed by these women have on themselves and on their communities?

Initial research into the area of female micro-entrepreneurship, par-

ticularly amongst Native women, revealed a surprising paucity of documentation at conventional research centres such as the university library. The search for information in this area thus led to alternative sources such as the Canadian Women's Foundation which has helped fund several micro-entrepreneurship projects for Native women, and Calmeadow, in particular its First Peoples' Fund. Several profiles of projects funded by these organizations illustrate that micro-enterprise can positively influence the women involved as well as their families and communities.

## **Economic situation of Aboriginal women in Canada**

Prior to looking at Native women and micro-entrepreneurship, it is important to place this investigation in the context of the general economic situation experienced by most women in First Nations communities. Although Canada's general female population experiences significant unemployment rates, Aboriginal women suffer even higher rates. In Winnipeg, for instance, the unemployment rate for Native women is approximately four times that of the general urban female population. In Ontario, Aboriginal women have lower levels of full-time work than any other group. In Saskatchewan, one study estimated that 75 per cent of Status Indians live on welfare.

Not only do Native women experience considerable economic hardship as a result of under- and unemployment, they are often left to take sole responsibility for their families. Indeed, 17 per cent of all Native families are headed by single mothers in comparison to nine per cent of non-Native families. Added to these difficult economic realities are the double effects of racial and gender bias in the workplace (OMAA/OWD).

Racial and gender biases arise in blatant but also quite subtle, more systemic ways. For instance, due to different cultural norms, Native women may have their own methods of communication. In some First Nations communities, aggressive behaviour is frowned upon, but in many companies outside the community it is seen as a prerequisite to career advancement (OMAA/OWD). As well, stereotypes persist. For instance, potential employers often believe that all Aboriginal women have low levels of formal education, are unreliable, and are therefore best left in positions of little responsibility. Additionally, a lack of adequate child care facilities prevents many women from entering the work force (EC).

Current economic realities (and projections into the foreseeable future) necessitate the creation of methods by which Native women may become more active participants in the labour force. If this could be achieved, the potential for considerable economic benefits for women and their dependents as well as the community itself is promising. Moreover, with increased economic independence often comes greater self-determination. Micro-enterprise seems to hold many possibilities for Native women in terms of income generation, cooperative community planning and, ultimately, the breaking of the poverty cycle and the attainment of economic independence.

## **Female micro-entrepreneurship in Native communities**

At this stage in its relatively brief history, micro-enterprise programs appear remarkably successful in several developing countries. Such programs create the potential for attaining at least subsistence standards of living in nations where the informal sector flourishes and basic survival is

the sole responsibility of the individual. Micro-enterprise support provides poor people, especially women, with the opportunity to exercise a greater degree of control over their lives through cooperative participation in the management of not only their own businesses but also a community or borrowers' fund.

The question of whether micro-enterprise is viable in countries of the North, especially in relatively disadvantaged communities, may be addressed by examining several cases.

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*"This is a way to create jobs for women who are living in poverty."*

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**Canadian Women's Foundation**

The Canadian Women's Foundation (CWF) supports programs which encourage self-reliance and the economic independence of women. In the past two years several Aboriginal micro-enterprise groups have been assisted with startup grants. In 1992, the North End Women's Centre in Winnipeg received \$10,000 to develop a business plan which would investigate local and international marketing opportunities for their hand-crafted products. In the words of the Centre's director Chriss Tetlock, "this is a way to create jobs for women who are living in poverty" (Teichroeb). Quilts take a day to complete and sell for about \$125. The artisan earns \$100. Income earned from the sale of various items helps support both the craftsperson and the Centre itself which offers many services to the community such as literacy, parenting, and counselling programs (Tetlock).

Another project which has received support from the foundation is the Standing Buffalo Dakota Band #78 of Fort Qu'Appelle, Saskatchewan. This is the most recent Native group to receive funds for micro-entrepreneurship. The band plans to use the small grant to set up a sewing circle. The sewing of star blankets and rugs has always been an important cul-

tural tradition in the Dakota community; but it has not previously been viewed as an economic opportunity. In addition to an expressed need for viable business development on the reserve, the plan emphasizes other, perhaps equally important offshoots of the sewing circle. The other benefits include: an opportunity for the Elders to pass on cultural teachings and skills to young people; the ability to feel a sense of pride in Native heritage which might help to alleviate the boredom of the community's youth and its accompanying alcohol and drug abuse; and a positive example of how creativity, sound business skills, and teamwork can reap many rewards (Goodwill).

Certainly one of the most striking aspects of these particular examples and, indeed, many Native micro-enterprise projects is that the potential is seen in not only economic gains but also in terms of personal achievement and community pride. As participants at the 1984 Search Conference on Native Economic Development and Employment Strategies stressed: "economic development isn't just about finances; it is about 'people development'" (3). To be successful, Native economic development projects must work to empower both individuals and communities.

#### **Calmeadow**

Started in 1983, Calmeadow, like the CWF, supports economic self-reliance for disadvantaged people in Canada and in developing countries. In 1987, the organization set up the Native Self-Employment Loan Program and issued North America's first group guaranteed loans. As founder Martin Connell explains:

We felt that what was happening in the Third World was very interesting and that poverty and marginalization were not strictly Third World issues, although they are not strictly Native issues either. (Story)

The Native community, as

Calmeadow former field officer, Gord Cunningham, adds "is certainly one that needs help as much or more than anyone else" (Story). Four years later, Calmeadow's First Peoples' Fund (FPF) was launched as a national micro-enterprise lending initiative for Native communities. With 20 community-based loan funds across the country, FPF focuses on women in business. A good example of a micro-credit venture's effect on a community is the Wehn-Pah-Nud Loan Fund of Birch Island or the Whitefish River First Nation on Manitoulin Island.

The Birch Island community consists of 400 people or 75 households with only three men employed off the island. Opportunities on the reserve are limited and as a result, people must either leave the community or become self-employed. Consequently, most of Birch Island's inhabitants engage in some form of micro-enterprise. Although prior to FPF there were several businesses, they could not grow without money to reinvest. With families to support, for instance, many business owners could not save enough money. Moreover, financial services for Native business, such as the Aboriginal Capital Corporation, do not lend to people without collateral and equity (Harold). As is typically the case, houses on reserves do not qualify as collateral; the Indian Act stipulates

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*"Economic development isn't just about finances; it's about people development."*

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that property on reserves cannot be claimed in the case of loan default.

The idea of the FPF loan initiative was introduced to the community by one of its own members, Patty Lightning, who learned about it while away at university. The Band Council voted to accept the Calmeadow Loan Fund Participation agreement and the Wehn-Pah-Nud management board

was formed. Originally, the first borrowers circle consisted of a group of women called Niganjig. Today there are 25 borrowers in five peer-lending groups. Twenty of them are women.

Almost half of the current borrowers started new businesses with the Wehn-Pah-Nud loans. Most of these enterprises either make or sell crafts. Other micro-businesses include video rentals, food preparation, retail sales, carpentry, business services, and a taxi service. In four years of operation, the fund has loaned over \$75,000. Loans are targeted to women and low-income people. To date, there has been a 100 per cent re-

payment of loans ranging from \$500 to \$3,000. Although not all the borrowers have made a profit from their loans, no one has lost money. Sixty per cent of the borrowers (eleven of 12 were interviewed) said that they had "more" or "a lot more customers, sales and profits" (Harold 2-4). Often the loans were cited as the catalyst behind an increase in commitment to the business. It is evident that the people of Birch Island have reaped economic benefits from participation in the loan fund. However, micro-enterprise, as in the Standing Buffalo and North End Women's Centre projects, has had additional effects on Birch Island.

The most salient impacts on the community include: changes in employment; changes in community relationships and pride; changes in availability and consumption of local goods and services; and positive effects on young people (Harold). By employing people locally, the community stays together. Supplying products and services in the community itself allows money to be recycled. Most of Birch Island's inhabitants agree that the fund strengthened community bonds. As one person states:

This is a community-owned

fund—not a government program. We don't have to go and beg at the bank anymore and feel ashamed when we get turned down. We have local control and this is very important. (5)

Greater independence and self-determination are characteristics mentioned by participants in micro-enterprise programs. Increased self-esteem is likewise often cited by Native participants as a key result of micro-enterprise projects. Moreover, in some cases, borrowers observe a ripple effect not only amongst other adults but also amongst the young people. One mother notes "My daughter is very proud of what her Dad does now. He's a stone mason and she wants to be a stone mason too" (Harold 6). Such situations provide hope for the future by creating the opportunity to set positive examples for youth who may then see the value of remaining in the community.

That the fund has future potential is also illustrated by the management board's desire to listen to the needs of the community, of which they are a part, and to direct its development in a way which reflects these desires. Birch Island residents have recommended that the loan fund be promoted more widely and that it be more intentionally directed towards those on social assistance. Additionally, as suggested by the members, the loan administrator has organized a weekend mini-mall in the community center for the sale of products made by borrowers (Harold).

### Common ground

Are there any links between the micro-enterprise experiences of disadvantaged communities of the North and the South? The bringing together of people from one of the poorest countries on earth with people of one of the richest is bound to be an intriguing experience, not only for the obvious contrasts but also in the context of a South to North transfer of a development model. In the summer of 1990, three Grameen bankers from

Bangladesh visited the Ojibwa and Odawa communities of Wikwe-mikong and Birch Island to see how their model of micro-credit support to micro-enterprise had been implemented.

The Grameen Bank of Bangladesh has supplied working capital to the very poor since 1976 as a means of self-employment and poverty alleviation. An independent bank since 1983, it now lends more than \$70 million annually to more than 700,000 borrowers. Most of these borrowers are landless women with an overall default rate of less than two per cent.

The visitors from the Grameen Bank toured many small businesses on the reserves and were surprised by much of what they witnessed. Unlike the Bangladeshi model, the borrowers served by the loan fund were not absolutely destitute. In countries where the informal sector is widespread, micro-enterprise becomes one of the few options for survival; it is a necessity rather than one of several possibilities. In the case of the reserves, however, many of the borrowers either have part-time jobs or other sources of income such as welfare and pensions. Borrowers sometimes pay off loans out of wages or government income, whereas in Bangladesh, borrowers pay back from income generated by the projects for which they received the loan. In addition, the visitors noted another significant difference. One of the visiting delegates was shocked to learn that the community defines "need" in terms that often go beyond questions of survival. One of the Native women explained that the people are not starving physically but spiritually and that needs can include counselling services to help families, alcohol and drug abuse groups, and role modelling programs (Steed).

The Bangladeshis were impressed by the cooperation amongst members of the circles, the sense of community ownership of the fund, and the desire to promote the fund to non-members as a chance to improve their standards of living as well (Steed).

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*We don't have to go and beg at the bank and feel ashamed when we get turned down.*

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## Conclusion

The 1984 Search Conference on Native Economic Development identified the following prerequisites for sustainable development in First Nations communities:

...in accordance with deeply-felt Native principles, economic development—like other facets of Native life—must be seen as holistic; of a piece. Political, cultural and economic aspects of the development process cannot be considered in isolation from each other.

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*In accordance with Native principles, economic development must be seen as holistic.*

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In terms of Aboriginal women and their communities, the micro-enterprise model appears to meet many of the criteria for appropriate and sustainable development in Native communities. Yet, the subject of female micro-entrepreneurship is complex and multi-faceted. In its current emerging state, it is still too early to make clear judgments of its efficacy in terms of long-term economic development and community revitalization. As one member of the Birch Island community notes,

It may not be possible to attribute the increase in activity to the loan fund alone, but the fund definitely supports the activity that is going on...it will be hard to understand the real economic impact on the community as a whole for maybe another ten years. (Harold 5)

What is certain is that poverty in many Aboriginal communities persists in spite of government programs. It is also becoming painfully clear that many large-scale conventional business practices are ultimately unsustainable. Alternative sustainable community economic development which reflects the needs of people

across Canada is an idea which many communities are now looking towards in the face of increasing globalization.

Proponents of the micro-enterprise model of development offer many examples of its success but it is difficult to find critiques which might highlight some of the model's shortcomings and provide suggestions for its improvement. Further research into this model is necessary. At the same time, such research would do well to avoid the temptation to over-study a limited number of communities which employ the model. In the case of micro-enterprise and First Nations women (or in any other community), outsiders must remember that learning about this topic depends upon the goodwill of the group studied. Further research in this area needs to reflect the fact that those women who operate small businesses in fact "own" their experiences. Research into micro-enterprise development must also be careful not to generalize: there are many variables which affect process and outcomes such as local community culture and values, local economics, and local resources.

In the general Canadian context it seems that a sincere examination of the whole question of poverty is required if we are to come up with creative and lasting answers. As Mary Coyle of Calmeadow implies, we need to break the welfare dependency cycle and develop better alternatives. We cannot continue spending millions of dollars only to maintain people in poverty and the bureaucracies which service them (Steed).

*A struggling micro-entrepreneur herself, Kelly M. O'Neill is currently pursuing a Master's degree in the Faculty of Environmental Studies at York University. Her focus is on gender and micro-enterprise in Canada and the South. She is currently co-writing Microenterprises for Sustainable and Equitable Development Gender Perspectives—A Working Guide to Issues, Networks, and Initiatives for the World Women's Veterinary Association.*

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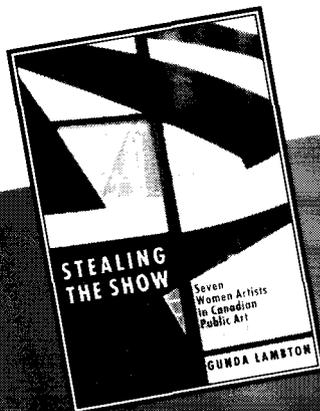
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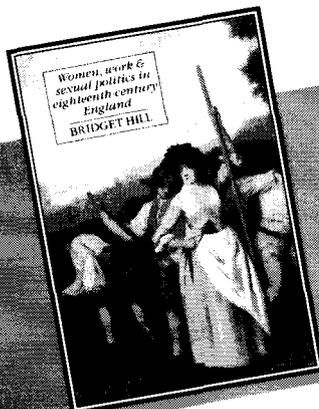


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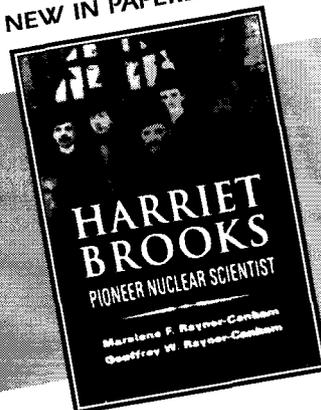
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