The main goal of our study is to verify the existence of an Aboriginal specificity to entrepreneurship. Our hypothesis is that among Aboriginal peoples, the decision to start one’s own business is based on one’s perceptions regarding the feasibility and desirability of such a project, and these perceptions are particularly sensitive to the social standards of the community and the business opportunities that arise there. In order to verify this hypothesis, we used two samples: a group made up of forestry entrepreneurs from the Mashteuiatsh Innu community of Quebec (Canada) and a group of non-Aboriginal forestry entrepreneurs. Results partially confirm our hypothesis.

INTRODUCTION

In 2008, the Government of Canada issued an official apology for past harms committed towards its Aboriginal population just as Australia had done earlier in the year. Yet by 1996 The Royal Commission on Aboriginal Peoples had already acknowledged a general state of underdevelopment among Aboriginal communities, essentially characterized by unemployment and health issues (RCAP 1996). For their part, Canadian Aboriginal communities have implemented a number of strategies over the past 20 years to regain control of their socio-economic development, and thus their future. Among these strategies, the promotion and use of forests, as well as entrepreneurship, have received considerable attention (Anderson and Giberson 2004; Anderson et al. 2005; Wyatt 2008). Nevertheless, the challenges ahead remain considerable as this trend is rather recent. A limited knowledge of and prejudicial attitudes towards First Nations issues remain prevalent among forestry industry insiders and the general public. Although 80% of all Aboriginal communities are located on commercial forest territory, and despite the Canadian Government’s increasing efforts and funding to encourage their involvement in the forestry sector, little information is currently available on community forestry initiatives (Curran and M’Gonigle 1999). This context highlights the importance of
conducting a study on forestry entrepreneurship as an avenue for development among Aboriginal communities.

The main goal of our study is to verify the existence of an Aboriginal specificity to forestry entrepreneurship, as the literature on the subject suggests (Bherer et al. 1989; Redpath and Nielsen 1997; Hindle and Lansdowne 2005; Lindsay 2005; Peredo and Anderson 2006). More specifically, we want to know if the decision by Aboriginal people to start their own businesses is conditioned by the factors generally recognized in the literature. We indeed need solid, well-researched information in this area if we are to forge progressive and effective solutions to help promote and develop Aboriginal entrepreneurship.

This paper will begin with an overview of the Canadian forestry sector and the role Aboriginals play in it, followed by a summary of the literature justifying the selected conceptual framework. We will also discuss the research methodology used and present and comment on our preliminary results.

OVERVIEW

Forestry Entrepreneurs
Undeniably, the entrepreneur is a key player in Canada’s timber supply, particularly in the province of Quebec. The majority of Quebec’s forests are located on public land managed by the government. To develop forest resources, the government issues timber supply and forest management agreements to the major forestry companies active in wood processing. In return for this privilege, these forestry companies agree to conduct forest management work including reforestation, clearing, scarification, and harvesting. These jobs are generally subcontracted out to forestry entrepreneurs. Furthermore, the waves of mechanization in the 1960s and 1970s led major forestry companies to gradually relinquish to subcontractors certain less profitable operations such as cutting, transportation, and road construction (Mercure 1996). This phenomenon accelerated in the early 1980s when a drop in world demand for paper hit the forestry industry hard. This new organization of work gave major companies greater flexibility and scaled down the risk of managing a fleet of expensive and relatively sophisticated motorized equipment. To implement such a structure, major forestry companies offered financial assistance to those employees most likely to become owners of their own work equipment and made them subcontractors. Today, forestry entrepreneurs have proven a critical component in the supply of wood processing plants and the development of Quebec’s forests, despite the fact that these outfits rarely exceed five employees.

Anyone interested in the subject of forestry entrepreneurs cannot help but notice the limited amount of new knowledge on this key forest stakeholder. However, the need for more information about forestry entrepreneurs and how they operate and manage their business is quite real. On the one hand, the wood processing industry faces fierce competition from Russia, Scandinavian countries, and Brazil. Given that the costs of harvesting, transportation, road network management, and silvicultural activities represent 60% of the cost price of timber in Canada and Quebec (Degan et al. 2001; Nanang and Ghebremichael 2006), it becomes apparent to many that forestry entrepreneurs’ performance must be improved. On the other hand, since the forest sector—like a number of other sectors—will soon be facing a labor shortage (Doug 2006; Audet 2008), we must ensure that active forestry entrepreneurs continue to operate while also ensuring that others emerge to fill the void. It is important to remember that many families and even entire communities rely on the forest. It is therefore critical that we increase our knowledge about forestry entrepreneurs and specifically about Aboriginal forestry entrepreneurs, who are even less visible in the literature.

Aboriginals and Forestry Entrepreneurship
In Canada, entrepreneurship is the keystone of the socio-economic development strategy for Aboriginal peoples (Anderson and Giberson 2004). According to these authors, the First Nations are gradually developing their skills 1) to increase their autonomy and self-sustainability, 2) to bolster their traditional values, and 3) to improve their living conditions. In 1996, the Royal Commission on Aboriginal Peoples recommended that the forest be used as a lever for the economic development of First Nations peoples (RCAP 1996). These communities place such primordial value on the land and the forest for two reasons: first, because they are the roots of their identity, culture, and values, but also because the land and the forest are the basis on which the communities plan to rebuild their society and economy. In Quebec, the forestry sector echoed their ambitions by recommending that "Aboriginal forestry entrepreneurs be invited to get actively involved in intensive silvicultural and inhabited forest
projects and that conditions be implemented to facilitate their stability and the development of their management skills and professional expertise” (Coulombe et al. 2004, p. 240). At the conclusion of the Summit on the Future of the Quebec Forest Sector, held in December 2007, the main forest sector stakeholders recognized the importance of “reducing the developmental divide between Aboriginal communities and other locations,” and of giving them a role in forest management. To illustrate this divide, we would note that “First Nations peoples have a life expectancy about seven years shorter than Quebecers; they are three times more likely to suffer from obesity; their diabetes rate is three times higher; they have a suicide rate five times higher than Quebecers; and they suffer higher rates of poverty and violence” (Bouchard 2008, p. 150). Furthermore, more than 40% of First Nations peoples receive unemployment or social assistance and 49% do not have a high school diploma.

Although the “Aboriginal challenge” is deeply rooted in the history of Quebec and Canada, it nonetheless remains a global phenomenon. In Mexico, Brazil, Columbia, Paraguay, Peru, Australia, New Zealand, and many other countries, Aboriginal peoples are fighting for their autonomy, to improve their living conditions, and to protect their culture (Dana and Anderson 2007). For example, Aboriginal peoples from around the world reaffirmed their inherent right to the land and its resources by signing the Wendake Action Plan at the 12th World Forestry Congress (Indigenous Peoples’ Forestry Forum 2003). What is more, advances in this regard have been made with major international organizations, and in September 2007, the United Nations adopted a Declaration on the Rights of Indigenous Peoples (that Canada has refused to ratify) and has also added the protection of indigenous rights and knowledge to Section 8(j) of the Convention on Biodiversity (UNPFII 2006).

Some will ask more specifically why so much effort is being made to promote the emergence of Aboriginal forestry. First, it is out of a concern for fairness and to narrow the socio-economic divide that still persists today. Second, the many legal victories by First Nations peoples have provided them with all the necessary legitimacy to have their rights to the land (and thus the forests) recognized and to allow them once more to take part in its development. For example, the 2004 Haida decision confirmed the obligation of various forestry stakeholders to consult the First Nations and find ways to accommodate their concerns (Judgments of the Supreme Court of Canada 2004). Accommodating First Nations peoples is therefore no longer simply a need, but an obligation. Moreover, industries and governments have discovered the advantages of maintaining good relations with the First Nations (Anderson 1997). A number of lawsuits were dropped after the “Peace of the Braves” was signed in 2002 (Boucher 2003), and many Quebec-Aboriginal partnerships have emerged. A number of businesspeople are approaching the First Nations to help resolve their labor shortage problems. One reason for this is because they have a very young and growing population (Statistics Canada 2006). Another is because people want to develop a pool of skilled forestry workers among the Aboriginal peoples. Organizations like the First Nations Education Council (FNEDC) and the Commission on Human Resources Development for the First Nations of Quebec (CHRDFNQ), and events such the Conference on Environmental Careers (FNQLSDI 2007) for First Nations have shown this.

CONCEPTUAL FRAMEWORK

The stream of research we examined to try to explain how entrepreneurial aspirations are formed among Aboriginals is called entrepreneurial intention. The theoretical bases underpinning the tenants of this approach are similar to those of the theory of planned behavior (Ajzen 1991), which states that all behavior that requires a certain degree of planning—which undeniably includes starting a business—may be predicted by the intention of having this behavior. Therefore, by studying a person’s intentions to start a business, we could predict whether this person will ultimately start a business. Shapero and Sokol (1982) pioneered this approach in the field of entrepreneurship, and Krueger later abundantly commented on, explored, and validated this theory (Krueger 1993; Krueger and Brazeal 1994; Krueger and Carsrud 1993; Krueger and Dickson 1994; Krueger et al. 2000). According to Shapero and Sokol, in order for a person to initiate a major life change—like the decision to start one’s own business—an event must precipitate such a decision or at least break the established routine. The decision is therefore a function of 1) the individual’s perception of the desirability of the behavior in question, 2) the individual’s propensity to act on his or her intentions, and 3) the individual’s perception of the feasibility of the behavior in question.

This theoretical model is characterized by its simplicity. The two main constructs (perception of desirability and perception of feasibility) are in fact the result of the combined effect of a number of other variables studied in relation to the phenomenon of starting a business. For example, the appeal of the idea of starting a business is probably based on the entrepreneurial models that individuals may
have in their close circle of friends and family, the prestige and respect attributed to entrepreneurship by the people in their community, their needs for accomplishment and independence, the opportunities available, etc. To this effect, it should be added that not everyone is able to identify, assess, and take advantage of opportunities (Stevenson, 1990; Krueger, 2003). Although there is currently a debate on the objective or subjective nature of opportunities (Verstraete and Fayolle, 2004; McMullen and Shepherd, 2006), we will look specifically at their objective nature. As such, we will assert that all opportunities are born before they are discovered and are accessible to everyone, but that only certain individuals are able to take advantage of (McDougall et al. 1994; Shane and Eckhardt 2003). The notion of opportunity is especially poignant when studying forestry entrepreneurship because it allows us to incorporate the factors of space and time, which influence entrepreneurial behaviors (Julien 2005). An example of the space factor could be the ubiquity of the forest and timber, which explains—at least in part—the abundance of forestry entrepreneurs in the Saguenay–Lac-St-Jean region, where this study was conducted. An example of the time factor could be the forestry industry’s decision to transfer its equipment to workers to minimize its investments and management responsibilities, which partially explains the emergence of a large number of forestry entrepreneurs. In addition, the availability of opportunities explains why people may exhibit a strong intention of adopting a behavior but never adopt it. We understand that the “opportunity generating” nature of the entrepreneur’s environment is a major factor of entrepreneurship and our study.

The social environment of Aboriginal entrepreneurs is likely to have a considerable impact on their perceptions of the desirability of starting a business. The work by Bherer (1989) on forestry entrepreneurship demonstrates very clearly the existing social, economic, and environmental differences between the various Aboriginal communities as well as their impact on the various forms of Aboriginal entrepreneurship. Lindsay (2005) suggests that certain cultural values are specific to Aboriginal entrepreneurship, such as a sense of community, a greater proximity to power, and emphasis on a feminine dimension rather than a masculine one. By feminine dimension, we mean placing greater value on interpersonal relations, harmony, and preserving quality of life than on work, performance, and acquiring material goods (Redpath and Nielsen 1997). Consequently, it is possible that like women, Aboriginal peoples are less inclined towards entrepreneurial behaviors like starting a business (Audet 2004; Menzies and Tatroff 2006). Hindle and Lansdowne (2005) are also of the opinion that there is a cultural heritage specific to Aboriginal peoples.

In light of the literature we consulted, we submit the hypothesis that among Aboriginal peoples, the decision to start one’s own forestry business is largely based on one’s perceptions regarding the feasibility and desirability of such a project, and these perceptions are particularly sensitive to the social standards of the community and the business opportunities that arise there. The following diagram illustrates this line of thinking.

**METHODOLOGY**

**Sampling**

In order to verify the degree to which an Aboriginal specificity exists in forestry entrepreneurship, we used two samples: a group composed of Aboriginal forestry entrepreneurs and a group of non-Aboriginal forestry entrepreneurs. The data on non-Aboriginal forestry entrepreneurs was collected in a previous survey conducted with this population in Quebec in 2007 as part of Université Laval’s forestry harvest and transportation entrepreneur research program (PREFORT) (Préfort 2007). For the purposes of this study, we used only data on entrepreneurs operating in the same region as the Aboriginal entrepreneurs observed. More specifically, among the respondents in the aforementioned PREFORT survey, we have identified 99 Quebec forestry entrepreneurs (hereafter “non-Aboriginal entrepreneurs”) residing in the two regional municipalities neighboring that of the Aboriginals.
The sample of Aboriginal entrepreneurs is made up of forestry entrepreneurs from the Mashteuiatsh Innu community in the Lac-Saint-Jean region. Our interest in studying this community stems in part from the fact that it has decisively taken charge of its economic future, which mainly hinges on developing the forest sector. This community is taking part in the “Lac-Saint-Jean Model Forest” (LSJMF) project, which was submitted to the regional authorities as a priority and accepted by the federal government last July. This project, which spans 1.25 million hectares, consists of promoting the “expertise developed in recent years in order to find new forest resource development possibilities” (Forêt modèle du Lac-Saint-Jean 2008). Moreover, the community has signed a partnership agreement with the Regional Saguenay–Lac-Saint-Jean Conference of Elected Officials on integrated resource management, thereby strengthening the Mashteuiatsh’s position as a major forestry stakeholder on both the local and regional scene. We also selected this community in large part because it already has an entrepreneurial culture related to the forestry sector and it is a partner in the PREFORT program. Finally, the Mashteuiatsh community has a registry of its forestry entrepreneurs, which makes it easier to survey them and contact potential respondents.

Based on our selection criteria, it was important for the respondents to 1) be part of the Mashteuiatsh Innu community, 2) be forestry entrepreneurs active in harvest, transportation, silvicultural, or any similar forestry-related activity deemed relevant, and 3) head a company whose shares and decision making powers are held by Aboriginal interests (50% or more). Potential respondents were identified with the help of the Mashteuiatsh Innu economic development corporation and the registry of forestry businesses this organization keeps. Respondents were contacted by phone.

Data Collection
Our first data collection tool was a questionnaire, which was developed in five stages. First, we drew inspiration from the wording of the questions in the PREFORT questionnaire in order to facilitate eventual comparisons between the two respondent groups. Second, we cut out any questions not deemed relevant to our project as well as questions that proved difficult to interpret. Third, we added new questions and expanded on existing questions. Fourth, we consulted the Lac-Saint-Jean Band Council and the Mashteuiatsh Innu economic development corporation—involving in land management and economic development, respectively—in order to enrich and validate the questionnaire. Finally, we tested the questionnaire on a forestry entrepreneur that, although not Aboriginal, is associated with an entrepreneur from the Mashteuiatsh community.

We personally met with all the Mashteuiatsh Innu forestry entrepreneurs (hereafter “Innu entrepreneurs”), or a total of 13 individuals, in the winter and spring of 2008. Due to the limited number of respondents, we decided to assist the respondents when administering the questionnaire in order to mitigate any ambiguities about the questionnaire and increase answer quality. During this meeting, we completed a questionnaire with 92 questions (most closed-ended) on topics such as the respondents’ socio-economic profile, their entrepreneurial history, their company, their management practices, and their business network.

Since the data collected by questionnaire revealed a number of major challenges, we decided to round out the research approach with interviews in order to gain a broader sense of these challenges. This qualitative approach “is driven by the desire to understand the meaning of each individual’s reality, and the information yielded is thus viewed as rooted in a culture, context, and time” (Savoie-Zajc 2000). Such an approach is therefore an ideal method of addressing the “Aboriginal specificity” of the entrepreneurs studied. We therefore conducted indepth interviews with Innu entrepreneurs and members of the community’s economic development organization. Our interviews with Innu entrepreneurs gave us a deeper understanding of certain important elements such as business opportunities, the obstacles to starting a business, and the impact of the Indian Act. The interviews with the Innu development corporation representatives were designed to validate and enrich the data collected with the Innu entrepreneurs.

Data Analysis Method
For the most part, we used non-parametric statistical analysis methods for the closed-ended questions. For the open-ended questions and interviews, we used the N’VIVO software application, which allowed us to codify the information deemed “important” and subsequently analyze these codes by creating matrices (e.g., recurrence matrix). For theorizing and modeling, we used interpretation tactics such as pattern identification, contrasts, comparison, counts, etc. (Miles and Huberman 1994, p. 437–470).
PRELIMINARY RESULTS

The Emergence of Innu entrepreneurs, from Yesterday to Today

The first forest-dependent business in the Mashteuiatsh community was created in 1981 in the form of a cooperative (Figure 1). A decade later, two new private businesses were created in 1992 and 1996. Later, a significant wave of business startups began in 2002 and ended in 2006. During this short period, nine businesses were created, or 75% of the number of businesses that exist today. Knowing that a business may operate in more than one type of activity, three businesses are involved in harvesting (25%), four in transportation (33%), two in the road network (17%), five in silviculture (42%), and one in inventory (8%). Non-Aboriginal entrepreneurs in the sample are engaged in harvesting (43%), transportation (48%), and the road network (17%). No information was available on non-Aboriginal entrepreneurs in silvicultural operations or inventory.

Figure 1: Distribution of Mashteuiatsh forest-dependent businesses according to year established

Interviews conducted with members of the Mashteuiatsh Innu economic development corporation and Innu entrepreneurs helped identify three main events that contributed to the creation of private forest-dependent businesses in Mashteuiatsh, namely the privatization of community businesses, the closing of the Band Council’s forestry sector, and the creation of the Mashteuiatsh Innu economic development corporation (hereafter the “Innu development corporation”). The following is a summary of these meetings and contains references to validate the respondents’ discussion.

In 1989 the federal government announced the Canadian Aboriginal Economic Development Strategy (Charest 1992). Consequently, the Band Council took charge of the community’s economic development in the early 1990s by consulting Mashteuiatsh residents in order to create an economic development plan. One of the plan’s underlying issues was knowing whether economic development should be based on the public or private sector. In the past, the Council had played a major economic role (Bherer 1989), but the economic difficulties of certain public initiatives (a sawmill, campground, and snowshoe plant) tipped the scales in favor of the private sector. The Council therefore decided to let community forces (i.e., entrepreneurs) gradually take charge of the development of various economic sectors. First, the Council made the decision to privatize businesses for which it was responsible. The sale of the road network, transportation, and harvesting operations of the Council’s sawmill in 1992 thus led to the creation of the first private forest-dependent business in the community.

Second, the forest services company under the direction of the Band Council in the Lac-Saint-Jean region closed its doors in 2003, and its assets were transferred to the employees. These employees then created their own business, benefiting in particular from contracts that the Council’s company held.
with major clients. The Council’s forest services business had been implemented during the 1990s so that the community could benefit from development opportunities in this activity sector (Mamuitun Tribal Council 2004). The company performed precommercial thinning, hydro power line maintenance, and inventory work. When the Council’s company closed, a respondent witnessed the following scene: “We talked to the employees when we announced the company was closing: For those interested in getting organized and structuring themselves, you’ve worked in this business for a while and now have a great opportunity.” According to the respondent, at least three entrepreneurs directly benefited from the Council’s former contracts to create their business. Two other entrepreneurs took part in creating the Minashkautsh work cooperative in 2003 and also took advantage of former Council contracts. In 2005 however, this cooperative ended its activities, prompting its two founders to start their own forest-dependent businesses.

Third, the Innu development corporation was created in 2001 to support the community’s entrepreneurs. This corporation helps with both business plan development and the search for financing. Among other things, it possesses a guarantee instrument, a tool developed to help entrepreneurs borrow the funds they need to start their businesses. This is necessary because most financial institutions refuse to lend money to Aboriginals, and with good reason: under the Indian Act, Aboriginal property cannot be seized. The Innu development corporation also set up a Project Management Office designed for forestry specifically aimed at supporting and assisting the community’s forestry contractors. The corporation members even targeted potential entrepreneurs in the community when opportunities presented themselves. In this regard, one member of the corporation said:

“When ministries or lenders receive projects, they call us and ask, ‘Do you know [this company]?’ We have a tremendous level of influence, although people don’t know it. We can call a guy and say, ‘Take this file.’ It’s our contact network that develops this level of influence.’”

According to the data gathered, twelve out of thirteen Innu entrepreneurs assert that they have used Innu development corporation services to launch or manage their businesses. All entrepreneurs interviewed described this as an important service.

Whereas the emergence of a first generation of Innu entrepreneurs was the result of the Mashteuiatsh community’s decision to take charge of forestry development, such was not the case for the emergence of non-Aboriginal forestry contractors in the Saguenay and Lac-Saint-Jean regions. The following excerpts taken from Legendre (2005) bear witness to the nature of their development:

“…major entrepreneurs start out working in the forest quite early on […] as loggers or even cook’s helpers […] A number of entrepreneurs start by taking contracts from their father or older brother who are themselves entrepreneurs, from another entrepreneur, or from a manager they reported to at a company where they previously worked.”

The history of Quebec forestry contractors is therefore first and foremost one of “family history” connected to major forest-dependent businesses (Lebel and Norin, 2008) rather than local government initiatives, as is the case for Innu entrepreneurs.

Factors Explaining the Decision to Go into Business that are Related to Entrepreneurs and Their Social Environment

With regard to the social context of Innu entrepreneurs, the presence of entrepreneurial models likely to affect the feasibility and desirability of going into business is quite marked in Mashteuiatsh. Twelve out of thirteen Innu entrepreneurs (92%) know people “who have or have had their own business.” Without any notable difference, 97% of non-Aboriginal entrepreneurs responded affirmatively to this question. The major difference between the two lies in the family context. Seven out of thirteen Innu entrepreneurs (54%) had fathers or mothers who had already “worked for themselves or owned a business.” There are, however, few entrepreneurial models in the specific sector of forestry. Only one Innu entrepreneur (8%) had a parent heading a forest-dependent business before starting his own business. Eight out of thirteen Innu entrepreneurs (62%) represent the first generation of forestry workers in their families. Among non-Aboriginal entrepreneurs, 69% stated that their parents had “worked for themselves or owned a business,” 30% that their parents owned a forestry-dependent business, and 11% that their parents had a transportation business. Only 34% constitute the first generation of forestry workers in their families. The family culture of forestry operations is therefore clearly more developed among non-Aboriginal entrepreneurs than Innu entrepreneurs. One respondent described to us how not knowing “how to do business” in the field of forestry operations had been
detrimental to him. “In terms of contracts, we didn’t know much about the forestry industry—
harvesting, I mean. We didn’t get the best contracts. For example, the first year we didn’t have
subsidized fuel rates. We were paying around $1.00 a liter, while everybody else in the industry had a
fixed rate of around 50 to 55 cents. If fuel went up to $1.20, they all paid 55 cents, but we paid $1.20.”

To learn more about the desirability of going into business, a closed-ended question proposed various
reasons that “could prompt a member of [their] community to start or take over a forest-dependent
business today.” Innu entrepreneurs ranked their answers as follows in order of importance: being their
own boss (11/13, 85%), meeting challenges (9/13, 69%), and feeling useful to their community (8/13,
62%). The one reason that won over a majority of non-Aboriginal entrepreneurs was “being their own
boss” (71%). “Meeting challenges” was the third most popular reason (37%), while “feeling useful to
the community” was sixth (20%). We can therefore observe that these entrepreneurs, whether
Aboriginal or not, embody certain fundamental entrepreneurial characteristics found in scientific
literature, including the desire to be one’s own boss and the thrill of the challenge. The social focus of
the business, however, is much more important among Innu entrepreneurs. Seven out of thirteen
entrepreneurs (54%) said they were involved in their communities in various ways, such as through
volunteer work, local government, or coaching youth in sports clubs. In comparison, only 24% of non-
Aboriginal entrepreneurs said they were involved in their communities. An Innu respondent said, “I
think it’s important to create local jobs here in Mashteuiatsh. All of us at the company are Aboriginal
workers; we’re all from the community.” Another added, “There are two keys to success in a business:
a company must obviously be profitable and it must create maximum benefits, notably jobs for us.”
This individual and another Innu entrepreneur are investing in a pilot job training project for youth in
the community. Lastly, an Innu entrepreneur started a forest-dependent business in large part to assist
and train youth in the community.

As for barriers to starting a forest-dependent business—which may negatively influence the perception
of the feasibility of creating a business—the two main reasons cited by Innu entrepreneurs were
financing difficulties (10/13, 77%) and difficulties in recruiting qualified manpower. Non-Aboriginal
entrepreneurs also cited financing difficulties (93%) and difficulties in recruiting qualified manpower
(83%) as the main roadblocks. Six Innu entrepreneurs (46%) also indicated the uncertainty associated
with forestry and three Innu entrepreneurs (23%) cited a lack of opportunity as being obstacles to
developing a business, while 99% and 88% of non-Aboriginal entrepreneurs respectively listed these
reasons. This last comparison seems to indicate a certain optimism among Innu entrepreneurs and
pessimism among non-Aboriginal entrepreneurs. Another survey question in this regard asked
entrepreneurs to evaluate their company’s financial performance. Despite the economic difficulties
facing the Quebec forestry industry, only two Innu entrepreneurs (15%) stated their profit margin had
dropped in the previous five years, while five (38%) said the opposite, observing an increase in their
benefits. By comparison, 52% of non-Aboriginal entrepreneurs noted a drop and only 6% a rise in their
profit margin. To explain the optimism of Innu entrepreneurs in this time of crisis in the forestry
industry, a number of respondents talked about a context of opportunities for the Mashteuiatsh
community. They mentioned the openness of governments and large companies toward Aboriginal
communities and good relationships and partnerships forged between the Mashteuiatsh community and
the Saguenay–Lac-Saint-Jean region.

DISCUSSION

In his work Étude exploratoire de l’entrepreneuriat autochtone (Tracking study on Aboriginal
entrepreneurship), Bherer indicates that Mashteuiatsh appears to be a community at the crossroads of
the entrepreneurial model and the community model (1989, p. 121). According to this author,
entrepreneurs in the entrepreneurial model have personal ambitions and want to be their own boss or
meet a challenge, for example, and have a desire to grow, develop, or diversify their businesses. The
entrepreneurial model is similar to the classical model of entrepreneurship as described in specialized
literature. The main difference that sets the community model apart from the entrepreneurial model is
the fact that a business is held by a group (band council or cooperative) and priority is given to
community objectives, such as job creation and the protection of land. The results of our studies show
that the Mashteuiatsh community has used Bherer’s entrepreneurial model in privatizing its public
companies, notably the Band Council’s forestry sector. In fact, the Mashteuiatsh Council has been a
veritable incubator of forestry-dependent businesses. “The notion of an incubator has emerged from
combining the demand for flexible space with the need for a supportive business environment within
which new and young firms can be nurtured through startup and achieve accelerated development”
(Hannon and Chaplin 2003). We have been led to believe that this has been the case in Mashteuiatsh. In 1989 Bherer was already pointing out the significant role of the Band Council for the emergence of certain types of businesses. In Mashteuiatsh the Band Council started intervening in the 1990s to seize business opportunities and stimulate entrepreneurship, notably through the creation of public companies and financial contributions (Proulx 2008). The establishment of public companies and agencies—such as a sawmill, a department for handling forestry contracts, and a support organization for entrepreneurs—helped workers acquire experience and knowledge in this activity sector. This author also identifies the partnership formula developed with major clients such as Hydro-Québec as another reason that may explain the entrepreneurial success in Mashteuiatsh. The Band Council’s intervention therefore improved workers’ perception of the feasibility of creating a forest-dependent business. Its withdrawal, through privatization of public forest-dependent businesses, provided business opportunities.

It is quite impressive to see that aspiring Aboriginal entrepreneurs have learned to seize business opportunities when they present themselves. It is not known, however, whether these aspiring entrepreneurs were “standing by” for an opportunity to act or whether “they seized a random opportunity.” One thing is certain: the advent of an economic development organization dedicated to the community seems to have removed the last of any perceived barriers to entrepreneurship. The presence of this organization has had an impact on the perception of feasibility in particular, namely services that provide easier access to financing, assistance in business plan development, and strategic advice—all interventions that make the task of aspiring entrepreneurs less arduous. What is remarkable is the importance Aboriginal entrepreneurs accord to these services and how often they use them. Indeed, generally speaking public support services do not seem to generate much enthusiasm among entrepreneurs, ranking systematically behind sources of advice from the private sector (from professional and technical specialists to more generalized consultants). In their survey of 1,002 Swedish SME owners, Boter and Lundström (2005) found that private support providers were more popular than public ones. Almost half the respondents revealed having regular contacts with private providers, compared to less than 10% for public agencies, with more than 70% of the respondents having never contacted them. In Canada, Good and Graves (1993) observed that barely 10% of the 160 entrepreneurs surveyed had used the services of a public support agency. Low take-up rates appear to be the norm, as witnessed in several other countries (Bennett and Robson, 1999; Curran, 2000). In a survey of 279 Canadian entrepreneurs, respondents rated the importance of access to public support services during the startup phase of a business. On a scale of 1 to 5 (1 = little or no importance and 5 = great importance), the mean value for access to services provided by small business centers was 2.19 while it was 2.06 for government services to provide startup expertise (Wyckham et al. 2001). According to another Canadian study of 90 small business owner-managers, half of them felt the available government programs did not meet their needs (Zinger et al. 1996). This opinion was shared by owner-managers in Quebec (n = 196), where one-third felt the assistance given by support agencies was inadequate and did not meet their needs ((Borges et al. 2005). In another study performed in a remote area of Quebec, one-third of the respondents surveyed thought the support agencies were not very or not at all useful (Audet and St-Jean 2007). In the interviews, the factors most frequently mentioned to support such a negative perception were the hierarchy-based structure of the agencies, the difficulty of deciding which agency to approach due to overlaps, program eligibility criteria that were too difficult to meet, and the time required to obtain a decision. Some respondents also felt the advisors working for the agencies were disconnected from the real world of small business, a complaint that seems to be often heard from small business owners. It is therefore to the Innu Development Corporation’s credit that it is so highly valued by the community it serves. This suggests that the economic development model is entirely appropriate and effective for promoting Aboriginal entrepreneurship.

Certain authors nevertheless point out that a band council can also harm entrepreneurship. Merkel (2003) maintains that interference between politics and business may slow down decision-making or result in uncertainty for business partners when a change in band council leaders signifies a major shift in thinking. In other words, political stability plays a key role in business development. In our study a respondent from the Innu Development Corporation maintained that in the past, entrepreneurs had not dared to go into business for fear of competing with the Band Council, in particular because of the Band Council’s practically unlimited financial resources. This respondent went so far as to talk about a conflict of interest by referring to a time when the Band Council owned a business and was seeking to promote forestry entrepreneurship at the same time. In his opinion, the Band Council cannot support private businesses and compete against them at the same time without creating mistrust. With regard to
business development, the experience of the six First Nations of Western Canada reinforces the idea to “keep the politics out of it!” (McBride 2001). Trosper (2008) indicates that businesses in the forestry sector that are isolated from the political process show greater profitability.

CONCLUSION

The approach borrowed by the Mashteuiatsh Innu community to develop forestry entrepreneurship can be considered a success. The community today numbers twelve forest-dependent businesses whose directors state they have confidence in the future. What should be noted is that this Aboriginal community adopted a global approach. It did not fight on a single front but on several at the same time. First, it came up with an economic development plan where guidelines were defined to make it easier to identify clear objectives, specify the roles of various economic and political players, and develop effective tools. This step strengthened the political stability required to gain the trust of business people and subsequently for business development. Second, becoming actively involved in public forest-dependent businesses allowed workers in the community to develop experience and knowledge in the forestry sector. The Band Council then created a number of opportunities by privatizing companies. Similarly, it created solid business partnerships with major clients, while the Mashteuiatsh Innu economic development corporation offered Innu entrepreneurs personalized support service and developed effective tools such as a guarantee instrument to help finance businesses.

Although our study can provide only preliminary results, many more interesting developments are still to come. We are, for example, analyzing interviews conducted with the main contractors of Innu entrepreneurs to ascertain whether they act differently with Innu entrepreneurs, offer them benefits, and generate opportunities in the same capacity as the Band Council.

REFERENCES


