

The Political Economy of Neotribal Rentierism: A Historical and Material Theory of Aboriginal-Non-Aboriginal Relations in Canada

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In Canadian political economy, the relationship between aboriginal and non-aboriginal peoples is undertheorized. Some have attributed this oversight to the fact that aboriginal peoples do not fit easily into the traditional categories of political economy; others maintain that political economy itself has been influenced by colonialist assumptions.¹ As a result, much of the attempt to understand aboriginal economic and political circumstances has been left to postcolonial theory,² and a focus on hypothetical transcendental cultural factors rather than historical and material ones. A critique of this literature does exist, but it is rooted in the assumptions of neoclassical economics rather than those of political economy.

This paper will begin to address this gap in the literature. To this end, the New Zealand political economist Elizabeth Rata's framework of "neotribal capitalism" will be used to understand the factors relating to production and ownership that have influenced aboriginal-non-aboriginal relations in Canada. Rata's framework, however, will have to be revised to make it applicable to the Canadian context. Because the Maori in New Zealand differ from aboriginal groups in Canada in terms of their participation in the workforce, Rata's framework will be combined with Hossein Mahdavy's notion of the rentier state. While the literature on rentier states pertains to the political economies of particular countries, it provides insights into aboriginal communities that are unproductive. A historical and material theory – the political economy of neotribal rentierism – will be proposed to help understand the specific circumstances of how aboriginal groups in Canada are being integrated into late capitalism.

Before outlining the theory of neotribal rentierism, however, and examining three types of neotribal rentierist relations in Canada, this paper will provide an overview of postcolonialism's conceptualization of Canadian aboriginal-non-aboriginal relations. The ponderous and imprecise language of work in this theoretical tradition has made a summary of the literature difficult. As a

¹ For a discussion of this see Frances Widdowson, *The Political Economy of Aboriginal Dependency: A Critique of the Royal Commission on Aboriginal Peoples*. Unpublished PhD Dissertation, York University, 2006, pp. 7-11 and Frances Widdowson, "The Killing of Political Economy: How the Inclusion of 'Aboriginal Perspectives' is Murdering Our Understanding of Canadian Development", Paper presented at the First Nations, First Thoughts Conference, Centre for Canadian Studies, University of Edinburgh, May 5, 2005, http://www.cst.ed.ac.uk/2005conference/papers/Widdowson_paper.pdf [accessed May 2016].

² Although this is a very complicated body of literature, it largely concerns theorizing the *cultural* legacy of colonialism. It has been defined as "a study of the effects of colonialism on cultures and societies" and is "concerned with both how European nations conquered and controlled "Third World" cultures and how these groups have since responded to and resisted those encroachments. Post-colonialism, as both a body of theory and a study of political and cultural change, has gone and continues to go through three broad stages: an initial awareness of the social, psychological, and cultural inferiority enforced by being in a colonized state; the struggle for ethnic, cultural, and political autonomy; [and] a growing awareness of cultural overlap and hybridity. "Key Terms in Post-Colonial Theory", <http://www3.dbu.edu/mitchell/postcold.htm> [accessed May 2016].

result, some of its claims have been relegated to footnotes, and commentary is provided on what these arguments might mean.

Canadian Political Economy and Aboriginal-Non-Aboriginal Relations

Within the discipline of political science, political economy is an approach that attempts to understand the linkages between economics and politics.³ Wallace Clement has characterized it as “a holistic approach to understanding society from a materialist perspective” that “connects the economic, political, and cultural/ideological moments of social life”.⁴ Rather than examining political institutions, cultural features and ideologies in abstraction, political economy attempts to explain these phenomena by indicating how they have historically emerged in association with the development of productive and distributive practices. In opposition to idealistic theories that perceive history as the outcome of a “clash of wills” that arise spontaneously and inexplicably, political economy asks how human ideas and actions are *ultimately* socially determined by the “production and reproduction of real life”.⁵

Although Canadian political economy has often neglected the subject of aboriginal-non-aboriginal relations,⁶ over the last twenty years a number of scholars have tried to grapple with the subject. These works, however, generally avoid theorizing aboriginal-non-aboriginal relations in terms of the major variables typically the focus of political economy – the organization of labour and the resulting “contradictory social relationship between producers and non-producers, entailing mutual dependence but also entailing mutual *power*”.⁷ Postcolonial theory’s postmodern⁸ concern with incorporating “Native ways of being” and the “differing

³ Michael Howlett et al., *The Political Economy of Canada* (Toronto: Oxford University Press, 1999), pp. 1-2; and Paul Phillips, *Inside Capitalism: An Introduction to Political Economy* (Halifax: Fernwood Publishing, 2003), pp. 1-5.

⁴ Clement defines “materialist” as “a perspective that begins with the assumption that the relations between people are fundamentally shaped by the way a society reproduces itself. How people make a living - for example, as use-value producers, commodity producers for sale, or wage earners - strongly influences how they are formed as social beings”. For a further discussion see Wallace Clement, “Introduction: “Whither the New Canadian Political Economy?”, in Wallace Clement (ed), *Understanding Canada: Building on the New Canadian Political Economy* (Montreal: McGill-Queen's University Press, 1997), p.3.

⁵ Letter from Frederick Engels to J. Bloch, *Karl Marx and Frederick Engels: Selected Works*, Volume 3 (Moscow: Progress Publishers, 1977), p. 487 [emphasis in the original].

⁶ In their overview of the political economy literature, Frances Abele and Daiva Stasiulis claim that the lack of “synthetic works” on aboriginal peoples' role in Canadian development is due to the diversity of aboriginal pre-contact histories, the complexity of their relations with the Canadian state, and the belief that “generalizations tend to conceal more than they expose”. Frances Abele and Daiva Stasiulis, “Canada as a ‘White Settler Colony’: What about Natives and Immigrants”, in Wallace Clement and Glen Williams (eds), *The New Canadian Political Economy* (Montreal: McGill-Queen's University Press, 1989), p. 244.

⁷ Leo Panitch, “Dependency and Class in Canadian Political Economy”, in Gordon Laxer (ed), *Perspectives on Canadian Economic Development: Class, Staples, Gender and Elites* (Toronto: Oxford University Press, 1991), p. 273

⁸“Postmodernism” is defined by Alan Sokal and Jean Bricmont as “an intellectual current characterized by the more-or-less explicit rejection of the rationalist tradition of the Enlightenment, by theoretical discourses disconnected from any empirical test, and by a cognitive and cultural relativism that regards science as nothing more than a ‘narration’, a ‘myth’ or a social construction among many others”. Alan Sokal and Jean Bricmont, *Fashionable Nonsense: Postmodern Intellectuals' Abuse of Science* (New York: Picador USA, 1998), p. 1. An acceptance of postmodern philosophy often leads postcolonial theorists to assert that epistemology is not a universal; terms such as “epistemic imperialism” and “epistemological racism” are used, implying that the rejection of indigenous ideas and “ways of life” are a form of oppression. See, for example, Kuokannen, *Reshaping the*

perceptions” of aboriginal peoples⁹ has led Canadian political economy to move away from analyzing aboriginal peoples in the context of "the actions of capitalism and the state". It is argued that this "fails to account for the ability of aboriginal peoples to respond creatively to the challenges to their ways of life and their determination to struggle to maintain autonomy against pressures to assimilate them into a national norm".¹⁰ Postcolonial theoretical assumptions about the “culturally oppressive”¹¹ character of colonialism have encouraged the adoption of what has been called the “internal colonial model”, which sees small, undeveloped and dependent aboriginal groups as colonized “nations”¹² within the Canadian state.¹³

The internal colonial model’s postcolonial theoretical assumptions mean that aboriginal “nations” are not analyzed in terms of class. Instead, it is asserted “that the history and experience of *dispossession*, not proletarianization, has been the dominant background structure shaping the character of the historical relationship between Indigenous peoples and the Canadian state”.¹⁴ This leads current works in political economy to conflate capitalist oppression with non-aboriginal people.¹⁵ All non-aboriginal people are referred to as “settlers” in these works, assuming that the most significant cleavage is between those whose ancestors

University, pp. 13 and 67 for examples of this conflation. These arguments are profoundly irrational and destructive to political economy’s attempts to understand aboriginal-non-aboriginal relations.

⁹ Abele and Stasiulis, “Canada as a ‘White Settler Colony’”, p. 251. This is related to arguments claiming that political economists should “marshal evidence and explanation so as to ‘help to mobilize forces of change’” through “disruption” and “seek[ing] to trouble conventional social science and traditional political economy”. Wallace Clement and Leah F. Vosko (eds), *Changing Canada*, pp. xii, xv. See also Abele, “Understanding What Happened Here”, p. 130.

¹⁰ Michael Asch, “Native Peoples”, in Daniel Drache & Wallace Clement (eds), *The New Practical Guide to Canadian Political Economy* (Toronto: James Lorimer & Company, 1985), p. 152.

¹¹ Postcolonialism tends to see all cultural loss as oppressive. There is a failure to recognize that this is not always true. Although capitalism itself is oppressive, this does not deny that technological advancements are often brought by the colonizers. The introduction of writing for example, did not occur in order to benefit the colonized. Once writing was introduced, however, it could help the colonized to communicate with one another. Recognizing this does not justify colonialism or imperialism, but it accepts the incidental benefits of the historical experience.

¹² The word “nation” appears with ironic quotation marks because the application of this concept to aboriginal groups in political science is contested. For an analysis of the debates surrounding the application of this concept see Frances Widdowson, Ezra Voth and Miranda Anderson, “Studying Indigenous Politics in Canada: Assessing Political Science’s Understanding of Traditional Aboriginal Governance”, Paper presented at the Annual Conference of the Canadian Political Science Association, Edmonton, June 13-15, 2012, pp. 5-12.

¹³ I have discussed the internal colonial model elsewhere. See Frances Widdowson, “The Political Economy of Nunavut: Internal Colony or Rentier Territory”, Paper presented at the Annual Meeting of the Canadian Political Science Association, 2005, <https://www.cpsa-acsp.ca/papers-2005/Widdowson.pdf> [accessed May 2016].

¹⁴ Coulthard, *Red Skin, White Masks*, p. 13.

¹⁵ Coulthard, for example, is critical of Marx’s “largely incidental” concern about “the specific character of colonial domination” because he maintains that our attention should be shifted to “the colonial frame”. This does not result in ignoring class struggle, according to Coulthard, because colonialism is not perceived “as a primary locus or ‘base’ from which...other forms of oppression flow, but rather as the inherited background field within which market, racist, patriarchal, and state relations *converge* to facilitate a certain power effect – in our case, the reproduction of hierarchical social relations that facilitate the dispossession of [aboriginal] lands and self-determining capacities”. He also maintains that “it should be clear that shifting our position to highlight the ongoing effects of colonial dispossession] in no way displaces questions of distributive justice or class struggle; rather, it simply situates these questions more firmly alongside and in relation to the other sites and relations of power that inform our settler-colonial present”. Coulthard, *Red Skin, White Masks*, pp. 10, 14-15. But by seeing the “colonial relation” as an “inherited background field”, it is abstracted from its historical and material foundations. This effectively “displaces” the fundamental explanatory variable – class struggle – from political economy.

were the original inhabitants of Canada and the later arrivals.¹⁶ It is also implied that all non-aboriginals benefited equally from the marginalization of aboriginal peoples, and all aboriginal people were equally marginalized.¹⁷ The focus is on the alleged violation¹⁸ of ancestral and/or legal rights,¹⁹ rather than linking aboriginal marginalization to the most significant causal variable in political economy – class. Legal arrangements constructed hundreds of years ago are fetishized²⁰ rather than being tied to productive processes²¹ and “the specific economic form, in

¹⁶ Jeffrey Simpson points out the problem of using the term “settler” to refer to our non-aboriginal ancestors. He maintains that this is “a classic example of the appropriation of a narrative that is politically motivated and condescending, especially in [Ontario] where people trace their lineage back 400 years, obviously not as long as Aboriginals in these parts but very long by any reasonable standard”. Jeffrey Simpson, “Progress for Aboriginal Peoples Still Haunted by the Past”, <http://www.macdonaldlaurier.ca/jeffrey-simpson-in-inside-policy-progress-for-aboriginal-peoples-still-haunted-by-the-past/> [accessed May 2016], April 8, 2016. It should also be recognized that many aboriginal peoples have been in their “homelands” for far less time than non-aboriginal “settlers”. Gabrielle Slowey, for example, notes that the Misikew Cree came to Fort Chipewyan in 1788 with the fur trade. They are descendants of the Woodland Cree who inhabited what is now central Canada before contact. More controversially, there are also the cases of the likely extermination of one aboriginal group by another – for example, the Dorset by the Thule people in the Arctic in 1300-1500 CE.

¹⁷For a discussion of this point see Wotherspoon and Satzewich, *First Nations*, pp. 9-10. This view of the relationship between aboriginal-and-non aboriginal peoples is present in the work of Taiaiake Alfred. In his most recent assertions, Alfred occasionally refers to “the white elite”, but it is usually aboriginals versus whites or “settlers” that dominates his analysis. Alfred, “Foreword”, in Coulthard, *Red Skin, White Masks*, pp. ix-xi. Alfred’s major focus is “the dominance of white people on the North American continent and the removal and erasure of our people, our laws, and our cultures from our homelands”. This view is also present, albeit in a more sophisticated form, in the work of Coulthard. Coulthard advocates a “...contextual shift in analysis from the capital-relation to the colonial-relation...”. Coulthard, *Red Skin, White Masks*, p. 11. Although not stated explicitly, this appears to involve a shift from examining the conflicts between capital and labour to those generated between “settlers” and indigenous people.

¹⁸ This has become increasingly difficult to ascertain academically because of the significant influence of legal scholars working for aboriginal organizations. For a discussion of the role of “academic activism and legal scholarship”, see Cairns, *Citizens Plus*, pp. 175-188. Cairns notes that in their attempts to “maximize the autonomy of First Nations” by devising innovative constitutional doctrine”, these scholars “are more akin to an intellectual social movement than participants in a broad-ranging debate with checks and balances”. Cairns, *Citizens Plus*, pp. 178-9.

¹⁹ Joyce Green, for example, maintains that “decolonization implies wealth sharing with those who had their lands and wealth appropriated”, where “wealth sharing” is to be derived from non-aboriginals and all Aboriginals are perceived as having their “lands and wealth appropriated”. Green, “Decolonization and Recolonization in Canada”, p. 54. See also Deborah Lee Simmons, *Against Capital: The Political Economy of Aboriginal Resistance in Canada*, Unpublished Ph.D. Thesis, York University, 1995, p. 43 for a discussion of this point.

²⁰ Fetishism is defined in anthropology as the belief, common in tribal societies, that supernatural powers infuse inanimate objects. In Marxism, this term was used to show how the true nature of commodities – i.e. the fact that their value was derived from the labour that made them – was mystified in capitalism. Dino Felluga, “Modules on Marx: On Fetishism.” *Introductory Guide to Critical Theory*, <http://www.purdue.edu/guidetotheory/marxism/modules/marxfetishism.html> [accessed May 2015]. In the internal colonial model, treaties are fetishized because they are perceived as being “sacred and enduring”, rather than being connected to particular economic and political circumstances. Early treaties, for example, were oriented towards facilitating the fur trade, while treaties signed during the period of industrialization were concerned with the cession of lands. I have discussed this elsewhere. For a further elaboration upon this see Frances Widdowson, *The Political Economy of Aboriginal Dependency*, pp. 266-280.

²¹ The fact that the original treaties did not involve the ceding of lands, while later ones did, was due to the different economic and political circumstances out of which each arose. The fur trade did not require strict controls over plots of land because no labour was added to it. Value in the fur trade was created by the killing of animals and the treatment and transportation of furs, which was not tied to a particular area of land; this differed from the adding of labour that occurred in agricultural settlement and later industrial developments. As a result, boundaries at this time were much more fluid. This is shown by a treaty of 1794, which allowed free passage of aboriginals from the United States to Canada to engage in trading activities. For a discussion of this treaty, see Russel Lawrence Barsh

which unpaid surplus-labour is pumped out of the direct producers”.²²

The dominance of the internal colonial model has led political economy to focus on a return of aboriginal “lands and resources”, and their “national” control over them, as the remedy for aboriginal marginalization. Evans and Smith, for example, in an edited volume on the political economy of Canada’s provinces and territories, assert that it is the government’s failure to settle land claims, not aboriginal exclusion from the working class, which has caused “high levels of poverty, social inequality, and underdevelopment”. Developing infrastructure in aboriginal communities and implementing self-government are proposed as solutions. According to Evans and Smith, the “key fracture line” in aboriginal-non-aboriginal relations is the fact that aboriginal people are demanding self-government and this is being denied by the maintenance of aboriginal people in an “internal colonial relationship” within the Canadian state.²³

It is the internal colonial model’s concern with the “expropriation of indigenous peoples’ lands” that leads Rauna Kuokkanen to argue that the “extinguishment of Aboriginal rights and Aboriginal title” in land claims agreements is a barrier for aboriginal peoples to achieve self-reliance. The expropriation of lands, according to Kuokkanen, is a “fundamental question” that is often ignored by political economists. She points out that political economists often note that capitalist development relied upon the unpaid work of slaves, yet there is often silence on indigenous land confiscation.²⁴ For Glen Coulthard, as well, the focus is on “settler-colonial power”²⁵ and “the continued dispossession of [aboriginal] homelands and the ongoing usurpation of [their] self-determining authority”.²⁶ According to Coulthard,

the theory and practice of Indigenous anticapitalism, is best understood as a struggle primarily inspired by and oriented around *the question of land* - a struggle not only for land in the material sense, but also deeply *informed* by what the land *as a system of reciprocal relations and obligations* can teach us about living our lives in relation to one another and the natural world in nondominating and nonexploitative terms – and less around our emergent status as ‘rightless proletarians.’ I call this place-based foundation of Indigenous decolonial thought and practice *grounded normativity*, by which I mean the modalities of Indigenous land-connected practices and longstanding experiential knowledge that inform and structure our ethical engagements with the world and our relationships with human and nonhuman others over time [emphasis in the original].²⁷

Although it is not entirely clear what Coulthard means by “*grounded normativity*”, he appears to be arguing for the return of land to aboriginal people on the basis of what he assumes are immutable aboriginal cultural characteristics. The land, according to Coulthard, “teaches”

and James Youngblood Henderson (Apamuwek Institute), “International Context of Crown-Aboriginal Treaties in Canada”, *For Seven Generations* (Ottawa: Libraxus, 1997).

²² Marx, *Capital, III* (Moscow, 1959), p. 772, cited in Panitch, “Dependency and Class in Canadian Political Economy”, p. 273.

²³ Bryan M. Evans and Charles W. Smith (eds.), *Transforming Provincial Politics: The Political Economy of Canada's Provinces and Territories in the Neoliberal Era* (Toronto: University of Toronto Press, 2015), ProQuest ebrary. Web. 3 February 2016

²⁴ Kuokkanen, *Reshaping the University*, p. 159.

²⁵ Coulthard, *Red Skin, White Masks*, p. 24.

²⁶ Coulthard, *Red Skin, White Masks*, p.24.

²⁷ Coulthard, *Red Skin, White Masks*, p. 13.

aboriginal people to live their lives in “nondominating and nonexploitative terms”. Being “rightless proletarians”,²⁸ on the other hand, would not facilitate “ethical engagements with the world”. “Indigenous anticapitalism”, therefore, is not to be accomplished by becoming members of the working class and engaging in struggle to bring about socialism. It occurs by restoring aboriginal peoples’ “land-connected practices and longstanding experiential knowledge” so that they can live harmoniously with “human and nonhuman others over time”.

In addition to perceiving access to lands and resources and demands for “national” self-determination as the primary areas of study, therefore, the internal colonial model is concerned with cultural revitalization. It is assumed that this will occur with a return of aboriginal lands. The cultures of aboriginal peoples are not seen instrumentally, as a transitional mechanism for transforming the exploitative conditions of colonization, but as “*permanent* features of...decolonial political projects... [emphasis in the original]”.²⁹ The notion of aboriginal cultural traditions being “permanent” is due to assumptions that aboriginal “nations” are “primordial”, and “exist in the first order of time, and lie at the root of subsequent processes and developments”.³⁰ While this notion has fallen out of favour in mainstream studies of nationalism,³¹ the internal colonial model asserts that aboriginal marginalization can be addressed largely by “[revitalizing] aboriginal nations”³² that are claimed to have existed at the time of contact.³³

This argument relies on the assumption that aboriginal culture is innate and spiritually ordained³⁴ - a notion that Elizabeth Rata refers to as “culturalism”. In her examination of aboriginal-non-aboriginal relations in New Zealand, Rata notes that culturalism has resulted in Maori traditions being abstracted from historical processes of change,³⁵ and culture (learned behaviour) being causally connected to the group’s ancestry. This leads the culture of Maori to be perceived as rooted in “race”,³⁶ because, as Rata explains, “cultural values and practices are considered to be fixed in a primordial past and linked to that past by the spirits of the ancestors”. As Rata explains, “biological inheritance as members of a racial or ethnic group...is social destiny in this approach because ‘what we do’ is caused by ‘who we are’, that is, our ‘blood’ carried through

²⁸ It is not clear what is meant by this. Is this aboriginal proletarians who do not have aboriginal rights, or proletarians who do not own the means of production, and therefore lack property rights?

²⁹ Coulthard, *Red Skin, White Masks*, p. 23. See also Keefer, “Marxism, Indigenous Struggles, and the Tragedy of ‘Stagism’”, p. 111, where the destruction of “traditional culture” is lamented.

³⁰ Anthony D. Smith, *Nationalism* (Cambridge, U.K.: Polity Press), p. 51. The biological version of this paradigm “holds that nations, ethnic groups and races can be traced to the underlying genetic reproductive drives of individuals and their use of strategies of ‘nepotism’ and ‘inclusive fitness’ to maximize their gene pools”, while the cultural version “holds that ethnic groups and nations are formed on the basis of attachments to the ‘cultural givens’ of social existence”, pp. 52-53.

³¹ Craig J. Calhoun, *Nationalism*, p. 31. One exception is the case of what Eric Hobsbawm refers to as “identity history”. Hobsbawm, *On History* (London: Abacus, 2002), pp. 356-8.

³² See *Final Report*, 2(1), pp. 177-183; 2(2), p. 1019; 5, pp. 5-7.

³³ Cairns, *Citizens Plus*, pp. 128-132.

³⁴ *Final Report*, 1, pp. xxiii–xxiv.

³⁵ Elizabeth Rata, “Rethinking Biculturalism”, *Anthropological Theory*, 2005, 5, p. 270.

³⁶ References to “race” have now become very difficult for both political and scientific reasons. Scientifically, it is difficult because of the amount of hybridization and the fact that genetically isolated populations no longer exist. Politically, the idea of “race” is has been rejected because it is believed that linkages between genetics and individual characteristics could justify the oppression of particular groups.

the generations by ancestral spirits”.³⁷ This supports the claim that aboriginal people will lose their true nature if they are integrated into a modern nation-state. It is these culturalist assumptions, in fact, that enable the term “genocide” to be used in the context of the loss of aboriginal cultural traditions,³⁸ including erroneous beliefs about the nature of the universe.³⁹ The assertion that aboriginal societies have “primordial origins” and have an essence or “core” that remains fundamentally unchanged over time means that traditions can be restored by aboriginal agency acting independently of historical and material circumstances.⁴⁰ This is completely at odds with the historical and material assumptions of political economy, which would assert that “what we do” is determined by our relationship to production, which, in turn, is influenced by productive forces. It also discourages the necessary critical analysis of cultural elements. There are a number of customs and practices, both contemporary and ancient, that can be generally accepted as oppressive in one way or another: genital mutilation, bride burning, flogging, human sacrifice, animal torture, religious imposition, sexual enslavement, caste

³⁷ The first discussion of primordialism occurred in Edward Shills, “Primordial, personal, sacred and civil ties”, *British Journal of Sociology*, 1957, 8(2), pp. 130-45.

³⁸ David Bedford and Danielle Irving, *The Tragedy of Progress: Marxism, Modernity and the Aboriginal Question* (Halifax: Fernwood Publishing, 2001), pp.11-12; Howard Adams, *A Tortured People* (Penticton: Theytus Books, 1995), p.29; Keefer, “Marxism, Indigenous Struggles, and the Tragedy of ‘Stagism’”, p. 101; and Paul Martin, “Indigenous thought belongs in the classroom”, *The Globe and Mail*, February 9, 2015. Leanne Simpson now refers to the loss of Indigenous languages as “linguistic genocide”. Leanne Simpson, “Our elder brothers: The lifeblood of resurgences”, in L. Simpson (ed.), *Lighting the Eighth Fire: The Liberation, Resurgence and Protection of Indigenous Nations* (Winnipeg: Arbeiter Ring Publishing, 2008), p.76. Jeffrey Simpson is opposed to the use of the word “genocide” in discussing initiatives like the residential schools. He points out that “[i]f ‘cultural genocide’ were practised on Indians in Canada, instead of assimilation as “settlers” assumed would be the best future for aboriginal people, then it was practised for a long time throughout much of the world, often more violently than in Canada, to the point where the word has lost much of its meaning, except as a rhetorical debating point”. Jeffrey Simpson, “Fixating on the past is not productive”, *The Globe and Mail*, June 3, 2015, p. A13.

³⁹ This is now leading political economists like Rauna Kuokannen to make charges of “epistemic imperialism” and “epistemological racism”, implying that the rejection of indigenous ideas is a form of oppression. See Kuokannen, *Reshaping the University*, pp. 13 and 67 for examples of this conflation. The word “epistemicide” has even appeared in the literature. This accusation was made at the “Voices from Our Diverse Community: A Roundtable Discussion of Diversity at Mount Royal University”, May 7, 2015, Calgary, Alberta. Although this is the first time that I have heard this accusation, an entire book has been written on the subject – Boaventura de Sousa Santos, *Epistemologies of the South: Justice Against Epistemicide* (Paradigm Publishers, 2014). The first paragraph of the blurb of this book reads as follows: In a world of appalling social inequalities people are becoming more aware of the multiple dimensions of injustice, whether social, political, cultural, sexual, ethnic, religious, historical, or ecological. Rarely acknowledged is another vital dimension: *cognitive injustice*, the failure to recognize the different ways of knowing by which people across the globe run their lives and provide meaning to their existence. This book shows why cognitive injustice underlies all the other dimensions; global social justice is not possible without global cognitive justice. <http://www.amazon.com/Epistemologies-South-Justice-Against-Epistemicide/dp/1612055451> [accessed August 2015].

⁴⁰ This is why Taiaiake Alfred asserts that aboriginal people “have a responsibility to recover, understand, and preserve [aboriginal traditional] values”. Taiaiake Alfred, *Peace, Power Righteousness*, p. 5, cited in Glen Sean Coulthard, *Red Skin, White Masks* (Minneapolis: University of Minnesota Press, 2014), pp. 154-5. Coulthard promotes similar comments by Leanne Simpson that “[decolonization] requires us to reclaim the very best practices of our traditional cultures, knowledge systems and lifeways in the dynamic, fluid, compassionate, respectful context in which they were originally generated”. Simpson, *Dancing on Our Turtle’s Back*, pp. 17-18, quoted in Coulthard, *Red Skin, White Masks*, p. 155. Although it is recognized that culture is malleable and traditions change, Alfred maintains that there can be still an identification of “beliefs, values and principles that form the persistent core of a community’s culture” and that this is the “traditional framework that we must use as the basis on which to build a better society”. Alfred, *Peace, Power, Righteousness*, p. xviii, cited in Coulthard, *Red Skin, White Masks*, p. 156.

designation, and blood feuds, to name a few. Appeals for the unqualified preservation of culture serve only to prevent the abandonment of some odious traditions.⁴¹

Instead of examining aboriginal traditional practices historically and materially, as gradually being transformed by technology and organizational development, aboriginal peoples are perceived as having a separate mode of production that continues in a “mutilated form” that can be “[revived]...under favourable political conditions”,⁴² such as providing funding for aboriginal traditions and the granting of political autonomy. The conceptualization of aboriginal-non-aboriginal relations is usually not revolutionary,⁴³ but seeks to make the economic system compatible with the revitalization of aboriginal traditions.⁴⁴ This is why Rauna Kuokkanen and Joyce Green focus on the “historical loss” of aboriginal autonomy, and lament the fact that traditional systems have been undermined. Green notes that the possibility of practicing these traditions is limited because they “are at odds with the dominant culture, political ideology and economic structure”.⁴⁵ Capitalist resource extraction is opposed because it has the capacity to “endanger traditional livelihoods and the maintenance of Indigenous peoples’ own social and cultural institutions”,⁴⁶ not because of its fundamentally exploitative character. It is argued that “market-driven self-government structures create new forms of dependency and pose a serious threat to land-based economies, worldviews and practices”, including the “political and economic autonomy Indigenous women had” traditionally.⁴⁷ All this indicates that it is believed that these “land-based economies, worldviews and practices”, as well as female “political and economic autonomy”, can be restored with changes in social attitudes that supposedly will create political pressure for the revitalization of aboriginal traditions. There is no consideration of how these traditions were a product of pre-contact circumstances, which are very different from what exists today.

One would expect such ahistorical and idealistic assumptions of the internal colonial model to be criticized in the field of political economy, but there has been little analysis of them.⁴⁸

⁴¹ I have made this argument in more detail elsewhere. See Widdowson and Howard, *Disrobing the Aboriginal Industry*, p. 67.

⁴² Rata, “The Theory of Neotribal Capitalism”, *Review*, 22(3), 1999, pp. 271-272.

⁴³ Kuokkanen, for example, notes that “the concept of revolution is inconsistent with the logic of the gift”, which she maintains is an aspect of indigenous cultures. According to Kuokkanen, “[r]evolution is always predicated on violence of some sort, be it physical and overt or in some subtler form – structural, symbolic, cultural, or epistemic. Revolutions take place to overthrow oppressive, hegemonic regimes. However, no transformation can take place if we are incapable of going beyond the language of aggression”. Kuokkanen, *Reshaping the University*, p. 157. The exceptions to this are David McNally and Deborah Simmons, who see aboriginal traditions as providing the conditions for a “postrevolutionary socialist society”. See David McNally, “The Return of Red Power”, *New Socialist*, 59, November-December 2006.

⁴⁴ Rata, “The Theory of Neotribal Capitalism”, p. 258. The exceptions to this are David McNally and Deborah Simmons, who see aboriginal traditions as providing the conditions for a “postrevolutionary socialist society”. See David McNally, “The Return of Red Power”, *New Socialist*, 59, November-December 2006.

⁴⁵ Joyce Green, “Decolonizing in the Era of Globalization,” *Canadian Dimension*, 2002, p. 32, quoted in Rauna Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance: A Feminist Political Economy Analysis,” *Canadian Journal of Political Science*, 44(2), June 2011, p.275.

⁴⁶ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 276.

⁴⁷ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 290.

⁴⁸ This is related to a wider shift in political economy. David Harvey, for example, maintains that there has been a shift, more generally, in explanations “from the realm of material and political-economic groundings towards a consideration of autonomous cultural and political practices”. David Harvey, 1989, p. 323, quoted in Elizabeth Rata, *The Political Economy of Neotribal Capitalism* (New York: Lexington Books, 2000), p. 75.

Traditional aboriginal societies are portrayed as being fundamentally different from European or “western” ones, and this difference is interpreted as the former being superior. Aboriginal societies are argued as being naturally socialistic, feministic and environmentally friendly. Aboriginal people are encouraged to reject liberal values because it is asserted that individualism and rationality are contrary to the communal and “spiritual” nature of aboriginal societies.⁴⁹ These traditions are romanticized as being essentially “egalitarian” by the internal colonial model, enabling political scientists like Coulthard to suggest that “...Indigenous cultural claims *always* involve demands for more equitable distribution of land, political power and economic resources” [emphasis added].⁵⁰ This innate egalitarianism, according to Coulthard, exists because aboriginal people traditionally have had “ancestral obligations”⁵¹ to engage in reciprocity with the land and other people, and to avoid being exploitative, disrespectful and environmentally destructive.⁵²

This romantic interpretation is particularly noticeable in assertions that traditional aboriginal societies are environmentally sustainable, as they believe that they are “caretakers of the land”, and ecological balance can be restored through returning aboriginal lands and political autonomy. Kuokannen, for example, maintains that “Indigenous philosophies [are] based on a close interaction with the land and emphasizing individual and collective responsibilities of taking care of the land”.⁵³ Renewing these “traditional modes of taking care of the land”, according to Deborah Simmons, “can pose significant obstacles to capitalist expansion”. It is maintained that “indigenous knowledges” dictated that aboriginal peoples live according to “natural laws” opposing growth and the domination of nature, which prevented them from destroying the environment. As a result, many aboriginal people claim that they were able to “live a spiritually balanced, sustainable existence within [their] ancient homelands for thousands of years”.⁵⁴ There is no recognition that this relative environmental balance was achieved in the context of a low level of technological development and the absence of the profit motive. It makes no sense to argue that aboriginal people had philosophies that enabled them to protect the environment when they lacked the capacity to do so. While the idea of aboriginal environmentalism is without foundation, it is attractive politically because it leads to the misleading conclusion that it is the loss of aboriginal “sovereignty”, not the imperatives of capitalism, which has caused the current environmental crisis. Restoring aboriginal lands, not eliminating the profit motive, can thus be proposed as an implausible remedy.

The idealistic and ahistorical assumptions of the internal colonial model have led to the perception that restoring aboriginal traditions is beneficial for humanity. There is no consideration of the different levels of productivity that exist between pre-contact and more developed modes of production, and the difficulties of restoring the former within a modern

⁴⁹ Tim Schouls, J. Olthuis, and Diane Engelstad, “The Basic Dilemma: Sovereignty or Assimilation”, in Diane Engelstad and John Bird (eds), *Nation to Nation* (Concord: Anansi, 2002), p. 17.

⁵⁰ Coulthard, *Red Skin, White Masks*, p. 19; see also, p. 52 for a claim with the exact wording.

⁵¹ Coulthard, *Red Skin, White Masks*, p. 42.

⁵² Coulthard, *Red Skin, White Masks*, p. 12, 42. Alfred appears to reify these circumstances to explain the absence of a state in aboriginal cultures. He maintains that traditional governance stands in “sharp contrast to the dominant understanding of ‘the state’: there is no absolute authority, no coercive enforcement of decisions, no hierarchy and no separate ruling entity”. Alfred, *Peace, Power, Righteousness*, p. 56, cited in Coulthard, *Red Skin, White Masks*, p. 159.

⁵³ Kuokannen, “From Indigenous Economies to Market-Based Self-Governance”, p.286.

⁵⁴ Wilson, “Introduction”, p. 359.

context. It is never explained that the traditional mode of production – what Eric Wolf refers to as the “kin-ordered mode”⁵⁵ – existed in the context of subsistence cultures.⁵⁶ Kuokkanen, for example, criticizes political economists for ignoring “the continuing significance of subsistence-based economic activities and household production” when discussing aboriginal communities,⁵⁷ because the “subsistence economy” comprises a significant portion of their production and income.⁵⁸ According to Kuokkanen, “there is a need for a more critical approach to economic development models embedded in global capitalist paradigms”, which examine the “subsistence and household production” engaged in by the aboriginal population.⁵⁹ Kuokkanen refers to the social assistance payments to aboriginal communities as “welfare colonialism”, as this results in maintaining poverty and “undermin[ing] various forms of household production and activities often central in make a living [sic]”.⁶⁰ Not all political economists share Kuokkanen’s views on the impact of welfare on aboriginal traditional economies, however; Melville Watkins argues in favour of the provision of welfare because he believes it enables aboriginal people to “[avoid] integration into the wage economy”, and consequently to resist capitalist penetration into their “nations”.⁶¹

Political economists must recognize, however, that the “traditional mode of production” produces only enough for subsistence; it cannot provide the surplus that is needed in a modern economy, where industrial processes make possible schools, hospitals, indoor plumbing, and all the other goods and services that are lacking in aboriginal communities. Furthermore, the “wage economy” is not exclusive to capitalism, as many postcolonial theorists seem to assume. In spite of these theoretical misconceptions, the internal colonial model’s support for moving backward to “traditional economies” is becoming more substantial, and is even called the “domestic mode of production”, “mixed economy” or “dual economy”. Stemming from the works of Peter Usher,⁶² this research stresses the “continuing importance of Native land-based productive activity for northern Native survival”.⁶³ As a result of this research, it is pointed out that this kind of economy “has proved viable and relatively stable over several decades” since it is able “to make the best use of all available economic opportunities in areas where wage employment is

⁵⁵ For Wolf, there are essentially three different modes of production - kin-ordered, tributary and capitalist, each of which “tends to generate its own types of ‘culture’ or symbolic universes which, in their various versions, generalize the ‘essential distinctions among human beings’ that each mode entails”. For Wolf’s detailed discussion of these different modes, see Wolf, *Europe and the People Without History*, pp. 73-100.

⁵⁶ The kinship mode is distinguished from the tributary and capitalist modes in that it is “a way of committing social labor to the transformation of nature through appeals to filiation and marriage”, as opposed to the two latter modes of production, which “divide the population under their command into a class of surplus producers and a class of surplus takers” and “require mechanisms of domination to ensure that surpluses are transferred on a predictable basis from one class to another”.

⁵⁷ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 277.

⁵⁸ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 278.

⁵⁹ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 278.

⁶⁰ Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 283.

⁶¹ Watkins, “From Underdevelopment to Development”, *Dene Nation*, p. 92. See also Simmons, *Against Capital*, p. iv and Kulchyski, “Socialism and Native Americans” for a similar viewpoint.

⁶² This work was largely initiated by Peter Usher. See for example, “Staple Production and Ideology in Northern Canada,”; “The Class System, Metropolitan dominance and Northern Development in Canada”, *Antipode* 8:3 (1976); “The North: One Land, Two Ways of Life”, in L.D. McCann (ed) *Heartland and Hinterland: A Geography of Canada*; and Peter Usher et al., “Reclaiming the Land: Aboriginal Title, Treaty Rights and Land Claims in Canada”, *Applied Geography* 12:2 (April 1992), pp. 109-32.

⁶³ Abele and Stasiulis, “Canada as a ‘White Settler Colony’”, p. 254.

scarce and unreliable...”.⁶⁴ It is also argued that “the continued significance of Indigenous economies extends well beyond receiving a livelihood to matters such as the maintenance of social organization and kinship structures as well as systems of values and knowledge...”.⁶⁵

But the “survival” pointed to is not physical survival. It is not “traditional economies”, but government transfers from a more productive economy, that sustain aboriginal communities. The internal colonial model’s promotion of the continuation of isolated aboriginal communities, therefore, is to keep them perpetually dependent on the international working class. Usher’s reference to “wage employment [being] scarce and unreliable”, which he glosses over, demonstrates the economic unviability of these areas; this reveals that it is cultural survival, not economic viability, which is the focus. Therefore, Kuokkanen’s discussion of the amount of income gained from subsistence activities is misleading, because this is only a very small portion of the economic transfers needed to sustain aboriginal communities. If you removed the “traditional” source of income, there would be some economic hardship, but the communities would be able to survive. Removing the transfers, however, would mean the end of these communities’ existence. Besides, it is hard to describe these traditional cultures as “surviving” when they are being eroded by modern technology and communication systems. This is why the young in these communities are much more interested in the culture brought by television and other media than they are in what sustained aboriginal people before contact.⁶⁶ Subsistence economies function at the lowest historical levels of productivity. To advocate for a return to them is beyond reasonable consideration, and denies aboriginal youth access to, and participation in, the modern world.

These problems of romanticizing aboriginal traditional cultures and abstracting them from their historical and material context have been recognized, to a certain extent, by perspectives drawing on the insights of neoclassical economics. These perspectives focus on capitalism’s motivation to increase productivity, but ignore its exploitative character. It is assumed that the efficient functioning of markets is the key to economic development, and this is impeded by the kinship based character of aboriginal traditional economies and political systems. As is similar to neoclassical approaches to development in third world countries, it is argued that societies can remain poor because their institutions are not structured to ensure that profits and taxes are impersonally reinvested in economic productivity; instead, it is pointed out that those holding public office use their power to distribute revenues to their cronies, causing economic stagnation.⁶⁷ Because of this, neoclassical discussions of aboriginal-non-aboriginal relations often focus on the *Indian Act*, and how it prevents the establishment and protection of property

⁶⁴ Abele, “Understanding What Happened Here”, pp. 128-9.

⁶⁵ Rauna Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 278.

⁶⁶ “Boredom”, or more accurately “ennui”, in fact, is often apparent when aboriginal youth are interacted with in the communities. For a discussion of this see Richard Wagamese, “Native despair: face to face with ennui on a reserve”, *The Globe and Mail*, August 24, 2013, <http://www.theglobeandmail.com/opinion/how-i-came-face-to-face-with-ennui-on-a-reserve/article13934582/> [accessed May 2016].

⁶⁷ This argument can be found in a recent article in *The Economist* on “Crony Capitalism”. It is noted that “[c]rony capitalism – or ‘rent-seeking’, as economists call it – shades from string-pulling to bribery. Much of it is legal, but all of it is unfair. It undermines trust in the state, misallocates resources and stops countries and true entrepreneurs from getting rich”. “Rent seeking”, *The Economist* asserts, occurs when “the owners of an input of production – land, labour, machines, capital – extract more profit than they would get in a competitive market”. For a further discussion see “Crony capitalism: Dealing with murky moguls” and “Our crony-capitalism index: The party winds down”, *The Economist*, May 7, 2016, pp. 12-14 and 54-56.

rights.⁶⁸ Tom Flanagan, for example, explains that “land is most valuable when it can be put to its most profitable use,” and that additional legal restrictions on the use of aboriginal lands “cannot help but detract from economic value by introducing uncertainty”.⁶⁹ Flanagan argues for the establishment of individual rights so that incentives can be created for aboriginal peoples to leave unviable reserves and integrate into the wider social fabric. To facilitate this process, he makes three recommendations: improving accountability requirements on reserves, dispersing the powers of the aboriginal leadership, and introducing a “regime of individual property rights,” starting with home-ownership in native communities.⁷⁰ This last recommendation is elaborated upon in another work written with Christopher Alcantara and André Le Dressay. In *Beyond the Indian Act*, Flanagan et al. put forward the widespread neoclassical economics position that investment and small business startups will create jobs and personal wealth in aboriginal communities. Homeownership on reserves is again proposed so that equity in residential properties can be used to support loans that would be used for small business entrepreneurial investment.⁷¹

Neoclassical economics perspectives point to economic “success stories” like those of the Osoyoos band in the interior of B.C.,⁷² the Membertou nation in Nova Scotia,⁷³ the Cree in Northern Quebec and the Mikisew Cree in Alberta, as well as the Musqueam and Westbank bands, to support arguments in favour of market led development.⁷⁴ It is assumed that since markets are operating in these communities, and they are more successful than those where markets are absent, it must be the stimulation of market forces that has caused aboriginal communities to develop. Jeffrey Simpson, for example, points to communities that “offer the antithesis of dependency” by “participating directly in the exploitation of natural resources near their communities”, concluding that this “should be the driving thrust of all public policy”.⁷⁵ Gabrielle Slowey even argues that neoliberalism has the potential to aid the self-determination of the Mikisew Cree by “reduc[ing] their levels of economic dependence on the federal government”.⁷⁶ She points out that current support for aboriginal self-determination is related to the “historical and continuing need for the state to clear away political-legal obstacles for

⁶⁸ Tom Flanagan, Christopher Alcantara and André Le Dressay, *Beyond the Indian Act: Restoring Aboriginal Property Rights* (Montreal: McGill Queen’s University Press, 2010).

⁶⁹ Tom Flanagan, *First Nations? Second Thoughts* (Montreal: McGill-Queen’s University Press, 2000), 131–2.

⁷⁰ Flanagan, *First Nations*, pp. 197–8.

⁷¹ Flanagan et al. propose this as one of the main mechanisms to jump start economic development.

⁷² Kuokkanen cites Robert B. Anderson, Leo Paul Dana and Teresa E. Dana, “Indigenous Land Rights, Entrepreneurship, and Economic Development in Canada: ‘Opting-in’ to the Global Economy.” *Journal of World Business* 41(1), 2006, pp. 45–55 as an example of the promotion of this community. Kuokkanen, p. 275.

⁷³ Kuokkanen cites Harvey Johnstone, “Membertou First Nation Indigenous People Succeeding as Entrepreneurs.”, *Journal of Enterprising Communities: People and Places in the Global Economy*, 2(2), 2008, pp. 140–50 as an example of the promotion of the free market in this community. Kuokkanen, p. 275.

⁷⁴ Jeffrey Simpson, “So Aboriginals are divided; aren’t we all? *The Globe and Mail*, January 16, 2013, p. A.15.

⁷⁵ Jeffrey Simpson, “Too many first nations people live in a dream palace”, *The Globe and Mail*, January 5, 2013, <http://www.theglobeandmail.com/opinion/too-many-first-nations-people-live-in-a-dream-palace/article6929035/> [accessed May 2016]. Many of Simpson’s arguments about the unviability of many aboriginal communities are insightful. However, he constructs his own “dream palace” by maintaining that resource extraction is the answer for aboriginal dependency. For a critique of Simpson’s position see Frances Widdowson, “A ‘dream palace’ built on gas and gold won’t solve aboriginal poverty”, *The Globe and Mail*, January 10, 2013, <http://www.theglobeandmail.com/opinion/a-dream-palace-built-on-gas-and-gold-wont-solve-aboriginal-poverty/article7158684/> [accessed May 2016].

⁷⁶ Gabrielle Slowey, *Navigating Neoliberalism: Self-Determination and the Mikisew Cree First Nation* (Vancouver: UBC Press, 2007). ProQuest ebrary. Web. 17 April 2016. Copyright © 2007. UBC Press. All rights reserved.

capitalist development of resources in Aboriginal-occupied regions”. This requires aboriginal groups “to compete as autonomous, self-governing, and self-sufficient entities in the global marketplace, rather than as wards of the state”, which she maintains is inhibited by the legal restrictions on economic transactions in the *Indian Act*. Neoliberalism, therefore, has justified land claims settlements, the transfer of programs to aboriginal governments, and “the renegotiation of the federal-First Nation governance and fiscal relationship”.⁷⁷

Neoclassical economics’ failure to put its analysis of market-led development in a historical and material context, however, prevents these approaches from adequately considering the fact that many aboriginal communities are completely isolated from global markets, and there is no possibility for “market-led” development to occur in these areas. Investment can only facilitate development under certain circumstances, and these circumstances do not exist in communities that cannot produce anything competitively. This problem is evaded by Slowey, who merely states that “[s]ince neoliberalism benefits those First Nations able to participate in a market society, those that do not possess the same economic potential or capacity must find a way to procure a capital base, develop an economic strategy, and address issues of economic development”. She asserts that the Mikisew Cree First Nation “...may be the exception rather than the norm among First Nations communities”, but maintains that, on the basis of her own observations, that greater self-sufficiency in aboriginal communities is occurring because market-led development is becoming more common.⁷⁸

But is the current optimism justified? A 2013 report of the Department of Aboriginal Affairs and Northern Development Canada notes that 70% of aboriginal reserves have fewer than 500 inhabitants and only 30 reserves have more than 2000 people.⁷⁹ The vast majority of these communities would be considered “hamlets” in any other context, yet the expectation is that they should operate at the level of “nations” (like Quebec).⁸⁰ Most aboriginal communities are also a particular type of non-modern peripheral society in the world system. According to Jonathan Friedman, aboriginal societies generally fit within the “‘fourth world’ model” of a peripheral society, which consists of

[g]roups whose internal social reproduction has been dissolved by a stronger integration of the region into the larger system. Such populations live in the modern sector and reproduce themselves entirely via its relationship set. But insofar as the capitalization or integration of such populations is incomplete, they maintain numerous, if highly transformed, elements of a non-modern culture. Socialization, ghettoization and stigma combine to reinforce a network structure of interpersonal relations creating subjects that are unlike the modernist ego in their dependency on the local group, but without a viable or even conceivable strategy of local reproduction.⁸¹

⁷⁷ Slowey, *Navigating Neoliberalism*.

⁷⁸ Slowey, *Navigating Neoliberalism*.

⁷⁹ According to the 2011 Census of Population, these figures are compiled out of a total of 793 communities. <https://www.aadnc-aandc.gc.ca/eng/1370438978311/1370439050610> [accessed April 2016].

⁸⁰ This point was originally made by Jon Bradley. See Bradley, “Reserves. In 2016”, *The Globe and Mail*, April 16, 2016, p. A10.

⁸¹ Jonathan Friedman, Published in association with Theory, Culture & Society: *Cultural Identity and Global Process* (Thousand Oaks: SAGE Publications Ltd, 1994). ProQuest ebrary. Web. 5 May 2016.
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Even a community like the Mikisew Cree First Nation has this character, because of its population of 2408⁸² and the fact that economic dependency and social problems continue despite increased workforce participation and government transfers. Only a segment of the group is integrated into the labour force and the gap has increased between these “haves” and the “have-nots”. This is in the context of a community that, in Slowey’s view, *has* the requirements necessary for sustainable and meaningful self-determination – “a coherent vision, an economic strategy, and a capital base”.⁸³

Almost all aboriginal societies constitute a peripheral “fourth world” type of economy because of their particular historical and material circumstances. They were not settled on the basis of their ability to contribute to the economy; instead, most aboriginal peoples were placed in areas to remove them from obstructing development and to make it easier to provide services. Unlike third world colonies, which were subjected to what Erik Olin Wright has called “exploitative oppression” because the colonizer needed the local population for their labour, this kind of colonization did not occur in the case of North American Indians, which suffered neglect. As a result, policies of genocide or “displacement” often ensued because aboriginal labour was not required by European conquerors.⁸⁴ This historical absence is one of the major problems that continues to plague aboriginal communities because most Canadians earn their livelihood from being wage labourers, not entrepreneurs. This circumstance of aboriginal peoples is undertheorized in both neoclassical economics and postcolonial theory, and there is no examination of how this historical absence has led to the retention of tribal affiliations and the associated cultural problems which make it difficult for aboriginals to compete with non-aboriginal labour

Most aboriginal communities’ distance from markets means that government intervention is necessary to ensure that their needs are met. Neoclassical economics, however, is suspicious of an interventionist state in the development of aboriginal communities. The concern of neoclassical economics is rooted in the belief that an interventionist state creates inefficiencies in the operation of markets and thus inhibits economic growth and the social benefits that it is believed to bring. This is how Slowey is able to support aboriginal self-government agreements and neoliberalism at the same time. Neoliberalism is perceived as being beneficial for aboriginal

⁸² Slowey, *Navigating Neoliberalism*.

⁸³ Slowey, *Navigating Neoliberalism*. Slowey, however, is a self-proclaimed booster of the Mikisew, and this might have compromised her objectivity. She notes that “[e]verywhere I go, I speak highly of my Mikisew experience. While some people I have met have accused me of being a cheerleader for this community, the reality is that when one is accepted or invited into a community as special as any of these, then one immediately recognizes the blessing of this experience. It is not so much about being a cheerleader as sensing the positive direction in which these communities are headed”. She has also acted as a broker in neotribal rentierism. She notes that she “first travelled to Fort Chipewyan in the spring of 1997. Originally hired by the First Nations Resource Council (a program also known as “Ooskipukwa,” which matches graduate students with First Nations communities in need of certain expertise), I acted as the self-government officer in the MCFN organization. My duties included reviewing self-government documents, liaising with government officials, filing First Nation by-laws, and preparing reports on government agreements. Working for the band, I integrated quickly into the community, taking part in the daily routines of local life, such as picnics at Dore (pronounced “Dorey”)”. As Slowey explains, “My involvement in the community and my ongoing relationship with MCFN enabled me to earn a degree of trust. As a result, I was able to gather information through interviews and observations, as well as through the practical experience of community living”.

⁸⁴ Erik Olin Wright, *Class Counts* (New York: Cambridge University Press, 1997), p. 11. For similar views see David Bedford and D. Irving, *The Tragedy of Progress* (Halifax: Fernwood Publishing, 2001) p. 25 and Peter Kulchyski, “Socialism and Native Americans”, *Rabble*, December 11, 2003.

communities because it reduces the dependence of aboriginal peoples on the state.⁸⁵ This, she argues, will create space for aboriginal self-determination, and “may be a remedy to First Nations dispossession, marginalization, and desperation”.⁸⁶ As Slowey explains, “First Nation self-determination, with its focus on increasing band responsibility for health, housing, and welfare, fits comfortably in the free market philosophy of a minimal state and non-government provision of services. That is, self-determination is consistent with normative and neoliberal goals of economic, political, and cultural self-reliance”.⁸⁷

Somewhat surprisingly, neoclassical economics’ suspicion of the welfare state is shared by the postcolonial theory of internal colonialism. Postcolonial theoretical opposition, however, is not due to a faith in the market, but a confusion of any aspect of state intervention with “colonialism” and “paternalism”. This enables privatization to be the *de facto* policy agenda; a return of lands to aboriginal groups, along with the withdrawal of Canadian state authority over their territory, is perceived as beneficial because aboriginal cultures are romanticized as socialistic, feministic and ecologically sensitive. Theorists like Deborah Simmons even claim that demands for planning and welfare state intervention in the provision of services to aboriginal groups constitute a form of “Stalinism”.⁸⁸

This opposition to welfare state intervention needs to be analyzed in political economy. What does it mean for the peripheral economies that make up 70 percent of aboriginal communities to have more control over their lands? How will a traditional mode of production be able to provide the goods and services that can be produced only in a highly organized economy? What will the privatization promoted by neoliberalism do to communities with no economic base? Because neoclassical economics and postcolonial theory fail to examine the role of labour and class relations in Canadian development, they are unable to grapple with these questions. This omission will be addressed with a historical and material approach in political economy that combines Elizabeth Rata’s framework of neotribal capitalism with Hossein Mahdavy’s theory of the rentier state.

The Political Economy of Neotribal Capitalism

In her criticism of postcolonial theories like the internal colonial model, Elizabeth Rata maintains that aboriginal-non-aboriginal relations must be understood in terms of how aboriginal groups have been integrated into the global capitalist system. Rata’s framework, the political economy of neotribal capitalism, conceptualizes aboriginal political economies as being an aspect of capitalism, not as being a completely separate “mode of production” that has been “mutilated”. In this framework, aboriginal rights demands are not theorized as being contrary to capitalist development, but an aspect of what has been referred to as a post-fordist, “flexible” regime of accumulation in late capitalism.⁸⁹ “Flexible accumulation” is a fundamental shift from the Fordist-Keynesianism regime with its collective bargaining, welfare state, wage indexation,

⁸⁵ Slowey, *Navigating Neoliberalism*, p. 17.

⁸⁶ Slowey, *Navigating Neoliberalism*,

⁸⁷ Slowey, *Navigating Neoliberalism*,

⁸⁸ See, for example, Deborah Simmons, “Residual Stalinism”, *Upping the Anti*, 11, <http://uppingtheanti.org/journal/article/11-residual-stalinism/> [accessed May 2016].

⁸⁹This consists of a transition from the phase of capitalism in the post-war era to a 30 to 50 year cycle with different economic, social and political characteristics. For a discussion see Ash Amin, *Post-Fordism: A Reader* (Oxford: Blackwell, 1994); David Harvey, *The Condition of Postmodernity* (Cambridge: Blackwell, 1989); and Elizabeth Rata “Late Capitalism and Ethnic Revivalism: A ‘New Middle Age’?”, *Anthropological Theory*, 3(34), 2003, p.43.

tripartite representation, and trade union rights.⁹⁰ Unlike the rigidities of Fordism, David Harvey points out that this new form of accumulation “rests on flexibility with respect to labour processes, labour markets, products, and patterns of consumption”. This is the result of the rise of “entirely new sectors of production, new ways of providing financial services, new markets, and, above all, greatly intensified rates of commercial, technological and organizational innovation”.⁹¹ There is also a “time-space compression” brought about by advances in communication, as well as greater product differentiation, the geographic dispersal of independent suppliers, and the more “flexible” management of workers. The latter includes the blurring of class lines through profit-sharing and the allocation of company shares to workers. All this allows the capitalist system to shift investment and productive processes more quickly and easily than was possible in Fordism.

While Fordism detribalized groups by integrating them into the industrial working class, flexible accumulation often results in ethnification and a return of patriarchal practices, homeworking, and a “tribal-working organization”.⁹² This is because “the individualized subject, who provided such a major irritant and restrainer to the ‘coercive law’...of capitalist accumulation during the Fordist era, with demands for democratic rights and social justice, and a political site in the state through the institutional regulation of employer-union relations, is replaced by the worker-in-community”.⁹³ Rata points out that the retribalization that often occurs in flexible accumulation is connected to neoliberalism and the rolling back of the welfare state in the 1980s. As welfare state intervention decreases, members of communities must rely on their families or ethnic relations rather than services provided by the state.

Rata’s framework of the political economy of neotribal capitalism is different from both the internal colonial model and neoclassical economics because it focuses on class, not land ownership, markets and trade, as the major object of analysis.⁹⁴ Although neotribal capitalism is a kind of capitalism, in that its relations of production are class relations – “a consequence of the split between sellers and buyers of labor power in the production of commodities”⁹⁵ – there are two characteristics that differentiate neotribal capitalism from capitalism more generally. First of all, in neotribal capitalism, the means of production, such as lands, resources, and aboriginal businesses, are communally, not privately, owned. Second, exploitative class relations are justified by what Rata calls a “neotribalist ideology”. This ideology obscures class relations by stressing the tribal communalism of aboriginal societies.⁹⁶ The retribalization that has occurred in flexible accumulation has enabled modern day class relations to be reconceptualized in precolonial terms and romanticized as being communal and harmonious.

⁹⁰Rata, “The Theory of Neotribal Capitalism”, p. 244.

⁹¹ Harvey, *The Condition of Postmodernity*, p. 147.

⁹² Rata, “The Theory of Neotribal Capitalism”, p. 246.

⁹³ Rata, “The Theory of Neotribal Capitalism”, p. 247.

⁹⁴As Kuokkanen points out, “‘Aboriginal capitalism’ means ensuring that control, revenues and profit are in the hands First Nations communities but also the establishment of corporate alliances, involvement in the global economy and international markets and even sending trade missions to China. It also means enabling Indigenous elites (often male) to position themselves as the main beneficiaries of the profits derived from resources and businesses on Indigenous territories and in Indigenous communities while neglecting social issues affecting particularly women: domestic violence, lack of adequate housing and social services”. Kuokkanen, “From Indigenous Economies to Market-Based Self-Governance”, p. 276.

⁹⁵ Rata, “The Theory of Neotribal Capitalism”, p. 271.

⁹⁶ Rata, “The Theory of Neotribal Capitalism”, p. 240.

While Fordism resolved the contradiction between the individual democratic citizen and the class bound worker with the state's management of capitalism (for example, by developing labour relations legislation), in post-fordism members of the working class are increasingly being managed by elements outside the state (such as ethnic communities). Rata points out that

[r]etribalization, with its communal ideological relations rather than the individualist ideology that characterized Fordist capitalism, may be seen as a new solution to the new form of the problem that is at the heart of post-Fordism. Class consciousness and the resulting political activism of worker unions is replaced by communal consciousness. This strengthening of ethnic subjectivity contributes to the direct management of workers by employers and to the diminished power of workers as communal identification replaces the antagonistic capital-labor relation.⁹⁷

The attempts to privatize (develop individual ownership) or retribalize reserves (by developing aboriginal ownership outside of state control) is also related to the overaccumulation crisis in late capitalism. The need to find new markets and sectors for investment means that there must be capitalist expansion into previously publicly owned areas, including national parks and aboriginal communities. Neotribal capitalism is the process whereby these new areas are commodified as aboriginal lands and resources are integrated into the capitalist system. This requires various measures to be implemented that shield aboriginal groups from competition – such as tax free status,⁹⁸ other subsidies and exemptions from regulation⁹⁹ – that act as incentives to overcome aboriginal opposition to capitalist penetration. Aboriginal tribes are then transformed by this integration, as capitalism advantages some tribal members and marginalizes others. A “neotribe” emerges as kinship relations are altered by the capitalist mode of production.

In this conceptualization of neotribal capitalism, Rata notes that the incorporation of the neotribe is facilitated by the “brokerage” function. The broker, according to Rata, is the leadership of the neotribe. It is a comprador element that uses its privileged position to gain preferential access to the profits generated by tribal enterprises. Rata points out that brokers receive material benefits from a number of sources that are interrelated, including “controlling positions and shareholdings in tribal businesses”, “the relatively high incomes obtained with the sale of the knowledge commodity in consultancy, advisory, or educational work”, “the control and high

⁹⁷Rata, “The Theory of Neotribal Capitalism”, p. 245.

⁹⁸ Although on reserve workers and enterprises are exempt from taxation, there have been attempts to expand this tax free status further. Five people working for Native Leasing Services, a company owned by Roger Obonsawin, a member of the Odanek First Nation who resides on the Six Nations Reserve, for example, attempted to argue that, while they worked off reserve, they should be tax exempt because they were being “leased” by a company that was located on reserve. On September 26, 2014, these arguments were dismissed in the decision of *Baldwin v. The Queen* because of the “connecting factors test”. With this test, the court found that while “some of the appellants did some of their work on reserve the focus of each of their various positions was off reserve and their employment income was therefore situated off reserve and properly assessed as being taxable”.

<https://www.usask.ca/nativelaw/news/2014/reasons-for-judgment-in-baldwin-v.-the-queen.php> [accessed May 2016].

⁹⁹ Associated with the notion of extracting resource rents is the creation of developing preferential legal rights for aboriginal businesses so that they can engage in activities from which non-aboriginal businesses are prohibited. Casinos that are constructed on aboriginal lands around Calgary, for example, are not required to prohibit cigarette smoking.

incomes of brokerage deals between tribes and national and international companies”, “the establishment of entrepreneurial enterprises” and “the more indirect material benefits that accrue within tribal networks” She argues that, as this brokerage role has a class character, it “defines the new regime of accumulation as a neotribal capitalist regime”.¹⁰⁰

There are two problems with applying Rata’s framework of neotribal capitalism to Canadian aboriginal-non-aboriginal relations, however. The first is that neotribal capitalism’s idea of the broker is undertheorized and does not coincide well with the incorporation of aboriginal groups into the capitalist system in Canada. Instead of being aboriginal leaders who brokered the neotribe’s lands and resources into capitalism, this position is often taken up by members of the Aboriginal Industry – (usually) non-aboriginal lawyers and consultants who work for aboriginal organizations.¹⁰¹ A “broker” after all, is defined as “one who acts as an intermediary”, usually in the capacity of arranging marriages or negotiating contracts. A true broker in the case of the relationship between the neotribe and the state and/or corporations cannot be a member of either. The broker has different interests from the neotribe in that it acquires funds from the negotiating *process*, not the result.

In the Canadian case, brokers can often be seen in stories about resource companies trying to negotiate access to resources on aboriginal traditional territories. In 2010, for example, a number of resource companies were trying to extract mineral resources from the “Ring of Fire” area of northern Ontario. As part of this process, they had acquired the services of Ogilvy Renault, one of Canada’s largest law firms. In order for Ogilvy Renault to be effective in its brokerage capacity, it, in turn, hired Phil Fontaine, the former Grand Chief of the Assembly of First Nations, as an advisor to help in the negotiations so that resource companies could learn to “develop good relationships” with aboriginal groups. In this capacity, Fontaine was not a privileged member of a neotribe, as he was when he became the Grand Chief of the Assembly of First Nations; instead, he was part of the brokerage apparatus of Ogilvy Renault.¹⁰² Similarly, when former Ontario Cabinet Minister George Smitherman became a paid consultant to the Matawa Tribal Council to lobby for a chromite processing facility in their traditional territory, he was no longer connected to the Canadian state apparatus, but was acting in a brokerage capacity on behalf of an aboriginal organization.¹⁰³

The second problem in applying Rata’s framework is that the relations within the neotribe in Canada are difficult to analyze as class relations. As Ingo Schröder explains when discussing neotribal capitalism in the North American context, “under the conditions of neotribal capitalist accumulation, tribal elites use their position...to appropriate the majority of the profits derived

¹⁰⁰ Rata, “The Theory of Neotribal Capitalism”, p. 271.

¹⁰¹ I (with Albert Howard) have provided an extensive overview of the Aboriginal Industry. See *Disrobing the Aboriginal Industry: The Deception Behind Indigenous Cultural Preservation* (Montreal: McGill-Queen’s University Press, 2008).

¹⁰² “Ogilvy hires Fontaine as advisor”, *The Globe and Mail*, April 6, 2010, <http://www.theglobeandmail.com/report-on-business/industry-news/the-law-page/ogilvy-hires-fontaine-as-adviser/article4315694/> [accessed May 2016].

¹⁰³ For a discussion of Smitherman’s role in this development see Ian Ross, “First Nations have the final word on Ring of Fire, says ex-minister”, *Northern Ontario Business*, December 22, 2011, <http://www.northernontariobusiness.com/Industry-News/mining/First-Nations-have-final-word-on-Ring-of-Fire,-says-ex-minister.aspx>; “Deal with us first, First Nation tells industry, government”, *Northern Ontario Business*, January 1, 2012; and Peter Best, “First Nations have veto on Crown land projects”, *The Sudbury Star*, February 15, 2012, <http://www.thesudburystar.com/2012/02/15/first-nations-have-veto-on-crown-land-projects> [accessed May 2015].

from tribally owned resources and tribally operated businesses for the benefit of themselves and their constituents, thus establishing a system of local inequality *not unlike* a class system” [emphasis added].¹⁰⁴ But being “not unlike” a class system is not the same as there being an existence of class relationships. In order for class relationships within the neotribe to exist, tribal elites would need to own the “means of production”, and, as a result, force excluded aboriginal members to become exploited producers. This is often not the case in aboriginal communities, as Schröder admits. According to Schröder, most privileged members of the neotribe are a bureaucratic elite that “monopolize local employment, revenue collection, financial aid, cultural production etc.” And while some members of the neotribe might be petite-bourgeois, there are few workers in aboriginal communities for them to manage.

In Canada there are also very few tribal elites who could be considered to be members of the capitalist class. Most indigenous elites occupy bureaucratic positions, which are not exploitative. These positions are an example of what Charles Tilly has called “opportunity hoarding”. According to Tilly, opportunity hoarding is not exploitative because it does not involve “powerful, connected people command[ing] resources from which they draw significantly increased returns by coordinating the efforts of outsiders whom they exclude from the full value added by that effort”. Instead, it refers to circumstances where “members of a categorically bounded network acquire access to a resource that is valuable, renewable, subject to monopoly, supportive of network activities, and enhanced by the network’s modus operandi”.¹⁰⁵ Using Tilly’s insights, Schröder explains that, in the United States, opportunity hoarding occurs when “government subsidies are awarded to a specific category of recipients, namely, Indian tribes and their recognized members”.¹⁰⁶

Although Schröder also refers to “local systems of exploitation” in his discussion of neotribal capitalism, he does not show the existence of relations whereby the efforts of outsiders are coordinated and they are prevented from accessing the full value of what they have produced. Instead, what is being discussed is how certain members of the neotribe are able to access most of the resource rents, government subsidies and transfers. This is similar to Canadian neotribes, where class distinctions are rare because of the nature of non-exploitative oppression, discussed previously, that occurred in this country. As a result of this form of oppression, aboriginal peoples have not been substantially integrated into the Canadian labour force, largely remaining marginalized from productive processes on unviable reserves and isolated communities. The lack of economic potential in these areas has meant that they are heavily subsidized by the Canadian state; any “economic development” that occurs largely takes the form of a rentier economy,¹⁰⁷ where royalties, subsidies and various forms of welfare and other government transfers are distributed in kinship networks that have been transformed by capitalism.¹⁰⁸ The

¹⁰⁴ Ingo Schröder, “The political economy of tribalism in North America: neotribal capitalism?”, *Anthropological Theory*, 3(4), 2003, p. 437 [emphasis added].

¹⁰⁵ Charles Tilly, *Durable Inequality* (Berkeley: University of California Press, 1998), p. 10, cited in Schröder, p.442.

¹⁰⁶ Tilly, *Durable Inequality*, cited in Schröder, p. 442.

¹⁰⁷ For a discussion of rentierism with respect to aboriginal economies see Frances Widdowson, “The Political Economy of Nunavut: Internal Colony or Rentier Territory?”, Paper presented at the Annual Conference of the Canadian Political Science Association, London, Ontario, 2005 and John R. Minnis, “First Nations Education and Rentier Economics: Parallels with the Gulf States”, *Canadian Journal of Education*, 29(4), 2006, pp. 975-997.

¹⁰⁸ In the case of aboriginal groups in the north, in fact, Mel Watkins notes that it is aboriginal land, not labour, that is sought since “non-native labour is generally readily available from the South” since it is “trained” and

economic surplus used to reproduce aboriginal communities is not internally generated, thereby making the native population perpetually dependent on external economic activity.

Combining Neotribal Capitalism with the Idea of the Rentier State

While Rata's discussion of neotribal capitalism in New Zealand offers important theoretical tools for understanding aboriginal-non-aboriginal relations in Canada, it is important to point out that there is a fundamental difference between the Maori and Canadian aboriginal groups. Historically, the Maori made up a substantial proportion of New Zealand's working class, while aboriginal peoples in Canada have been historically marginalized from the labour force. This makes the political economy of aboriginal peoples in Canada similar to the population of what has been referred to in the literature as a "rentier state".¹⁰⁹ Originally developed by Hossein Mahdavy with respect to Iran,¹¹⁰ the concept of a "rentier state" has emerged to explain the unique character of development in areas that largely depend on external sources of revenue. Rentier states receive "a windfall wealth of unprecedented magnitude in...a short time", which "conditions...political behaviour and development policies..." in these political systems.¹¹¹

What enables areas to be classified as a "rentier" type of political system is that they all have been impacted by the corrosive effects of "rent" as a dominant feature in their economies.¹¹² In political economy, rent is perceived as being both an economic and political relation - a cost of production that is "paid to the owner of the land for use of its natural resources". It is "a gift of nature, which reflect[s] both the scarce quantity and differential quality of the land".¹¹³ Since it is "generally a reward for ownership",¹¹⁴ the infusion of externally generated rents is hypothesized to create what has been called a "rentier mentality", which shapes the attitudes of citizens towards work and economic activity. Such a mentality exists in rentier states because of a "break in the work-reward causation", where "reward becomes a windfall gain, an *isolated* fact, situational or accidental as against the conventional outlook where reward is integrated in a *process* as the end result of a long, systematic and organized production circuit [emphasis in the original]".¹¹⁵ It is maintained that "the rentier mentality isolates position and reward from their causal relationship with talent and work", resulting in low productivity, high rates of absenteeism and few citizens willing to perform arduous tasks.¹¹⁶ The most sought after employment, in fact, is within government administration, where the nature of bureaucratic output is intangible and difficult to measure - an environment where the rentier mentality thrives.¹¹⁷ And although there

"disciplined" in comparison...". Watkins, "From Underdevelopment to Development", *Dene Nation*, pp. 88-91. He maintains that, in any event, this is not a significant problem since aboriginal peoples may not want to become wage labourers since this would "deny them their role as the land-owners who should be entitled to appropriate the rents from projects which they choose to let proceed on their land".

¹⁰⁹ This analysis of the rentier state theoretical literature is drawn from Widdowson, "The political economy of Nunavut", pp. 8-14.

¹¹⁰ Hossein Mahdavy, "The Pattern and Problems of Economic Development in Rentier States: The Case of Iran", in M.A. Cook (ed), *Studies in the Economic History of the Middle East* (Oxford: Oxford University Press, 1970).

¹¹¹ Hazem Beblawi, "The Rentier State in the Arab World", in Hazem Beblawi and Giacomo Luciani (eds), *The Rentier State* (London: Croom Helm, 1987), p. 50; Hazem Beblawi and Giacomo Luciani, "Introduction", in Beblawi and Luciani (eds), *The Rentier State*, p. 11.

¹¹² Beblawi, "The Rentier State in the Arab World", pp. 49-50.

¹¹³ Douglas A. Yates, *The Rentier State in Africa* (Trenton: African World Press, 1996), pp. 16-17.

¹¹⁴ Beblawi, "The Rentier State...", p. 49; Yates, *The Rentier State in Africa*, p. 19.

¹¹⁵ Beblawi, "The Rentier State...", p. 52.

¹¹⁶ Yates, *The Rentier State in Africa*, pp. 34, 212.

¹¹⁷ Yates, *The Rentier State in Africa*, p. 22, 34; Beblawi, "The Rentier State...", p. 55.

is a “blatant maldistribution of income and wealth” in these political systems, class politics is undeveloped because “the economic conditions and sectoral imbalances of the rentier state discourage class formation in the usual sense of the term”.¹¹⁸

Because the working class is relatively small, the whole character of politics in rentier states is not oriented towards progressive change. Political activity is overwhelmingly focused on increasing the acquisition of external rent, rather than domestic production and extraction of wealth. Consequently, “opposition necessarily focuses its attention on *how* those benefits are distributed”, rather than transforming the economic and political system. The prominence of the distribution/allocation function “shapes the entire political debate of dissent in the rentier state”, resulting in circumstances where citizens “[manoeuvre] for personal advantage within the existing setup” rather than “seeking an alliance with others in similar conditions”. The tendency is for obtaining more inclusion in access to the rent circuit, rather than mobilizing for a more equitable distribution of income within the system.¹¹⁹

The opportunistic and fragmented character of politics in rentier type political systems is magnified by their tribal origins. As Luciani and Beblawi explain, a “long tribal tradition of buying loyalty and allegiance is now confirmed by an *état providence*, distributing favours and benefits to its population...”. It is noted that it is acceptable for members of the rentier class who head government departments to appropriate a share of the budget for themselves. This is because “all government contracts are seen as [tribal] favours” to a certain extent, and, as a result, “there seems to be no clear conflict of interests between holding public office and running private business at the same time”. Consequently, it is not uncommon for “high-ranking public officers (ministers) [to] take the trouble to form their private businesses under the names of their sons, brothers or similar *prête-noms*”.¹²⁰ It also has been observed that these same tribal values pervade the workplace, where the “obligation to family and clan” determine employment in economic enterprises “regardless of official merit or performance”.¹²¹

After reviewing these aspects of the theory of the rentier state, it appears, at first glance, that aboriginal communities in Canada do not easily fit into its parameters. Aboriginal communities, after all, are not sovereign entities,¹²² but dependent enclaves embedded within the Canadian state. Aboriginal communities also often lack valuable resources or an industrial sector, making many aspects of rentier theory inapplicable. Political economists studying rentier states, in fact,

¹¹⁸ Yates, *The Rentier State in Africa*, p. 35.

¹¹⁹ Yates, *The Rentier State in Africa*, p. 35.

¹²⁰ Beblawi, “The Rentier State...”, pp. 53, 55 and Giacomo Luciani, “Allocation vs. Production States: A Theoretical Framework”, in Hazem Beblawi and Giacomo Luciani (eds), *The Rentier State* (London: Croom Helm, 1987), pp. 77-78.

¹²¹ Yates, *The Rentier State in Africa*, p. 211.

¹²² The definition used here is the one common in political science – “the highest governmental authority in a territorial state” and “independence from control by other states”. Mark O. Dickerson, Thomas Flanagan and Brenda O’Neill, *An Introduction to Government and Politics: A Conceptual Approach*, Ninth Edition (Toronto: Nelson, 2014), p. G-14. It is not the idealized concept used in postcolonialism, with definitions such as “allowing the legal expression of collective difference” or “the original freedom conferred...by the Creator rather than a temporal power”. Patrick Macklem, *Indigenous Difference and the Constitution of Canada* (Toronto: University of Toronto Press, 2001), p. 112 and *Final Report*, cited in Nelson Wiseman, *In Search of Canadian Political Culture*, p. 106.

would likely characterize aboriginal communities as being beneficiaries of “domestic payment transfers” within the productive economy of Canada.¹²³

At the same time, however, it is difficult not to notice that aboriginal communities manifest all of the main features identified by Beblawi in his discussion of rentier states – i.e. external rent being prominent, few aboriginal residents being involved in the generation of rent, and tribal governments being the primary recipient of rent. In fact, because of the lack of an agricultural or industrial sector in these communities, they constitute a more “pure rentier [type] economy” than rentier states in Africa and the Middle East. Many aboriginal communities, after all, receive almost all their budget from federal government transfers, while Luciani characterizes a rentier state as being one that receives merely 40 percent of its gross domestic product from external sources.¹²⁴ Therefore, aboriginal communities can be seen as an extreme example of what Beblawi calls a “semi-rentier non-oil” type of political economy, where external government aid constitutes a large percentage of revenues.¹²⁵ These circumstances make aboriginal communities examples of a particular type of rentier-like economy, with the same consequences of increasing inequality, political authoritarianism and an absence of working class solidarity.

Combining the framework of neotribal capitalism with aspects of rentier state theory provides many insights into the political economy of aboriginal peoples in Canada. A neotribalist ideology justifies neotribal control over the distribution of resource rents, compensation packages, and government transfers, and it consequently acts to conceal the causes of the continuing problem of aboriginal marginalization in Canada. These different kinds of neotribal rentierism will be elaborated upon below.

The Political Economy of Neotribal Rentierism in Canada

In theorizing the political economy of aboriginal peoples in terms of how externally produced revenues are negotiated by brokers and then circulated unequally within neotribes, the various kinds of economic and political activities in aboriginal communities need to be delineated and understood. From a cursory review of aboriginal-non-aboriginal relations across Canada, there appear to be (at least) three distinct manifestations of neotribal rentierist relationships. The first concerns the production of commodities on what is claimed to be neotribal traditional territories. The second pertains to the processes brokers use to extract compensation from the Canadian state for past wrongs committed against aboriginal peoples. The third is the negotiation of transfers as self-government arrangements so that neotribes themselves can circulate the funds intended to provide services in native communities. It is important to point out here that the last two types of neotribal rentierism do not involve “rent” in the usual sense of the word. They correspond with the “semi-rentier non-oil” type of political economy that receives aid as a major revenue source. What is being described is the type of political and economic relationships that result when members of the neotribe try to gain access to a windfall that they had no role in producing, whether it be royalties, compensation payments, or government transfers for services.

In all these areas we can see the neotribal rentierist relations between the three elements discussed above – the neotribes, the brokers, and the rent distributors (usually corporations and

¹²³ Beblawi, “The Rentier State...”, p. 51.

¹²⁴ Luciani, “Allocation vs. Production States”, p. 70.

¹²⁵ See Beblawi, “The Rentier State...”, pp. 59-62 for his discussion of “semi-rentier” states relying on aid.

the Canadian state, but sometimes non-profit organizations like churches). In these negotiations, the neotribe is trying to maximize the “rent” it receives. The rent is then distributed unevenly within the neotribe, as members try to gain privileged access to its circulation. The brokers extract rent through negotiations, and so they benefit from prolonging and complicating discussions. The Canadian state and corporations and other rent distributors try to minimize the rents that are paid to aboriginal groups, as rent seeking reduces economic efficiency and the funds that are available for productive purposes. The Canadian state, however, also is required to disperse rents in the process of legitimation. It is intent on getting neotribes to accept economic development on their traditional territories, as well as responding to the demands from non-aboriginal Canadians to address the terrible social conditions in aboriginal communities (to which increased rent is often proposed, by brokers, as the solution). The Canadian state also has a legal responsibility to protect all its citizens, including aboriginal peoples, and this justifies the increased provision of rent.

The first type of neotribal rentierism – determining what rent should be charged for extracting resources on traditional aboriginal territories, and who should receive these rents – originated with the settlement of land claims or “modern treaties”. In the negotiation of these agreements, brokers – lawyers and consultants working for aboriginal organizations – were funded by the Canadian state to reach a settlement about the “title” to various areas of Canada. In the case of comprehensive claims, brokers argued that treaties had not been signed historically, and therefore the Canadian state would need to enter into an agreement with aboriginal groups to solidify Crown ownership of land. This would then determine what arrangements should be entered into to allow resource extraction to legitimately proceed.

Because the solidification of title established that rents be paid to the original “owners”, beneficiaries of the settlement had to be determined. This, in fact, is a significant aspect of neotribal rentierism. Unlike pre-contact forms of social organization, the beneficiaries of the neotribe, as well as its territorial boundaries, would have to be legally established. This geographical boundary determination and membership designation would have to be much more clearly demarcated than what existed in the pre-contact period, so as to legally determine the exact sources and amounts of rent, and to whom it should be paid. And as membership and boundaries of the neotribe are often uncertain, as the territories of aboriginal groups overlap and aboriginal “blood” is being increasingly diluted due to intermarriage, years are often spent on negotiations determining these matters.

Although royalties are paid to individual beneficiaries of the neotribe, this often results in paltry sums of a few hundred dollars being distributed. A much more significant aspect of neotribal rentierism is the money that is paid to privileged members. As an aspect of the settlement of comprehensive claims, native corporations were created that included coveted positions receiving a large portion of the rent negotiated. The Inuvialuit land claim, for example, established the Inuvialuit Regional Corporation, the Inuvialuit Petroleum Corporation, and the Inuvialuit Development Corporation - all which had significant board memberships. One of the corporations, the Inuvialuit Regional Corporation, was controlled by the chairman, Roger Gruben. As a privileged member of the Inuvialuit neotribe, Gruben used his tribal leadership position to distribute funds to his cronies – a problem that has been described as an “inappropriate mix of politics and business” in aboriginal communities.¹²⁶ This came to a head in

¹²⁶ *Final Report*, 2(2), p. 843.

the early 1990s, when Gruben and the Vice-President of Finance, Preston Maddin, used their authority to award more than \$1.6 million in bonuses to 25 employees between 1993 and 1995.¹²⁷ Although the bonuses were supposedly awarded for a "job well done", members excluded from the opportunity hoarding were not particularly impressed since the only benefit that most received was one \$500 payment in ten years. And even with more transparent accountability provisions, board members of land claims organizations, as well as their extensive staff, earn professional salaries in areas where most members of the neotribe are welfare dependent.

Although initially most brokerage activities concerned groups that had not signed treaties historically, now numerous specific claims are being negotiated. These specific claims concern the Canadian state's alleged failure to meet its treaty promises. These possibilities for brokerage have been increased by favourable court decisions, which are inclined to entertain the view that the treaties did not involve ceding lands, but the sharing of them. This "sharing" involves constant negotiations with aboriginal groups, such as the signing of "Impact and Benefit Agreements", to determine what rents should be distributed. Supreme Court decisions about "aboriginal title" also have dramatically increased the negotiations for extracting rents. This is because it is maintained that all resource development should involve "meaningful consultation" with aboriginal groups who could be potentially impacted, dramatically increasing the amount and complexity of the discussions. All these complications benefit the brokers in neotribal rentierism, who often earn millions of dollars in legal and consultancy fees. It is disadvantageous for most ordinary members of the neotribe, however, because negotiations siphon money away from the settlement.

The most interesting extension of neotribal rentierism in the context of negotiating agreements to facilitate resource extraction has been in the form of commodifying the "traditional knowledge" of aboriginal groups. One of the ways in which additional rents are extracted is to claim that traditional knowledge studies are needed for development to proceed. Although it is claimed that this knowledge is required to protect the environment, it is clear that this is a fabrication. At the Broken Hill Properties diamond mine hearings in the north, for example, industry representatives and government officials had no idea of what traditional knowledge was, or how it could be useful for understanding the impacts of industrial activities that were unrelated to aboriginal traditions.¹²⁸ The commodification of traditional knowledge, however, benefits the brokers and privileged members of neotribes. The latter are able to designate themselves as "traditional knowledge holders" and receive transfers on this basis, while the former – anthropological consultants, for example – become mediators between the "holders" and government and industry and write up the "traditional knowledge studies" created to justify the rents distributed.¹²⁹ In addition to inveigling aboriginal support for development on their traditional territories, these studies have an important legitimation function. Paying for traditional knowledge enables the government to show that it is "recognizing" and "respecting" the traditional wisdom of aboriginal peoples. This, along with the payments, makes it more likely for members of the neotribe to accept resource development.

¹²⁷ Glenn Taylor, "Former IRC chair under investigation. Roger Gruben: facing tax fraud allegations", *Northern News Services*, August 15, 1997.

¹²⁸ This case is discussed in more detail in Widdowson and Howard, *Disrobing the Aboriginal Industry*, pp. 3-7.

¹²⁹ This relationship is discussed in more detail in Widdowson and Howard, *Disrobing the Aboriginal Industry*, pp. 39-46.

While the ability to extract rents from resource development has been the most historically dominant form of neotribal rentierism, another brokerage activity is becoming increasingly common. This consists of negotiating compensation payments for historical wrongs that have been committed against the native population. While these initiatives have existed since the 1980s, they gained a great deal of momentum with the creation of the Royal Commission on Aboriginal Peoples in the 1990s. The Royal Commission, which resulted in millions of dollars in contracts for privileged members of neotribes and Aboriginal Industry brokers, also created a historical legacy of demanding compensation as a way to redress wrongs of the past. The most significant of these initiatives was compensation for Inuit who had been relocated to the high Arctic, and payments for residential school attendees (now known as “survivors”).¹³⁰ The latter still continues today.

With respect to the high Arctic relocations of the 1950s, demands had been made for compensation since the 1980s.¹³¹ It began with allegations made by the neotribal Makivik Corporation and a demand for a Heritage Trust Fund of \$10,000,000 to be set up to compensate the relocated families, which would be “similar to the symbolic redress payments presently being made by the Government of Canada to Japanese Canadians who were subjected to internment”.¹³² Although the government initially declined compensation to the Inuit, as two reports commissioned showed that the move was largely orchestrated for humanitarian reasons, the Royal Commission gave a significant boost to demands for compensation by holding hearings on the issue in 1994.¹³³ While there was contradictory evidence about whether or not the relocations were voluntary or coerced, the Royal Commission was intent on accepting the testimonies of the relocatees.¹³⁴ It recommended that the relocatees be compensated, an apology be made, and that they be recognized for affirming Canadian sovereignty in the Arctic. This resulted in the government creating a \$10 million trust fund, known as the “HART [The High Arctic Relocatees Trust] Fund”.¹³⁵

¹³⁰ For the change in the discourse on residential schools from “former students” to “victims” and “survivors” see Jeffrey Simpson, “Pay, pay pay: Will the residential school mess go away?”, *The Globe and Mail*, June 3, 2005, p. A21.

¹³¹ It began the Deputy Minister of DIAND communicated with Peter Jull, the Political and Constitutional Advisor to the Inuit Committee on National Issues (a neotribal rentierist organization “formed [in 1979] to represent [the Inuit Tapirisat of Canada]’s voice on the Constitution and other national political issues”, <https://www.itk.ca/about-inuit/timeline>), in August 16, 1982 about the possibility of broken promises about Inuit families moving back to northern Quebec. This was then followed by a paper in September 1982 by W.B. Kemp, a researcher for the Makivik Corporation, letters from four relocatees to the then President of the Inuit Tapirisat of Canada, John Amagoalik (who was also a relocatee and a relative of the others) in July/August 1984. Magnus Gunther, *The 1953 Relocations of the Inukjuak Inuit to the High Arctic: A Documentary Analysis and Evaluation*, Second Edition, Department of Indian Affairs and Northern Development, August 1993, pp. 389-92.

¹³² Gunther, p. 395.

¹³³ J. Douglas Porteous and Sandra E. Smith, *Domicide: A Global Destruction of Home* (Montreal: McGill Queen’s University Press, 2001), p. 103.

¹³⁴ Gerard Kennedy notes that two commissioners made judgmental statements in favour of the Inuit before hearing the views of those who were critical of Inuit accounts. Gerard Kennedy, *Arctic Smoke and Mirrors* (Prescott: Voyageur Publishing, 1994), pp. 117-118

¹³⁵ Jim Bell, “Quebec court to ponder big changes to High Arctic Exiles’ ailing trust fund”, *Nunatsiaq News*, April 5, 2010, http://www.nunatsiaqonline.ca/stories/article/8789_Makivik_trustees_want_access_to_3_million_of_principal/ [accessed May 2016].

Both the creation and continuation of this fund shows neotribal rentierism in action. The fund was orchestrated by one of the main brokers – Makivik lawyer Sam Silverstone. The Hart Fund was to be overseen by a board of trustees of six people, one of whom was also the aforementioned broker Sam Silverstone.¹³⁶ While the fund initially enabled each beneficiary to receive \$3,000, payments soon dwindled to \$200/year. Trustees, however, benefitted much more from the fund. A balance sheet for 2009 shows \$108,199 in expenses, which included \$32,760 for travel. As the trust’s earnings for 2009 only stood at \$56,295.15, the fund became unviable and there are now efforts to disband it and pay out all the beneficiaries. The development of an agreement to disband the fund has also benefitted brokers.¹³⁷

The neotribal rentierist processes behind the compensation agreement developed for the relocatees is interesting because it shows how much can be extracted by the brokerage function in amounts that are relatively small. This pales in comparison to another initiative begun by the Royal Commission. These were the discussions about the residential schools, which eventually led to the creation of a \$350 million healing fund and then massive court settlements. To manage the \$350 million, the Aboriginal Healing Foundation was formed in 1998 “to fund initiatives that address the legacy of physical and sexual abuse in the residential school system”. The foundation included a 17 member Board of Directors, a Youth Advisory Group of the Board, an Elder Advisory Group of the Board, and an Executive Director’s Office with three divisions – Operations, Communications and Research.¹³⁸ The Aboriginal Healing Foundation was then given an additional \$40 million in 2007,¹³⁹ and then, as a result of the Indian Residential Schools Settlement Agreement (discussed below), an additional \$125 million was allocated to extend the 11-year mandate to March 2012.¹⁴⁰ The final tally shows that the fund resulted in administration costs of \$95 million and \$5 million for professional development. The total amount of expenditures was \$540 million.¹⁴¹

While the Aboriginal Healing Foundation was not supposed to use the fund for compensation, litigation or public inquiries (except for “locally-based public inquiries for healing purposes relating to Residential Schools”) or undertake research (“except those [research activities] related to developing the necessary knowledge base for effective program design/redesign, implementation and evaluation”),¹⁴² it did create a number of materials that “gave voice” to aboriginal residential school attendees (and the notion of being a “survivor”), and thus fueled the

¹³⁶The other five trustees were as follows: Cely Casia of Kirkland, Quebec, a financial officer at Makivik; Allie Salluviniq of Resolute Bay; Markoosie Patsauq of Inukjuaq; Larry Audlaluk of Grise Fiord; and Isaac Akpaleapik of Pond Inlet.

¹³⁷ Other lawyers also benefitted from the arrangement. Lawyer Marie-Andrée Godin, who works for the same law firm as Silverstone — Silverstone, Larriviere, Arteau, Dorval, Godin — put forth a motion with the court to have the fund distributed to beneficiaries. Ottawa lawyer Sally Gomery was also involved in the initial process in a consultancy capacity with the beneficiaries, and her fees were paid by the federal government. Jim Bell, “Exiles denied apology”, Nunatsiaq News, March 15, 1996 <http://www.nunatsiaqonline.ca/archives/back-issues/week/60315.html#>. [accessed May 2016].

¹³⁸ The Aboriginal Healing Foundation 2010-2015 Corporate Plan, <http://www.ahf.ca/downloads/2010-corp-plan-eng.pdf> [accessed May 2016], p.5.

¹³⁹The Aboriginal Healing Foundation 2010-2015 Corporate Plan, <http://www.ahf.ca/downloads/2010-corp-plan-eng.pdf> [accessed May 2016], p. 10.

¹⁴⁰ “FAQs”, Aboriginal Healing Foundation, <http://www.ahf.ca/faqs> [accessed May 2016].

¹⁴¹ The Aboriginal Healing Foundation 2014 Annual Report, <http://www.ca/downloads/2014-annual-report-19-sept-2014.pdf>, p. 16.

¹⁴² The Aboriginal Healing Foundation 2014 Annual Report, <http://www.ca/downloads/2014-annual-report-19-sept-2014.pdf>, p. 4

legal aspect of neotribal rentierism.¹⁴³ This provided some of the groundwork for residential school compensation, which resulted in four different sources of rent – litigation, alternative dispute resolution, a common experience payment, and an Independent Assessment Process.¹⁴⁴ The most significant transfers were created by the Indian Residential Schools Settlement Agreement (2007), which included a common experience payment “that provide[d] a lump sum payment to former students of Indian residential schools...” and the independent assessment process “to settle claims of sexual, physical, and other abuses that occurred while attending these schools”.¹⁴⁵ The common experience payment dispersed was 1.6 billion and the independent assessment process provided 2.9 billion.¹⁴⁶ The Indian Residential Schools Settlement Agreement also designated significant funds for brokerage activities - \$100 million, in fact, was allocated to lawyers.¹⁴⁷ The extent and complicated nature of these payments can only be fathomed by examining “Article Thirteen – Legal Fees”.¹⁴⁸

The Indian Residential Schools Settlement Agreement then sparked more neotribal rentierism with the establishment of the Truth and Reconciliation Commission.¹⁴⁹ The settlement provided the \$60 million budget for the Commission. A five year mandate was given to the body, and this, as is common with neotribal rentierist initiatives, was again extended by one and a half years. The purpose of the Truth and Reconciliation Commission was to promote “continued healing,” and therefore reconciliation, through ongoing processes. The large budget also enabled the Commission to be staffed with “seventy-five people, including forty-eight Aboriginal employees who work at all levels of the organization”.¹⁵⁰

¹⁴³The Aboriginal Healing Foundation itself lauds that “[t]he projects funded by the AHF show that we are capable of doing good work. We have seen an Indian Residential School Settlement Agreement and an apology from the Prime Minister. These gestures were to mark a new beginning, a new relationship. It is in that spirit that we believed the healing which had begun should be continued. To many it feels as if Canada has not only closed a chapter on residential schools, but the entire book of healing as well.” It also asserts that “[w]e help Survivors in telling the truth of their experiences and being heard. We also work to engage Canadians in this healing process by encouraging them to walk with us on the path of reconciliation”. The Aboriginal Healing Foundation 2014 Annual Report, <http://www.ca/downloads/2014-annual-report-19-sept-2014.pdf>, pp. 4 and 7. For an overview of the research produced see Aboriginal Healing Foundation, A Compendium of Aboriginal Healing Foundation Research, 2010, <http://www.ahf.ca/downloads/research-compendium.pdf> [accessed May 2016].

¹⁴⁴ Gwen Reimer, *The Indian Residential Schools Settlement Agreement’s Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients* (Ottawa: Aboriginal Healing Foundation, 2010), pp. 5-6.

¹⁴⁵Indian Residential Schools Resolution Canada, Indian Residential Schools Settlement Agreement, October 2007, http://www.nrsss.ca/Resource_Centre/IndianAffairs/IRSRC_SettlementAgreementPresentation_Oct_EN_wm.pdf [accessed May 2016].

¹⁴⁶Indigenous and Northern Affairs Canada, Statistics on the Implementation of the Indian Residential Schools Settlement Agreement, <https://www.aadnc-aandc.gc.ca/eng/1315320539682/1315320692192> [accessed May 2016].

¹⁴⁷ Bill Curry, “Cost to redress native residential school abuse set to pass \$5-billion”, *The Globe and Mail*, November 18, 2011, <http://www.theglobeandmail.com/news/politics/cost-to-redress-native-residential-school-abuse-set-to-pass-5-billion/article4251765/> [accessed May 2016].

¹⁴⁸Indian Residential Schools Adjudication Secretariat, “Decisions and Court Documents”, <http://www.iap-pei.ca/legal/court-eng.php?act=irssa-settlement-eng.php> [accessed May 2016].

¹⁴⁹ For an overview of the history of events leading up to the establishment of the Truth and Reconciliation Commission see Marc A. Flisfeder, “A Bridge to Reconciliation: A Critique of the Indian Residential School Truth Commission”, *The International Indigenous Policy Journal*, 1(1), May 2010, (<http://ir.lib.uwo.ca/cgi/viewcontent.cgi?article=1001&context=iipj>), pp. 3-6.

¹⁵⁰ Truth and Reconciliation Commission of Canada: Interim Report, <http://www.myrobust.com/websites/trcinstitution/File/Interim%20report%20English%20electronic.pdf> [accessed May 2016], pp. 1-3.

The Truth and Reconciliation then created the groundwork for another neotribal rentierist initiative - the proposed Murdered and Missing Aboriginal Women Inquiry. In its call for action, the Truth and Reconciliation Commission asserted the following: “We call upon the federal government, in consultation with Aboriginal organizations, to appoint a public inquiry into the causes of, and remedies for, the disproportionate victimization of Aboriginal women and girls”. The Truth and Reconciliation Commission suggested a mandate of “[i]nvestigation into missing and murdered Aboriginal women and girls” and “[I]nks to the intergenerational legacy of residential schools”.¹⁵¹ The development of this inquiry was necessary, according to Chairperson Justice Murray Sinclair, because there is a connection between the violence faced by aboriginal women and the “legacy of residential schools ... social oppression and racism in society.” Sinclair maintains that “[w]e need to figure out why it’s happening and how to stop it. Because it will continue if we don’t come up with some solution. And we can’t wait for people to be murdered before we start investigating the incident. We have to do something before people are murdered and go missing.”¹⁵²

What Sinclair fails to point out, however, is that we already know why this is occurring; these matters, in fact, were already studied by the Truth and Reconciliation Commission.¹⁵³ As is pointed out by Gary Mason, “[w]e know the economic circumstances in which most of these women, today and yesterday, find themselves - and they are not good. It is a crisis that every federal government for the past 60 years has recognized but has mostly failed to do anything about, despite some honest efforts”. He goes on to discuss the drug and alcohol abuse, violence and mental health problems that permeate many aboriginal communities, and that these conditions often make it necessary for aboriginal women to leave. Lacking education and skills, these women are then more likely to be forced into prostitution in urban centres, which makes them vulnerable to all sorts of violence and abuse. As Mason puts it: “[t]here really is no great mystery as to why indigenous women can be at risk of going missing” and that “the answers lie on the reserves and aboriginal communities themselves”. This leads Mason to conclude that the Inquiry will most likely just be “an expensive vehicle for people to vent...” and “a costly but ultimately political exercise designed to make us feel less guilty about what is taking place”.

While Mason’s comments are on point, an understanding of the machinations of neotribal rentierism would make these long and expensive discussions that go nowhere easier to understand. Long and expensive discussions, in fact, are the lifeblood of neotribal rentierism. This is how the brokers, as well as privileged members of neotribes, increase the rents extracted from corporations, the Canadian state, and other organizations. The Canadian state, in turn, supports neotribal rentierism, because it aids either in the accumulation or legitimation functions needed to perpetuate late capitalism.

Jeffrey Simpson is closer to an understanding of neotribal rentierism when he draws attention to the role that brokers will play in any inquiry – whether it be an official inquiry under the *Public Inquiries Act* or one like the Truth and Reconciliation Commission. First of all, he points out

¹⁵¹ Truth and Reconciliation Commission of Canada: Calls to Action, http://www.trc.ca/websites/trcinstitution/File/2015/Findings/Calls_to_Action_English2.pdf, p. 4. [accessed May 2016]

¹⁵² Mark Kennedy, “Canada must find ‘solution’ to murdered, missing aboriginal women”, *Ottawa Citizen*, September 26, 2014, <http://ottawacitizen.com/news/politics/canada-must-find-solution-to-murdered-and-missing-aboriginal-women-sinclair> [accessed May 2016].

¹⁵³ Gary Mason, “Inquiry must be more than political theatre”, *The Globe and Mail*, January 29, 2016, p. A11.

that the Minister of Aboriginal Affairs, Carolyn Bennett, is acting as an “echo chamber for the Native Women's Association of Canada” – a key characteristic of governments trying to legitimize their power in the capitalist context. The brokers, as well, are working hard to shape the inquiry to ensure that it is going to be a “massive fishing expedition”.¹⁵⁴ Simpson goes on to point out that

[i]f the government chooses the vehicle of a public inquiry, then it will stretch on for many years and cost huge amounts of money - to produce outcomes that mostly can be predicted today, including that of the first-year criminology student's understanding that the majority of assaults were committed by men who had intimate or close relations with the victims (that is, aboriginal men); that sociological problems contributed to violent behaviour; that racism infected certain cases; that, in some instances, the police might have been late to the file; and that, of course, non-aboriginal people are largely, if not wholly, responsible for the entire tragedy.

Most tellingly, he notes that an inquiry held under the auspices of the *Public Inquiries Act* will constitute a “[feast] for lawyers” because “every group whose activities are under investigation will need a lawyer. Individual RCMP officers whose work will be reviewed will have to be represented (except, of course, for those who have died). RCMP detachments in particular regions will have a lawyer. So will other police forces in regions where the RCMP are not the local police”. In addition, “[t]he inquiry itself will have lawyers, investigators and researchers.”¹⁵⁵ On the other hand, if the Murdered and Missing Aboriginal Women Inquiry is just an extension of the Truth and Reconciliation Commission, it will, once again, require a “large research staff and testimony from hundreds of witnesses”, resulting in another large report and dozens of recommendations ranging over all facets of Canadian life. This type of inquiry will not be able to reinvestigate criminal cases or review police work, but it will be just as lucrative for the brokerage function. And although lawyers are the main brokers in neotribal rentierist demands for compensation, the second kind of inquiry is more often demanded because it is able to delve into a far greater range of subjects. This enables the consultancy element of the brokerage function to obtain a substantial share of the rent. Privileged members of neotribes also support these inquiries because they are paid to participate in them.

Although the first two kinds of neotribal rentierism – extraction of resource rents and the demand for compensation to assuage past wrongs - are problematic in that they do nothing to address poor health care, low educational levels and inferior housing, thus increasing the brokers’ demands for rent, these cause minimal problems when compared to the third form. This is the ongoing efforts of brokers to negotiate the transfer of service delivery from Canadian governments to aboriginal organizations. These initiatives are justified by entities like the Royal Commission on Aboriginal Peoples and the Truth and Reconciliation Commission on the

¹⁵⁴ Jeffrey Simpson, “An inquiry that seems to have no start, and no end”, *The Globe and Mail*, February 19, 2016, p. A13.

¹⁵⁵ He brings up the case of the Somalia inquiry, where “Rows of lawyers filled the room every day. The inquiry dragged on as reputations had to be defended, allegations tested and factual evidence probed”. That inquiry was mostly about the activities of certain individuals within a short period of time - not the activities of many people spread across Canada in a period stretching more than 30 years. And that inquiry was not investigating allegations of things unknown and unknowable, such as the tally of aboriginal women who went missing or were murdered being “way bigger” than 1,200”.

grounds that aboriginal peoples have different needs that must be provided for by aboriginal peoples themselves.

There are two major problems with this type of neotribal rentierism. The first is that the small size and isolation of many aboriginal communities makes it very difficult to provide the level of services that larger and more productive and connected villages, towns and cities receive. This point was convincingly made by Scott Gilmore, who argued, in response to the La Loche tragedy, that isolated communities “will always be far more disadvantaged compared to larger cities in the south; and therefore the best thing we can do for struggling families is to help them move if they want”. To support this argument, Gilmore points to statistics that show that, when aboriginal people move, “youth become twice as likely to graduate”, employment and income increases dramatically, health improves and the indicators of social dysfunction such as suicide and homicide rates drop. Although Gilmore does recognize how the history of expropriation and racism and the restrictions of the *Indian Act* have contributed to aboriginal problems, he notes that one has to deal with the facts of “basic economics”; this is that “larger communities achieve economies of scale which result in more doctors, better schools, cleaner water and more jobs”. Gilmore also briefly recognizes the connection between isolation (which is also often correlated with tribalism) and violence. He points out that the journals of European explorers from hundreds of years ago in the area of what is now La Loche “record a state of constant fighting among the Aboriginal peoples”.¹⁵⁶ This is similar to other isolated regions, such as Australia’s Northern Territory, the remote regions of Papua New Guinea, and Siberia. Gilmore points out that “the [Brazilian] state of Pará, straddling the undeveloped stretches of the Amazon River, has one of the highest murder rates in the country, rivalling the lawless favelas”.¹⁵⁷ Although Gilmore notes that increasing funding and implementing the recommendations of the Truth and Reconciliation Commission “all help”, he encourages Canadians to “stop pretending that these things are some type of alchemy that will achieve something no other society in any other country has ever figured out: how to make poor and isolated communities just as healthy, safe, and prosperous as cities”.¹⁵⁸

Gilmore then asks why “we keep pretending that somehow we can make the reserve system, and communities like La Loche, work”, and assume that “with a little more money and a little more empathy, we can end the culture of isolation, despair and violence that has plagued Canada’s remote north since before there was a Canada...”. Gilmore provides a number of answers – “political correctness”, the daunting task of dismantling the *Indian Act*, and the “naive romanticism that believes Aboriginal people should never be separated from what Jacques Cartier described presciently as ‘the land that God gave Cain.’” Gilmore’s references to political correctness were borne out when, after making these points, he was widely criticized for being racist. His arguments were also mischaracterized and it was claimed that he was proposing the forcible removal of aboriginal peoples from their communities (Gilmore proposes voluntary

¹⁵⁶ Scott Gilmore, “La Loche shows us it’s time to help people escape the North”, *Maclean’s*, January 27, 2016, <http://www.macleans.ca/news/canada/la-loche-shows-us-its-time-to-help-people-escape/>[4/11/2016 4:19:04 PM]

¹⁵⁷ Two authors - Steven Pinker and Ian Morris – have argued, in fact, that violence in the world, has decreased because of the capacity of the state to have a monopoly on the use of violence. For a further discussion, see Ian Morris, *War! What is it Good For* (New York: Farrar, Straus and Giroux, 2014) and Steven Pinker, *The Better Angels of Our Nature* (Penguin Books Limited, 2011).

¹⁵⁸ Scott Gilmore, “The hard truth about remote communities”, *Maclean’s*, February 9, 2016, <http://www.macleans.ca/news/canada/scott-gilmore-the-hard-truth-about-remote-communities/>[4/11/2016 4:16:04 PM].

relocation and the offering of supports and free trips home to encourage the transition to urban life). It is emotional responses like these that are effective in discouraging others from rationally discussing the obvious negative consequences of neotribal rentierism.¹⁵⁹

The second problem with the neotribal rentierist negotiations involved in aboriginal organizations' control over service provision concerns the lack of capacity that exists in aboriginal communities, and how this often results in inferior health care and education. While the brokers in neotribal rentierism keep negotiations going by making assertions about aboriginal "sovereignty" and "title", this is not based on any realistic assessment of what neotribes are actually able to accomplish today. Very few aboriginal doctors and nurses have graduated in comparison to the numbers of self-proclaimed sweat-lodge healers and "art therapists".¹⁶⁰ This has led other neotribal rentierist initiatives like the Royal Commission on Aboriginal Peoples and the Truth and Reconciliation Commission to justify aboriginal traditional forms of "healing" and "knowledge" as being "just as valid" as scientifically-based services. This prevents an understanding from emerging that neotribal rentierism means that aboriginal peoples are receiving lower quality services than those being provided to non-aboriginal people.

The most significant example of this kind of neotribal rentierism concerned the transfer of child welfare responsibilities in British Columbia. Problems with these processes were uncovered by the province's child advocate, Mary Ellen Turpel-Lafond. While control over child welfare is one of the demands made by brokers and privileged members of neotribes, implementation of the initiative in B.C. has proven disastrous. This is because all the funds have been spent on discussions and meetings in an effort to develop "nation-to-nation" relationships, diverting funds from actually providing services to those that need it. Turpel-Lafond notes that in 2008 the B.C. government "decided that First Nations would write their own approaches, and that [the B.C. Ministry of Children and Family Development] would get 'out of their way' while at the same time promising to fund their initiatives. This produced several projects, under the rubric of a 'Nation-to-Nation approach' with staggering expenditures, and a disconnect from the practicalities of the Aboriginal child welfare service-delivery system". The Ministry "charted a direct course into funding and encouraging jurisdiction and transfer of government powers discussions while having no practical or functional guidance from the Attorney General regarding the scope and implications of such negotiations".¹⁶¹

¹⁵⁹ This kind of "shoot the messenger" response has occurred again in the case of some comments made by Jean Chrétien about communities like Attiwapiskat. Chrétien asserted that some communities would have to move because they lacked an economic base to be able to sustain themselves. These comments were again widely denounced and characterized as being "shameful and offensive", because past relocations had resulted in trauma for the groups involved. There is no understanding that, while making the transition from subsistence tribal societies to modern industrialized ones is never easy, the trauma caused by dependency and isolation will remain and cannot be addressed by neotribal rentierism. "'Just leave?' Fire Song challenges flip advice to First Nations youth", Q, May 10, 2016, <http://www.cbc.ca/radio/q/schedule-for-tuesday-may-10-2016-1.3574850/just-leave-fire-song-challenges-flip-advice-to-first-nations-youth-1.3574854> [accessed May 2016].

¹⁶⁰ For example, the Aboriginal Healing Foundation resulted in the transfer of hundreds of millions of dollars to aboriginal organizations to provide services such as sweat lodge trips outside the city, elder-led workshops and art therapy. Maya Rolbin-Ghanie, *Briarpatch Magazine*, September 9, 2010, <https://briarpatchmagazine.com/articles/view/healing-denied> [accessed May 2016].

¹⁶¹ Representative for Children and Youth, *When Talk Trumped Service: A Decade of Lost Opportunity for Aboriginal Children and Youth in B.C.*, Special Report, November 13, 2013 http://www.rcybc.ca/sites/default/files/documents/pdf/reports_publications/when_talk_trumped_service.pdf [accessed August 2015], p. 5.

As the false “nation-to-nation” expectation promoted by brokers results in a resistance to either provincial or federal government oversight, only direct funding was provided and “projects lacked clear goals and measurable results.”¹⁶² Because of the legacy of residential schools and the “Sixties Scoop”, where aboriginal children were adopted by non-aboriginal families, neotribal leaders and brokers convinced the government that they were best able to oversee child welfare and education services. Turpel-Lafond maintains that this has resulted in the fact that “there is rampant neglect, there is abuse and there are really serious mental-health issues on the part of the parents” and that aboriginal children in many communities are “not getting the care and protection they need”.¹⁶³ The unrealistic expectations created meant that aboriginal peoples didn’t understand what taking on authority for child welfare policy entailed, and there was a lack of capacity to provide the services that were needed.¹⁶⁴ These consequences of the attempts to institute a system controlled by neotribes and brokers led Turpel-Lafond to recommend a “return to a model of public service and accountability that permits good collaboration but doesn’t abdicate control or send a massive chunk of the budget out to a sector that will provide no service but appears to make everyone feel good, or provides an illusion of progress where there is none”.¹⁶⁵

While most of the commentators with respect to these initiatives have focused on the huge waste of funds that result from the entrenchment of this kind of rent seeking behaviour, or the harm that it is doing to capitalist enterprises, the main problem is the detrimental impact that it is having on the members of the neotribes. This is because the main aim of neotribal rentierism is to perpetuate grievances in the effort to prolong negotiations, so that the amount of the payments to the brokers can be increased. Members of the neotribe agree with the process because they believe that the rents extracted will be distributed to them. The Canadian state’s capital accumulation and legitimation functions encourage this activity so that it can gain acceptance for resource development. It also, to a lesser extent, is listening to demands from Canadians who are appalled at the terrible circumstances that continue to plague aboriginal communities in one of the most prosperous countries in the world. Increasing rents, however, doesn’t improve aboriginal circumstances. It just amplifies inequalities and conflicts within the neotribe as members jostle to access the rent circuit. Increasing anger and resentment is to be expected as most beneficiaries wait for the windfall that never arrives.

Conclusion

Further examination of the theory of neotribal rentierism is needed in political economy. Although political economy has begun to grapple with the question of aboriginal-non-aboriginal

¹⁶² Wendy Stueck, “B.C. child-welfare watchdog turns down aboriginal conference”, *The Globe and Mail*, November 14, 2013, <http://www.theglobeandmail.com/news/british-columbia/bc-child-welfare-watchdog-turns-down-aboriginal-conference/article15454501/> [accessed August 2014].

¹⁶³ Gary Mason, “Another disaster for B.C.’s aboriginal youth”, *The Globe and Mail*, <http://www.theglobeandmail.com/globe-debate/another-disaster-for-bc-aboriginal-youths/article15439866/> [accessed August 2015].

¹⁶⁴ *Ibid.*

¹⁶⁵ Representative for Children and Youth, *When Talk Trumped Service: A Decade of Lost Opportunity for Aboriginal Children and Youth in B.C.*, Special Report, November 13, http://www.rcybc.ca/sites/default/files/documents/pdf/reports_publications/when_talk_trumped_service.pdf [accessed August 2015], p. 8.

relations, it is too reliant on the ahistorical and idealistic postcolonial theoretical assumptions of the internal colonial model. Political economists need to understand how aboriginal groups have been integrated into late capitalism's flexible regime of accumulation. This includes the complete transformation of neotribes, caused by their unequal access to the rents and transfers negotiated by brokers.

The study of the historical and material factors that have shaped aboriginal-non-aboriginal relations is also essential if aboriginal circumstances are to be improved. As political economists are concerned with inequalities that exist in society, as well as relations of domination and subordination, the continuation of aboriginal marginalization should be a major area of investigation. The theory of neotribal rentierism can contribute to an understanding of the continuation of various problems in aboriginal communities, and lead to proposals for more effective remedies. More specifically, the theory of neotribal rentierism can help to explain the continuation of economic dependency, tribalism, and educational deficiencies in a large segment of the aboriginal population.

The continuing economic dependency in aboriginal communities is related to their "rentier" character. This problem is not addressed by the current literature on aboriginal-non-aboriginal relations. Although it is maintained that rents can be used to maintain traditional economies, transfers just provide a windfall for aboriginal beneficiaries; this does not facilitate their development or well-being.¹⁶⁶ A recognition of the problems associated with sudden infusions of money is why the government creates entities like the Aboriginal Healing Foundation. It is understood that the money should not just be "given out of the back of a truck" to aboriginal peoples.¹⁶⁷ Instead, all sorts of boards and trusts are created, so as to ensure that the distribution of rents can be controlled. This, however, has the effect of siphoning off a great deal of the funds needed to provide services in aboriginal communities into the hands of the brokers.

In addition to increasing economic dependency upon transfers (either government or corporate), neotribal rentierism causes political problems within the context of late capitalism. This is because rentierism is not conducive to increasing solidarity within a group. Unlike economies that result in the development of a substantial working class, where producers gradually shed their tribal identities to develop a common consciousness, rentierism just results in jockeying to gain access to the rent circuit. This enables community members who are well connected to obtain the sought after sinecures in the various initiatives created in land claims organizations, healing ventures, and other service delivery mechanisms. Increasing disparity is created, leading to resentments between different factions. Neotribal rentierism also has the effect of transforming, as well as reinforcing, the kinship-based character of aboriginal communities. As neotribal rentierism relies on traditional, as opposed to legal-rational forms of authority, it impedes integration of tribal identities into a democratic, non-kinship based, political system.

The final, most significant, problem caused by neotribal rentierism is the impact that it has on aboriginal education. As neotribal rentierism requires a justification of aboriginal "ways of

¹⁶⁶ In the case of the residential schools, for example, the Common Experience Payment dispersed, on average, \$28,000, which led to "mostly disastrous consequences by increasing drug and alcohol abuse in communities". Ronald Niezen, *Truth and Indignation* (Toronto: University of Toronto Press, 2013), p. 44.

¹⁶⁷ This terminology was used by a manager in the Government of the Northwest Territories when I worked for the government in the 1990s.

knowing”, the transfer of responsibility to aboriginal groups results in the teaching of unscientific beliefs, deference to tradition and “orality” in the classroom. Brokers justify the creation of separate educational institutions by claiming that aboriginal peoples have a different form of knowledge. Consequently, the education that is being delivered is substandard and will do nothing to address aboriginal isolation and marginalization. This prevents aboriginal people from acquiring the knowledge and skills needed to participate in Canadian society. It is by far the most destructive of all the initiatives because education offers one of the main ways out of the quagmire that is neotribal rentierism. By providing aboriginal peoples with the education that is needed to integrate, the reserves will gradually become less necessary for warehousing aboriginal peoples. The reserves will “wither away” as aboriginal people become detribalized and feel less alienated living and working with other Canadians.

Political economy has been reluctant to examine the problems of neotribal rentierism. The historical mistreatment of aboriginal people leads to a distorted approach to contemporary relations. The desire to rectify past injustices has made political economy reluctant to challenge the postcolonial assumptions of the internal colonial model. It feels the need to “recognize” aboriginal aspirations about “sovereignty” and revitalizing native traditions, even though there is no way for isolated aboriginal communities to realize these aspirations. Listening to aboriginal voices also means that political economists tend to accept (at least publicly) romanticized accounts of aboriginal traditions. It is not realized that this romanticization is being used to justify a revenue stream for privileged members of the neotribe. The tribal status of these leaders means that they can benefit from opportunity hoarding by gaining access to this “transfer circuit”, and prevent it from being distributed to impoverished and isolated community members. This constitutes a rolling back of the progress that has been made in the post-war era in Canada toward universal, publicly funded service provision.¹⁶⁸

While postcolonial theory benefits brokers and satisfies the political aspirations of privileged members of neotribes, it does not provide a convincing theory of aboriginal-non-aboriginal relations in Canada. The past cannot be changed; contemporary after effects can be addressed with contemporary policies to overcome them, but a return to pre-contact conditions is neither possible nor desirable. Because of the lower levels of productivity, tribal forms of organization and educational deficiencies, aboriginal “nations” do not have the capacity to remain autonomous from the Canadian state, as is envisioned by the internal colonial model. Remaining autonomous, in fact, is a kind of privatization, whereby marginalized members of aboriginal communities are prevented from accessing the services that they need. What is required is a well thought out government strategy that will facilitate aboriginal peoples’ development as full participants in Canadian society. This will enable aboriginal people to become productive members of society and develop solidarity with other elements in the struggle to combat the oppressive characteristics of late capitalism.

¹⁶⁸ I have discussed this problem in detail elsewhere, with Albert Howard, and will not do so here. For a further discussion see Frances Widdowson and Albert Howard, *Disrobing the Aboriginal Industry: The Deception Behind Indigenous Cultural Preservation* (Montreal: McGill-Queen’s University Press, 2008)