

# Contributions of Aboriginal Governance Ideas

By

Ronald Trosper, Ph.D.  
Faculty of Forestry, UBC



Prepared for the BC Forum Symposium on November 1<sup>st</sup> 2006:

**“Creating New Opportunities: Forest Tenure & Land Management in BC”**

# Ecological Resilience Management

- Future Forests Conference, Prince George, December, 2005
- Over half of discussion groups suggested it as a new goal for forestry
- The Chief Forester has a project on Resilience
- We're on the territory of peoples who are concerned about environmental resilience.

# The New Relationship

- “We agree to establish processes ... for shared decision making ... for revenue and benefit sharing ... recognizing ... the right to Aboriginal title ... and ...a political structure ... [as] ... guaranteed by Section 35”
- “All British Columbians will benefit from a richer understanding of First Nations culture and from economic, political and cultural partnerships.”

# Tensions

- Four of Five Provincial goals exclusively address human needs
- Two of four First Nations goals relate to land quality, preservation of habitat, and ecosystem health
- The tensions go deeper: how should people relate to each other and to the land?

# Example: Feasting

- Before *Delgamuukw* commenced, the Gitksan and Witsuwit'en put on an opening feast. Initially, they had intended to invite the lawyers for the opposition as well as Chief Justice McEachern, but they were advised that such an invitation would be considered inappropriate. The Witsuwit'en and the Gitksan found it hard to accept that the gesture was not proper, that it could be construed as a way to influence the judge and the lawyers for the opposition or make them feel indebted to the people launching the court case. Eventually, however, they were persuaded not to invite their opponents. (Mills, *'Hang Onto These Words,'* 2005)

# Ideas

- Generosity
- Shared Decision-Making
- Accountability
- Social Learning

# An imaginary watershed

- Primary Products from:
  - A timber company
  - A fishing (salmon) company
  - A ranch
- External effects exist
  - Timber and Salmon
  - Salmon and Cattle
  - Cattle and Timber

# Incentives to consider external effects

- Turn a feasting system into a system of sharing profit.
- Each company's bottom line is a combination of its own profit and that of the other two companies.



# What happens to bottom lines?

- Suppose the timber company causes the stream to silt in.
- Suppose the cattle consume planted trees.
- Suppose the salmon carcasses are no longer used to fertilize soils.
- In each case, the profit of one company falls when the other company takes the wrong action.
- (Clearly, which effects are largest will matter in real cases.)

# External effects

- Timber harvest reduces salmon harvest; salmon company declines while timber profits.
- Cattle prevent timber from growing .
- Over harvest of salmon reduces growth rates for other two companies .

# Case 1: No Profit Sharing

- Each firm will act to maximize its profits, given what it controls.
- Probably there will be the wrong amounts of timber harvest, grazing cattle, and salmon.
- Focus on the sum of the net returns to each company: “social profit” is not maximized

# Case 2: Profit Sharing

- Timber company finds its return from the salmon company is less if it hurts the stream.
- The ranch company finds its return is less if it slows tree growth
- The salmon company finds its return less if trees and grass are less productive.
- In effect, the three companies “pool” their profit and divide it up among them: an exercise in generosity. They could celebrate annually with a feast!

# Economic Resilience

- Suppose a fire burns all the trees; then the timber company can survive a while on returns from salmon
- Suppose a landslide destroys salmon; then the fishers can survive a while on timber returns.
- Risk is shared; insurance is provided by diversification

# Sharing knowledge

- Suppose the timber company wants to invest in learning more about timber productivity: would the other companies be interested?

# Investment Financing

- Suppose the salmon company wants to enhance spawning grounds, or invest in prevention of poaching on the high seas: would the other companies be interested?
- What about investment in research for new production technologies? Or in reduction of risk from natural disaster?

# Hiring Operating Officers

- Would each company be interested in being on the search committee for replacement of the chief operating officer of the other companies?



# Knowledge Sharing

- Would there be incentives for each company to understand how the other two make their money?
- Help would be available if a plane crash wiped out the management of one company.

# Would the companies be stronger as a unit rather than separate?

- Higher returns from considering external effects
- Safer from risk due to sharing profit
- Able to learn about each other's problems
- Shared responsibility among the leaders.

# Can this be made more complicated?

- Other uses of the forest exist than these three
- One can make a list: but not today.

# What are some changes this model would require?

- “Ownership” of companies would have to be local, perhaps, to have the profit sharing large enough.
- Banks might not be interested in contributing loans – or might be more interested due to diversified risk.
- The sharing of returns with governments that “own” the forest would have to be worked out.

# Is this shared management?

- Certainly each entity has an interest in the efficiency and productivity of the others
- Many meetings would be required to explain decisions to each other.
- Accountability of the CEOs would be to all the interests in the area.
- Answer: Yes

# The New Relationship

- “We agree to establish processes ... for shared decision making ... for revenue and benefit sharing ... recognizing ... the right to Aboriginal title ... and ...a political structure ... [as] ... guaranteed by Section 35”
- “All British Columbians will benefit from a richer understanding of First Nations culture and from economic, political and cultural partnerships.”

# Conclusion

- BC has experts who know how to “establish processes for shared decision-making” – the people who did that with mutual sharing at feasts
- These processes are one way that “All British Columbians will benefit.”