



Arctic Development
Library

***Section I - The Kitikmeot Economy - A
Regional Profile
Catalogue Number: 11-30-30***

Text Only

SECTION I
THE KITIKMEOT ECONOMY
A REGIONAL PROFILE

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BACKGROUND

THE KITIKMEOT REGION IS THE MOST ISOLATED REGION IN THE NORTHWEST TERRITORIES AND IS COMPRISED OF EIGHT COMMUNITIES WITH A TOTAL POPULATION OF 4315 PEOPLE. THE REGIONAL ADMINISTRATIVE OFFICES OF GNWT ARE LOCATED IN CAMBRIDGE BAY, A HAMLET OF 1137 (1989) INHABITANTS ON THE SOUTHEAST SHORE OF VICTORIA ISLAND. TWO SMALL UNORGANIZED COMMUNITIES - BATHURST INLET (POP. 16) AND BAY CHIMO (POP. 62) RECEIVE DIRECT ADMINISTRATIVE SUPPORT FROM THE REGIONAL CENTER. ADDITIONALLY, THERE ARE FIVE HAMLETS IN THE REGION, ALL BUT ONE OF WHICH ARE OFFSHORE COMMUNITIES. HOLMAN (POP. 357) IS LOCATED ON THE NORTHWEST SHORE OF VICTORIA ISLAND AND IS THE MOST NORTHERLY COMMUNITY IN THE REGION. GJOA HAVEN (POP. 768) IS SITUATED ON THE SOUTHEAST COST OF KING WILLIAM ISLAND, WHILE PELLY BAY (POP. 336) IS LOCATED ON THE WEST SIDE OF THE SIMPSON PENINSULA AND SPENCE BAY (POP. 537) ON THE SOUTH COAST OF THE BOOTHIA PENINSULA. COPPERMINE (POP. 1102) IS LOCATED ON THE MAINLAND ARCTIC COAST, ON CORONATION GULF JUST WEST OF THE MOUTH OF THE COPPERMINE RIVER. 85% OF THE RESIDENTS OF THE KITIKMEOT REGION ARE INUIT.

THE RECENT ESTABLISHMENT OF THIS AREA AS A REGION ONTO ITSELF, HAS FACILITATED THE DEVELOPMENT OF INFRASTRUCTURE IN THE REGION AND HEIGHTENED REGIONAL INTEREST IN ECONOMIC EXPANSION. STILL THE PRIMARY INDUSTRY OF THE REGION AND CLEARLY, THE LARGEST EMPLOYER IS THE GOVERNMENT. THE OTHER MAJOR ECONOMIC ACTIVITIES IN THE KITIKMEOT REGION ARE CONSTRUCTION, TOURISM, RENEWABLE RESOURCES, AND ARTS AND CRAFTS. ALTHOUGH IT'S REMOTE LOCATION HAS BEEN PROHIBITIVE TO NON-RENEWABLE RESOURCE DEVELOPMENT THERE IS DEFINITE MINING POTENTIAL IN THE REGION, PARTICULARLY IN THE COPPERMINE AREA.

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VICTORIA ISLAND
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BOOTHIA PENINSULA
SIMPSON PENINSULA

A VERY IMPORTANT ECONOMIC ACTIVITY IN THE REGION IS RENEWABLE RESOURCE HARVESTING. FISHING, TRAPPING AND HUNTING ARE ALL VERY IMPORTANT ACTIVITIES AND MAKE A SUBSTANTIAL CONTRIBUTION TO LOCAL WELL-BEING IN PROVIDING A SUBSISTENCE LIVELIHOOD. THE COUNTRY FOOD INDUSTRY IS BEING DEVELOPED AND WHILE IT IS MAINLY FOR DOMESTIC CONSUMPTION AT THE PRESENT, IT HAS POTENTIAL AS AN EXPORT BASE.

THE DEVELOPMENT OF THE TRAVEL INDUSTRY IS IN ITS FORMATIVE STAGES IN THE ARCTIC COAST REGION. THE TOURISM ZONE ASSOCIATION RECOGNIZES THE TOURISM DEVELOPMENT OPPORTUNITIES AND THEIR POTENTIAL TO CREATE INCOME AND EMPLOYMENT OPPORTUNITIES. IN THIS RESPECT, IN THE LONG TERM, TOURISM OFFERS THE GREATEST GROWTH FACTOR OF ALL EXISTING AND POTENTIAL INDUSTRIES IN THE REGION.

THE CONSTRUCTION INDUSTRY IS ALMOST EXCLUSIVELY DEPENDENT ON GOVERNMENT PROJECTS. HOWEVER, THE PRIVATE SECTOR, IN THE FORM OF COMMUNITY BASED DEVELOPMENT CORPORATIONS, IS BEGINNING TO DEVELOP SEVERAL OPPORTUNITIES. THESE INCLUDE HOUSING UNITS AND OFFICE BUILDINGS LEASED BACK TO THE GOVERNMENT.

THE DEPRESSED STATE OF ARTS AND CRAFTS OVER THE PAST SEVERAL YEARS HAS ILLUSTRATED THE NEED TO REVITALIZE THE INDUSTRY AND OFFER ECONOMIC HOPE TO ISOLATED COMMUNITIES WITH FEW OR NO OTHER RESOURCES. THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM HAS RECOGNIZED THE NEED FOR INCREASED RESOURCES, PARTICULARLY IN PERSONNEL, TO IMPROVE PRODUCT QUALITY AND MARKETING.

CONSUMER SERVICES AVAILABLE THROUGH SMALL BUSINESS ARE WELL DEVELOPED IN CAMBRIDGE BAY AND COPPERMINE BUT ARE LACKING TO A LARGE DEGREE IN OTHER COMMUNITIES IN THE REGION. THERE ARE SMALL BUSINESS OPPORTUNITIES IN THE REGION SUCH AS TRAVEL TOUR OPERATORS, ELECTRONICS REPAIR, FOOD SERVICE/CATERING, SOUVENIR AND CRAFT SHOPS, PERSONAL GROOMING, INSURANCE AND LEGAL. THERE ARE ALSO MODEST OPPORTUNITIES FOR OWNER OPERATED SMALL MOTOR REPAIR SHOPS.

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II. OPPORTUNITIES

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THE OPPORTUNITIES FOR ECONOMIC GROWTH WITHIN THE KITIKMEOT REGION ARE LIMITED BY THE LACK OF A DEVELOPED INFRASTRUCTURE REQUIRED TO MAKE IT TECHNICALLY AND COMMERCIALY ATTRACTIVE FOR PRIVATE OR PUBLIC FIRMS TO LOCATE AND DEVELOP THE EXISTING RESOURCES. IT IS THE EXISTENCE OF THESE RESOURCES WHICH CAN BE TRANSFORMED INTO GOODS AND SERVICES REQUIRED OUTSIDE OF OR WITHIN THE REGION THAT PROVIDE A NUMBER OF OPPORTUNITIES IN ALL SECTORS OF THE ECONOMY.

RENEWABLE RESOURCES

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HUNTING FOR DOMESTIC USE IS STILL AN IMPORTANT SOURCE OF ~~ECONOMIC SATISFACTION~~ IN ALL COMMUNITIES OF THE REGION. DOLLAR VALUES FOR THE MEAT PROCURED CAN BE ESTIMATED ON CARIBOU, MUSK-OX AND SMALL GAME, ACCORDING TO THE SEASON. THE COMMERCIAL TRADE AS WELL AS OPPORTUNITIES FOR VALUE ADDED PROCESSING FOR BOTH IMPORT SUBSTITUTION AND EXPORT. THE RECENT SUCCESS OF THE COUNTRY FOOD OUTLET IN CAMBRIDGE BAY HAS PROVIDED FOR EXPANSION.

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THE COMMERCIAL FISHERY, WITH A PROCESSING PLANT LOCATED IN CAMBRIDGE BAY IS A SMALL BUT IMPORTANT PART OF THE ECONOMY. THE FRESHWATER FISH MARKETING CORPORATION, A FEDERAL CROWN AGENCY, MARKETS THE PRODUCT. THE PRESENT HARVEST OF ARCTIC CHAR IS 50% BELOW THE AVAILABLE QUOTA. VALUE ADDED PROCESSING SHOULD INCREASINGLY RESULT IN THE SAME BENEFIT THAT ARE BEING REALIZED FROM COUNTRY MEATS. THE FEASIBILITY OF A CHAR CANNERY OPERATION IN CAMBRIDGE BAY IS PRESENTLY BEING CONSIDERED.

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COMMERCIAL SEALSKIN PRODUCTION, HAD TRADITIONALLY BEEN AN IMPORTANT SOURCE OF CASH INCOME IN SEVERAL OF THE REGION'S COMMUNITIES. THE KITIKMEOT REGION WAS ONE OF THE MOST ADVERSELY AFFECTED AREAS BY THE EUROPEAN BAN ON THE IMPORTATION OF SEALSKINS. THE NEAR TOTAL

COLLAPSE OF THE ARCTIC SEALING INDUSTRY COMBINED WITH THE HISTORICALLY INCONSEQUENTIAL COMMERCIAL FUR HARVEST HAVE FORCED MOST INUIT HUNTERS AND THEIR FACILITIES TO LEAVE THE LAND FOR AN UNCERTAIN FUTURE IN COMMUNITIES WITH LITTLE WAGE EMPLOYMENT.

THE DEVELOPMENT OF AN EFFICIENT INFRASTRUCTURE TO NURTURE AND DEVELOP BOTH IMPORT SUBSTITUTION AND EXPORT MARKETS IN THE RENEWABLE RESOURCES SECTOR WILL PROVIDE NEW OPPORTUNITIES FOR EMPLOYMENT AND INCOME CREATION. A MUCH MORE EFFICIENT USE OF THE PRIMARY HARVEST WILL BE MANDATORY TO TRANSFORM THE ABUNDANT RESOURCES INTO GOODS AND SERVICES REQUIRED BOTH OUTSIDE OF AND WITHIN THE REGION.

ARTS & CRAFTS

THE ARTS & CRAFTS INDUSTRY IS NOT NORMALLY REGARDED AS SIGNIFICANT ECONOMIC FACTOR IN THE REGION. HOWEVER, BECAUSE OF THE DECLINE IN THE DOLLAR VALUE OF TRADITIONAL RESOURCE HARVESTING ACTIVITIES, PEOPLE OF THE KITIKMEOT WERE ENCOURAGED TO BECOME ARTISTS. THEY WERE SO SUCCESSFUL THAT THE REGION'S ARTS AND CRAFTS INDUSTRY, WITH ANNUAL SALES APPROACHING \$2 MILLION, NOW DISTRIBUTES A GREATER AMOUNT OF INCOME MORE WIDELY THAN ANY OTHER ECONOMIC ACTIVITY. IT HAS THE POTENTIAL TO EARN \$4 MILLION FOR THE REGION. TO ACHIEVE THIS TYPE OF GROWTH THE INDUSTRY MUST FIND WAYS TO DEVELOP A MORE ORGANIZED MARKETING STRATEGY, TO DEVELOP AND TRANSFER SKILLS, AND TO DEVELOP MARKETABLE NEW PRODUCTS.

THERE IS A WORLD WIDE DEMAND FOR ARTS AND CRAFTS PRODUCTS AND KITIKMEOT ART IS RECOGNIZED AS HIGH QUALITY AND VERY MARKETABLE. HOWEVER, THE INDUSTRY MUST FIND CAPABLE PEOPLE COMMITTED TO ITS LONG TERM WELL BEING IF IT IS TO FIND MEANS OF ACHIEVING IT'S POTENTIAL. THE FUTURE OF THE INDUSTRY DEPENDS ON KNOWLEDGEABLE PEOPLE COMMITTED TO MORE EFFICIENT PRODUCTION AND MARKETING METHODS AND THE DEVELOPMENT OF YOUNG ARTISTS.

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TOURISM

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THE DEVELOPMENT OF THE TOURISM INDUSTRY AND PARTICULARLY THE EMERGENCE OF ON-GOING MARKETING AND QUALITY SERVICE AND PRODUCT DEVELOPMENT IS IN FORMATIVE STAGES IN THE ARCTIC COAST REGION. TOURISM IS RELATIVELY UNKNOWN TO THE PEOPLE OF THE KITIKMEOT REGION. THERE ARE ONLY A FEW INDIVIDUALS WHO HAVE AN UNDERSTANDING OF THE BASICS OF THE INDUSTRY AND HAVE HAD MUCH CONTACT WITH OTHER COMPONENTS OF THE TRADE. THE INTENSIVE TOURISM MARKETING AND PROMOTION WORK UNDERTAKEN BY THE GNWT IN THE LAST FEW YEARS HAS OPENED THE DOORS FOR TOURISM TO BECOME A MAJOR SOURCE OF EXPORT REVENUE FOR THE KITIKMEOT REGION.

THE ARCTIC COAST PROVIDES ONE OF THE MOST DISTINCTIVE AND MEMORABLE LANDSCAPES IN THE WORLD. ITS WILDERNESS BEAUTY PROVIDES AN EXOTIC DESTINATION TO TOURISTS SEEKING AN ORIGINAL TRAVEL EXPERIENCE. ALL INCLUSIVE BIG GAME OUTFITTING AND/OR SPORT FISHING SERVICES ARE PRESENTLY AVAILABLE; PACKAGED THROUGH WHOLESALERS IN YELLOWKNIFE AND TORONTO AND DELIVERED THROUGH E.T.A.'S AND SEVERAL PRIVATE ENTREPRENEURS. THE PACKAGING OF COMMUNITY TOURS, HIKING, CANOEING, AND NATURE TOURS HAS A GREAT DEAL OF POTENTIAL BUT IS UNDERDEVELOPED AT THIS TIME. FACILITIES AND ATTRACTIONS ARE BEING DEVELOPED TO REFLECT CULTURAL AND HISTORICAL THEMES AND ADD TO THE ACTIVITIES TOURISTS CAN TAKE PART IN DURING THEIR VISIT TO THE KITIKMEOT REGION.

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THE RELATIVELY RECENT AWARENESS BY PEOPLE IN THE REGION, OF TOURISM POTENTIAL IN JOB CREATION AND INCOME GENERATION HAS CREATED MUCH INTEREST IN NEW DEVELOPMENT OPPORTUNITIES. NEW REGIONAL INITIATIVES ARE PRESENTLY IN THE PLANNING STAGE TO DIVERSIFY THE ECONOMIC BASE OF THE ARCTIC COAST'S INDUSTRY AND PARTICULARLY TO PROVIDE OPPORTUNITIES FOR THE PRIVATE SECTOR TO CONTRIBUTE TO THE TRAVEL INDUSTRY. ONE OF THE KEY INGREDIENTS IN DEVELOPING NEW OPPORTUNITIES WILL BE TO DEVELOP A VARIETY OF QUALITY CONSUMABLE AND SALEABLE TOURISM PRODUCTS AND SERVICES AND DEVELOP MORE VISITOR ATTRACTIONS.

SMALL BUSINESS

OWNER OPERATED SMALL BUSINESS ARE ONLY marginally INVOLVED IN THE CONSUMER SERVICE INDUSTRY IN THE KITIKMEOT REGION. THERE ARE A LIMITED NUMBER OF OPPORTUNITIES IN MOST COMMUNITIES IN THE REGION. CAMBRIDGE BAY AND COPPERMINE HAVE MORE DEVELOPED BUSINESS INFRASTRUCTURE BECAUSE OF THEIR SIGNIFICANCE AS ADMINISTRATIVE CENTERS FOR THE REGION. IN THE KITIKMEOT COOPERATIVES DOMINATE THE CONSUMER SERVICE INDUSTRY SERVING MEMBER-OWNERS WITH ESSENTIAL SERVICES AND RESPONDING TO THE NEEDS OF LOCAL PEOPLE. IN ADDITION TO MERCHANDISING FOOD, DRY GOODS, AND HARDWARE CO-OPS IN THE REGION HANDLE SOME SERVICE CONTRACTS SUCH AS TAXI SERVICE^{and} FREIGHT HAULING. ADDITIONALLY, THE CO-OPS ARE THE DOMINANT PLAYER IN THE ART AND CRAFTS INDUSTRY AS WELL AS EXPANDING INTO THE TOURIST INDUSTRY (HOTELS).

ANY MEANINGFUL FUTURE DEVELOPMENT OF THE REGIONAL ECONOMY WILL REQUIRE PERSISTENT EFFORTS TO DIVERSIFY THE WOEFULLY INADEQUATE ECONOMIC BASE OF THE REGION. INCREASED PARTICIPATION AND INVOLVEMENT OF THE PRIVATE SECTOR IS REQUIRED AS IS A HIGHER PARTICIPATION OF INUIT IN THE REGIONAL ECONOMY.

CONSTRUCTION

THE CONTINUED GROWTH OF GOVERNMENT IS THE MAJOR IMPETUS FOR GROWTH IN THE CONSTRUCTION INDUSTRY IN THE REGION. CONSTRUCTION CONTRACTS ARE TENDERED, FOR THE MOST PART, ON THE BASIS OF LOCAL INVOLVEMENT. THE LEVEL OF LOCAL INVOLVEMENT COULD BE INCREASED FURTHER BY BREAKING LARGE CONSTRUCTION PROJECTS INTO SMALLER COMPONENTS. IN THIS MANNER THE PROBLEMS OF HEAVY FRONT END FINANCING AND BONDING REQUIREMENTS WOULD BE EASED, THEREBY FACILITATING GREATER PARTICIPATION. THE CONSTRUCTION INDUSTRY CONTINUES TO CREATE MANY JOBS EACH YEAR ON A SEASONAL BASIS BUT IT IS STILL HIGHLY DEPENDENT ON IMPORTED SOUTHERN LABOR. TRAINING PROGRAMS MUST BE LINKED MORE CLOSELY TO THE NEEDS OF THE LABOR MARKET.

THE INCREASED DEMAND FOR HOUSING AND OFFICE ACCOMMODATION SHOULD BE COMPLEMENTED TO SOME DEGREE BY AN EXPECTED INCREASE IN DEMAND FOR PUBLIC INFRASTRUCTURE AND FACILITIES TO MEET THE MARKET EXPECTATIONS OF A GROWING TOURISM INDUSTRY. THE IDENTIFICATION AND DEVELOPMENT OF NEW COMMUNITY BASED ATTRACTIONS AND GENERAL TOURISM OPPORTUNITIES WILL HAVE SOME POSITIVE SPIN OFF FOR THE REGION'S CONSTRUCTION INDUSTRY.

MINING AND ENERGY RESOURCES

THERE ARE NO PRODUCING MINES IN THE KITIKMEOT REGION, THUS MINERAL EXPORTS ARE NIL. HOWEVER, THERE ARE A NUMBER OF GOOD MINERALIZATION SITES AND PROSPECTS IN THE REGION. NUMEROUS EXCELLENT PROSPECTS OF URANIUM, COPPER, AND GOLD MAY BE DEVELOPED IN THE FUTURE. A PRODUCING MINE LOCATED OUTSIDE OF THE REGION PROVIDES SIGNIFICANT EMPLOYMENT BENEFITS FOR RESIDENTS OF COPPERMINE.

CURRENTLY MOST OF THE ELECTRICITY SUPPLIES TO THE SMALL SETTLEMENTS IN THE REGION IS GENERATED THERMALLY USING IMPORTED PETROLEUM PRODUCTS. NON-CONVENTIONAL HYDROELECTRIC DEVELOPMENT COULD, IN THE FUTURE, PROVIDE THE OPPORTUNITY TO DECREASE THE DEPENDENCY ON IMPORTED PETROLEUM AND MAYBE EVEN PROVIDE AN IMPORTANT EXPORT BASE. SOME ELECTRICITY IS ALREADY GENERATED AT CAMBRIDGE BAY THROUGH AN EXPERIMENTAL HORIZONTAL WIND TURBINE. IT IS LIKELY THAT WIND ENERGY IS THE MOST PROMISING OF THE NON-CONVENTIONAL ENERGY RESOURCES.

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III. CONSTRAINTS

THERE ARE A NUMBER OF ECONOMIC AND SOCIAL CONSTRAINTS TO ECONOMIC DEVELOPMENT IN THE KITIKMEOT REGION. THE SOCIAL CONSTRAINTS ARE OF CRITICAL CONCERN AND WILL BE ADDRESSED AS A SEPARATE ISSUE. IN THE SLOWLY DEVELOPING ECONOMY OF THE REGION, NEW BUSINESSES NEED ACCESS TO CAPITAL AND RELATED FINANCIAL AND TECHNICAL HELP TO GET STARTED. HEREIN LIES A MAJOR OBSTACLE TO REAL ECONOMIC GROWTH WITH A MAXIMUM PARTICIPATION OF KITIKMEOT RESIDENTS; PARTICULARLY THE MAJORITY NATIVE POPULATION. IN DEVELOPING A SOUND AND HEALTHY ECONOMIC FOUNDATION, NATIVE PEOPLE MUST HAVE SOME MEANS TO ACCESS THE REQUIRED RESOURCES TO BE FULL PARTNERS IN THE ECONOMY. THE MOST IMPORTANT RESOURCE THE KITIKMEOT HAS TO OFFER IS ITS PEOPLE. GOVERNMENT MUST WORK DILIGENTLY WITH THE REGION TO ENSURE THAT RESIDENTS HAVE ACCESS TO THE VERY LIMITED INCOME AND EMPLOYMENT OPPORTUNITIES THAT ARE AVAILABLE.

EQUITY

THE REQUIRED EQUITY BASE TO ACCESS THE WIDE VARIETY OF TERRITORIAL AND FEDERAL FUNDING PROGRAMS IS ALMOST NON-EXISTENT. CONSEQUENTLY, AD HOC, PATCHWORK EFFORTS BY PERSPECTIVE ENTREPRENEURS TO MEET EQUITY REQUIREMENTS OFTEN FOSTER A POOR CLIMATE IN WHICH TO INITIATE A BUSINESS. ADDITIONALLY, THE SUBSTITUTION OF SWEAT EQUITY, OFTEN LEAVES A NEW BUSINESS SHORT OF WORKING CAPITAL. A LACK OF CAPITAL FORMATION AND CONSUMER SAVINGS RESTRICT THE AVAILABILITY OF EQUITY FUNDS. IN REALITY THERE IS, FOR THE MOST PART, INSUFFICIENT NET DISPOSABLE INCOME TO SAVE.

*See page 10
for more information
on the equity issue*

DEBT FINANCING

DEBT FINANCING IS EXTREMELY DIFFICULT TO ARRANGE BECAUSE OF THE NOTED LACK OF EQUITY. ADDITIONALLY, THERE ARE THE INHERENT PROBLEMS OF INADEQUATE SECURITY, AND POORLY DEVELOPED MANAGEMENT AND MARKETING SKILLS. MOST OF THE RESIDENTS OF THE REGION DO NOT HAVE EXTENSIVE EXPERIENCE IN FINANCIAL MANAGEMENT. THIS SERIOUSLY LIMITS THEIR ABILITY TO INITIATE AND ORGANIZE BUSINESS. IT IS INCUMBENT ON GOVERNMENT TO WORK WITH THE PRIVATE SECTOR TO IMPROVE NORTHERN ACCESS TO FUNDING SOURCES.

ECONOMIC DEVELOPMENT AND ^{smaller} TOURISM LOAN AND CONTRIBUTION PROGRAMS HAVE BEEN VERY SUCCESSFUL IN THE LARGER POPULATED CENTERS OF THE NWT. CONVERSELY THE COMMUNITIES OF THE KITIKMEOT HAVE UTILIZED THESE PROGRAMS VERY INFREQUENTLY. THE SPECIAL CIRCUMSTANCES AND HARSH ECONOMIC REALITIES OF THE KITIKMEOT COMBINED WITH STRINGENT ELIGIBILITY CRITERIA PLACE SEVERE LIMITATIONS ON WHAT THESE FUNDING PROGRAMS CAN ACCOMPLISH FOR MOST KITIKMEOT RESIDENTS. IT IS INCUMBENT UPON GOVERNMENT TO DEVELOP A STRATEGY FOR INCREASING FLEXIBILITY OF PROGRAMS TO ENSURE A MORE PROPORTIONATE SHARE OF PROGRAM FUNDS FOR THE KITIKMEOT.

MARKETS/COSTS

THE HIGH COST OF OPERATING IN THE SMALL MARKET OF THE KITIKMEOT REGION IS DIRECTLY ATTRIBUTABLE TO THE LACK OF A DEVELOPED TRANSPORTATION INFRASTRUCTURE. THE PROBLEM OF HIGH PRICES WHICH IS LARGELY CAUSED BY HIGH FREIGHT COSTS, IS COMPOUNDED BY THE FACT THAT A SIGNIFICANT PROPORTION OF THE LABOR FORCE CONSISTS OF CIVIL SERVANTS. SINCE CIVIL SERVANTS TEND TO TRAVEL TO SOUTHERN POINTS MORE OFTEN THAN THE GENERAL NWT POPULATION, A CONSIDERABLE NUMBER OF RESIDENTS HAVE FREQUENT OPPORTUNITIES TO PURCHASE GOODS FROM THE SOUTH.

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SOCIO-ECONOMIC CIRCUMSTANCES

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ECONOMIC DEVELOPMENT IN THE KITIKMEOT HAS BEEN SERIOUSLY HAMPERED BY SOCIAL AND ADMINISTRATIVE PROBLEMS, AND THESE PROBLEMS IN TURN HAVE BEEN MADE WORSE BY THE POOR ECONOMIC CONDITIONS. COMPOUNDING THE PROBLEMS IS THE FACT THAT EDUCATION LEVELS IN THE REGION ARE VERY LOW. THE MAJORITY OF THE NATIVE POPULATION OVER 15 YEARS OF AGE HAVE NOT COMPLETED GRADE 9. AS A RESULT MANY PEOPLE IN THE COMMUNITIES HAVE NOT HAD THE OPPORTUNITY TO DEVELOP THE JOB AWARENESS, ATTITUDES, AND WORK HABITS NEEDED TO MAKE PRIVATE BUSINESS A SUCCESS. THIS SHORTCOMING IS PARTICULARLY NOTICEABLE IN THE AREA OF BUSINESS MANAGEMENT.

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THE INADEQUATE EDUCATION AND SKILL LEVELS OF A SIGNIFICANT PROPORTION OF THE KITIKMEOT POPULATION HAS AND CONTINUES TO INSTILL MORE MEANINGFUL PARTICIPATION IN THE ECONOMY BY NATIVE PEOPLE. THE REGIONAL ECONOMY IS ESSENTIALLY MADE UP OF TWO SEPARATE AND DISTINCT ECONOMIES. AVERAGE INCOMES FOR THE NON-NATIVE POPULATION ARE VERY HIGH WITH NEGLIGIBLE UNEMPLOYMENT. CONVERSELY, GOVERNMENT TRANSFER PAYMENTS AND TRADITIONAL HARVESTING ACTIVITIES DOMINATE THE ECONOMIC BASE OF THE INUIT POPULATION (85%). THERE ARE FEW PROSPECTS FOR GROWTH, AVERAGE INCOMES ARE LOW, UNEMPLOYMENT HIGH, AND SOCIAL ASSISTANCE IS A FACT OF EVERYDAY LIFE. THE CHALLENGE OF THE FUTURE IS TO FIND A MEANS OF ENSURING A MEANINGFUL PARTICIPATION IN THE REGIONAL ECONOMY BY THE NATIVE PEOPLE OF THE KITIKMEOT REGION. MEETING THE NEEDS OF THOSE RESIDENTS THAT ARE MOST DISADVANTAGED BY THE ECONOMY WILL REQUIRE INNOVATIVE USES OF PROGRAMS AND FUNDS. THE DELIVERY OF PROGRAMS THAT WILL PROVIDE BETTER LIFE SKILLS, JOB READINESS, AND TRAINING PROGRAMS, MORE CLOSELY IN TUNE WITH CURRENT AND FUTURE NEEDS OF THE ECONOMY, ARE REQUIRED FOR PEOPLE WILLING BUT UNABLE TO ENTER THE WAGE ECONOMY. DEVELOPING AND IMPLEMENTING SUCH PROGRAMS IS OF CRITICAL IMPORTANCE IF RESIDENTS OF THE KITIKMEOT ARE TO BREAK DOWN TO ECONOMIC SELF-RELIANCE.

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DEVELOPMENTS

THE MAJOR DEVELOPMENT IN THE REGION IS THE ON-GOING CONSTRUCTION OF THE NORTH WARNING SYSTEM (NWS). THROUGH A JOINT CANADA-US DEFENSE SHARING AGREEMENT, CANADA WILL BE TAKING FULL OPERATIONAL RESPONSIBILITY FOR THE SYSTEM UPON COMPLETION OF CONSTRUCTION. TWO OF ELEVEN LONG RANGE RADAR (LRR) AND EIGHT OF THIRTY SIX SHORT RANGE RADAR (SRR) SITES ARE IN THE KITIKMEOT REGION. THE EIGHT SRR STATIONS IN THE REGION ARE BEING BUILT BY CANADIAN CONTRACTORS, RESULTING IN A SUBSTANTIAL DEMAND FOR GOODS AND SERVICES. THE DOLLAR VALUE (APPROXIMATELY \$420,000 IN EMPLOYMENT INCOME) OF EMPLOYMENT OPPORTUNITIES AND BENEFITS TO THE REGION'S PEOPLE AND BUSINESSES FELL SUBSTANTIALLY SHORT OF OPTIMUM BUT STILL HAD A SIGNIFICANT IMPACT IN THE 1989 CONSTRUCTION SEASON.

CONSTRUCTION OF EACH OF THE REMAINING SRR'S WILL REQUIRE AN ESTIMATED CREW OF 24 DURING THE 1990 AND 1991 CONSTRUCTION SEASONS. EACH ~~SRR~~^{SITE} IS COSTING APPROXIMATELY \$8 MILLION FOR MATERIALS AND LABOR. THE PRIMARY CONTRACTORS HAVE SUB-CONTRACTED SMALL PORTIONS OF THE WORK TO SMALLER NORTHERN FIRMS. UNFORTUNATELY, THE MAJORITY OF THIS WORK HAS GONE TO NWT BUSINESSES LOCATED OUTSIDE OF THE REGION.

EDMONTON BASED FRONTEC HAS BEEN AWARDED THE O&M CONTRACT FOR THE NWS. THERE WILL BE APPROXIMATELY 26 JOBS AT THE LRR'S AND SRR'S IN THE REGION AND IT IS REASONABLE TO ASSUME THAT SOME OF THESE JOBS WILL GO TO QUALIFIED RESIDENTS. FOR KITIKMEOT RESIDENTS TO BE ELIGIBLE FOR POTENTIAL NWS EMPLOYMENT, THEY WILL HAVE TO DEMONSTRATE THE NECESSARY MINIMUM QUALIFICATIONS. ADDITIONALLY, FRONTEC HAS COMMITTED THEMSELVES TO DEVELOPING SUPPORT PROGRAMS TO SMALL NORTHERN BUSINESSES. POTENTIAL OPPORTUNITIES FOR EQUITY PARTICIPATION AND JOINT VENTURE AGREEMENT SHOULD BE FULLY EXPLORED AND INVESTIGATED.

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RECOGNIZING THAT TOURISM OFFERS THE GREATEST GROWTH FACTOR IN THE LONG TERM, REGIONAL INITIATIVES WILL CONCENTRATE ON OVERCOMING THE MAJOR OBSTACLES TO DEVELOPMENT. KEY INITIATIVES WILL CENTER ON IMPROVEMENTS TO BASIC TOURISM INFRASTRUCTURE AND THE DEVELOPMENT AND DELIVERY OF NEW CONSUMABLE TOURISM PRODUCTS AND SERVICES. LOCAL GOVERNMENTS MUST WORK CLOSELY WITH THE GNWT TO DEVELOP A STRATEGY FOR IMPROVING MANAGEMENT, HOSPITALITY AND MARKETING SKILLS.

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NOW THAT THE REGION HAS STAFFED A FULL TIME ARTS & CRAFTS OFFICER MUCH MORE ATTENTION WILL BE GIVEN TO THE ARTS AND CRAFTS SECTOR. THE THRUST WILL BE ON FUNDING NEW WAYS TO DEVELOP THE INDUSTRY AND HELP IT TO TAKE BETTER ADVANTAGE OF BOTH SOUTHERN AND NORTHERN MARKET OPPORTUNITIES. NEW PRODUCT DEVELOPMENT, DEVELOPING AND TRANSFERRING SKILLS, AND THE DEVELOPMENT OF A MORE ORGANIZED AND SYSTEMATIC MARKETING PLAN ARE THE MAJOR ISSUES THAT NEED TO BE ADDRESSED.

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IN THE RENEWABLE RESOURCE SECTOR, REGIONAL AND COMMUNITY INITIATIVES WILL CONCENTRATE ON ENCOURAGING INCREASED PUBLIC SECTOR SUPPORT AND SUBSIDIES FOR OPPORTUNITIES THAT HAVE THE POTENTIAL TO INCREASE EXPORTS, DECREASE IMPORTS, AND CREATE EMPLOYMENT. RECOGNITION OF THE LEGITIMACY OF THE DOMESTIC ECONOMY AND CONTINUED SUPPORT FOR IT WILL CONTINUE TO BE OF CRITICAL IMPORTANCE TO DEVELOPMENT INITIATIVES IN THE RENEWABLE RESOURCE SECTOR.

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IV. ATTITUDES

THE KITIKMEOT'S BUSINESS COMMUNITY IS LACKING, SOMEWHAT, IN OPTIMISM AND AGGRESSIVENESS. THE BUSINESS COMMUNITY ENCOURAGES AND SOMETIMES DEMANDS THAT GOVERNMENT TAKE THE LEAD IN PROVIDING ADVICE, FINANCIAL ASSISTANCE AND DIRECTION. NOT NEARLY OFTEN

ENOUGH ARE INITIATIVES PUT FORTH BY THE BUSINESS COMMUNITY WHICH FOR THE MOST PART WAITS ON GOVERNMENT TO TAKE THE LEAD ROLE IN DEVELOPING ECONOMIC OPPORTUNITIES. A MORE CONFIDENT AND AGGRESSIVE ATTITUDE WOULD BE BENEFICIAL IN BUILDING A STRONGER ECONOMIC FOUNDATION AND FOSTERING A HEALTHIER BUSINESS CLIMATE. MORE TIMELY AND INTENSIVE RESPONSES TO ANY NEW INITIATIVES WHICH ARE PRESENTED TO GOVERNMENT MIGHT ALSO HELP TO BUILD A BETTER BUSINESS ATTITUDE.

THE AFOREMENTIONED DETRIMENTS TO MEANINGFUL ECONOMIC DEVELOPMENT CAN BE PARTIALLY EXPLAINED BY THE FACT THAT THE KITIKMEOT HAS ONLY VERY RECENTLY BEEN ESTABLISHED AS A REGION ONTO ITSELF. THE ACCOMPANYING DEVELOPMENT OF INFRASTRUCTURE IS JUST NOW STIMULATING REGIONAL INTERESTS IN ECONOMIC EXPANSION. COMMUNITY AND REGIONAL STRATEGIES, PLANS, AND INITIATIVES WILL ATTEMPT TO ADDRESS THE ATTITUDINAL PROBLEM BY INCREASINGLY INVOLVING COMMUNITY MEMBERS IN THE PLANNING PROCESS AND ENCOURAGING LOCAL INITIATION OF GOALS, PROJECTS AND PRIORITIES FOR ACTION. DESPITE SOME OF THE PROBLEMS, EACH COMMUNITY IN THE REGION HAS A CORE GROUP OF PEOPLE THAT ARE COMMITTED TO DEVELOPMENT. THEY WANT TO REDUCE WELFARE, INCREASE INCOME AND JOB OPPORTUNITIES AND BUILD A STRONGER COMMUNITY.

V. SUMMARY

THE ECONOMIC DEVELOPMENT OPPORTUNITIES OF THE KITIKMEOT REGION ARE LIMITED TO SOME DEGREE BY THE REMOTENESS AND HIGH COST OF ACCESS, HOWEVER, SOME GOOD OPPORTUNITIES FOR ^{DEVELOPMENT} ~~ECONOMIC GROWTH~~ ARE AVAILABLE PARTICULARLY IN THE AREAS OF TOURISM, RENEWABLE RESOURCES, AND ARTS & CRAFTS. THERE ARE TWO MAJOR CONSTRAINTS TO DEVELOPMENT IN THE REGION; AN INADEQUATE LEVEL OF ECONOMIC RESOURCES TO ACCESS DEBT FINANCING AND LOW SKILL LEVELS AND EDUCATION WHICH SEVERELY LIMITS THE DEGREE OF LOCAL PARTICIPATION IN THE ECONOMY. THE GENERAL ATTITUDE TOWARDS THE ECONOMY IS GOOD. HOWEVER, A MORE AGGRESSIVE ATTITUDE ON THE PART OF THE BUSINESS COMMUNITY COULD STIMULATE THE ECONOMY. ADDITIONALLY, IT IS MANDATORY TO FIND WAYS AND MEANS OF INCREASING THE LOW LEVELS OF PARTICIPATION BY NATIVE PEOPLE OF THE REGION IN ALL ECONOMIC SECTORS.

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THE CONSTRAINTS TO ECONOMIC DEVELOPMENT IN THE REGION CAN BE OVERCOME BY AN INTEGRATED APPROACH TO DEVELOPMENT WEIGHING ECONOMIC, POLITICAL, SOCIAL AND CULTURAL FACTORS IN ADDRESSING THE NEEDS TO ADAPT THE AVAILABLE HUMAN RESOURCES TO THE NEEDS OF THE REGIONAL ECONOMY. THE SETTLEMENT OF LAND CLAIMS MAY CREATE THE STABILITY NEEDED FOR DEVELOPMENT AND GIVE ABORIGINAL PEOPLE THE RESOURCES TO BECOME FULL PARTNERS IN THE ECONOMY. THE ECONOMIC FUTURE IS BRIGHT FOR THOSE RESIDENTS OF THE KITIKMEOT WHO ARE WILLING TO MAKE A COMMITMENT TO ACTION IN HELPING TO BUILD A STRONGER LOCAL ECONOMY, LESS DEPENDENT ON GOVERNMENT AND MORE SELF-RELIANT.

SECTION II

BACKGROUND TO REGIONAL INITIATIVES

THE NEED FOR A REGIONAL PERSPECTIVE

DURING THE DECADE OF THE EIGHTIES THE NWT HAD ONE OF THE LEADING ECONOMIES IN CANADA AND PROSPECTS FOR THE NINETIES ARE GENERALLY POSITIVE. THIS PROSPERITY, HOWEVER, HAS LARGELY BEEN LIMITED TO THE LARGER POPULATED CENTERS IN THE NWT. SOME OF THESE COMMUNITIES ALREADY HAD A STRONG AND HEALTHY PRIVATE SECTOR. YELLOWKNIFE, IQALUIT, FORT SMITH, HAY RIVER, INUVIK AND RANKIN INLET ARE EXAMPLES OF COMMUNITIES CHARACTERIZED BY RAPID ECONOMIC GROWTH AND THEY ARE ALSO THE COMMUNITIES WHERE ED&T PROGRAMS HAVE BEEN THE MOST SUCCESSFUL. INDEED, THESE COMMUNITIES ARE RESPONSIBLE FOR MOST OF THE SUCCESS ED&T PROGRAMS HAVE HAD IN STIMULATING BUSINESS GROWTH ACROSS THE NWT.

BY COMPARISON BUSINESS DEVELOPMENT AND GENERAL ECONOMIC GROWTH HAS BEEN LETHARGIC IN THE KITIKMEOT AT A TIME WHEN THE RAPID TRANSITION OF INUIT SOCIETY IS MAKING INCREASED DEMANDS ON THE LOCAL AND REGIONAL ECONOMIES. THE COMMUNITIES OF THE KITIKMEOT ARE CHARACTERIZED BY MODERATE TO SEVERE STRUCTURAL PROBLEMS AND A GENERALLY POOR BUSINESS ENVIRONMENT. THE SPECIAL CIRCUMSTANCES AND HARSH ECONOMIC REALITIES OF THE KITIKMEOT COMBINED WITH STRINGENT PROGRAM ELIGIBILITY CRITERIA COMPOUND THE PROBLEM BY PLACING SEVERE LIMITATIONS ON WHAT ECONOMIC DEVELOPMENT AND TOURISM PROGRAMS CAN ACCOMPLISH.

THE "SPECIAL COMMITTEE ON THE NORTHERN ECONOMY" WAS EMPHATIC IN THEIR ILLUSTRATIONS OF THE SEVERITY OF THE PROBLEMS. THE GAP BETWEEN THE STANDARD OF LIVING IN LARGER POPULATED CENTERS AND COMMUNITIES SUCH AS THOSE IN THE KITIKMEOT IS WIDENING AT AN ALARMING PACE. THERE IS A NEED TO COMPARE AND UNDERSTAND THE DIFFERENCES BETWEEN THESE COMMUNITIES. THERE IS ALSO A NEED FOR REGIONALLY BASED STRATEGIES AND INITIATIVES WHICH TAKE INTO ACCOUNT THE SPECIAL CIRCUMSTANCES OF THE KITIKMEOT. THE REGIONAL SECTORAL

STRATEGIES CONTAINED HEREIN ATTEMPT TO LINK UPWARDS TO THE NWT ECONOMIC STRATEGY AS WELL AS DOWNWARD TO THE COMMUNITY BASED PLANNING INITIATIVES. THEY ARE INTENDED TO BE COMPLEMENTARY TO SENIOR AND MUNICIPAL GOVERNMENT INITIATIVES RATHER THAN OVERLAPPING OR REPLACING THOSE EFFORTS.

COMPARATIVE ECONOMIC CHARACTERISTICS

THE COMMUNITIES OF THE NWT WITH HEALTHY ECONOMIES AND HIGH DEGREES OF UTILIZATION OF ED&T PROGRAMS HAVE SIMILAR TRAITS AND CHARACTERISTICS:

1. RELATIVELY LARGE POPULATIONS
2. HIGH DISPOSABLE INCOMES
3. RELATIVELY LARGE MARKET SIZES
4. HIGHLY EDUCATED AND SKILLED LABOR FORCE
5. RELIABLE AND RELATIVELY INEXPENSIVE TRANSPORTATION
6. VERY SIGNIFICANT GOVERNMENT PRESENCE
7. DEVELOPED BUSINESS INFRASTRUCTURE
8. DEVELOPED COMMUNICATIONS INFRASTRUCTURE

THE KITIKMEOT

THE COMMUNITIES OF THE KITIKMEOT HAVE NUMEROUS STRUCTURAL PROBLEMS AND A GENERALLY POOR AWARENESS AND BUSINESS CLIMATE. SOME OF THE NOTEWORTHY CHARACTERISTICS OF COMMUNITIES IN THE KITIKMEOT ARE AS FOLLOWS:

1. SMALL POPULATIONS
2. LOW EDUCATION AND SKILLS LEVELS
3. SMALL DOMESTIC (LOCAL) MARKETS
4. REMOTENESS AND HIGH COST OF ACCESS TO EXPORT MARKETS
5. HIGH TRANSPORTATION COSTS
6. WOEFULLY INADEQUATE ECONOMIC BASE
7. ABSENCE OF BASIC BUSINESS SUPPORT SERVICES

THESE CONSTRAINING FACTORS HAVE PRESENTED SIGNIFICANT OBSTACLES TO DEVELOPMENT AND THEIR EXISTENCE HAS IMPOSED SEVERE LIMITATIONS ON THE EFFECTIVENESS AND ACCOMPLISHMENTS OF ECONOMIC DEVELOPMENT AND TOURISM PROGRAMMING.

CURRENT ECONOMIC DEVELOPMENT AND TOURISM PROGRAMMING

IN RECENT YEARS THE PRIMARY DEPARTMENTAL GOALS HAS BEEN TO CREATE INCOME AND EMPLOYMENT OPPORTUNITIES THROUGH INCREASED PRIVATE SECTOR DEVELOPMENT. POLICY AND PROGRAM GUIDELINES HAVE BEEN DEVELOPED ON THE PRINCIPLE THAT THE PRIVATE SECTOR SHOULD TAKE THE LEAD IN DEVELOPING THE NORTHERN ECONOMY. AS A RESULT ALMOST ALL ED&T PROGRAMS ARE DESIGNED TO CREATE AND SUPPORT SMALL BUSINESSES. A CLOSE EXAMINATION OF THE BASIC ELIGIBILITY CRITERIA GIVES CLEAR INDICATION OF THE FUNDAMENTAL REASONS FOR LOW UTILIZATION OF ECONOMIC DEVELOPMENT AND TOURISM PROGRAMS BY KITIKMEOT RESIDENTS.

ELIGIBILITY CRITERIA

1. VIABILITY

APPLICANTS TO ED&T PROGRAMS MUST DEMONSTRATE THAT THEIR PROPOSED BUSINESSES WILL BE PROFITABLE AND SELF-SUSTAINING WITHIN A VERY SHORT TIME FRAME. THE STRUCTURAL PROBLEMS (OUTLINED EARLIER) OF THE KITIKMEOT ECONOMY MOST OFTEN HAVE A DETRIMENTAL EFFECT ON VIABILITY AND OUR SMALL COMMUNITIES ARE SELDOM ABLE TO MEET THIS CRITERIA.

2. EQUITY

NEARLY ALL ED&T PROGRAMS REQUIRE 10-20% EQUITY FROM THE APPLICANT. THIS MAY BE A GOOD MEANS OF IDENTIFYING ENTREPRENEURS IN LARGE POPULATION CENTERS. OBVIOUSLY, MEETING EQUITY REQUIREMENTS GIVES SOME INDICATION OF MOTIVATION AND COMMITMENT ON THE PART OF APPLICANTS TO DEVELOP SUCCESSFUL BUSINESS VENTURES. ADDITIONALLY, THE EQUITY REQUIREMENT ADDRESSES THE ACCOUNTABILITY FACTOR IN THE DISPENSING OF PUBLIC FUNDS. CLEARLY, THEN, THE EQUITY CRITERIA MAKES GOOD BUSINESS SENSE. HOWEVER, THIS SAME REQUIREMENT PRESENTS A MAJOR DILEMMA FOR ASPIRING KITIKMEOT ENTREPRENEURS. THERE IS A LITTLE CAPITAL FORMATION OR SAVINGS ON THE PART OF KITIKMEOT RESIDENTS. VERY FEW INDIVIDUALS CAN MEET THE EQUITY CRITERIA PRESENTING A HUGE OBSTACLE TO PROGRAM UTILIZATION.

3. MANAGEMENT

APPLICANTS MUST DEMONSTRATE GOOD SOUND MANAGEMENT SKILLS OR AT LEAST ACCESS TO COMPETENT MANAGEMENT. THE EXTREMELY LOW BUSINESS AWARENESS IN MOST KITIKMEOT COMMUNITIES RESULTS IN A NEAR IMPOSSIBLE SITUATION FOR MOST KITIKMEOT APPLICANTS TO MEET THE MANAGEMENT REQUIREMENT. AGAIN WE HAVE A MAJOR BARRIER TO PROGRAM UTILIZATION.

4. MARKETS

EXISTING AND PROSPECTIVE BUSINESSES MUST HAVE AN IDENTIFIED AND ADEQUATE MARKET TO MAKE THAT BUSINESS PROFITABLE. OUR SMALL COMMUNITIES WITH THEIR SMALL LOCAL MARKETS ARE LIMITED IN THE KINDS AND NUMBERS OF BUSINESSES THEY CAN SUPPORT. WE NOTE THAT THE TOURISM SECTOR IS AN EXCEPTION IN TERMS OF MARKETPLACE. TOURISM PRODUCTS AND SERVICES ARE NOT CONFINED TO THESE SMALL LOCAL MARKETS BUT ARE PACKAGED AND DELIVERED TO AN EXPORT (GLOBAL) MARKET. SPORTS HUNTS AND PACKAGE TOUR OPERATIONS HAVE ACCESS TO LARGE AFFLUENT AMERICAN, EUROPEAN AND JAPANESE

MARKETS. WITH THE EXCEPTION OF SOME TOURISM RELATED BUSINESSES, HOWEVER, THE NECESSARY COMBINATION OF POPULATION SIZE AND PERSONAL DISPOSABLE INCOME DETERMINING THE LOCAL MARKET IS NOT ADEQUATE TO MEET THE BASIC MARKET CRITERIA OF FUNDING PROGRAMS.

EFFECT OF CRITERIA ON KITIKMEOT ACCESS TO PROGRAMS

THE VIABILITY, EQUITY, MANAGEMENT AND MARKET CRITERIA ALL MAKE SOUND BUSINESS SENSE. HOWEVER, TO BE SERIOUS ABOUT DEVELOPMENT IN THE KITIKMEOT WE MUST ADDRESS THE FACT THAT THESE CRITERIA IMPOSE SERIOUS LIMITATIONS ON THE APPLICABILITY OF ED&T PROGRAMS FOR KITIKMEOT RESIDENTS. MOST RESIDENTS OF THE REGION WOULD HAVE A DIFFICULT TIME MEETING SOME IF NOT ALL OF THE BASIC CRITERIA.

UNDER CURRENT ED&T PROGRAMMING, SIGNIFICANT PRIVATE SECTOR GROWTH CANNOT BE A REALISTIC EXPECTATION IN THE KITIKMEOT. IN ADDITION TO PROBLEMS RELATED TO ELIGIBILITY CRITERIA, THE SMALL LOCAL MARKETS OF THE COMMUNITIES CAN ONLY SUPPORT SO MANY SELF SUSTAINING BUSINESS ENTERPRISES. STILL THERE ARE VIABLE BUSINESS OPPORTUNITIES THAT CAN AND WILL BE DEVELOPED IN THE KITIKMEOT. GRANTED MANY ARE IN THE TOURISM SECTOR BECAUSE OF THAT INDUSTRY'S INSULATION FROM SOME OF THE NOTED STRUCTURAL PROBLEMS; HOWEVER, ON-GOING CONSTRUCTION ACTIVITY AND SMALL SCALE ARTS & CRAFTS AND RENEWABLE RESOURCE ACTIVITIES PRESENT A NUMBER OF ADDITIONAL VIABLE DEVELOPMENT OPPORTUNITIES.

IN THE FINAL ANALYSIS, WE MUST CONCLUDE THAT IT IS UNREALISTIC TO PROMOTE THE CONCEPTION THAT PRIVATE SECTOR GROWTH THROUGH BUSINESS DEVELOPMENT WILL EVER SECURE ACCEPTABLE LEVELS OF LONG TERM INCOME AND EMPLOYMENT IN THE KITIKMEOT REGION. THE EXPECTED LIMITS OF PRIVATE SECTOR INITIATIVE WILL FALL FAR SHORT OF REQUIREMENTS. A NEW APPROACH INVOLVING A COMBINATION OF SMALL BUSINESS DEVELOPMENT AND VARYING DEGREES OF PUBLIC SECTOR INVESTMENTS AND SUPPORT IS DESPERATELY REQUIRED TO GET THE KITIKMEOT ECONOMY IN GEAR.

A REGIONAL PLAN OF ACTION

A PLAN OF ACTION OR STRATEGY COMPLEMENTARY TO THE GNWT STRATEGY, BUT WITH A REGIONAL ORIENTATION AND CLOSE LINKS TO COMMUNITY BASED INITIATIVES IS REQUIRED TO COORDINATE THE EFFORTS OF EACH LEVEL OF THE IMPLEMENTATION PROCESS. IN THIS REGARD THE NEXT SECTION OF THIS REPORT WILL UNDERTAKE A CLOSER EXAMINATION OF EACH SECTOR OF THE KITIKMEOT ECONOMY. THE REGIONAL STRATEGY WILL SUPPORT THE NOTION THAT THE PRIVATE SECTOR IS THE PREFERRED DEVELOPMENT OPTION. HOWEVER, IT MUST ALSO BE REALISTIC IN RECOGNIZING THAT THE GOALS OF ED&T CANNOT BE MET IN THE KITIKMEOT THROUGH EXCLUSIVE RELIANCE ON THE PRIVATE SECTOR AND THAT A NEW APPROACH INCLUDING CONTINUED SUPPORT FOR PRIVATE SECTOR GROWTH BUT INCREASED LEVELS AND KINDS OF PUBLIC SUPPORT FOR MARGINAL BUT POTENTIALLY HIGH EMPLOYMENT CREATING DEVELOPMENT OPPORTUNITIES.

WE SHALL ESTABLISH OBJECTIVES FOR EACH SECTOR AS WELL AS DEVELOPMENT PRINCIPLES TO FOLLOW. SMALL BUSINESS AND MAJOR DEVELOPMENTS IN THE KITIKMEOT WILL BE LOOKED AT IN MORE DEPTH INCLUDING IDENTIFICATION OF OPPORTUNITIES FOR GROWTH AND ANALYSIS OF MAJOR OBSTACLES TO DEVELOPMENT. THE KITIKMEOT HAS NOT SHARED PROPORTIONATELY IN THE GROWING PROSPERITY OF THE NWT ECONOMY. THIS STRATEGY ATTEMPTS TO ADDRESS THE UNDERLYING CAUSES FOR REGIONAL DISPARITIES. FURTHER IT ATTEMPTS TO ADDRESS THE FUNDAMENTAL PROBLEMS OF THE KITIKMEOT ECONOMY THAT CONTINUE TO PLACE LIMITATIONS ON DEVELOPMENT.

SECTION III

REGIONAL SECTORAL STRATEGIES

SMALL BUSINESS

SECTOR

BACKGROUND

THERE HAVE BEEN DRAMATIC INCREASES IN THE PARTICIPATION AND CONTRIBUTION OF SMALL BUSINESSES IN THE NORTHERN ECONOMY OVER THE PAST TEN YEARS. THIS GROWTH IN THE NUMBER OF SMALL BUSINESSES AND THEIR REVENUES HAS LARGELY BEEN LIMITED TO THE LARGER POPULATED CENTERS OF THE NWT. THE MAJOR CHALLENGE FOR THE KITIKMEOT IS TO FIND WAYS TO INCREASE THE CONTRIBUTION AND IMPACT OF SMALL BUSINESS DEVELOPMENT ON THE SMALL DOMESTIC ECONOMIES OF ITS COMMUNITIES. THIS REGIONAL STRATEGY AND THE ACCOMPANYING COMMUNITY INITIATIVES ATTEMPT TO OVERCOME THE CONSTRAINTS AND ADDRESS STRUCTURAL PROBLEMS WHICH HAVE LIMITED BUSINESS DEVELOPMENT IN THE PAST.

LESS THAN 1 1/2% OF THE 4000 REGISTERED BUSINESS IN THE NWT ARE LOCATED IN THE KITIKMEOT REGION. IT IS RECOGNIZED THAT SMALL BUSINESS WILL NEVER CARRY THE LOAD IN THE KITIKMEOT THAT IT DOES IN THE LARGER URBAN CENTERS. HOWEVER, THERE ARE A NUMBER OF DEVELOPMENT OPPORTUNITIES WHERE THE PRIVATE SECTOR SHOULD BE TAKING THE LEAD. THE RECOMMENDATIONS HEREIN ARE DIRECTED AT OVERCOMING THE DIFFICULTIES WHICH HAVE PREVENTED THE OPPORTUNITIES AND THE CORRESPONDING ECONOMIC BENEFITS TO KITIKMEOT RESIDENTS.

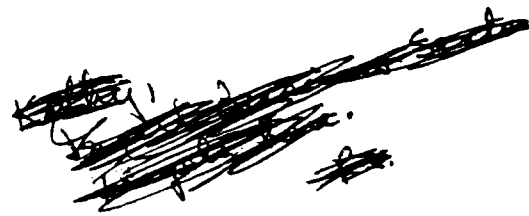
SMALL BUSINESS SECTOR OBJECTIVES

1. TO INCREASE EMPLOYMENT AND INCOME OPPORTUNITIES FOR KITIKMEOT RESIDENTS THROUGH BUSINESS DEVELOPMENT.
2. TO DEVELOP AND EXPAND STRONG LOCAL ECONOMIES THAT ARE LESS DEPENDANT ON GOVERNMENT AND MORE SELF RELIANT IN THE GOODS AND SERVICES CONSUMED.
3. TO INCREASE THE PRODUCTION AND/OR SALE OF KITIKMEOT GOODS AND SERVICES TO EXPORT MARKETS.

4. TO INCREASE INTER-DEPARTMENTAL COOPERATION AND COORDINATION IN THE DEVELOPMENT OF A PUBLIC AND BUSINESS INFRASTRUCTURE WHICH ENHANCES LOCAL BUSINESS DEVELOPMENT.

DEVELOPMENT PRINCIPLES

- * A BUSINESS DEVELOPMENT STRATEGY THAT TAKES INTO ACCOUNT THE SPECIAL CIRCUMSTANCES AND HARSH ECONOMIC REALITIES OF THE KITIKMEOT IS REQUIRED. THE KITIKMEOT DOES NOT FIT THE ECONOMIC MOULD OF OTHER REGIONS OF THE NWT AND FUTURE DEVELOPMENT SHOULD CAPITALIZE ON SOME OF THINGS THAT MAKE IT DIFFERENT OR UNIQUE.
- * PRIVATE SECTOR DEVELOPMENT SHOULD BE COMMUNITY BASED ALLOWING LOCAL PEOPLE AND THE COMMUNITY TO HAVE INVOLVEMENT IN ALL BUSINESS OPPORTUNITIES. MEMBERS OF THE LOCAL COMMUNITY MUST HAVE THE DOMINANT ROLE IN DETERMINING WHETHER AND HOW BUSINESS DEVELOPMENT SHOULD OCCUR.
- * SPECIAL CONSIDERATION SHOULD BE GIVEN TO THE UNIQUE NEEDS OF SMALL BUSINESSES OPERATING IN THE LIMITED DOMESTIC MARKETS OF KITIKMEOT COMMUNITIES.
- * SPECIAL CONSIDERATION, IN TERMS OF THE LEVEL AND NATURE OF PUBLIC SUPPORT, SHOULD BE GIVEN TO BUSINESS OPPORTUNITIES WITH IDENTIFIED POTENTIAL TO UTILIZE LOCAL LABOR AND RESOURCES AND/OR DEVELOP EXPORT MARKETS.
- * COMMUNITY AWARENESS AND PERSONAL DEVELOPMENT ARE FUNDAMENTAL BUILDING BLOCKS FOR FUTURE BUSINESS DEVELOPMENT. LOCAL RESIDENTS MUST GAIN A BETTER UNDERSTANDING OF LOCAL AND REGIONAL ECONOMIC ISSUES AND HAVE A DIRECT SAY IN ANY STRATEGY DESIGNED TO ADDRESS THEM.

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- * PRIVATE SECTOR GROWTH IS THE PREFERRED DEVELOPMENT OPTION. INCREASED PUBLIC SECTOR SUPPORTS AND DIRECT INVESTMENTS IF NECESSARY SHOULD BE CONSIDERED FOR GOOD DEVELOPMENT OPPORTUNITIES THAT CANNOT OR WILL NOT BE DEVELOPED BY THE PRIVATE SECTOR.

1. STRENGTHS AND OPPORTUNITIES

- * OWNER OPERATED SMALL BUSINESSES ARE ONLY MARGINALLY INVOLVED IN THE KITIKMEOT ECONOMY. HOWEVER, THERE ARE A LIMITED NUMBER OF OPPORTUNITIES IN MOST COMMUNITIES IN THE REGION. CAMBRIDGE BAY HAS THE MOST DEVELOPED BUSINESS INFRASTRUCTURE BECAUSE OF ITS SIGNIFICANCE AS THE ADMINISTRATIVE CENTER FOR THE REGION.
- * THE LARGE FEDERAL, TERRITORIAL AND MUNICIPAL PAYROLLS CONTRIBUTE GREATLY TO THE ECONOMIC BASE OF KITIKMEOT COMMUNITIES. THE LACK OF BASIC BUSINESS SERVICES TO TAKE ADVANTAGE OF THIS ECONOMIC BASE PRESENTS A NUMBER OF ENTREPRENEURIAL OPPORTUNITIES TO BE EXPLORED. SOME OF THESE OPPORTUNITIES ARE IN AREAS SUCH AS TRAVEL TOUR OPERATOR, FOOD SERVICE/CATERING, SOUVENIR SHOPS, PERSONAL GROOMING, INSURANCE/LEGAL, ELECTRONIC AND SMALL MOTOR REPAIR.
- * LARGE AND HIGHLY SKILLED WORK FORCE IS NOT NECESSARILY ONE OF THE CRITERIA FOR THE DEVELOPMENT OF MANY OF THE MOST OBVIOUS OPPORTUNITIES. FOR INSTANCE, A TAXI, ARCADE OR HAIR GROOMING BUSINESS REQUIRES ONLY ONE OR TWO PEOPLE AND A LIMITED AMOUNT OF SPECIALIZED TRAINING.

- * GOVERNMENT OF THE NORTHWEST TERRITORIES IS COMING TO GRIPS WITH AND RECOGNIZES THAT THE DEVELOPMENT OF THE ECONOMY IS CRITICAL TO THE FUTURE OF THE NWT AND ITS RESIDENTS. IT IS OF PARTICULAR INTEREST THAT THE CURRENT FOCUS OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM IS ON THE DEVELOPMENT OF SMALLER NWT COMMUNITIES. IT IS LIKELY THAT PLANNED NEW APPROACHES WILL RESULT IN MORE FLEXIBLE PROGRAMS AND EASIER ACCESS TO FUNDING PROGRAMS FOR KITIKMEOT RESIDENTS.

- * THE KITIKMEOT ECONOMY HAS REMAINED VIRTUALLY UNAFFECTED BY RECENT CYCLICAL EVENTS. THE DOWNTURN AND SETBACKS IN OIL AND GAS EXPLORATION AND THE MINING INDUSTRY WHICH HAD A SEVERE NEGATIVE IMPACT ON MANY NWT COMMUNITIES HAS HAD NO SIMILAR CONSEQUENCES FOR THE SMALL COMMUNITIES OF THE KITIKMEOT.

- * UNEMPLOYMENT RATES WHICH REACH 50% OR MORE IN SOME KITIKMEOT COMMUNITIES CAN NO LONGER BE DISMISSED AS AN INUIT PREFERENCE FOR TRADITIONAL, NON-WAGE PURSUITS. HUNTING, FISHING AND TRAPPING AS A FULL TIME OCCUPATION, EVEN WHEN POSSIBLE, IS NO LONGER PREFERRED BY MOST INUIT YOUNG PEOPLE - WHO ARE FAST COMPRISING THE MAJORITY OF THE POPULATION - IF ONLY BECAUSE THEY CANNOT EARN SUFFICIENT INCOME TO PURCHASE THE MATERIAL GOOD THAT THE MODERN ECONOMY PROVIDES. DESPITE THE MANY PROBLEMS, EACH COMMUNITY IN THE REGION HAS A CORE OF PEOPLE WHO ARE COMITES TO DEVELOPMENT. THEY WANT TO REDUCE SOCIAL ASSISTANCE, INCREASE JOB AND INCOME OPPORTUNITIES, AND GENERALLY EXPAND THEIR PARTICIPATION IN THE ECONOMY. THIS POSITIVE ATTITUDE WILL BE A BIG PLUS AS THE AVAILABLE HUMAN RESOURCES ADAPT TO THE NEEDS OF THE REGIONAL ECONOMY AND SHOULD LEAD TO A MORE CONCENTRATED PUSH FOR ACCESS TO THE REQUIRED RESOURCES FOR THE INUIT PEOPLE TO BECOME MORE EQUAL PARTNERS IN THE KITIKMEOT ECONOMY.

2. DEVELOPMENT CONSTRAINTS

- * LOW EDUCATION AND SKILL LEVELS OF A SIGNIFICANT PROPORTION OF THE KITIKMEOT POPULATION. THE MAJORITY OF THE INUIT POPULATION OVER 15 YEARS OF AGE HAS NOT COMPLETED GRADE 9. AS A RESULT MANY PEOPLE IN THE COMMUNITIES HAVE NOT HAD THE OPPORTUNITY DEVELOP THE JOB AWARENESS, ATTITUDES AND WORK HABITS NEEDED TO MAKE PRIVATE BUSINESS A SUCCESS. THIS SHORTCOMING IS PARTICULARLY NOTICEABLE IN THE AREA OF BUSINESS MANAGEMENT. IT IS THIS LACK OF AN ADEQUATELY EDUCATED ADULT POPULATION THAT IS THE MAJOR OBSTACLE TO THE SUCCESS OF ECONOMIC DEVELOPMENT.

- * A SECOND MAJOR CONSTRAINT TO SMALL BUSINESS DEVELOPMENT HAS TO DO WITH A GENERAL LACK OF AWARENESS, ON THE PART OF INDIVIDUALS AND ORGANIZATIONS, OF THE POSITIVE IMPLICATIONS AND SIGNIFICANCE OF BUSINESS DEVELOPMENT TO A COMMUNITY. AS A RESULT VERY FEW ENTREPRENEURIAL TYPE INDIVIDUALS ARE EVIDENT TO EXPLORE AND DEVELOP LOCAL BUSINESS OPPORTUNITIES. IT SEEMS APPARENT THAT SMALL BUSINESS DEVELOPMENT AWARENESS PROGRAMS SHOULD HAVE A VERY HIGH PRIORITY IN GOVERNMENT ECONOMIC DEVELOPMENT INITIATIVES.

- THE CAPITAL COSTS ASSOCIATED WITH DEVELOPING A BUSINESS INFRASTRUCTURE IN THE KITIKMEOT ARE TREMENDOUSLY HIGH. COMPARATIVELY SPEAKING, IT COSTS MUCH MORE TO DEVELOP A BUSINESS IN THE "HIGH ARCTIC" THAN IT DOES IN FORT SMITH FOR INSTANCE. UNFORTUNATELY, MOST GOVERNMENT FUNDING PROGRAMS DO NOT RECOGNIZE OR EVEN ACKNOWLEDGE THE SUBSTANTIAL DIFFERENCES IN DEVELOPING BUSINESSES BETWEEN REGIONS. THIS PUTS ASPIRING ENTREPRENEURS IN A COMPARATIVELY WEAK STARTING POSITION AGAINST THEIR SOUTHERN COUNTERPARTS.

* THE EQUITY BASE REQUIRED TO ACCESS THE WIDE VARIETY OF TERRITORIAL AND FEDERAL FUNDING PROGRAMS IS NOT IN PLACE IN THE KITIKMEOT. ADDITIONALLY, CONVENTIONAL DEBT FINANCING IS EXTREMELY DIFFICULT TO ARRANGE BECAUSE OF THE NOTED LACK OF EQUITY AND INADEQUATE SECURITY. CONSEQUENTLY, THERE ARE INSTANCES OF AD HOC PATCHWORK EFFORTS TO MEET EQUITY REQUIREMENTS AND THIS OFTEN FOSTERS A POOR CLIMATE IN WHICH INITIATE A BUSINESS. IN GENERAL, RESIDENTS OF THE KITIKMEOT HAVE INSUFFICIENT NET DISPOSABLE INCOME TO SAVE AND DEVELOP THE REQUIRED EQUITY BASE.

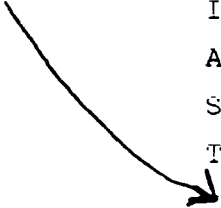
* EXISTING AND PROSPECTIVE BUSINESSES MUST HAVE AN IDENTIFIED AND ADEQUATE MARKET TO MAKE THAT BUSINESS PROFITABLE. THE SMALL COMMUNITIES OF THE KITIKMEOT WITH THEIR SMALL LOCAL MARKETS ARE LIMITED IN THE KINDS AND NUMBERS OF BUSINESSES THEY CAN ~~SUPPORT~~^{SUPPORT}. THE TOURISM SECTOR IS AN EXCEPTION SINCE TOURISM PRODUCTS AND SERVICES ARE PACKAGED AND DELIVERED TO AN EXPORT (GLOBAL) MARKET. WITH THE EXCEPTION OF SOME TOURISM RELATED BUSINESSES, HOWEVER, THE NECESSARY COMBINATION OF POPULATION SIZE AND PERSONAL DISPOSABLE INCOME DETERMINING THE LOCAL MARKET IS NOT ADEQUATE TO MEET THE BASIC MARKET CRITERIA OF GOVERNMENT FUNDING PROGRAMS.

* APPLICANTS TO GOVERNMENT LOAN AND CONTRIBUTION PROGRAMS MUST DEMONSTRATE THAT THEIR PROPOSED BUSINESSES WILL BE PROFITABLE AND SELF-SUSTAINING WITHIN A VERY SHORT TIME FRAME. THE STRUCTURAL PROBLEMS (SMALL POPULATIONS, LOW EDUCATION AND SKILL LEVELS, HIGH TRANSPORTATION COSTS, REMOTENESS, AND SMALL DOMESTIC MARKETS, ETC) OF THE KITIKMEOT ECONOMY MOST OFTEN HAVE A DETRIMENTAL EFFECT ON VIABILITY AND KITIKMEOT RESIDENTS ARE SELDOM ABLE TO MEET THIS CRITERIA.

* A POORLY DEVELOPED PUBLIC INFRASTRUCTURE DETRACTS FROM POTENTIAL FOR THE KITIKMEOT TO DEVELOP THE OBVIOUS OPPORTUNITIES. THERE IS A DEFINITE SHORTAGE OF COMMERCIAL SPACE TO LEASE, OFFICE SPACE TO RENT AND PRIVATE HOUSING TO RENT. ADDITIONALLY, ALL COMMUNITIES IN THE REGION LACK THE BASIC BUSINESS SUPPORT SERVICES SUCH AS ACCOUNTING, BOOKKEEPING, BANKING, LEGAL INSURANCE, CONSULTANTS, ETC. THESE SERVICES ARE AVAILABLE IN YELLOWKNIFE BUT ONLY AT A GREAT COST IN TERMS OF TIME, AIRFARES, AND FEES, ETC.

* AT THE REGIONAL LEVEL A LACK OF FOCUS DETRACTS FROM ABILITY TO UNDERSTAND, DEVELOP AND DELIVER PROGRAMS WHICH WILL ADDRESS THE MOST BASIC NEEDS OF THE KITIKMEOT ECONOMY. THERE IS A GENERAL LACK OF AWARENESS BY THE REGION'S RESIDENTS AND BUSINESS PEOPLE OF THE POTENTIAL OF EACH ECONOMIC SECTOR, ITS ECONOMIC SIGNIFICANCE, THE EXPECTATIONS OF IT'S MARKET AND THE COMMUNITY'S ROLE IN DEVELOPING BUSINESS OPPORTUNITIES. THERE IS AN ABSENCE OF COMMUNITY DEVELOPMENT PLANS BY THE HAMLETS AND ECONOMIC COMMUNITY PLANS AND SECTORAL DEVELOPMENT STRATEGIES BY THE GNWT OR, IN OTHER WORDS, SOMETHING ON WHICH TO FOCUS EFFORTS.

*Kathy,
Insert Business
Sector TARGETS
HERE*



SMALL BUSINESS SECTOR STRATEGY

EDUCATION, TRAINING, AND AWARENESS

* ECONOMIC DEVELOPMENT AND TOURISM MUST BEGIN TO WORK MORE CLOSELY WITH EDUCATION PEOPLE TO ACHIEVE A MUTUAL UNDERSTANDING AND RECOGNITION OF BUSINESS DEVELOPMENT AS A WAY TO THE FUTURE DEVELOPMENT OF THE KITIKMEOT. GNWT SHOULD BEGIN TO PROVIDE APPROPRIATE PROGRAMS/COURSES TO STUDENTS IN

SCHOOL IN CONSULTATION WITH AND THE SUPPORT OF HAMLET, KRC, KIA, LOCAL EDUCATION COUNCILS/AUTHORITIES, AND CHAMBERS OF COMMERCE. SHORT TERM AND LONG TERM TRAINING PRIORITIES AND STRATEGIES ARE PRESENTLY FORMULATED IN ISOLATION OF SPECIFIC SECTOR LABOR MARKETS NEEDS. SPECIFIC TRAINING STRATEGIES SHOULD BE DEVELOPED TO SERVICE THE NEEDS OF THOSE SECTORS WITH THE GREATEST POTENTIAL FOR EMPLOYMENT GROWTH IN THE KITIKMEOT, I.E. TOURISM AND HOSPITALITY, CONSTRUCTION ACTIVITY, AND ENTREPRENEURIAL TRAINING.

- * THE HIGH DROPOUT RATE OF INUIT CHILDREN BEFORE COMPLETING GRADE 10 PRESENTS A MAJOR PROBLEM TO DEVELOPING A WORK FORCE. A MUCH GREATER EFFORT SHOULD BE MADE TO CONVINCE YOUNG PEOPLE OF THE RELEVANCE AND NECESSITY OF REMAINING IN SCHOOL TO COMPLETE GRADE 12. PARENTS, COUNSELLORS, THE COMMUNITY AND INUIT ORGANIZATIONS SHOULD ALL BE MAKING CONCENTRATED EFFORT TO SUPPORT CHILDREN IN THEIR SCHOOLING.

- * THERE NEEDS TO BE A GREATER GENERAL PUBLIC AWARENESS OF THE BASIC LABOR MARKET SKILL REQUIREMENTS AT THE COMMUNITY LEVEL. USING THE "CAREERS DAY" MODEL E.D.&T. SHOULD PROVIDE CONTINUOUS DISTRIBUTION OF INFORMATION ON WHAT SKILLS ARE NECESSARY FOR WHAT JOB. THE MONETARY VALUE OF AN EDUCATION AND, MORE PARTICULARLY, THE EARNING POWER OF SPECIFIC JOBS AND CAREERS SHOULD BE CLEARLY IDENTIFIED FOR AND UNDERSTOOD BY YOUNG PEOPLE IN THE SCHOOLS.

- * THE LACK OF BUSINESS AWARENESS AT THE COMMUNITY LEVEL IS A CONSIDERABLE RESTRAINT TO DEVELOPMENT. HOWEVER, THERE ARE A FEW INDIVIDUALS IN EACH COMMUNITY WHO UNDERSTAND AND ARE COMMITTED TO DEVELOPMENT. LOCAL INTERESTS GROUPS, ORGANIZATIONS, AND THE HAMLET MUST TAKE MORE INTEREST IN THIS PROBLEM AND PROVIDE THE LEADERSHIP BY PROVIDING OR ARRANGING A CONTINUOUS FLOW OF INFORMATION ON THE POSITIVE IMPLICATIONS OF DEVELOPMENT. ADDITIONALLY, MORE TIMELY AND REGULAR COMMUNITY VISITS SHOULD BE INITIATED BY REGIONAL AND

HEADQUARTERS STAFF TO DELIVER A GENERAL BUSINESS DEVELOPMENT AWARENESS PROGRAM. KEY ELEMENTS OF THE PROGRAM AT THE COMMUNITY LEVEL SHOULD BE INFORMATIVE AS TO THE STRUCTURE OF INDUSTRIES WITH DEVELOPMENT POTENTIAL, THEIR ECONOMIC SIGNIFICANCE, THE EXPECTATIONS OF THE MARKETPLACE AND THE COMMUNITIES ROLE IN THE DEVELOPMENT PROCESS.

SPECIAL CIRCUMSTANCE AND NEED FOR FOCUS

- * GNWT SHOULD DEVELOP AND/OR FINALIZE, IN CONJUNCTION WITH HAMLETS AND OTHER LOCAL INTEREST GROUPS ACCEPTABLE GENERAL ECONOMIC PLANS, TOURISM STRATEGIES, COMMUNITY PLANS, ETC., TO GOVERN FUTURE BUSINESS AND/OR RELATED DEVELOPMENT. THE MAJOR PLAYERS IN THE DEVELOPMENT PROCESS AT THE COMMUNITY LEVEL MUST HAVE AN AGENDA ON WHICH TO FOCUS THEIR EFFORTS.
- * ED&T SHOULD ACKNOWLEDGE AND RECOGNIZE THE GREAT DISPARITY BETWEEN REGIONS IN THE NWT. THEY SHOULD ALTER EXISTING OR DEVELOP NEW FUNDING PROGRAMS WHICH WILL MAKE ALLOWANCE FOR KITIKMEOT RESIDENTS TO OBTAIN COMPARABLE "BANG FOR THEIR BUCKS" AS THEIR COUNTERPARTS IN FORT SMITH OR HAY RIVER. THE EXCESSIVE CAPITAL AND OPERATING COSTS AND HARSH ECONOMIC REALITIES IN THE KITIKMEOT CREATES A WHOLE SET OF NEGATIVE CIRCUMSTANCES FOR A BUSINESSMAN THAT HIS SOUTHERN COUNTERPARTS DO NOT ENCOUNTER. INNOVATIVE PROGRAM DEVELOPMENT AND FUNDING SHOULD BE INSTITUTED TO DEAL WITH THIS UNFAIR DISADVANTAGE., EG, THE DEVELOPMENT OF SEED PROGRAMS TO PROVIDE EQUITY REQUIRED TO ACCESS FUNDING PROGRAMS.

* ED&T SHOULD RECOGNIZE THAT THE SMALL KITIKMEOT COMMUNITIES CANNOT SUPPORT MANY SELF-RELIANT BUSINESSES. THE VERY SMALL DOMESTIC MARKETS OF THESE COMMUNITIES ARE QUICKLY SATURATED. THUS ONLY BY PRODUCING MORE EXPORTS OR REPLACING MORE IMPORTS WILL SIGNIFICANT NUMBERS OF NEW JOBS BE GENERATED. THE COMPARATIVE DISADVANTAGES OF OPERATING IN THE KITIKMEOT CREATES THE NEED FOR ON-GOING SUBSIDIES TO DEVELOP THESE EXPORTS. IT IS RECOMMENDED THAT THE GNWT MAKE DIRECT INVESTMENTS INTO THE KITIKMEOT ECONOMY TO DEVELOP ARTS AND CRAFTS AND RENEWABLE RESOURCE ENTERPRISE PRODUCING GOODS FOR EXPORT. THESE ENTERPRISE SHOULD BE SELECTED ON THE BASIS OF THE NUMBER OF PEOPLE THEY WOULD EMPLOY. WITHOUT THIS TYPE OF APPROACH, THE VIABILITY CRITERIA OF FUNDING PROGRAMS WILL ALWAYS PREVENT THIS TYPE OF DEVELOPMENT. COMMERCIAL FISHERIES AND FARMING OPERATIONS ALL ACROSS CANADA ARE HEAVILY SUBSIDIZED ON A CONTINUING BASIS. THESE TYPES OF SUBSIDIES FOR PROPERLY MANAGED ENTERPRISE ARE LIKELY CHEAPER THAN WELFARE PAYMENTS AND THEIR ASSOCIATED SOCIAL COSTS AND THE GOVERNMENT SHOULD BE PREPARED TO PROVIDE THE FOR THE LONG TERM.

COOPERATION AND CONSULTATION

* HAMLETS, CHAMBERS OF COMMERCE, & ED&T SHOULD BEGIN IMMEDIATELY TO WORK MORE CLOSELY WITH AND ASSIST VARIOUS GOVERNMENT AGENCIES IN DEVELOPING A PUBLIC INFRASTRUCTURE THAT WILL INCREASE ECONOMIC OPPORTUNITIES OF CRITICAL IMPORTANCE TO THE FUTURE OF THE KITIKMEOT. A DETAILED ANALYSIS OF EXISTING PUBLIC INFRASTRUCTURE AND RECOGNITION AND PLANNING FOR THE FUTURE INFRASTRUCTURAL REQUIREMENTS OF BUSINESS DEVELOPMENT SHOULD BE UNDERTAKEN AS SOON AS POSSIBLE.

A NEW ROLE

- * ED&T STAFF IN THE REGION SHOULD BECOME MORE PROACTIVE TOWARDS BUSINESS DEVELOPMENT, PARTICULARLY IN THE MORE UNDERDEVELOPED COMMUNITIES IN THE KITIKMEOT. ECONOMIC DEVELOPMENT OFFICERS MUST BEGIN TO INITIATE AND PROMOTE INTEREST IN IDENTIFIED OPPORTUNITIES AT THE COMMUNITY LEVEL. REGIONAL RESOURCE STAFF SHOULD TAKE ON A MORE DEVELOPMENTAL ROLE WITH SPECIFIC OPPORTUNITIES. A MORE HANDS-ON APPROACH FROM IDENTIFICATION THROUGH IMPLEMENTATION WILL BE REQUIRED TO MAKE ANY PROGRESS IN THE SHORT TERM.

- * REGIONAL STAFF SHOULD ENCOURAGE AND ARRANGE COMMUNITY VISITS BY HEADQUARTERS SPECIALIST RESOURCE PEOPLE FROM ALL SECTORS TO ASSIST IN AN ALL OUT CAMPAIGN TO DEVELOP BUSINESS AND TOURISM AWARENESS AT THE COMMUNITY LEVEL AND TO SPARK INTEREST AND UNDERSTANDING OF MAJOR DEVELOPMENT ISSUES AND POTENTIAL DEVELOPMENT INITIATIVES.

ARTS & CRAFTS SECTOR

BACKGROUND

"THE ART TRADE IS BESET WITH SO MANY UNCERTAINTIES, SO MANY PIT-FALLS, THAT BEAUTIFUL PRINTS AND ATTRACTIVE SOAPSTONE CARVINGS ARE NOT A SAFE BASE ON WHICH TO BUILD A PEOPLE'S ECONOMY: AND THEY CAN NEVER BECOME SUCH A BASE, INDEED, ALTHOUGH THEY MAY LIGHTEN THE POVERTY OF A FEW INDIVIDUALS AND SUPPORT, TO A SMALL EXTENT, A BASE THAT IS ALREADY ESTABLISHED."

APPROXIMATELY 95 RESIDENTS OF THE KITIKMEOT REGION PARTICIPATE IN A SIGNIFICANT (PRODUCE OVER \$1000) MANNER IN THE ARTS AND CRAFTS INDUSTRY. TOTAL PRODUCTION AT THE RETAIL LEVEL IS ESTIMATED AT \$2 MILLION ALTHOUGH HALF OF THIS INCOME IS GENERATED BY FOUR ARTISANS. HOLMAN HAS THE LARGEST BASE OF ACTIVITIES WITH APPROXIMATELY FORTY RESIDENTS EARNING MODERATE TO LARGE PORTIONS OF THEIR GROSS INCOME FROM ARTS AND CRAFTS PRODUCTION. GJOA HAVEN AND SPENCE BAY WITH TWENTY AND TEN PRODUCERS RESPECTIVELY HAVE THE MOST POTENTIAL FOR INCREASED INCOME AND EMPLOYMENT IN THE ARTS AND CRAFTS SECTOR.

OBJECTIVES

1. TO STIMULATE THE DEVELOPMENT OF NEW PRODUCTS TO INCREASE INCOME AND EMPLOYMENT ~~AT THE KITIKMEOT REGION.~~
2. STIMULATE NEW PRODUCT DEVELOPMENT OF CONSUMABLE PRODUCTS IN THE (\$50 - \$300) PRICE RANGE SPECIFICALLY FOR THE EXPECTED INCREASE IN NON-RESIDENT TOURIST TRAFFIC TO THE KITIKMEOT.
3. MAKE IMPROVEMENTS TO THE QUALITY AND CONSISTENCY OF ARTS AND CRAFTS CURRENTLY BEING PRODUCED IN THE KITIKMEOT.

4. DEVELOP AN AWARENESS AT THE COMMUNITY LEVEL OF THE DISTINCTION BETWEEN RETAIL AND WHOLESALE PRICES AND AN UNDERSTANDING OF HOW THE MARKET PLACE OPERATES FOR ARTS AND CRAFTS PRODUCTS.
5. IMPROVE THE SKILLS AND KNOWLEDGE OF RESOURCE AND MANAGEMENT PEOPLE IN PRODUCTION AND BUYING ACTIVITIES TO TRAIN LOCAL RESIDENTS.
6. TO INCREASE AND IMPROVE THE AVAILABILITY OF RAW MATERIALS (SOAPSTONE, IVORY, MUSKOX HORN, ETC) TO PRODUCERS IN EACH KITIKMEOT COMMUNITY.
7. TO IMPROVE THE MANAGEMENT OF KITIKMEOT ARTS AND CRAFTS ENTERPRISE THROUGH THE IMPLEMENTATION OF APPROPRIATE BUSINESS PLANNING AND CENTRAL DISCIPLINES
8. TO INCREASE SALES OF KITIKMEOT PRODUCTS THROUGH IMPROVED MARKETING PROMOTION AND SALES DISTRIBUTION ACTIVITIES.

DEVELOPMENT PRINCIPLES

- * EMPHASIS SHOULD BE PLACED ON THE DEVELOPMENT OF ARTS AND CRAFTS PRODUCTS AND ACTIVITIES THAT HAVE THE MAXIMUM ECONOMIC RETURN FOR KITIKMEOT PRODUCERS.
- * MAJOR ARTS AND CRAFTS INITIATIVES SHOULD ALL BE DIRECTED TOWARDS THE DEVELOPMENT OF NEW EXPORT MARKETS.
- * KITIKMEOT ARTS AND CRAFTS PRODUCTS SHOULD BE VALUED AS REGIONAL AND COMMUNITY ASSETS TO ENHANCE THE CULTURAL RECORD IN TIMES OF RAPID SOCIAL CHANGE AND TO CONTINUE TO PROVIDE A CULTURALLY BASED OCCUPATION ACTIVITY AS A SUPPLEMENT TO TRADITIONAL AND SEASONAL WAGE EMPLOYMENT. A NEW GENERATION OF KITIKMEOT ARTISANS SHOULD BE ENCOURAGED AND SUPPORTED.

STRENGTHS AND OPPORTUNITIES

* TOTAL ARTS AND CRAFTS RETAIL SALES FROM KITIKMEOT PRODUCING COMMUNITIES WERE APPROXIMATELY \$2 MILLION IN 1989. 85% OF THE TOTAL SALES WERE ATTRIBUTABLE TO INUIT CARVINGS (SOAPSTONE, IVORY MUSKOX HORN, AND CARIBOU ANTLER). SEVERAL MARKETING STUDIES HAVE INDICATED THAT SALES COULD INCREASE SIGNIFICANTLY, POSSIBLY EVEN DOUBLE, WITH MORE EFFECTIVE PROMOTION AND BY EDUCATING PRODUCERS ON BOTH THE WAYS OF THE MARKETPLACE AND THE IMPORTANCE OF NOT TRYING TO MARKET MARGINAL WORK.

* THE BEST OPPORTUNITIES FOR EXPANSION IN THE ARTS AND CRAFTS SECTOR LIE IN THE CARVING COMPONENT. DEMAND FOR ITEMS PRICED ABOVE \$1000 IS LIMITED. THE POTENTIAL SALES AND EMPLOYMENT VOLUME WHICH COULD BE ATTAINED IN THE FUTURE WILL BE A FUNCTION OF STRATEGIES WHICH ARE DEVELOPED TO IMPROVE PRODUCTION AND MARKETING OF PRODUCTS FOR THE PERSONAL GIFT AND TOURIST MARKETS.

THE DEMAND FOR WALL HANGINGS HAS ALWAYS BEEN MODERATE. WALL HANGINGS IN THE MODERATE PRICE RANGE HAVE SUFFERED FROM OVER PRODUCTION OF MARGINAL TO POOR QUALITY WORK. ONCE PRODUCTION ACTIVITIES ARE BROUGHT IN LINE WITH THE NEEDS OF THE MARKETPLACE THERE CAN BE A CONSISTENT DEMAND FOR QUALITY WALL-HANGINGS IN THE \$50 - 15 AND \$150 - 400 PRICE RANGES.

* THE PRINT MARKET HAS BEEN DEPRESSED FOR SEVERAL YEARS. THE EXTREMELY HIGH PRODUCTION COSTS AT THE HOLMAN PRINT SHOP HAVE FORCED PRICES BEYOND COMPETITIVE LEVELS. INVENTORIES OF UNSOLD PRINTS HAVE BEEN INCREASING. HOWEVER, A RECENT SURVEY (JOHN C. WILLIAMS LTD.,) INDICATES A POTENTIALLY STRONG DEMAND FOR SMALLER SIZED PRINTS, PREFERABLY COLORFUL AND FRAMED.

- * PACKING DOLLS WHICH WERE MADE IN SPENCE BAY WOULD ENJOY GOOD DEMAND THROUGHOUT SOUTHERN MARKETS. THEY ARE POPULAR BUT CONSIDERED TOO HIGH PRICED AT \$60 - 125. A NUMBER OF RETAILERS HAVE STATED THAT THEY WOULD HAVE VOLUME SALES IF AVAILABLE AT LOWER PRICES. IT WOULD APPEAR THAT THE DOLLS AND POSSIBLY STUFFED ANIMALS WARRANT ATTENTION FOR CREATIVE PRODUCT DEVELOPMENT.

- * OTHER NEW PRODUCT DEVELOPMENT OPPORTUNITIES WHICH HAVE POTENTIAL ARE NEW ITEMS CREATED FROM CARIBOU ANTLER AND MUSKOX HORN CARVINGS, MASKS, NEW DESIGN CONCEPT T-SHIRTS, AND TRADITIONAL TOYS.

DEVELOPMENT CONSTRAINTS

QUALITY

TOO MANY CARVINGS AND SCULPTORS ARE BEING PRODUCED THAT ARE BELOW MARKET STANDARDS. THE QUALITY OF PRODUCTS BEING PRODUCED IS GENERALLY INCONSISTENT AND HAS SLIPPED NOTICEABLY IN RECENT YEARS. THE PRODUCTION OF MINIATURE IVORY CARVINGS IN PELLY BAY IS A GOOD EXAMPLE OF THIS DECLINE IN QUALITY. AT THE PRESENT TIME THE ARTS AND CRAFTS INDUSTRY DOES NOT HAVE AN EFFECTIVE MEANS OF APPROACHING THE MARKET WITH QUALITY PRODUCTS DEMANDED BY THE CUSTOMER. THE ACCUMULATED INVENTORY OF POOR QUALITY OR UNSALABLE WORK SOMETIMES BLOCKS THE ACQUISITION OF NEW AND PROMISING WORK.

COSTS

THE DISTINCTION BETWEEN WHOLESALE AND RETAIL PRICING IS NOT WELL UNDERSTOOD BY PRODUCERS. THERE IS LITTLE UNDERSTANDING THAT THE COSTS OF TRANSPORTATION, PACKAGING, MARKETING, ETC., COST MORE THAN THE PRODUCT ITSELF. THIS HAS RESULTED IN A CERTAIN AMOUNT OF MISTRUST AND APPREHENSION ON THE PART OF MANY ARTISTS.

ADDITIONALLY, IN THE PRINT MARKET HIGH PRODUCTION COSTS HAVE BEEN FORCING PRICES BEYOND COMPETITIVE LEVELS. THIS HAS RESULTED IN LITTLE OR NO MARGIN BEING ALLOWED FOR MARKETING.

MANAGEMENT

ARTS AND CRAFTS ENTERPRISE ARE OFTEN OPERATED WITHOUT APPROPRIATE BUSINESS PLANNING AND CENTRAL DISCIPLINES. THE LACK OF BUSINESS PLANNING SYSTEMS HAS BEEN THE MAJOR CONTRIBUTING FACTOR IN THE FAILURE OF SEVERAL PROMISING ARTS AND CRAFTS OPPORTUNITIES IN RECENT YEARS IN THIS REGION.

HUMAN RESOURCES

THERE ARE FEW QUALIFIED RESOURCE AND MANAGEMENT PEOPLE IN PRODUCTION AND BUYING ACTIVITIES AND PEOPLE WITH THE SKILLS AND KNOWLEDGE TO TRAIN OTHERS ARE VIRTUALLY NON-EXISTENT. MAJOR OBSTACLES TO INDUSTRY PROGRESS HAVE BEEN THE LACK OF:

- 1) QUALIFIED BUYERS IN PRODUCING COMMUNITIES. WHAT TO BUY, WHAT NOT TO BUY, AND WHAT PRICES TO PAY HAVE BEEN UNRESOLVED ISSUES AND HAVE LED TO CONFLICT, MISTRUST, AND UNSALABLE INVENTORIES IN THE SYSTEM.
- 2) RESOURCE PEOPLE TO MONITOR QUALITY OF WORK BEING PRODUCED TO ENSURE IT IS UP TO THE REQUIRED MARKET STANDARDS.

PRODUCERS

MANY CRAFTS PEOPLE TEND TO PRODUCE ONLY WHEN NO ALTERNATE ECONOMIC ACTIVITY EXISTS. YOUNG PEOPLE WITH ARTISTIC TALENT ARE NOT STRONGLY ENOUGH ATTRACTED TO ARTS AND CRAFTS ACTIVITIES. ADDITIONALLY, THERE IS LITTLE TRANSFER OF SKILLS FROM OLDER ARTISTS TO YOUNG POTENTIAL ARTISTS.

MARKETING

ONE OF THE MOST CRITICAL SHORTCOMINGS OF THE ARTS AND CRAFTS INDUSTRY IS THE ABSENCE OF A MEANS TO COMMUNICATE MARKET REQUIREMENTS TO PRODUCING COMMUNITIES AND ENSURING THAT PRODUCTION MATCHES DEMAND AS CLOSELY AS POSSIBLE. THE PRACTICE OF BUYING MARGINAL QUALITY WORK IN QUANTITIES BEYOND WHAT THE MARKET CAN ABSORB HAS CREATED AN UNHEALTHY CONDITION. PRODUCT GROUPS AND ITEMS REQUIRED BY THE MARKET ARE NOT BEING IDENTIFIED AND PRODUCED ACCORDINGLY. IN GENERAL, KITIKMEOT ARTISTS ARE PRODUCING IN ISOLATION FROM MARKET INFORMATION AND THEN ATTEMPTING TO SELL. TRADITIONAL APPROACH TO MARKETING INUIT PRODUCTS HAS FALLEN FOR SHORT OF MAXIMIZING SALES AND EMPLOYMENT OPPORTUNITIES. IN FACT, SOME SEGMENTS OF THE INDUSTRY HAVE NOT BENEFITTED AT ALL. NEW PRODUCT DEVELOPMENT HAS NOT BEEN GIVEN ADEQUATE ATTENTION AND AVAILABLE PRODUCTS HAVE NOT BEEN PRICED FOR THE MARKET.

EXPOSURE

THE EXPOSURE, PROMOTION AND PUBLICITY OF KITIKMEOT ARTS AND CRAFTS PRODUCTS HAS BEEN INADEQUATE. THERE IS LITTLE ADVERTISING, PROMOTION AND PUBLICITY TO REINFORCE THE DISTINCTIVENESS OF THESE PRODUCTS. THERE IS A DEFINITE NEED TO PROMOTE AN UNDERSTANDING OF THE CULTURAL BACKGROUND, THE PRODUCING COMMUNITIES AND THE ARTS AS INDIVIDUALS. THE MOST TALENTED SCULPTORS ARE NOT IDENTIFIED AND PROMOTED FOR THE FINE ARTS AND SOMETIMES MASTER WORKS WHICH THEY PRODUCE.

*most Arts
Crafts Sector
Targets*



ARTS AND CRAFTS STRATEGY

1. INCREASING PRODUCTION

- * ED&T SHOULD WORK TOWARDS THE PLACEMENT OF A SERIES OF REGIONAL/COMMUNITY RESOURCE PEOPLE WHO WILL CONSISTENTLY TRAIN AND DEVELOP ARTS AND CRAFTS PEOPLE AND MONITOR THE QUALITY OF WORK TO ENSURE IT IS UP TO MARKET STANDARDS.

- * GOVERNMENT MUST PLACE A HIGH PRIORITY ON THE IDENTIFICATION, TRAINING AND DEVELOPMENT OF PEOPLE WITH COMPETENCE AND COMMITMENT TO FILL THESE REQUIRED HUMAN RESOURCE DEVELOPMENT POSITIONS. KEY JOB REQUIREMENTS ARE IN REGIONAL AND DISTRICT OFFICES, IN THE CO-OPS (BUYERS AND MANAGERS) AND PRODUCTION TRAINING.

- * SPECIAL TRAINING IN BUSINESS METHODS, OPERATIONS, DISTRIBUTION AND MARKETING SHOULD BE A PREREQUISITE TO ANY GOVERNMENT FUNDING OF COMMERCIAL ARTS AND CRAFTS ENTERPRISE. THIS TRAINING MUST BE DEVELOPED, ENCOURAGED AND AVAILABLE.

- * THE SOLUTION TO THE HUMAN RESOURCE SHORTCOMINGS IN THE ARTS AND CRAFTS INDUSTRY IS MOST DIFFICULT, LONG TERM AND GRADUAL. HOWEVER, IT MUST BE STARTED AND EXPANDED UPON IMMEDIATELY.

- * A MULTI-PURPOSE ARTS CENTER WITH A REGIONAL FOCUS SHOULD BE DEVELOPED IN HOLMAN. THE FACILITY WOULD INCLUDE A PRINT SHOP, CARVING SHOP, CRAFTS HOP, STUDIO, THEATRE, AND INTERPRETIVE CENTER. HOLMAN CLEARLY HAS THE BROADEST PARTICIPATORY BASE OF ALL KITIKMEOT COMMUNITIES. ADDITIONALLY, THERE IS CONSIDERABLE TOURISM POTENTIAL IN HOLMAN AND IT IS EXPECTED THAT THERE WILL BE SIGNIFICANT INCREASES IN TOURIST TRAFFIC IN THE NEXT THREE YEARS. THE RICH ARTS AND CRAFTS HISTORY IN HOLMAN IN COMBINATION WITH THE PROPOSED NEW FACILITY WOULD BE A MAJOR ATTRACTION AND PRIMARY COMPONENT OF PLANNED TOUR PACKAGES. MORE IMPORTANTLY THIS NEW FACILITY HOUSING A BROAD RANGE OF ACTIVITIES, WOULD SPARK MUCH INTEREST IN THE PRODUCTION OF NEW PRODUCTS AND ACT AS A TRAINING CENTER BEING IDEAL FOR WORKSHOPS AND SEMINARS. (DETAILED DESCRIPTION OF THIS PROPOSED FACILITY UNDER COMMUNITY OPPORTUNITY IDENTIFICATION).

* SMALLER PRODUCTION FACILITIES SHOULD BE DEVELOPED IN GJOA HAVEN, SPENCE BAY, AND PELLY BAY AS A SUPPORT TO CURRENT PRODUCING ARTISTS AND TO ENCOURAGE YOUNGER ARTISTS. THIS TYPE OF FACILITY IN SPENCE BAY COULD BE UTILIZED FOR HIGH VOLUME PRODUCTION OF THE SPENCE BAY PACKING DOLLS. SMALL PRODUCTION SHOPS ACCOMMODATING THREE OR FOUR PEOPLE WOULD BE IDEAL FOR PELLY BAY (FOCUS ON IVORY MINIATURES) AND GJOA HAVEN (FOCUS ON SOAPSTONE). THE FINANCIAL SUCCESS OF A FEW CARVERS FROM SPENCE BAY AND GJOA HAVEN COULD PLAY A MOTIVATING ROLE FOR YOUNG PEOPLE. ADDITIONALLY, RECRUITMENT OF YOUNG PEOPLE WOULD BE EASIER USING THE SUCCESSFUL IMAGE OF MASTER ARTISANS AT THE LOCAL LEVEL. SMALL PRODUCTION FACILITIES SUCH AS THOSE PROPOSED FOR PELLY BAY AND GJOA HAVEN COULD PROVIDE FERTILE GROUND FOR YOUNG ARTISTS TO MEET OLD AND THE TRANSFER OF INTEREST, SKILLS AND KNOWLEDGE.

2. INCREASING SALES

* TAKING INTO ACCOUNT THE PRODUCTIVE CAPACITY AND POTENTIAL FOR INCREASED TOURIST VISITATION TWO KITIKMEOT COMMUNITIES SHOULD HAVE SHOWCASE STORES WHERE THE HIGHEST QUALITY WORKS ARE ON SPECIAL DISPLAY TO VISITORS AND TO INUIT PEOPLE AS EXAMPLES OF HIGH STANDARDS OF WORK THAT CAN BE PRODUCED. TOURISTS ARE GENERALLY AWARE OF THE CREATIVITY OF INUIT PEOPLE AND INTERESTED IN SEEING THEIR WORK, PERHAPS PURCHASING SPECIAL PIECES. THIS CURRENTLY REQUIRES MORE EFFORT THAN TOURISTS EXPECT. STORES WITH A BETTER SELECTION WOULD ENCOURAGE TOURISM WHICH IN TURN PROMOTES INTEREST IN ARTS AND CRAFTS. MORE ARTS AND CRAFTS WOULD BE SOLD AS GIFTS AND COLLECTORS PIECES AND MORE REVENUE AND CONSUMER FEEDBACK WOULD BE AVAILABLE TO THE COMMUNITIES.

* GOVERNMENT MUST TAKE THE LEAD IN DEVELOPING POLICIES AND PROGRAMS TO INCREASE THE SALES APPEAL OF INUIT ARTS AND CRAFTS PRODUCTS. A RENEWED AND INVIGORATING REGIONAL PROGRAM OF IDENTIFYING AUTHENTIC INUIT PRODUCTS IS NEEDED TO INCREASE APPEAL, AWARENESS AND VALUE. AS A FIRST PRIORITY, THERE MUST BE AN EMPHASIS ON THE PROTECTION AND STRENGTHENING OF FINE ARTS (HIGHEST QUALITY OR MASTER WORKS). FINE ARTS PROVIDES THE MOTIVATING POWER WHICH GENERATES DEMAND FOR ALL ARTS AND CRAFTS AND ADDS TO THEIR VALUE. WHEN THERE IS A STRONG DEMAND FOR THE FINE ARTS FROM MUSEUMS, GALLERIES AND COLLECTORS, THE CULTURE TAKES ON A SPECIAL CHARACTER AND THE COMMERCIAL VALUE OF ALL OF ITS CREATIVE PRODUCTS IS INCREASED. WE HAVE A SCULPTOR IN GJOA HAVEN WHO IS RECOGNIZED INTERNATIONALLY AS BEING INCLUDED WITH THE MOST IMPORTANT THREE OR FOUR INUIT CARVERS IN CANADA. HE IS BETTER KNOWN IN NEW YORK AND MUNICH THAN HE IS IN CAMBRIDGE BAY.

* SPECIFIC ADVERTISING, PROMOTION AND PUBLICITY PROGRAMS MUST BE DEVELOPED TO:

- A. REINFORCE THE DISTINCTIVENESS
- B. PROMOTE AN UNDERSTANDING OF THE ARTISTS AS INDIVIDUALS, THE CULTURAL BACKGROUND AND THE PRODUCING COMMUNITIES.

* AS A FIRST STEP IT IS RECOMMENDED THAT ED&T ARRANGE FOR THE DESIGN AND PRINTING OF NEW HIGH QUALITY DISPLAY MATERIALS SUCH AS PROMOTIONAL LITERATURE, BROCHURES AND POSTERS. THESE MATERIALS SHOULD BE PROMINENTLY DISPLAYED IN HIGH TRAFFIC LOCATIONS THROUGHOUT THE KITIKMEOT REGION AS WELL AS RETAIL OUTLETS AND WHOLESALERS ACROSS THE COUNTRY.

* ED&T SHOULD TAKE THE INITIATIVE TO DEVELOP BIOGRAPHICAL SKETCHES OF THE LEADING ARTISTS IN THE KITIKMEOT TO:

- A) PROVIDE INFORMATION TO RETAILERS AND CONSUMERS
- B) ENHANCE AUTHENTICITY
- C) BUILD STATUS OF THE ARTISTS
- D) ENCOURAGE COLLECTING; AND
- E) PROVIDE INCENTIVE TO ARTISTS

3. ATTITUDES

* AN AWARENESS CAMPAIGN SHOULD BE UNDERTAKEN BY ED&T AND DELIVERED AT THE COMMUNITY LEVEL TO CLEAR UP THE MISTRUST AND SUSPICION THAT IS CREATED BY THE LARGE DISCREPANCY BETWEEN WHAT THE PRODUCER RECEIVES AND WHAT THE CONSUMER PAYS FOR THE PRODUCT. GOVERNMENT MUST TAKE THE NECESSARY STEP TO ENSURE THAT THE DISTINCTION BETWEEN RETAIL AND WHOLESALE PRICE IS BETTER UNDERSTOOD BY THE PRODUCER.

* REGIONAL STAFF MUST MAKE EVERY EFFORT TO OPEN CHANNELS OF COMMUNICATION BETWEEN PRODUCTION SOURCES AND THE MARKETPLACE. THE NEW ARTS AND CRAFTS RESOURCE OFFICER SHOULD BEGIN TO WORK CONTINUOUSLY WITH ARTISTS AND PRODUCER GROUPS TO ENSURE THAT THE UNHEALTHY SITUATION CAUSED BY ARTISTS PRODUCING WHAT THEY WANT AND ATTEMPTING TO SELL THROUGH THE MARKET CEASES. GOVERNMENT MUST SEND OUT A CLEAR MESSAGE TO PRODUCER GROUPS THAT PRODUCTS ARE ONLY OF SUFFICIENT QUALITY IF THEY CAN BE SOLD THROUGH THE MARKETPLACE.

TOURISM SECTOR

BACKGROUND

OVER THE NEXT FIVE YEARS THE KITIKMEOT REGION SHOULD MAKE A CONCENTRATED EFFORT TO ESTABLISH COMMUNITY-BASED TOURISM. TOURISM HAS THE GREATEST POTENTIAL TO PROVIDE EMPLOYMENT AND BUSINESS OPPORTUNITIES IN THE KITIKMEOT IN THE LONG TERM. IN SPITE OF SERIOUS CONSTRAINTS TO DEVELOPMENT A NUMBER OF TOURISM DEVELOPMENT OPPORTUNITIES THAT TAKE ADVANTAGE OF EXISTING SKILL LEVELS SHOULD BE CAPITALIZED ON IN THE SHORT TERM. NEW PRODUCTS AND PROGRAMS SHOULD CENTER ON THE DEVELOPMENT OF PACKAGE TOURS AND THEIR SPECIFIC COMPONENTS AND ON SPORTS HUNTS.

IN THE LONG TERM, THE KITIKMEOT TOURISM STRATEGY, SHOULD CONCENTRATE ON DEVELOPING A BETTER TOURISM INFRASTRUCTURE AND PUBLICLY FUNDED VISITOR ATTRACTIONS TO STIMULATE PRIVATE SECTOR INVESTMENT IN THE INDUSTRY. ADDITIONALLY, THE REGION MUST DEVELOP AND DELIVER A WIDE RANGE OF TOURISM AWARENESS AND TECHNICAL TRAINING PROGRAMS TO DEVELOP A TOURISM LABOR POOL FOR THE EXPECTED INDUSTRY EXPANSION. FINALLY, A MARKETING STRATEGY MUST BE DEVELOPED TO INCREASE PUBLIC AWARENESS OF THE KITIKMEOT AS A TOURIST DESTINATION, AND TO INCREASE LOCAL EMPLOYMENT OPPORTUNITIES IN MARKETING, PROMOTION AND SALES DISTRIBUTION ACTIVITIES.

TOURISM INDUSTRY OBJECTIVES

- 1) TO PROMOTE AND SUPPORT THE DEVELOPMENT OF COMMUNITY BASED TOURISM INDUSTRY ENTERPRISE WHICH CONTRIBUTE TO THE ECONOMIC, CULTURAL, AND ENVIRONMENTAL WELL-BEING OF KITIKMEOT RESIDENTS.
- 2) INCREASE GENERAL TOURISM AND HOSPITALITY AWARENESS AND IMPROVE THE ABILITY OF KITIKMEOT RESIDENTS TO DELIVER TOURISM PRODUCTS AND SERVICES.

- 3) IMPROVE THE QUALITY AND INCREASE THE VARIETY OF SALEABLE KITIKMEOT TOURISM PRODUCTS AND SERVICES.
- 4) TO INCREASE SUPPORT FOR BASIC TOURISM INFRASTRUCTURE DEVELOPMENT AND PUBLICLY FUNDED VISITOR ATTRACTIONS THROUGH THE CAPITAL PLAN.
- 5) TO ELEVATE THE PROFILE OF THE KITIKMEOT IN THE MARKETPLACE AS A VISITOR DESTINATION BY IMPROVING THE EFFICIENCY OF MARKETING AND SALES DISTRIBUTION ACTIVITIES FOR TOURISM PRODUCTS AND SERVICES.

DEVELOPMENT PRINCIPLES

- * TOURISM INDUSTRY DEVELOPMENT SHOULD BE CONSISTENT WITH COMMUNITY PLANS AND STRATEGIES AND THE LAND CLAIMS LAND USE PLANNING PROCESS. MAINTAINING LOCAL CONTROL OVER TOURISM INDUSTRY DEVELOPMENT IS DESIREABLE.
- * FUTURE TOURISM DEVELOPMENT SHOULD BE PLANNED TO TAKE ADVANTAGE OF EXISTING SKILLS OF RESIDENTS AND ACCORDING TO LONG TERM ASPIRATIONS OF COMMUNITIES.
- * THE DEVELOPMENT OF TOURISM PUBLIC INFRASTRUCTURE SHOULD BE PRIORIZED AND EXECUTED ON THE BASIS OF EACH COMMUNITY'S ABILITY TO GENERATE INCREASED SALES OF TOURISM PRODUCTS AND SERVICES.
- * THE PRIVATE SECTOR SHOULD TAKE THE LEAD ROLE IN DEVELOPING A VIABLE TOURISM INDUSTRY, WITH GOVERNMENT PROVIDING SUPPORT IN THE FORM OF FINANCIAL INCENTIVES, PUBLIC INFRASTRUCTURE, TECHNICAL ADVICE, AND MARKETING ASSISTANCE.

- * TOURISM INDUSTRY DEVELOPMENT IN THE KITIKMEOT SHOULD CAPITALIZE ON CULTURAL INDUSTRIES THROUGH COOPERATIVE LINKAGES TO ARTS AND CRAFTS AND COUNTRY FOOD INITIATIVES.
- * TOURISM DEVELOPMENT SHOULD RECOGNIZE AND RESPECT THE SPIRIT AND INTENT OF ~~THE TEN "AIP"~~ THE TEN "AIP". THE DEVELOPMENT OF EXISTING TOURISM NATURAL RESOURCES SHOULD NOT LIMIT THEIR PROSPECTS FOR USE BY FUTURE GENERATIONS.
- * THERE SHOULD BE CONTINUED AND EXPANDED SUPPORT FOR ARCTIC COAST TOURIST ASSOCIATION (ACTA) TO MAINTAIN ITS ROLE AND EXPAND ITS ABILITY TO PROVIDE SERVICES AND DIRECTION TO THE TOURISM INDUSTRY IN THE KITIKMEOT.

STRENGTHS AND OPPORTUNITIES

- * TOURISM IS THE ONE ECONOMIC SECTOR FOR WHICH THE KITIKMEOT'S REMOTE LOCATION CAN BE AS MUCH A BENEFIT AS A HINDERANCE TO DEVELOPMENT. FROM A MARKETING POINT OF VIEW OUR REGION OFFERS EXACTLY THE KIND OF HISTORICAL, CULTURAL AND WILDLIFE RESOURCES WHICH ARE ATTRACTIVE TO THE ADVENTURE TRAVEL MARKET. INTERNATIONAL TOURISM ANALYSTS ARE PREDICTING THAT THE ADVENTURE TRAVELLER WILL SOON BE THE DOMINANT TOURISM CUSTOMER. OUR "TOP OF THE WORLD" PERSPECTIVE THEN PRESENTS A VARIETY OF REAL OPPORTUNITIES. THE IDENTIFIED MARKET POTENTIAL IS VERY CLEARLY EVIDENT FOR THE REGION TO BUILD ITS PLEASURE TRAVEL INDUSTRY.
- * THE TOURISM INDUSTRY IS LABOUR INTENSIVE INVOLVING, FOR THE MOST PART, MODEST ENTRY LEVEL SKILLS. IN THIS SENSE TOURISM COULD OFFER MANY JOB OPPORTUNITIES FOR KITIKMEOT RESIDENTS WITH A MINIMAL AMOUNT OF TRAINING. THE NATURAL HOSPITALITY AND FRIENDLINESS OF RESIDENTS LENDS ITSELF WELL TO THE DEMANDS OF THE TOURISM INDUSTRY.

- * MANY POTENTIAL TOURISM BUSINESSES CAN BE SMALL SCALE, OFFERING REALISTIC BUSINESS OPPORTUNITIES FOR RESIDENTS OF THE KITIKMEOT WITH LITTLE HOPE OF LEVERING DEBT EQUITY. THE CURRENT LEVEL AND TYPE OF INVOLVEMENT IN TOURISM IN THE KITIKMEOT HAS NOT HAD TO DEAL WITH MANY OF THE NORMAL BUSINESS CAPITAL AND START-UP COSTS. SMALL OUTFITTERS ALREADY OWN MUCH OF THE REQUIRED CAPITAL EQUIPMENT INCLUDING SNOWMOBILES, BOATS, MOTORS, TENTS, ETC.

- * TOURISM CAN PROVIDE ~~FOR~~ ECONOMIC STABILITY AND DIVERSITY TO THE KITIKMEOT ECONOMY. IT ALREADY OFFERS SUBSTANTIAL SPIN-OFF BENEFITS FOR RELATED INDUSTRIES, ESPECIALLY ARTS AND CRAFTS AND COULD HAVE A SIMILAR IMPACT ON VALUE-ADDED PROCESSED COUNTRY FOODS.

DEVELOPMENT CONSTRAINTS

- * POORLY UNDERSTOOD INDUSTRY OF COMMUNITY LEVEL

SINCE TOURISM IS A RELATIVELY NEW INDUSTRY TO THE ARCTIC COAST TOURIST ZONE AND KITIKMEOT COMMUNITIES, PEOPLE GENERALLY HAVE A POOR UNDERSTANDING OF THIS INDUSTRY. WHILE VERY LITTLE ATTENTION IS GIVEN TO THIS FACT IT MAY BE THE HIGHEST PRIORITY ISSUE THAT GNWT MUST ADDRESS IN THE TOURISM SECTOR. UNTIL THE RESIDENTS OF THE REGION HAVE A BETTER GRASP OF THE WIDE RANGE OF COMPONENTS WHICH MAKE UP THE TOURISM SECTOR THERE IS LITTLE CHANCE FOR IMPROVEMENT AND EXPANSION OF TOURISM PRODUCT DELIVERY.

- * MARKET AWARENESS

AS A TOURIST DESTINATION THE KITIKMEOT HAS BY FAR THE LOWEST AWARENESS OF ANY REGION IN THE NWT AT THE PRESENT TIME TOURISM IS ALMOST EXCLUSIVELY NATURE BASED WITH VIRTUALLY NO MAN MADE ATTRACTIONS THAT ARE KNOWN TO THE MARKETPLACE.

* TOURISM INFRASTRUCTURE

CURRENT QUALITY AND QUANTITY OF ACCOMMODATION FACILITIES AVAILABLE DOES NOT PROVIDE THE KITIKMEOT WITH THE CAPACITY FOR ANY SIGNIFICANT INCREASE IN TRAVEL VOLUME. THE DEVELOPMENT OF NEW AND/OR UPGRADED FACILITIES IS A DEFINITE PRIORITY.

* COMMUNITY BASED TOURISM ACTIVITIES AND SERVICES

THE OVERRIDING CONSENSUS FOR FUTURE TOURISM INDUSTRY DEVELOPMENT IN THE NWT INDICATES THAT IT SHOULD BE COMMUNITY BASED. FOR THE MOST PART OUR COMMUNITIES ARE NOT CURRENTLY ABLE TO DELIVER QUALITY CONSUMABLE ACTIVITIES AND SERVICES FOR TOURISTS.

* LACK OF MARKETING FOCUS

EXISTING TOURISM INDUSTRY DEVELOPMENT HAS OCCURRED IN ISOLATION FROM GOOD MARKET RESEARCH. FUTURE DEVELOPMENT INITIATIVES MUST MORE CLOSELY MATCH MARKET SEGMENTS THAT HAVE THE BEST POTENTIAL FOR INDUSTRY GROWTH.

* LIMITED DEVELOPMENT OF PACKAGED TOURS

PACKAGED TOURS REPRESENT ONE OF THE VERY FEW VIABLE APPROACHES TO DEVELOPING PLEASURE TRAVEL IN THE KITIKMEOT. SINCE NEARLY ALL CURRENT ANALYSIS IS INDICATING THAT PACKAGED TOUR PRODUCTS ARE WHAT THE MARKET IS DEMANDING AND WILL DO SO INCREASINGLY IN THE FUTURE, KITIKMEOT COMMUNITIES MUST DEVELOP THESE PRODUCTS.

* MARKETING SYSTEM NOT DEVELOPED

THERE IS NO ORGANIZED SALES AND DISTRIBUTION SYSTEM FOR KITIKMEOT TOURIST PRODUCTS AND SERVICES. IF THE KITIKMEOT IS GOING TO COMPETE IN THE WORLD MARKETS FOR THE OUTDOOR/ ADVENTURE TRAVEL, A MARKETING SYSTEM MUST BE DEVELOPED. AT THE PRESENT TIME MARKETING, PROMOTION AND SALES DISTRIBUTION ACTIVITIES FOR

SPORTS HUNTS OPERATED BY THE HTA'S ARE CARRIED OUT BY SOUTHERN TOUR OPERATORS AND OUTFITTERS. THESE ARRANGEMENTS USUALLY RESULT IN HIGH QUALITY ORGANIZATIONAL SERVICES BUT PROHIBITIVE COSTS. THE LOCAL INVOLVEMENT IS RESTRICTED TO GUIDING ACTIVITIES. THE KITIKMEOT NEEDS TO DEVELOP A REGIONAL MARKETING AND SALES DISTRIBUTION OFFICE FOR LOCAL TOURISM PRODUCTS AND SERVICES AND INCREASE LOCAL INVOLVEMENT IN THESE AND ALL OTHER MANAGEMENT ACTIVITIES.

* WILDLIFE LEGISLATION IN CONFLICT WITH TOURISM DEVELOPMENT

SITUATIONS HAVE DEVELOPED WHERE CURRENT WILDLIFE REGULATIONS AND LEGISLATION CREATED LICENCING PROBLEMS FOR POTENTIAL JOINT VENTURE OUTFITTING ENTERPRISE.

TOURISM SECTOR STRATEGY

THE MAJOR TOURISM INITIATIVES OVER THE NEXT FIVE YEARS SHOULD INVOLVE EFFORTS TO INCREASE THE SUPPLY AND QUALITY OF KITIKMEOT TOURISM PRODUCTS SERVICES, ATTRACTIONS, AND DESTINATIONS IN THE MARKETPLACE. THERE SHOULD ALSO BE CONSIDERABLE EMPHASIS ON TRAINING TO IMPROVE GENERAL TOURISM AND HOSPITALITY AWARENESS AND THE ABILITY OF KITIKMEOT COMMUNITIES TO DELIVER QUALITY CONSUMABLE ACTIVITIES AND SERVICES FOR TOURISTS.

(Insert Tourism Sector Targets Here)

1. TOURISM INFRASTRUCTURE

ED&T SHOULD WORK CLOSELY WITH HAMLET COUNCILS, CHAMBERS OF COMMERCE, AND HTA'S TO DEVELOP/FINALIZE A STRATEGY THAT WILL TARGET PUBLIC SECTOR INVESTMENT THROUGH THE CAPITAL PLAN AND VISITOR ATTRACTIONS AND SERVICES IMPORTANT TO THE FUTURE GROWTH OF THE TOURISM SECTOR IN THE KITIKMEOT. INTERPRETIVE CENTERS/EXHIBITS, PARK AND TRAIL DEVELOPMENT, INFORMATION CENTERS, COMMUNITY SIGNAGE, ETC, SHOULD BE PUT INTO PLACE AS QUICKLY AS POSSIBLE IN COMMUNITIES WITH THE HIGHEST TOURISM POTENTIAL.

IT IS RECOMMENDED THAT ED&T INITIATE DISCUSSIONS, IN CONSULTATION WITH APPROPRIATE LOCAL INTEREST GROUPS, TO ENCOURAGE INCREASED INTER-DEPARTMENTAL CO-OPERATION IN PLANING AND DEVELOPING PUBLIC INFRASTRUCTURE THAT WILL INCREASE TOURISM OPPORTUNITIES.

2. ROLE OF PRIVATE SECTOR

THE PRIVATE SECTOR MUST BE ENCOURAGED AND SUPPORTED TO TAKE THE LEAD ROLE IN DEVELOPING A VIABLE TOURISM INDUSTRY IN THE KITIKMEOT REGION. GNWT SUPPORT SHOULD BE IN THE FORM OF CAPITAL INFUSIONS TO DEVELOP BASIC TOURISM INFRASTRUCTURE, FUNDING AND/OR DELIVERY OF COMPREHENSIVE TRAINING PACKAGES AIMED AT ALL LEVELS OF THE INDUSTRY, TECHNICAL ADVICE, MARKETING INCENTIVES, AND OTHER FINANCIAL INCENTIVES.

3. TOURISM TRAINING AND AWARENESS

TRAINING PROGRAMS RELATED TO THE SPECIFIC NEEDS OF DEVELOPING AND DELIVERING PACKAGE TOUR OPTION AND ALL ASPECTS OF SPORT HUNTING ENTERPRISE IN THE KITIKMEOT SHOULD BE DEVELOPED IN CLOSE CONSULTATION WITH INDUSTRY SPECIALISTS AT HEADQUARTERS AND TOURISM INDUSTRY ASSOCIATION OFFICIALS. WORKSHOPS, SEMINARS, AND TRAINING PACKAGES, MORE CLOSELY ATTUNED TO THE NEEDS OF THE TOURISM LABOR MARKET IN EACH COMMUNITY ARE REQUIRED. ON THE JOB TRAINING WITH ESTABLISHED TOURISM RELATED ENTERPRISE IN THE NWT IS ALSO RECOMMENDED. THERE WILL BE A PRESSING NEED FOR COMMUNITY AND TOUR HOSTS, HOTEL MANAGEMENT PERSONNEL, RESTAURANT PERSONNEL, GUIDES, SALES DISTRIBUTION ACTIVITIES, MARKETING AND PROMOTION ACTIVITIES, ETC. IT IS OF CRITICAL IMPORTANCE TO GET STARTED ON THESE TRAINING REQUIREMENTS AS SOON AS POSSIBLE SO THAT A SMALL POOL OF TRAINED PERSONNEL IS AVAILABLE TO SERVE THE PROJECTED AND IMMINENT NEEDS OF THE TOURISM INDUSTRY.

4. TOURISM PRODUCT DEVELOPMENT

PACKAGED TOURS REPRESENT ONE OF THE FEW VIABLE APPROACHES TO MARKETING THE KITIKMEOT AS A DESTINATION FOR PLEASURE AND/OR ADVENTURE TRAVEL. THE MAIN REASONS FOR THE SLOW DEVELOPMENT OF PACKAGED TOUR PRODUCTS IN THE KITIKMEOT HAS TO DO WITH THE LACK OF TOURISM INFRASTRUCTURE, LOW TOURISM AWARENESS, AND THE LIMITATIONS FOR INCREASED VOLUME AS A RESULT OF THE CURRENT STATE OF ACCOMMODATION FACILITIES AND HUMAN RESOURCE SHORTCOMINGS. ALL OF THESE CONSTRAINING FACTORS MUST BE ADDRESSED. ATTRACTIVE, ACCESSIBLE, AND COMPETITIVELY PRICED VACATIONS IN A PACKAGED TOUR FORMAT SHOULD BE DEVELOPED, PARTICULARLY, FOR THE WESTERN KITIKMEOT COMMUNITIES. SEVERAL TOUR PACKAGES SHOULD BE DEVELOPED AS SOON AS POSSIBLE FOR CAMBRIDGE BAY AND COPPERMINE, WHERE AWARENESS, SERVICES, AND BASIC INFRASTRUCTURE ARE ALREADY DEVELOPED TO A MINIMALLY ACCEPTABLE LEVEL.

PACKAGED TOURS SHOULD BE DEVELOPED AROUND THE EXISTING TOURISM RESOURCES OF THE KITIKMEOT REGION. THIS RESOURCE IS BASED MAINLY ON THE PEOPLE WITH THEIR NORTHERN CULTURES AND ON THE WILDERNESS BEAUTY OF THE LAND WHICH PROVIDES ONE OF THE MOST DISTINCTIVE LANDSCAPES IN THE WORLD. IT IS THE UNIQUE RELATIONSHIP BETWEEN THE NATURAL RESOURCES OF THE REGION AND THE TRADITIONAL LIFESTYLE OF ITS INUIT PEOPLE THAT MAKE THE KITIKMEOT DIFFERENT. THE OPPORTUNITY TO EXPERIENCE THESE CULTURES AND LIFESTYLES, IN AN HISTORICAL SETTING PROVIDES THE REGION WITH ITS PRIMARY ATTRACTION. VACATIONS IN A PACKAGED TOUR FORMAT BUILT AROUND THESE ATTRACTIVE THEMES ARE A HIGH PRIORITY.

SPORT HUNTS AND BIG GAME OUTFITTING ENTERPRISE OFFER ANOTHER GOOD TOURISM DEVELOPMENT OPPORTUNITY IN VIRTUALLY EVERY COMMUNITY IN THE KITIKMEOT REGION. CAMBRIDGE BAY AND COPPERMINE ALREADY HAVE OPERATIVE SPORT HUNTING ENTERPRISE CONDUCTED BY THE LOCAL HTA'S IN EACH COMMUNITY. THERE IS CONSIDERABLE POTENTIAL TO EXPAND AND IMPROVE ON THESE ENTERPRISE AND DEFINITE OPPORTUNITY TO START UP NEW SPORT HUNTING OPERATIONS IN HOLMAN AND SPENCE BAY. (SEE ADDENDUM #1 FOR DETAILED SPORT HUNT DEVELOPMENT STRATEGY).

SPORT HUNTING OPPORTUNITIES IN THE KITIKMEOT HOLD GREAT PROMISE FOR THE FURTHER DEVELOPMENT OF EXISTING ACTIVITIES. TO TAKE ADVANTAGE OF THEM, THE MAJOR REQUIREMENTS ARE LARGELY ORGANIZATIONAL IN NATURE. IN MANY AREAS OF THE NORTH, COMMUNITIES ARE OFFERING SPORT HUNTS IN INCREASING NUMBERS AND THE MARKET IS BECOMING INCREASINGLY COMPETITIVE. A SOLID REGIONAL ORGANIZATION FOR PACKAGING AND MARKETING SPORT HUNTS SHOULD BE DEVELOPED IN THE LONG TERM TO INCREASE PROFITABILITY AND EMPLOYMENT INCOME. HOWEVER, IT WILL BE INCUMBENT ON INDIVIDUAL COMMUNITIES TO ENSURE THAT THEIR HUNTS ARE ORGANIZED TO OFFER A QUALITY EXPERIENCE THAT CAN COMPLETE WITH AN AFRICAN SAFARI OR A GRIZZLY BAR HUNT IN ALASKA. KITIKMEOT COMMUNITY'S SUCCESS WITH SPORT HUNTING OPERATIONS WILL ULTIMATELY DEPEND ON THEIR ABILITY TO DEVELOP AND ORGANIZE THEIR HUMAN RESOURCES

TOURS AND SPORT HUNTS SHOULD BE DEVELOPED WITH THE ASSISTANCE OF A PRODUCT DEVELOPMENT SPECIALIST WHO WOULD BE HIRED FOR 1-2 YEARS BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM. IT IS OF CRITICAL IMPORTANCE THAT THESE VERY HIGH PRIORITY OPPORTUNITIES ARE DEVELOPED PROPERLY. EXISTING REGIONAL STAFF ARE ALREADY FULLY ENGAGED WITH HEAVY RESPONSIBILITIES. THE TOURISM PRODUCT DEVELOPMENT ADVISOR WOULD LARGELY BE RESPONSIBLE FOR WORKING WITH COMMUNITY MEMBERS, PRIVATE SECTOR AND GOVERNMENT IN DEVELOPING TOURS THROUGHOUT THE KITIKMEOT.

WE ARE RECOMMENDING THE DEVELOPMENT OF TOURS AS THE HIGHEST PRIORITY DEVELOPMENT OPPORTUNITY FOR THE KITIKMEOT IN THE SHORT TERM. DEVELOPMENT OF THE TOURS WOULD INCREASE TOURISM OPPORTUNITIES FOR TOURISTS AND PROVIDE VALUABLE EXPERIENCE TO TOUR OPERATORS AND MEMBERS OF THE COMMUNITY IN DEALING WITH TOURISTS. ONCE THESE TOURS WERE OPERATING SUCCESSFULLY THEY COULD BE INCORPORATED INTO A LARGER PACKAGE TOUR SOLD BY TOUR WHOLESALERS TO SOUTHERN AND INTERNATIONAL MARKETS. ADDITIONAL RESPONSIBILITIES OF THE PRODUCT DEVELOPMENT ADVISOR WOULD INCLUDE THE DELIVERY OF A TOURISM AWARENESS PROGRAM TO INFORM COMMUNITY MEMBERS AND OPERATORS AS TO THE STRUCTURE OF THE INDUSTRY, ITS ECONOMIC SIGNIFICANCE, THE EXPECTATIONS OF TOURISTS, AND THE COMMUNITY'S ROLE IN DEVELOPING TOURISM.

5. MARKETING AND SALES DISTRIBUTION

EXISTING KITIKMEOT TOURISM ENTERPRISE (PARTICULARLY HTA SPORT HUNTS) ARRANGE FOR VIRTUALLY ALL MARKETING, PROMOTION, AND ORGANIZATION REQUIREMENTS THROUGH CONTRACTUAL ARRANGEMENTS WITH SOUTHERN AGENTS AND/OR OUTFITTERS. THE ROLE AND INVOLVEMENT OF KITIKMEOT RESIDENTS IS THEREFORE RESTRICTED TO THE PROVISION OF GUIDE SERVICES. SINCE SPORT HUNTS OFFER ONE OF THE PRIME OPPORTUNITIES FOR DEVELOPMENT IN THE TOURISM INDUSTRY THE COMMUNITIES INVOLVED IN THIS ENTERPRISE MUST MAXIMIZE THE EMPLOYMENT OPPORTUNITIES FROM THE PLANNED EXPANSION AND GROWTH OF SALES OF THIS PRODUCT. ADDITIONALLY, CURRENT MANAGEMENT AGREEMENTS FOR THE PROVISION OF THESE MARKETING AND ORGANIZATIONAL REQUIREMENTS HAVE PROVEN TO BE PROHIBITIVELY EXPENSIVE.

IT IS RECOMMENDED THAT COMMUNITY GROUPS AND ORGANIZATIONS INVOLVED IN SPORT HUNTS AND TOUR PACKAGE OPTIONS CONSIDER THE FEASIBILITY OF FORMING A REGIONAL SALES DISTRIBUTION OFFICE IN THE KITIKMEOT. IN THIS MANNER COMMUNITY RESIDENTS CAN BECOME INVOLVED IN A WIDER VARIETY OF TOURISM INDUSTRY EMPLOYMENT.

REAL EMPLOYMENT GROWTH CAN ONLY HAPPEN WHEN RESIDENTS BECOME INVOLVED IN EMPLOYMENT OPPORTUNITIES AT ALL LEVELS OF THE INDUSTRY. ADDITIONALLY IN-COMMUNITY BOOKING SERVICES WILL INCREASE PROFITABILITY OF LOCAL TOURIST ENTERPRISE.

6. MONITORING DATA

REGIONAL TOURISM OFFICER AND ACTA ZONE MANAGER SHOULD DEVELOP, IN CONJUNCTION WITH THE INDUSTRY (HOTELS, RESTAURANTS, HTA'S, AND TOUR OPERATORS, ETC), A STRATEGY FOR MEASURING AND INCREASING CONSUMER SATISFACTION WITH EXISTING TRAVEL PRODUCTS AND SERVICES.

IN THE SHORT TERM THE DEVELOPMENT OF A WELL ORGANIZED QUESTIONNAIRE FOR DISTRIBUTION TO ALL OF THE REGION'S ESTABLISHMENTS COULD BE DONE IMMEDIATELY. THE PURPOSE OF THE QUESTIONNAIRE WOULD BE TO ENSURE BASIC CONSUMER SATISFACTION.

IN THE LONG TERM THE REGION MUST DEVELOP A SYSTEM TO MONITOR THE GROWTH OF THE KITIKMEOT TOURISM INDUSTRY AS MEASURED BY THE NUMBER OF VISITS, THEIR EXPENDITURES, NUMBER OF TOURISM FACILITIES. THIS TYPE OF INFORMATION IS CRITICAL TO ESTABLISHING THE WORTH OF THE KITIKMEOT TOURISM INDUSTRY AND WILL SERVE AS A USEFUL INDICATOR OF THE EFFECTIVENESS OF MARKETING AND DEVELOPMENT PROGRAMS.

RENEWABLE RESOURCES SECTOR

"LIKE EVERYTHING ELSE, THE DOMESTIC ECONOMY IS CHANGING, WHICH IS ONE REASON WHY IT IS NOT HELPFUL TO THINK OF IT AS A "TRADITIONAL PURSUIT", SOMETHING THAT ONLY THE OLD FOLKS DO. THE DOMESTIC ECONOMY MUST BE REGARDED IN PUBLIC POLICY AS HAVING A LEGITIMATE AND IMPORTANT PLACE IN THE ECONOMIC FUTURE OF THE NWT: THAT IT HAS A FUTURE AS WELL AS A PAST, AND THAT IT WILL CONTRIBUTE TO THE LIVES OF MANY PEOPLE IN MANY COMMUNITIES. IT EXISTS NOT IN ISOLATION, BUT AS A CENTRAL AND INTEGRAL PART OF THE MIXED ECONOMY WHICH IS THE BASIS OF COMMUNITY LIFE AND SURVIVAL. WHEN THE DOMESTIC ECONOMY IS WIDELY UNDERSTOOD AND APPRECIATED AS BEING A STRENGTH ON WHICH TO BUILD, RATHER THAN A WEAKNESS TO OVERCOME, THE NWT WILL HAVE MADE A MAJOR STEP FORWARD."

PETER J. USHER

MAY 1989

BACKGROUND

HUNTING FOR DOMESTIC USE IS STILL AN IMPORTANT SOURCE OF ECONOMIC SATISFACTION IN ALL COMMUNITIES OF THE REGION. DOLLAR VALUES FOR THE MEAT PROCURED CAN BE ESTIMATED ON CARIBOU, MUSKOX AND SMALL GAME, ACCORDING TO THE SEASON. THE COMMERCIAL HARVEST OF COUNTRY FOODS ALSO PROVIDES A BASIS FOR INTER-SETTLEMENT TRADE AS WELL AS OPPORTUNITIES FOR VALUE ADDED PROCESSING FOR BOTH IMPORT SUBSTITUTION AND EXPORT. THE RECENT SUCCESS OF THE COUNTRY FOOD OUTLET IN CAMBRIDGE BAY HAS PROVIDED A BASIS FOR EXPANSION.

THE COMMERCIAL FISHERY, WITH A PROCESSING PLANT LOCATED IN CAMBRIDGE BAY IS A SMALL BUT IMPORTANT PART OF THE ECONOMY. THE FRESHWATER FISH MARKETING CORPORATION, A FEDERAL CROWN AGENCY, MARKETS THE PRODUCT. THE PRESENT HARVEST OF ARCTIC CHAR IS 50% BELOW THE AVAILABLE QUOTA. VALUE ADDED PROCESSING SHOULD INCREASINGLY RESULT IN THE SAME BENEFIT THAT ARE BEING REALIZED FROM COUNTRY MEATS. IKALUKTUTIAK COOPERATIVE SHIPPED 101,530 LBS. OF ARCTIC CHAR TO FFMC IN 1989 FOR A GROSS INCOME OF \$330,000. TWELVE COMMERCIAL FISHERMEN WERE INVOLVED IN THE CHAR FISHERY AND ADDITIONALLY 18 PERSONS WERE EMPLOYED BY THE FISH PROCESSING PLANT DURING THE FISHING SEASON. NEW OPPORTUNITIES SHOULD BE EXPLORED THROUGH FEASIBILITY STUDY FOR VALUE ADDED PROCESSING FOR BOTH IMPORT SUBSTITUTION AND EXPORT. SPECIFICALLY, THE DEVELOPMENT OF A LOCAL CANNERY IN CAMBRIDGE BAY IS UNDER PRELIMINARY DISCUSSION BETWEEN IKALUKTUTIAK CO-OPERATIVE AND THE DEPARTMENT OF ECONOMIC DEVELOPMENT.

FUNDAMENTAL TO THE POSSIBLE SUCCESS OF THE KITIKMEOT RENEWABLE RESOURCE STRATEGY ARE INITIATIVES THAT WILL DEVELOP NEW PRODUCTS AND NEW OPPORTUNITIES FOR EMPLOYMENT AND INCOME. PROCEEDING WITH SOME OF THESE OPPORTUNITIES WILL REQUIRE A NEW APPROACH WITH MORE FLEXIBLE PROGRAMMING. OPPORTUNITIES THAT WOULD EMPLOY SIGNIFICANT NUMBERS OF KITIKMEOT RESIDENTS BUT DO NOT MEET ELIGIBILITY CRITERIA OF EXISTING FUNDING PROGRAMS SHOULD NOT BE SET ASIDE.

THE PRIVATE SECTOR WILL NEVER DEVELOP THESE OPPORTUNITIES. HOWEVER, CONSIDERING THAT THESE ACTIVITIES COULD:

- 1) GENERATE EMPLOYMENT GROWTH
- 2) INCREASE EXPORTS
- 3) REDUCE IMPORTS

THE GNWT SHOULD CONSIDER A DIRECT INVESTMENT INCLUDING CREATING, SUBSIDIZING, AND MANAGING THESE ENTERPRISES IF NECESSARY.

THE DEVELOPMENT OF AN EFFICIENT INFRASTRUCTURE IN THE KITIKMEOT, TO NURTURE AND DEVELOP BOTH IMPORT SUBSTITUTION AND EXPORT MARKETS IN THE RENEWABLE RESOURCE SECTOR COULD PROVIDE MANY NEW OPPORTUNITIES FOR EMPLOYMENT AND INCOME CREATION. IT IS ACKNOWLEDGED THAT A MORE EFFICIENT USE OF THE PRIMARY HARVEST WILL BE MANDATORY TO TRANSFORM THE ABUNDANT RESOURCES INTO GOODS AND SERVICES REQUIRED BOTH OUTSIDE OF AND WITHIN THE REGION.

OBJECTIVES - RENEWABLE RESOURCES

- 1) TO INCREASE LOCAL PARTICIPATION IN RENEWABLE RESOURCE HARVESTING, PROCESSING, AND SALES DISTRIBUTION ACTIVITIES FOR THE ECONOMIC AND SOCIAL BENEFITS OF KITIKMEOT RESIDENTS.
- 2) TO INCREASE THE VALUE OF DOMESTIC AND EXPORT MARKETS BY INCREASED AND MORE EFFICIENT USE OF THE PRIMARY HARVEST.
- 3) TO IMPROVE COMPETITIVENESS OF RENEWABLE RESOURCE ECONOMIC ACTIVITIES BY IMPROVING TECHNOLOGY, TRAINING, MARKETING, AND SALES DISTRIBUTION.
- 4) TO INCREASE INCOME AND EMPLOYMENT OPPORTUNITIES FOR KITIKMEOT RESIDENTS BY INCREASED PRODUCTION AND SALES OF VALUE ADDED PRODUCTS FOR EXPORT AND FOR THE TOURIST MARKET.
- 5) TO INCREASE AND IMPROVE AWARENESS AND PARTICIPATION LEVEL OF LOCAL RESIDENTS IN THE RENEWABLE RESOURCE SECTOR IN SPORT HUNTS BY STRENGTHENING THE ORGANIZATIONAL AND MANAGEMENT SKILLS OF HTA PERSONNEL.
- 6) TO MAINTAIN, IMPROVE, AND CONTINUE SUPPORT PROGRAMS FOR CONSERVATION AND MANAGEMENT OF THE DOMESTIC ECONOMY.

PRINCIPLES

- * COMMERCIAL DEVELOPMENT OF RENEWABLE RESOURCES SHOULD BE PROMOTED IN HARMONY WITH THE DOMESTIC ECONOMY.
- * THE HARVEST OF PRIMARY RESOURCES MUST BE SUSTAINABLE FOR FUTURE GENERATIONS.
- * SUBSISTENCE AND IMPORT REPLACEMENT MARKETS WILL HAVE THE HIGHEST PRIORITY IN RENEWABLE RESOURCE DEVELOPMENT AHEAD OF EXPORT MARKETS FOR COUNTRY FOODS.
- * THE SECONDARY PROCESSING (VALUE ADDED) OF RENEWABLE RESOURCE PRODUCTS HAS THE POTENTIAL TO SECURE THE GREATEST ECONOMIC RETURNS FROM EXISTING RESOURCES AND SHOULD BE ENCOURAGED ACCORDINGLY.
- * COMMUNITY PRIORITIES AND INTERESTS MUST BE RESPECTED AT ALL TIMES. IT IS THE LOCAL PEOPLE WHO MUST LIVE WITH THE CONSEQUENCES OF ALL DECISIONS THAT ARE MADE.

OPPORTUNITIES AND CONSTRAINTS

STRENGTHS AND OPPORTUNITIES

- * THE KITIKMEOT REGION IS RICH IN WILDLIFE - MUSKOX, CARIBOU, POLAR BEAR, FOX - MARINE RESOURCE OF FISH AND SEAL. THE COPPER ESKIMOS OF THE WESTERN KITIKMEOT AND THE NETSILIK OF THE EAST HAVE RELIED ON THESE RESOURCES TO SUSTAIN THEMSELVES IN THE PAST AND STILL DO SO TODAY. AT THE PRESENT TIME THERE IS NO SIGNIFICANT SUPPLY PROBLEM FOR EITHER ANIMALS OR FISH. ALL COMMUNITIES IN THE KITIKMEOT DEPEND VERY HEAVILY ON THE DOMESTIC ECONOMY. IT IS ESTIMATED THAT IT ADDS 45% TO THE EFFECTIVE INCOME OF INUIT IN THE KITIKMEOT AND STILL THE COMMERCIAL QUOTA IS LARGELY UNDER UTILIZED.

- * EVEN THOUGH SOUTHERN FOOD FILLS THE SHELVES OF THE BAY AND CO-OP, THE INUIT HAVE RETAINED THEIR PREFERENCE FOR COUNTRY FOOD AS THE MAJOR COMPONENT OF THEIR DIET. THE KITIKMEOT, IN COMPARISON TO OTHER REGIONS REMAINS THE LOWEST PER CAPITA IMPORTER OF SOUTHERN FOODS.

- * THROUGH SOUND RESOURCE MANAGEMENT POLICIES (A RESPONSIBILITY OF THE DEPARTMENT OF RENEWABLE RESOURCES) THE BOUNTY OF WILDLIFE IS IN NO DANGER OF OVER EXPLOITATION. THE DEPARTMENT OF FISHERIES AND OCEANS IS THE BODY RESPONSIBLE FOR THE MARINE QUOTAS OF FISH. FOR THE ENTIRE KITIKMEOT THE COMMERCIAL QUOTAS TOTAL APPROXIMATELY 250,000 LBS. OF WHICH ONLY ABOUT 50% TO 55% (MAINLY AROUND CAMBRIDGE BAY) ARE HARVESTED ON A REGULAR BASIS.

- * EXPOSITION '86 PROVIDED AN EXCELLENT OPPORTUNITY TO TEST PUBLIC OPINION OUTSIDE THE NORTHWEST TERRITORIES WITH REGARD TO COUNTRY FOOD. THE RESPONSE WAS POSITIVE AND THE NWT GOVERNMENT KEPT THE MOMENTUM GOING BY CONVENING THE FIRST NORTHERN FOOD CONFERENCE IN YELLOWKNIFE (FEBRUARY 1987). BOTH EXPO '86 AND THE FOOD CONFERENCE CLEARLY SHOWED THAT THERE WERE EXCELLENT OPPORTUNITIES FOR COMMERCIALLY DEVELOPING THE FOOD INDUSTRY. INQUIRIES FROM SOUTHERN CANADA AND ABROAD FURTHER CONFIRMED THAT THERE IS DEFINITELY A MARKET FOR NORTHERN FOODS.

- * RESEARCH INDICATES THAT THE VALUE OF THE COMMERCIAL FISHERY IN THE KITIKMEOT COULD BE INCREASED SIGNIFICANTLY BY:
 - A) INCREASING THE HARVEST OF ARCTIC CHAR BY 30%
 - B) VALUE ADDED PROCESSING OF CHAR (EG, SMOKING, CANNING)

SIMILAR OPPORTUNITIES ARE APPARENT THROUGH NEW PRODUCT DEVELOPMENT AND VALUE ADDED PROCESSING OF COUNTRY FOODS.

DEVELOPMENT CONSTRAINTS

- * THE GEOGRAPHY FACTOR. THE KITIKMEOT IS ONE OF THE MOST REMOTE REGIONS OF THE NWT. HIGH TRANSPORTATION COSTS REMAIN ONE OF THE BIG HINDRANCES TO DEVELOPMENT. ADDITIONALLY, UNCERTAIN WEATHER CONDITIONS AND WEAK TRANSPORTATION LINKS ARE MAJOR DEVELOPMENT CONSTRAINTS.
- * BUSINESS FINANCING FACTOR. AN IMPORTANT CONSTRAINT TO EXPANSION OF THE TRADITIONAL HARVEST IS THE FACT THAT THERE ARE SIGNIFICANT CASH COSTS OF ENTRY TO PARTICIPATION IN THE SECTOR WHILE CASH INCOMES WITHIN THE SECTOR ARE CONSIDERABLY LOW SO AS NOT TO ALLOW SAVINGS. THE UNCERTAINTY AND QUESTIONABLE VIABILITY MAKE FOR A DIFFICULT SITUATION WHEN TRYING TO ACCESS FUNDING FROM GOVERNMENT LOAN AND CONTRIBUTION PROGRAMS FOR DEVELOPMENT PROJECTS.
- * THE TECHNOLOGICAL FACTOR. THE ACCESS TO FUNDING REQUIRED TO ECONOMICALLY DEVELOP REQUIRED TECHNOLOGY FOR PROJECTS IS DIFFICULT. THIS IS FURTHER COMPLICATED BY SOCIOLOGICAL ARGUMENTS AS TO SHOW HOW FAR DEVELOPMENT WILL ENCROACH ON THE WAY OF LIFE AND ANCILLARY CONCERNS ABOUT ECOLOGY.
- * THE HUMAN RESOURCE FACTOR. THE LACK OF TRAINED PEOPLE TO TAKE UP THE ENTREPRENEURIAL INITIATIVES AND CARRY ON AN ENTERPRISE IS LIMITED; IN SOME COMMUNITIES TOTALLY ABSENT. LEVELS OF FORMAL EDUCATION AND WORK SKILLS ARE LOW.
- * THE REGULATORY FACTOR. THE TERRITORIAL DEPARTMENT OF RENEWABLE RESOURCES AND THE FEDERAL DEPARTMENT OF FISHERIES AND OCEANS ARE RESPECTIVELY RESPONSIBLE FOR THE MANAGEMENT OF WILDLIFE AND FISHERIES. THE RESPONSIBILITY IS, FIRSTLY, DISCHARGED BY RELOCATING HARVEST QUOTAS AND, SECONDLY, BY MONITORING THAT THESE PRESET QUOTAS ARE ADHERED TO. ANOTHER ANCILLARY FUNCTION IS TO MONITOR THE HEALTH OF THE WILDLIFE AND FISHERIES THROUGH

REGULAR CHECKS AND ACTING ON INFORMATION RECEIVED IN THIS REGARD FROM LOCAL OPERATIONAL BODIES LIKE THE HTA AND THE LOCAL FISHERMEN. IN CONCLUSION, ANY DEVELOPMENT POTENTIAL, THEREFORE, CANNOT GO BEYOND THE QUOTA RESTRICTIONS AND THESE QUOTAS CAN CHANGE FROM YEAR TO YEAR DEPENDING ON THE HEALTH OF WILDLIFE AND FISH STOCKS.

- * CAPITAL COSTS. THE TREMENDOUSLY HIGH COST OF FISHERIES AND FOOD PROCESSING INFRASTRUCTURE IS A MAJOR PROHIBITIVE FACTOR TO FUTURE DEVELOPMENT. A CAREFUL EXAMINATION OF THE LEVELS OF LOCAL EMPLOYMENT AND INCOME BENEFITS COMPARED TO THE CAPITAL COSTS SHOULD BE UNDERTAKEN TO DETERMINE THE DEGREE OF COMMITMENT.

Renew. Resource Targets - INSERT HERE.

III RECOMMENDATIONS

- * EDUCATION. THE REGION SHOULD ACTIVELY WORK TO PROMOTE SPECIAL SKILLS IN ITS SCHOOL CURRICULUM. SINCE DROP OUT RATES AT GRADE 8 AND THEREAFTER INCREASE DRAMATICALLY WITH EACH STEP, IT MAKES SENSE TO FIND OUT AROUND GRADE 6 AS TO WHAT THE STUDENT IS INTERESTED IN AND IF HE OR SHE IS INTERESTED IN PURSUING A CAREER IN 'ARCTIC FARMING' SO LET IT BE. TRAINING IN THE FIELD OF BUTCHERING, PROCESSING, HYGIENE, ETC., SHOULD BE AGGRESSIVELY PROMOTED IN ORDER TO HAVE A SKILLED POOL OF LABOUR AVAILABLE. THIS WOULD ALSO ENCOURAGE MOBILITY. EDUCATION AND TRAINING SHOULD BECOME A TOP PRIORITY OF THE RENEWABLE RESOURCE DEVELOPMENT STRATEGY.
- * DEVELOPING MARKETS. ED&T SHOULD ASSIST IN MARKET DEVELOPMENT BY ENCOURAGING NORTHERN FOOD RETAILERS AND RESTAURANTS TO CARRY NORTHERN FOODS, BY SERVING AS AN INTERMEDIARY BETWEEN GROUPS WITH SURPLUS PRODUCTION AND POTENTIAL BUYERS AND BY FUNDING GENERAL PROMOTIONS COMMUNICATING A "BUY NORTHERN" MESSAGE, FOOD PREPARATION METHODS, OR NUTRITIONAL BENEFITS. THE SMALL SIZE OF THE MARKET DOES NOT JUSTIFY ESTABLISHING A CENTRAL MARKETING AGENCY AT THIS TIME.

- * IMPROVING CONSISTENCY OF SUPPLY. PRODUCTION ASSISTANCE AND GUIDANCE CAN BE GIVEN BY THE GOVERNMENT IN THE FORM OF DETERMINING SUSTAINABLE YIELDS, MONITORING INVENTORY LEVELS, STIMULATING AND FACILITATING SURPLUS HUNTING, AND IMPROVING ACCESS TO KEY FISHING AND HUNTING AREAS.

- * IMPROVING ECONOMICS OF OPERATION. THE GOVERNMENT COULD REDUCE CHANNEL COSTS BY ASSISTING IN SOME OF THE CHANNEL FUNCTIONS ITSELF INCLUDING COMMUNICATION OF MARKET INFORMATION, PRODUCT INSPECTION, PRODUCT MARKETING AND DISTRIBUTION.

- * INCREASED COMMUNITY INVOLVEMENT. THE GOVERNMENT SHOULD INFUSE ENTHUSIASM THROUGH BETTER PR WITH LOCAL LEADERS. THIS WILL INCREASE INDIVIDUAL EFFORTS AND HELP TOWARDS ACHIEVEMENT OF OBJECTIVE AND GOALS. ECONOMIC DEVELOPMENT AND TOURISM SHOULD DEVELOP AND DELIVER AN INFORMATION CAMPAIGN AT THE LOCAL LEVEL TO ENCOURAGE THE COMMERCIAL HARVEST AND IMPROVE THE CONSISTENCY OF SUPPLY.

- * GNWT SHOULD BEGIN WORK TO DEVELOP A SALES DISTRIBUTION NETWORK FOR THE SALE OF COUNTRY FOODS TO EXPORT MARKETS. LOCAL STAFF MUST BECOME MUCH MORE ADEPT AT RECEIVING ORDERS FOR PRODUCTS, MAKING PURCHASES, AND GENERAL SALESMANSHIP.

- * KITIKMEOT REGIONAL OFFICE OF ED&T SHOULD UNDERTAKE A CAPITAL PLANNING INITIATIVE TO IDENTIFY CAPITAL INVESTMENTS REQUIRED TO ESTABLISH THE REQUIRED FISHERIES AND COUNTRY FOOD INFRASTRUCTURE IN EACH KITIKMEOT COMMUNITY.

- * GNWT SHOULD PROVIDE ENCOURAGEMENT AND ADVISORY ASSISTANCE TO MEAT PROCESSING PLANTS IN THE DEVELOPMENT OF NEW ATTRACTIVE PRODUCTS WITH SPECIAL EMPHASIS ON VALUE ADDED. IT IS RECOMMENDED THAT SPECIAL ATTENTION IS GIVEN TO THE PACKAGING OF THOSE PRODUCTS TO HIGHLIGHT THE AUTHENTICITY AND DISTINCTIVENESS, OF HIGH QUALITY FOOD PRODUCTS FROM ABOVE THE ARCTIC CIRCLE.

- * GNWT MUST DEVELOP HEALTH AND QUALITY CONTROL STANDARDS FOR MEAT PROCESSING FACILITIES AND THE TRANSPORTATION, STORAGE AND HANDLING OF COUNTRY FOODS. ONCE STRINGENT STANDARDS ACCEPTABLE TO FEDERAL MEAT INSPECTION GUIDELINES ARE IN PLACE, THE POTENTIAL TO INCREASE EXPORT SALE OF COUNTRY FOOD PRODUCTS IS CONSIDERABLE.

- * GNWT SHOULD CONSIDER A PROGRAM OF CREATING, LONG TERM SUBSIDIZATION, ORGANIZATIONAL SUPPORT TO SPECIFIC IDENTIFIED RENEWABLE RESOURCE ENTERPRISE THAT HAVE IDENTIFIED POTENTIAL TO STIMULATE THE LOCAL ECONOMIES OF HIGH UNEMPLOYMENT KITIKMEOT COMMUNITIES. THE TWO IMPORTANT CRITERIA TO BE USED IN PROJECT SELECTION ARE:
 - A) NUMBER OF NEW JOBS CREATED
 - B) VALUE OF EXPORT SALES GENERATED

Summary - Highlights.