Developing a Sustainable Forestry Enterprise with Indigenous Stakeholders: Opportunities, Challenges and Governance Issues

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Abstract

This paper describes the opportunities and challenges for organizations that are attempting to develop joint ventures with indigenous communities. The key issue that will be explored in the paper is the notion of sustainability, defined here as a process that integrates economic, social and environmental factors. How these dimensions are to be integrated and how social and environmental performance should be assessed remain challenging and unanswered questions for organizations and their stakeholders. Indigenous communities represent one stakeholder group of particular interest given recent debates about the negative impacts of resource development projects on these communities. Historically, these communities have had little say on the kind of development that has taken place in their traditional lands. There is very little research that examines how the needs of indigenous stakeholders are taken into account. In this paper, I discuss the social, environmental and economic dimensions of developing a timber plantation in the Northern Territories in Australia involving a forestry company and an Aboriginal community. I outline the complex organization-stakeholder dynamics involved in developing a project that has as its goal the sustainability of the enterprise and the community. I discuss the opportunities, challenges and governance issues involved in developing a joint venture between a forestry company and an indigenous community in the Northern Territories in Australia.
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Introduction

This paper describes the opportunities and challenges for organizations that are attempting to develop joint ventures with indigenous communities. The key issue that will be explored in the paper is the notion of sustainability, defined here as a process that integrates economic, social and environmental factors. How these dimensions are to be integrated and how social and environmental performance should be assessed remain challenging and unanswered questions for organizations and their stakeholders. Indigenous communities represent one stakeholder group of particular interest given recent debates about the negative impacts of resource development projects on these communities. Historically, these communities have had little say on the kind of development that has taken place in their traditional lands. There is very little research that examines how the needs of indigenous stakeholders are taken into account.

The paper describes the opportunities, challenges and governance issues involved in developing a joint venture between a forestry company and an indigenous community in the Northern Territories in Australia. In particular, I discuss the social, environmental and economic dimensions of the project. I outline the complex organization-stakeholder dynamics involved in developing a project that has as its goal the sustainability of the enterprise and the community.

Sustainable Development: The Concept and its Implications.

The concept of sustainable development emerged in the 1980’s in an attempt to explore the relationship between development and the environment. While there are over 100 current definitions of sustainable development (Holmberg and Sandbrook, 1992), the one most commonly used is that of Brundtland (WCED, 1987). According to the Brundtland Commission, sustainable development is “a process of change in which the exploitation of resources, direction of investments, orientation of technological development, and institutional change are made consistent with future as well as present needs” (WCED, 1987: 9). This broad “definition” is at the root of several controversies and there is considerable disagreement among scholars in different disciplines on how this definition should be operationalized and how sustainability should be measured. As several authors have pointed out, the Brundtland definition does not elaborate on the notion of human needs and wants (Kirkby et al., 1995; Redclift, 1987) and the concern for future generations is problematic as well in its operationalization. Given the scenario of limited resources, this assumption becomes a contradiction as most potential consumers (future generations) are unable to access the present market or as Martinez-Alier (1987: 17) elegantly puts it, “individuals not yet born have ontological difficulties in making their presence felt in today’s market for exhaustible resources”
Apart from attempting to reconcile economic growth with environmental maintenance, the sustainable development agenda of Brundtland also focuses on social justice and human development within the framework of social equity and the equitable distribution and utilization of resources. Sustainability, as Redclift (1987) points out, means different things to different people. Although theories of sustainability sometimes stress the primacy of social justice, the position is often reversed where “justice is looked upon as subordinate to sustainability, and since neither sustainability nor social justice has determinate meanings, this opens the way to legitimizing one of them in terms of the other” (Dobson, 1998: 242). The terms sustainability and sustainable development are used interchangeably in both academic and popular discourses and the concept is promoted by “situating it against the background of sustaining a particular set of social relations by way of a particular set of ecological projects” (Harvey, 1996: 148). Thus, the debate about resource scarcity, biodiversity, population and ecological limits is ultimately a debate about the “preservation of a particular social order rather than a debate about the preservation of nature per se.” (Harvey, 1996: 148).

In a content analysis of different definitions of sustainable development, Gladwin et al. (1995) identified several themes including human development, inclusiveness (of ecological, economic, political, technological and social systems), connectivity (of sociopolitical, economic and environmental goals), equity (fair distribution of resources and property rights), prudence (avoiding irreversibilities and recognizing carrying capacities), and security (achieving a safe, health and high quality of life). However, despite its broad goals, what is being sustained does not seem to be in question because, as Hart (1997: 67) points out, the challenge is “to develop a sustainable global economy: an economy that the planet is capable of supporting indefinitely”. Thus, the challenge is to find new technologies and to expand the role of the market in allocating environmental resources with the assumption that putting a price on the natural environment is the only way to protect it, unless degrading it becomes more profitable (Beder, 1994). Rather than reshaping markets and production processes to fit the logic of nature, sustainable development uses the logic of markets and capitalist accumulation to determine the future of nature (Shiva, 1991). The language of capital is quite apparent in discourses of sustainable development.

For instance, Pearce et al. (1989) emphasize “constancy of natural capital stock” as a necessary condition for sustainability. According to Pearce et al. (1989), changes in the stock of natural resources should be “non-negative” and man-made capital (products and services as measured by traditional economics and accounting) should not be created at the expense of natural capital (including both renewable and nonrenewable natural resources). Thus, growth or wealth must be created without resource depletion. Exactly how this is to be achieved remains a mystery. A majority of the sustainable development literature is of this “eco-modernist” variety (Bandy, 1996) and addresses ways to operationalize the Brundtland concept. Thus, concepts such as “sustainable cost”, “natural capital”, or “sustainable capital” are developed and touted as evidence of a paradigm shift (Bebbington and Gray, 1993). There is limited awareness of the fact that traditional notions of capital, income and growth continue to inform this “new” paradigm. The uncritical acceptance of the current system of markets is also problematic: while markets are
indeed efficient mechanisms to set prices they are incapable of reflecting true costs, such as the replacement costs of an old growth tropical rainforest or the social costs of tobacco and liquor consumption (Hawken, 1995).

Sustainability of Indigenous Communities

Indigenous communities all over the world have been subject to a systematic process of genocide, colonialism and slavery for more than 500 years. It is only recently that their rights as indigenous peoples have been recognized at the international level following the United Nations Draft Declaration on the Rights of Indigenous People and the International Labor Organization’s Convention Concerning Indigenous and Tribal People. These policies acknowledge the dispossession suffered by indigenous communities and the enormous socio-economic disadvantages faced by them as a direct result of invasion and colonialism. For instance, the United Nations declaration on the rights of indigenous nations recognizes the “urgent need to respect and promote the inherent rights and characteristics of Indigenous Nations, especially the right to lands, territories and resources which derive from each Nation’s culture; aspects of which include spiritual traditions, histories, and philosophies as well as political, economic and social customs and cultures” (United Nations, 1994: 1). Social, economic, environmental and cultural sustainability of indigenous communities does not however, receive much attention in theoretical and policy debates on sustainability where the focus seems to be sustaining business corporations and international economic institutions whose goals and needs are at times incompatible with those of indigenous communities (Banerjee, 2002). Much of the literature on “global” sustainability fails to address the damaging local effects of colonial modes of development where land and resources sustained by indigenous communities have been expropriated for large-scale economic development projects that in many cases made conditions worse for local communities. According to Mudimbe (1988), colonial forms of development have three characteristics: the domination of physical space, reformation of the natives’ minds (particularly in terms of knowledge systems and culture), and incorporation of local economic histories into a western perspective. These aspects can be observed even today in various development projects involving indigenous communities – there is very little attention paid to their cultural and social needs and the promise that economic development would help address these issues remains unfulfilled.

Despite more than 100 years of economic development on indigenous lands through a variety of projects such as mining, forestry, and tourism, the socio-economic inequities between indigenous communities and the rest of the population continue to increase. In Australia for instance, the statistical indicators comparing socio-economic welfare between indigenous and other Australians paint a depressing picture. Life expectancy of indigenous people is 76% of other Australians, the perinatal mortality rate more than twice, imprisonment rates 16 times higher, unemployment rates almost 4 times higher and median family incomes 68% of other Australians (Yencken and Porter, 2001). Indigenous Australians face extreme disadvantage in every area of human welfare – employment, housing, health and education. The violent history of settler colonialism, dispossession of land, forcible removal of Aboriginal children from their
families, government assimilationalist polices, destruction of indigenous ways of life have all contributed to the vast existing inequalities between indigenous and non-indigenous Australians.

A key issue that attempts to address this problem is the notion of Aboriginal self-determination. This includes the right of indigenous peoples to develop policies that control their lives rather than to be recipients of government programs. According to the United Nations Draft Declaration on Indigenous Rights, the right of self-determination should enable indigenous peoples to “freely determine their relationships with the states in which they live and freely pursue their own economic, social, cultural and spiritual development in conditions of freedom and dignity” (United Nations, 1994). Sustainability of indigenous communities in Australia and elsewhere should be linked to economic independence rather than economic dependence on government and corporate policies. Rather than frame economic opportunities for indigenous communities as being the outcome of Western corporate rationality, what is required is a kind of cultural economics, one that develops a sound economic base in accordance with social, cultural and spiritual values of indigenous communities. Indigenous policy in Australia is still informed by colonial thought whereby a government of non-indigenous people determines the future of indigenous Australians and it is this paternalistic attitude that is responsible for the failure of public policy relating to indigenous affairs. Disadvantages and marginalization will continue unless a new form of indigenous governance that promotes community self-determination is developed (Yencken and Porter, 2001).

Indigenous communities in Australia attempting to enter the market and labor economy on their own terms face enormous challenges. Lack of educational opportunities and management training means that employment opportunities for most indigenous communities tend to be in minimum wage, casual jobs. Moreover, the kind of employment that is currently available for indigenous communities does not reflect their cultural and spiritual value systems. While current government policies promote Indigenous owned and operated small businesses, the failure rate of these ventures is very high because of the reasons mentioned earlier. Promoting sustainable joint ventures between indigenous communities and business firms is one way by which some of the structural inequalities could be addressed. Business firms can provide the required technical and managerial expertise while indigenous communities can decide what kind of development is appropriate on their land and what kind of employment would benefit their communities. For business organizations seeking to cooperate with indigenous communities, the challenges are to understand the range of impacts a business operation could have on a community as well as to develop management and governance structures that reflect indigenous values. Thus, the sustainability of any joint venture between indigenous communities and business firms would have to take into account the social, cultural, economic and environmental needs of the community and equal importance should be placed on these aspects as is done on traditional organizational performance criteria like profitability or return on investment.

Organizations and Sustainability

The notion of sustainability has become increasingly important in recent years and is debated among business corporations, governments, international institutions, policy makers, community groups, academics, and non-governmental organizations. There appears to be some
agreement among these diverse groups that there is a need to broaden the narrow focus on a single economic bottom line by developing a “triple bottom line” approach, one that also considers the social and environmental impacts of business (Elkington, 1997). This approach assumes that ensuring economic sustainability of a business in isolation is insufficient: environmental and social sustainability should also be taken into account to meet the goals of sustainability. Research on this area is growing in importance as evidenced by various global, international, domestic, regional and local initiatives examining the social and environmental impact of economic activity.

The notion of corporate sustainability is derived from concepts of sustainable development. A sustainable corporation is defined as one that “aims at increasing long-term shareholder value by integrating economic, environmental and social growth opportunities into their corporate and business strategies” (Dow Jones Sustainability Group Index, 2000). While this notion acknowledges the importance of environmental and social dimensions of corporate performance, it is significant that these concerns are framed as a strategic issue of “growth opportunities”. Even though the focus of corporate sustainability is clearly on sustaining long-term shareholder value, there is an underlying assumption that integrating environmental and social issues is somehow necessary for this to be achieved. How these dimensions are to be integrated and how social and environmental performance should be assessed remain challenging and unanswered questions. The limited empirical evidence suggests that sustainability issues (especially those relating to the environment) are framed by business corporations as opportunities and risks and assessed by the amount of environmental liability that can be reduced or economic benefits that can be obtained (Banerjee, 1998).

Theoretical perspectives of the triple bottom line approach focus on maximizing sustainability opportunities (corporate social responsibility, stakeholder relations and corporate governance) while minimizing sustainability-related risks (corporate risk management, environmental, health and safety audits and reporting). Using these and other parameters, it is possible to map the environmental and social domains of corporate sustainability and ultimately assess the performance of corporations on a triple bottom line. However, research on the environmental and social dimensions of corporate sustainability is very much in its infancy stage with little or no empirical evidence.

Not all constituents are in agreement with corporate notions of sustainability. Several environmental nongovernment organizations (NGO’s) argue that the shareholder focus needs to be to broadened in order to assess corporate performance on environmental and social dimensions. This stakeholder approach is a key theme of corporate sustainability and provides an opportunity to assess organizational performance not only on the economic bottom line but also the environmental and social bottom line. The stakeholder theory of the corporation which posits that a firm’s survival and growth is dependent on support not only from its shareholders and employees, but also its customers, the local community, government agencies, public interest groups, trade associations, competitors and the larger society (Bowie, 1991; Freeman, 1984). Thus a stakeholder is “any group or individual who can affect or is affected by the achievement
of the organisation’s objectives” (Freeman, 1984). Stakeholder theory implies that since all stakeholders are legitimate partners in a business, a business firm must consider the impact of its actions on all stakeholder groups.

Stakeholder theory continues to receive a great deal of attention in recent times as evidenced by the publication of dozens of books and more than 100 articles in scholarly journals. This literature is vast and diverse with little consensus and several contradictory findings. What does emerge from the literature, however, is that there is no universal agreement on who or what constitutes a "legitimate" stakeholder (Donaldson and Preston, 1995). The vast majority of the work in this field tends to be descriptive or prescriptive: research has focused on defining and refining the concept of stakeholder management (Carrol, 1989; Freeman, 1984; Freeman and Evan, 1990) as well as developing frameworks to analyse stakeholder relationships (Clarkson, 1995; Mitchell et al., 1997). Other studies have examined how business firms manage their stakeholder relationships. These mainly consist of case studies describing organisation-stakeholder interactions (Preston and Sapienza, 1990; Westley and Vredenburg, 1991).

Negotiating the labyrinths of stakeholder theory in all its complexity raises several questions and contradictions. At one level, the reformist view argues that stakeholders must be consulted, and the consultative process is the area that needs attention (Egri and Pinfield 1996). At another level, identifying appropriate stakeholders and prioritizing their needs tend to be driven by corporate needs and as noted by some critics, may limit the scope of reformist change (Banerjee 2000; Thomas 1999). According to Mitchell et al. (1997), stakeholder salience depends on managerial perceptions of whether the stakeholder possesses certain attributes, namely, power (the stakeholder’s power to influence the company), legitimacy (of the stakeholder’s relationship with the company) and urgency (the extent to which the stakeholder’s demands require immediate attention). However, defining the basis of stakeholder legitimacy is problematic and tends to be framed from the perspective of the business firm which limits understanding of the more complex dynamics of organization-stakeholder relationships, especially if the stakeholder groups have very different social, cultural, political and economic agendas than industry.

Building a Sustainable Joint Venture Organization

The proposed project involves creating a joint venture between a private forestry company and four Aboriginal communities in the Northern Territories. The key stakeholder groups in this project are Sustainable Agri-Forest Products which is the forestry company, the Aboriginal communities on whose land the project will be carried out, the Perron Islands Aboriginal Enterprise, an organization composed of members from the community with the aim of promoting commercial activity in their traditional lands, and the Northern Land Council which is a government body that represents Aboriginal communities in the Northern Territories.

**Sustainable Agri-Forest Products (SAP):** This company is currently engaged in applying concepts of ecologically sustainable management practices in the agri-forestry and horticultural industries with
the aim of cultivating mixed species which are climate, soil and market driven in order to provide long term monetary returns. The multi-species plantation concept combines the long-term cultivation (about 20 years) of high value primary species with the on going harvesting of tree crops that provide a financial return annually. This concept also recognizes natural bushland as an existing natural multi-species plantation that provides value. Two species have been identified as providing both immediate and long term value: sandalwood as the long-term primary species and neem as an ongoing harvesting venture. Apart from developing and managing the plantation, an oil processing plant will also be set up in the site, enhancing employment opportunities for local communities. The company services a variety of industries and markets including pharmaceuticals, cosmetics, perfumery and essential oils. The company is engaged in a variety of environmental management practices in operating the plantations such as energy conservation, using renewable energy sources, water quality and conservation, organic certification and biological assessment. They also have the expertise and intellectual property for developing indigenous botanicals and process technology for oil extraction and are involved in research and new product development.

**Perron Island Aboriginal Enterprise Corporation (PIAE):** Formed under the Aboriginal Associations and Councils Act, the Perron Island Aboriginal Enterprise Corporation aims at promoting commercial ventures involving local communities in the region. Economic development in Aboriginal communities, especially in remote areas has typically been in high-impact resource extraction industries like mining. Local communities have rarely benefited from this kind of activity whether in terms of employment or social benefits. Employment opportunities in remote areas are severely restricted resulting in emigration of people into urban and suburban areas leading to breakdown in communities and families. The Perron Island Aboriginal Enterprise aims to reverse this trend by generating sustainable income generating activities that would allow local communities to live and work on their traditional lands while engaged in employment that reflects indigenous values and beliefs.

**The Northern Land Council (NLC):** The Northern Land Council was established in 1973 to represent Aboriginal people in the Northern Territories. Their major responsibilities are to consult with, advise, assist and act for traditional landowners and other Aboriginal people about all actions affecting land they own or have an interest in. According to their vision statement, the Northern Land Council “will consult with and effectively represent the views of Aboriginal people in its region in developing policies and initiating actions which enhance self-determination and cultural survival, particularly on matters to do with country and indigenous peoples’ rights” (Northern Land Council, 2002). While processing native title claims is the NLC’s primary responsibility, promoting economic development and assisting communities in land management is becoming a growing priority and the NLC is currently engaged in advising Aboriginal people on business development and management with the aim of developing Aboriginal owned and controlled businesses while protecting land and culture. Issues include land and sea rights, education, health, community facilities, native title, culture and law, housing, tourism, roads, land management, economic independence and self-government.
These are the three primary stakeholders in the project responsible for jointly developing strategies that will produce sustainable outcomes for the community and for the joint venture company. Opportunities for economic development for Aboriginal communities living in remote areas are limited. Most of the current economic activity on Aboriginal land such as mining and pastoral businesses are not owned and controlled by Aboriginal communities. In many cases, mining has resulted in damaging environmental, social and cultural effects where traditional means of sustenance were irretrievably affected resulting in destruction of hunting land, depletion and contamination of freshwater resources, siltation and pollution of rivers, lakes and oceans and widespread deforestation (Banerjee, 2000; 2001). Aboriginal communities, contrary to popular opinion, are extremely diverse with hundreds of clans, family and other groupings, many languages, and differences in customs, laws, systems of land ownership, lineage and traditions. They also lead a wide range of lifestyles, whether in urban, suburban or rural areas. Communities that live in remote areas combine their “traditional” lifestyles with commercial activities such as tourism, fishing, crocodile egg harvesting, feral pig harvesting, as well as providing council services such as road repairing and waste management. For the communities represented by the Perron Islands Aboriginal Enterprise, the proposed forestry project represents one opportunity to achieve economic self-sufficiency without having to leave their traditional lands or lose their cultural traditions.

**Developing a Framework for Sustainability**

Given this background we can now explore the dimensions of a framework for sustainability for the proposed project. Let us examine how economic, social and environmental parameters can be integrated in developing a sustainability framework for the proposed project.

**Economic aims:** The primary economic aim of the project is to provide the basis of income generating activities for the community living on the land as well as to generate a satisfactory return on investment for the forestry company. Income will be earned from the sale of timber and oil extracts. This is a small-scale project involving long-term investment and company has identified a group of individual investors that are willing to fund the project. Apart from traditional investment criteria like return on assets and return on capital employed, the creation of social capital is seen as a potential attraction for some investors. This aspect needs to be highlighted when attracting investors. The project needs to clearly identify the number of Aboriginal people that will be employed, the type of employment, education and training needs, income generating capacity and profit sharing.

**Environmental aims:** The overall environmental aims of the project are to reduce negative environmental impact and enhance biodiversity of the region. There are several existing parameters that assess environmental performance of an organization. For instance, the Global Reporting Initiative has identified a range of indicators: materials usage; energy usage; water usage; biodiversity; emissions, effluents and waste; supplier environmental performance; product and service impacts; compliance with environmental legislation; and transport. The company already uses organic farming techniques and has eliminated the use of chemical and energy intensive pesticides and fertilizers. It is exploring the use of solar power as its primary energy
source. A detailed environmental impact study of the project is in process: this will assess effects on soil quality, water, potential rates of leaching, conservation of nutrients and site identification for plantings.

**Social aims:** Consultation with stakeholders and all community members is a key component of the project if the aim of generating social capital is to be achieved. The initial round of consultations indicated that all members of the community were in support of the project. Community participation is a key aspect of the project and the project needs to identify both the number and type of jobs that will be created for the community, occupational health and safety issues, working hours, wages, gender equity issues as well as educational and training needs.

Sustainability in this context is conceptualised as a strategic issue with the assumption that for an enterprise to be sustainable in the long term it must integrate social and environmental issues into its strategy. In an overview of the strategic management process, Schendel and Hofer (1979) propose four hierarchical levels of strategy. These are enterprise strategy at the top, followed by corporate, business, and functional strategies. Figure 1 provides an overview of this process along with the economic, social and environmental issues that need to be addressed at each level.

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Schendel and Hofer (1979) maintain that the focus of enterprise strategy is to examine the role the firm plays and should play in society. Firm governance, function, and its form are areas that are addressed in enterprise strategy, questions that arise from a re-examination of the mission of the firm. The enterprise strategy of the joint venture firm is to ensure economic, social and environmental sustainability of the community and their land while generating an acceptable return of investment. In the case of the joint venture enterprise, firm governance becomes an important issue given that community engagement and development is a major goal. In terms of developing an appropriate management structure for the enterprise, a balance has to be sought between Aboriginal and non-Aboriginal managers. There is a lack of business skills in the community at present and until such time these skills are developed the main administrative functions, marketing, research and development will be coordinated by company personnel. At the director level, there will be at least two members from the community including the present chairperson of the Perron Island Aboriginal Enterprise.

Corporate strategy involves identifying the kind of businesses that the firm should be in to meet its enterprise strategy goals. Integrating different businesses into a portfolio is an essential part of corporate strategy, the focus being at the industry level, rather than at the broader society level. Product-market decisions are made at this level of strategy, as are decisions on technology development and use. In this case the main product related business is the multi species plantation including timber and oil extracts. A related aim is developing the necessary
competencies to manage a joint venture with indigenous communities and ensuring community participation. This is a new area for private businesses and the proposed project can be used as a model for future joint ventures between businesses and indigenous communities in Australia. The technical and managerial expertise required to operate a sustainable forestry project involving indigenous communities can also be leveraged to create value in the form of new consultancy businesses. Thus, developing green products and services as well as green technologies through greater research and development investments is an integral part of strategy. On the social front, a business strategy would address health and safety issues, gender equity issues as well as issues of business governance through jointly managed community grievance mechanisms.

At the next level, a firm's business strategy involves the optimum allocation of its resources in order to achieve a competitive advantage. In addition, this level of strategy focuses on integrating the functional areas like accounting and marketing into the business. On going research and development on organic farming and harvesting practices, minimum environmental impact processes and renewable energy can provide sources of competitive advantage. At the functional level, environmental concerns can influence product development (“biodegradable” detergents is an example), as well as pricing decisions (most “natural” brands of foods, cosmetics and detergents are premium brands), and promotion decisions (e.g. green advertising). Thus, the greening of the marketing mix would be the basis of an environmental functional strategy.

**Conclusion**

Developing and managing a joint venture with indigenous communities present several opportunities and challenges for business firms. A true participative joint venture goes beyond stakeholder consultation and involves integration of stakeholder needs at all levels of strategy as well as active participation of relevant stakeholders. As Tatz (1982) points out, too often Aboriginal communities are the “receivers of consultation, that is, that Aboriginal people are from time to time talked to about the decisions arrived at” (p.176, original emphasis). Education, training and employment in Aboriginal communities suffer from a similar bias and Aboriginal “participation” often means a dilution of their land rights, a continuation of colonial control. The challenge is to develop a management system that not only generates an acceptable economic return but also allows Aboriginal communities to participate in the economy in culturally and socially appropriate ways.

The separation of economy, society, polity and culture that underlies the Western economic system is often at odds with indigenous community values. The latter is commonly assigned values of spiritual, cultural, traditional or emotional, without an understanding that all these are interconnected – it is their “national” economy (Berry, 1996). The “economy” is not out there for many indigenous communities and the challenge is to understand and operationalize the notion that emotional, cultural and spiritual values assigned to indigenous communities are also their economic assets that can produce economic results.

Developing a sustainable enterprise would deliver long-term benefits for all stakeholders. Sustainable outcomes for the company include risk mitigation, obtaining a social license to operate and enhancement of corporate reputation as well as generation of social capital. The
process of creating a partnership for social investment can result in developing a new set of competencies that can increase rates of investment return, create social capital and produce a continuous flow of benefits. For the Aboriginal community the project would be a first step toward the goal of self-sufficiency and reduced dependence on government programs and can provide a framework for culturally appropriate forms of development.
References


Figure 1: A Sustainability Framework

**ENTERPRISE STRATEGY**
- Provide long term economic returns for the community and the enterprise
- Build economic self-sufficiency in the community

**SOCIAL STRATEGY**
- Ensure community social and cultural structures are maintained and strengthened
- Ensure educational, training, employment and health needs of the community are met.

**ENVIRONMENTAL STRATEGY**
- Protect and conserve the biophysical environment of the region in the long term
- Promote regional biodiversity

**CORPORATE STRATEGY**
- Product-market decisions
- Build distinctive competences for managing ventures with indigenous communities
- Research & development

**BUSINESS STRATEGY**
- Competitive advantage through conservation strategies
- Product differentiation on environmental and social dimensions

**FUNCTIONAL STRATEGY**
- Greening of marketing mix
- Green niche markets
- Cause related marketing

**ECONOMIC**
- Intellectual and cultural property issues
- Community participation in business strategies
- Social auditing

**SOCIAL**
- Employment health and safety issues
- Gender equity issues
- Jointly managed community grievance mechanisms and governance

**ENVIRONMENTAL**
- Conservation strategies
- Recycling and waste reduction strategies
- Materials usage
- Environmental auditing

**FUNCTIONAL STRATEGY**
- Social marketing
- Social accounting
- Social reporting

**ENVIRONMENTAL**
- Green marketing and advertising
- Environmental accounting
- Environmental reporting