

House of Commons Standing Committee on International Trade

Remarks by Mr. Patrick Watson

Director of Public Policy, Canadian Council for Aboriginal Business

Friday, December 11, 2020

1:00 p.m. – 3:00 p.m.

BACKGROUND

The **House of Commons' Standing Committee on International Trade** would like to invite a representative from the *Canadian Council of Aboriginal Business* to appear in view of its study of Canada's International Trade after COVID-19.

The study was initiated by the following motion (partial quote):

On Friday, October 23, the Committee adopted the following motion: That, pursuant to Standing Order 108 (2), the committee undertake a study on the government's COVID-19 recovery plan for Canadian exporters; that this study include an examination of changes to how international trade will be conducted in a world impacted by COVID-19, of what the Trade Commissioner Service is doing to prepare for these changes and help Canadian businesses navigate them, and of which agreements would be in Canada's best interests to pursue at the present time; that the Minister of Small Business, Export Promotion and International Trade be invited to appear; that the Chief Trade Commissioner be invited to appear; that briefs submitted to the committee be no longer than 2,000 words; and that the Committee report back to the House.

STATEMENT

Aanii, bonjour, Patrick Watson n'indignikaaz. Hello. My name is Patrick Watson and as the Director Public Policy for the Canadian Council for Aboriginal Business, I want to thank you, Madame Chair and all distinguished members of this Committee for the opportunity to provide you with my testimony and to answer your questions.

Speaking to you from my home office, I acknowledge the land as the traditional territory of many Nations, including the Algonquin, the Anishinaabe, and Haudenosaunee peoples and now home to many diverse First Nations, Métis and Inuit peoples. I would like to recognize and hold up their Elders past, present and emerging.

As Chief Poitras stated to the House of Commons Committee on Indigenous and Northern Affairs on November 3rd, 2020, "this pandemic has highlighted the inequities in this country and exacerbated existing challenges." This statement underlines how, more than any other time in history, Indigenous issues need to be top of mind for the Government of Canada and the Canadian public.

Since 1982, CCAB has been committed to the full participation of Indigenous peoples in the Canadian economy. Our work is backed by data-driven research, recognized by the Organisation for Economic Cooperation and Development as the gold standard for Indigenous business data in Canada.

From the beginning of the pandemic, the Government of Canada introduced efforts to provide support for business. As the CCAB's President and CEO, Ms. Tabatha Bull, stated in recent appearances before the House of Commons Standing Committee on Indigenous and Northern Affairs and the Senate Standing Committee on National Finance, the unique circumstances facing Indigenous businesses were not initially taken into account when forming the eligibility of the Canada Emergency Business Account (CEBA) or Bill C-14 that initially left many large Indigenous-owned businesses ineligible for the wage subsidy.

We appreciate that these gaps were remedied, however we must not forget the additional burden the nearly month-long gap placed on many Indigenous businesses. Furthermore, with an understanding that there were on-reserve businesses who could not access the programs available due to unique taxation and ownership structures, the Government announced the distribution of \$133 million to support Indigenous business. However, with Bill C-9 which extended the Canada Emergency Wage Subsidy and the Canada Emergency Rent Subsidy, a number of questions remain unanswered concerning the eligibility of Indigenous businesses which the CCAB has submitted to ISED and CRA. We are waiting for responses on these questions.

As a lesson learned, resulting from our efforts to ensure Indigenous inclusion, the CCAB has repeatedly highlighted the need for a navigator function specific for Indigenous business to assist with the understanding and uptake of various programs, including those designed to support exporters. Indigenous businesses have found navigating the bureaucracy, which often does not consider their unique legal and place-based circumstances, a significant barrier to accessing the support necessary to keep their business alive and maintain the well-being of their communities.

In order to support sound Federal policy development and effective interventions during the pandemic and in collaboration with leading national Indigenous organizations, CCAB undertook a COVID-19 Indigenous business survey as part of a COVID-19 Indigenous response task force. The goal of the survey was to understand the unique impacts of the COVID-19 pandemic on Indigenous-owned businesses in Canada.

As we dug deeper into our research, we found that Indigenous women disproportionately bore the brunt of the negative effects of COVID-19:

- More Indigenous Women-owned businesses reported very negative outcomes to their business (61% of women-owned, compared to 53% of men-owned businesses).

- Women-owned businesses experienced higher revenue drops as a whole (50% or more), compared to men-owned business (36% of women-owned businesses compared to 26% of men-owned businesses)

The CCAB appreciates the indication provided to us by Indigenous Services Canada that they will fund a second COVID-19 Indigenous business survey this fall to assess the impacts that the First and Second Waves of COVID-19 have had and are having on Indigenous businesses.

It is our hope that the results of both surveys will inform effective policy and programmatic interventions to support Indigenous businesses recovery and, in turn, support Indigenous prosperity and well-being. We would welcome a future opportunity to present our findings to this committee.

What we have taken away from this experience is that programs of general application are often not well designed to meet the unique needs of Indigenous businesses. The lack of targeted assistance for Indigenous businesses to utilize these Government supports further adds to the frustration and distrust that is the result of the history between the Crown and Indigenous peoples. This underlines the need for an Indigenous Economic Recovery Strategy that is Indigenous-led, builds Indigenous capacity and is well resourced to support Indigenous prosperity and well-being. This is one of the recommendations found in the Senate Committee on National Finance' Report on Bill C-9, which notes that "the Federal government should consider adopting a government-wide strategy to support Indigenous businesses, similar to its women Entrepreneurship Strategy and the Black Entrepreneurship Program." Access to external markets would be an important part of this government-wide strategy, including the need to support Indigenous exporters as part of the recovery.

Such a strategy was not mentioned in the recent Speech from the Throne nor the Fall Economic Statement. Although we acknowledge the number of important renewed commitments made in the Speech from the Throne and the Fall Economic Statement, I would be remiss if I did not express my disappointment that there was no mention of efforts to support the economic empowerment of Indigenous peoples, businesses or communities. This was a missed opportunity for the Government to signal to Canadians that Indigenous prosperity and economic reconciliation matters.

In the immediate term what is needed to support Indigenous exporters is a 5% set-aside, with a navigator service, across all four CanExport programming streams: CanExport SMEs, CanExport Innovation, CanExport Associations and CanExport Community Investments, for Indigenous businesses, organizations and Aboriginal Economic Development Corporations, also known as Dev Corps. Taking the CanExport SMEs stream as an example, a 5% set aside for First Nations, Métis and Inuit businesses would represent a meaningful investment in Indigenous exporters and Indigenous economic recovery. This proposal is aligned with the Government of Canada's procurement set-aside commitment which is reflected in the Mandate Letter of the Minister of Public Services and Procurement Canada.

In the medium term, what we would like to see in the upcoming Budget is a plan for the Government of Canada to build the capacity of Indigenous organizations to deliver export opportunity awareness, export readiness training and exporter business missions, in a good way that, draws upon the lessons learned of the recent OECD Report: Linking Indigenous Communities to Regional Development in Canada, to ensure that these supports are culturally appropriate, placed-based and are meaningful for Indigenous businesses.

The CCAB would welcome the opportunity to work with this Committee and Global Affairs Canada on its efforts to build Indigenous capacity. In the last 3 months alone, CCAB has:

1. hosted and participated in a series of export webinars, with the Trade Commissioner Service, Export Development Canada and the Business Development Bank of Canada, focused on Indigenous businesses,
2. developing a unique export readiness training opportunity with World Trade Centre-Vancouver for early 2021, and
3. co-hosted a Canada Australia Indigenous Business Export Dialogue on December 3rd, 2020, which provided a business mission for Indigenous exporters from both countries. Our next Indigenous Business Export Dialogue will take place on January 14th, 2021, this time with Indigenous business from the United States of America.

I would like to leave you with this point for consideration: Too often Indigenous business concerns are an afterthought, resulting in Indigenous organizations like CCAB, working to prove to the Government that their responses have not met the needs of Indigenous peoples.

A reasonable starting point to support Indigenous economic recovery would include set-asides and a navigator function of CanExport programming for Indigenous businesses and communities.

CCAB is committed to continuing to work in collaboration with the Government, our members and partners to help rebuild and strengthen the path towards a healthy and prosperous Canada.

Thank you all for your time. *Miigwetch*