

# **The Histories of Social Investing & Indigenous Peoples:**

## **Using the Tools of Diverse Cultures to Restore Balance to a Fractured World**

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## Forward

In 1980, I started First Nations Development Institute to look at the role of assets in American Indian cultures. Indian Country in the United States is home to 1% of the population, and accounts for 5% of the land resources, 30% of coal, 4% of oil, 4% of gas, and 40% of uranium resources. By all accounts, American Indians should be a wealthy people, but the Bureau of Indian Affairs (BIA) is our asset manager. Neither the asset management nor the economic design principles employed by the BIA are based on Indian cultures. In short, a majority of benefits, revenues, profits, employment, etc. derived from tribal assets go to outside interests - not to the benefit of Indian Nations.

By 1982, I found myself working on The Pine Ridge Indian Reservation – two million acres of land that is home to 20,000 Lakotas. At the time, Pine Ridge had the dubious distinction of being the poorest county in the whole United States, with a 93% unemployment rate and median income of just \$325 per month. Pine Ridge became the setting for a bold experiment—making small, micro-loans to poor people—to see if an economy based on Indigenous design principles could change the economic landscape.

A household survey of Pine Ridge communities revealed hundreds of vital small businesses providing everyday services that sustained an economic sector for the community. Most of these businesses all needed capital to develop and mature. So, in 1984, the Lakota Fund was launched in order to re-connect capital markets to the community. The success of the Lakota Fund experiment was one of the efforts that inspired others to reconnect capital markets to their communities. In time, the concept of community-controlled capital grew as did the industry, and as the saying goes – the rest is history. Today, Community Development Financial Institutions (CDFI) are one of the fastest growing segments of the SRI market. The microfinance industry is built upon a foundation of the Indigenous design principles of cooperation and reciprocity.

It was during this time that I was asked to serve as a trustee of the Calvert Social Investment Fund. In 1994, I helped lead Calvert to establish High Social Impact Investments; later called Community Notes. Today, Calvert has over \$125 million in community-based investments with the entire CDFI investment market exceeding \$589 million. From the humble beginnings at Pine Ridge: a dream-come-true.

Through these successes, people around the world began to see that another economic paradigm was possible. I began getting hundreds of letters from Indigenous communities around the world asking for help and more kept coming.

Two years later, we began meeting with the San People throughout southern Africa. The San, who entered the consciousness of the United States through the movie *The Gods Must be Crazy*, speak the oldest language known to humankind. Geneticists have found that DNA in each of us links us to the San. And yet, despite surviving tens of thousands of years, the San were being forcibly evicted from their lands to make room for diamond mines and national parks. I met three men who had protested their eviction from their land. They were arrested and had gasoline poured up their anuses while jailed.

Keimela, Amogamong & Sam knew they would die – a slow painful death. As I met with them under a tree where the government had dumped them, all they asked of me was to take them “home to die.”

My first meeting with my new friends was also my last; they would each die before I returned again. But the struggle to allow the San to return home intensified, and in 1997, First Peoples initiated the first major Indigenous land claims in Africa on behalf of the San from Central Kalahari Game Reserve (CKGR). In December, 2006, the Botswanan Supreme Court ruled that the CKGR San had a right to live and hunt within their homeland and ordered the government help the San return home. A year later, the San are still waiting. Some have returned, but many of those who have attempted to hunt have been arrested.

The San, and more than a million and a half other Indigenous Peoples around the world, have been evicted from their land to make room for national parks. Outside groups, such as Conservation International, The Nature Conservancy or World Wildlife Fund, promote pristine parks. Corporations wanting profits initiate development projects. Governments eager to collect royalties on national resources enter trade agreements. Pressure increases from all of these outside interests as globalization has accelerated the rate of “asset stripping” throughout Indigenous Peoples lands.

I mentioned that in the United States Native Americans control 5% land, in Canada it is 22%, and in the Amazon, 33%. Globally, Indigenous Peoples are 5% of population with claims on 22% of the Earth’s land, containing 80% of the world’s biodiversity.

We should be the richest people in the world! But, the rate of asset stripping is devastating our peoples.

The prestigious *Lancet Medical Journal* did a series of articles on Indigenous Peoples, concluding that Indigenous Peoples have the worst health in the world. This holds true both in developed and less developed nations of the world. In the U.S., non-Indians life expectancy is 78 years of age, while Native Americans have a life expectancy of 68 years. In Australia, the life expectancy of Aboriginal Australians is 23 years less than their non-Aboriginal neighbors.

The clash between European and Indigenous cultures throughout the world is a clash rooted in different views of a human’s place in the natural world and different goals of economic life. Europeans cosmology, backed by Christian theology, hold a hierarchical world view that places humans alone as next to God, as co-creators given dominion over Earth’s other creatures. This view holds the natural world as vast resources waiting to be harvested for the betterment of the human family. The goal of the economy is to increase wealth and prosperity – advancing human development.

Indigenous Peoples hold a different world view, one that sees humans as being one creature among many life forms on Earth. Indigenous spirituality is rooted in recognition of the interconnectedness and interdependence of all living things; a holistic and balanced view of the world. All things are bound together. All things are connected. What happens to the Earth happens to the children of the Earth. We have not woven the web of Life – we are but one thread. Whatever we do to the web, we do to ourselves. The environment is perceived as a sensate conscious entity. It is suffused with spiritual powers through which the human understanding is only realized in humility before the sacred whole.

The goal is balance. The goal is sustaining human kind in ways that don't threaten the lives of other beings. They harvest the surplus nature provides, timing their harvest when the species are most abundant and taking only what is needed. A stark contrast to maximum yield!

Modern science is just now beginning to catch up with such ancient wisdom. Bell's theorem on quantum physics, Einstein's Theory of Relativity and Heisenberg's Uncertainty Principles all indicate how and when we look at subatomic particles affects what we see. All particles of matter, property, position and velocity are affected by the intention or presence of ALL other particles. In other words, atoms are aware of other atoms.

According to this law of nature, a people rooted in land over time have exchanged their tears, their breath, their bones – all their elements – oxygen, carbon, nitrogen, hydrogen, phosphorus, sulfur – all the rest with their habitat many times over. In the words of Dine traditionalist Ruth Benally, "Our history cannot be told without naming the cliffs and mountains that have witnessed our people. Here Nature know us."

However, Indigenous Peoples worship the sacredness of creation as way of life, not as a philosophy or religion. In fact, Native languages have no terms synonymous with religion. The closest expressions of belief literally translate as "the way you live." Human consciousness determines what we do and how we do it.

The reality of any belief system is expressed through ideas. The ideas are realized through values. Values permeate human life. They give us practical guidance. Moreover, values do not work alone. Ideas work with values – values and ideas are a mutually affirming system. Ideas such as love, truth and justice work according to values of caring, honesty and fairness. The wise to be wise must also be just.

Western economists like to think and say economics is value neutral; a system operating separate from its surrounding environment. This in itself denies the totality of the whole. Every society organizes itself politically, socially, economically according to its values. Indigenous spirituality assumes the whole manifests an order that unifies physical, conscious, moral and spiritual life. Just as the sacred whole manifests an order that unifies all life, economic development should organize the assets – human, capital and community – in accordance with that belief system.

Assets in many ways are the physical prosperity of our world. The conscious becomes the individual, or the personal efficacy of the human capital. The moral becomes ethical conduct as determined by the community. Central to Indigenous spirituality is living in perfect balance and harmony with one's self, others and the sacred whole. There are no cost measurements of pollution, production or double bottom line that can capture this impact.

Pulitzer Prize-winning journalist, William Raspberry, in a *Washington Post* editorial titled *The Power of Spirituality* reported on a community leader who came to the realization that successful programs almost always have a spiritual base. "But it doesn't get mentioned in the surveys and evaluations and

requests for funding. There are no blanks on the form for spirituality – we don't yet have the scales to weigh the ability some people have to provide the spiritual element.”

There is an emerging recognition of the need for a spiritual base, not only in our individual lives, but also in our work and in our communities. Because the Northern Cheyenne understand the environment to be a living being, they have opposed coal strip mining because it “kills the Water Beings.” Perfect harmony and balance with the laws of the universe means we all know the way of life is found by protecting the “Water Beings.” Given the opportunity and resources to explore development and develop their own answers, the Northern Cheyenne will create unique culturally relevant and sustainable economic systems for themselves, for their family, community, tribe and the Water Beings.

Both Western and Indigenous cultures can benefit from accessing and sharing beliefs, customs and technology. Such interaction of cultures creates a new dynamic – one that fosters the creativity and prosperity of creation.

My dream is a day when we have harnessed the financial markets to serve Life – mine, yours, the Water Beings and all of Creation.

*—Rebecca Adamson  
November, 2007*

# **The Histories of Social Investing & Indigenous Peoples: Using the Tools of Diverse Cultures to Restore Balance to a Fractured World**

## **Introduction**

Every culture has an economy. Economies are shaped by values and worldviews to create systems for producing and distributing material goods for the society. Different worldviews lead to different measures of economic success – and to conflicts between cultures.

Since the birth of the corporate model in the 18<sup>th</sup> century, corporations have been engaged with Indigenous Peoples throughout the world. Licenses and land grants to explore and extract wealth issued by the sovereign kings and queens of Europe set royal corporations on journeys of exploration and wealth extraction that did not recognize the sovereignty of the Indigenous Peoples whose land and resources were being exploited.

Colonialism and conquest wiped out many Indigenous Peoples and removed many more from their ancestral lands. The legacy of these interactions impoverished the vast majority of Indigenous Peoples that did manage to survive, often with cultures and traditional lifestyles disrupted by the impact of development from outsiders.

The clash between European and Indigenous cultures throughout the world was a clash rooted in different views of human's place in the natural world and different goals of economic life. In short, European's viewed the natural world as vast resources waiting to be harvested for the betterment of the human family. European cosmology, buttressed by Christian theology, held that humans alone were next to God, as co-creators given dominion over Earth's other creatures. The goal of European economic activity was increasing wealth and prosperity – advancing human development.

Indigenous Peoples have a different view of the world. They see the world as interconnected and interdependent; humans being one creature among many life forms on Earth. The goal of economic activity is balance, sustaining human beings in ways that don't threaten the lives of other beings, each of which plays its role in an interconnected universe. Indigenous Peoples look at nature and see abundance. They harvest the surplus nature provides, timing their harvest to when other species are most abundant. European cultures tend to see resources as scarce, and the opportunity not to harvest fully what has been provided as economically inefficient and wasteful.

As the 20<sup>th</sup> century unfolded and problems with the European-American development model became more widely visible, the wisdom of Indigenous economic views grew more apparent, as did moral calls to respect Indigenous sovereignty. Economic activities that allowed corporations to extract resources from Indigenous Peoples' land without consultation and without compensation, in the name of generating financial returns for shareholders, increasingly came into question by some of those shareholders. This is that story.

## The Origins of Social Investment: Indigenous Economics

The first social investors, those who applied their values to their economic and investment decisions, were Indigenous Peoples. Indigenous Economics evolved from the values and spiritual beliefs of the world's First Peoples. While the particulars of each economy differed from culture to culture, there are many common threads:

- Life is sustained through a relationship to the land. Land is a principle form of wealth. Land describes the specific identity of a people.
- The Earth is viewed with a sense of abundance. Production is oriented toward times when the Earth provides a surplus, and harvesters are restrained to taking only what is needed (minimum yield), so that the Earth may replenish itself.
- Economic decisions are guided by a sense of relationship and interdependence to creation; humans adapt their behaviors and consumptions based on feedback from nature.
- Land is used extensively; large areas of land are used, with economic activities often varying by season, in order to access that which nature has in abundance at a given point of time.
- Kinship networks, relationships based on reciprocity, and disciplines on individual appetites and over-consumption guide the distribution of goods through the economy and society.
- Economic "success" is measured by how well goods are flowing and whether a healthy balance is being maintained with the natural world.
- Honor accrues to those who are good "sharers" and who see to it that the most vulnerable are provided for.

### **Menominee Tribal Enterprises: An Indigenous Model of Social Investing**

No strangers to lumber markets, the Menominee have been sustainably harvesting and selling timber from their richly forested land since 1850. The Menominee operate their business according to Indigenous Economic principles that take only the trees that nature can afford to give. Walking through the Menominee's forest today, one would not find a land scarred by clear-cuts, nor streams filled with silt from run-off; but instead, land where cut stands are replaced by lush meadows and where wildlife is plentiful. By operating in this way, the profit stream of the forest is preserved in perpetuity, rather than being exhausted in a matter of years if the forest were aggressively clear-cut. "If we maintain a healthy, vibrant forest, over the long term, it will sustain the people and the land itself," explained tribal forester Marshall Pecore to the *Christian Science Monitor*.

The Menominee's sustainable harvesting practices have become a model for the forest products industry and their certified sustainable lumber is widely sought out and sold at premium prices. The Menominee reinvest their proceeds from lumber sales in expanding markets for their products and other community economic development projects.

Economies based on industrialized capitalism also have different particulars and their own common threads, which differ in profound ways from the organizing principles of societies based on Indigenous Economics:

- Historically, wealth was often held in land, but increasingly wealth is held in the form of financial assets (bank accounts, and portfolios of stocks and bonds). Where wealth continues to be held in land, it is often the resources in the land that can be monetized and sold, that undergird the land's value.
- The Earth is viewed with a sense of scarcity. Production and investment are geared toward maximizing production and maximizing investment returns. Goods have value because they are scarce; the scarcer the good is perceived to be, the greater its value.
- Economic decisions are based on hierarchy and control; nature is adapted through conquest to serve human needs.
- Land is often used intensively; development is frequently concentrated and continuous, focused on maximizing efficient extraction (maximum yield). Once land is "used up," economic activity shifts to some other place.
- Concerns about economic security (because of fears of economic scarcity) orient production to constant expansion and distribution toward a pooling of wealth. Increasingly, economic security is seen as a responsibility of the individual, rather than the society.
- Economic success is measured by the increased production of goods and services, regardless of their impact on social well-being. A woman undergoing a nasty divorce who has a bad auto accident on her way to be treated for breast cancer is an economic dream-come-true in terms of Gross Domestic Product (GDP).
- Power, both economic and political, accrues to those who are good "hoarders," gathering great pools of wealth, far more than any person or family could ever need.

These differences in worldviews and economic organizing principles have threatened many Indigenous Peoples around the world with extinction. Even for those not facing such extreme threats, Indigenous Peoples have frequently been excluded from full participation in society and the economy.

We stand in a time when the dangers facing both Indigenous Peoples and members of mainstream society are great. And yet, we also stand in a time of growing awareness that things can be different. This paper hopes to serve as a bridge; one that encourages social investors to see Indigenous Peoples as the original social investors, who have integrated their values into sustainable economic structures since time immemorial. It will encourage social investors not only to support Indigenous Peoples as they seek to protect their territories from those who seek their land and resources without their consent; but more importantly, to follow the leadership of Indigenous Peoples not only in governing their territories but also in sharing their wisdom to heal the fractured world that we share. The paper will also encourage Native Americans and other Indigenous Peoples to recognize the value of the tools crafted by social investors to help hold corporations accountable for their actions, particularly those actions affecting Indigenous Peoples and their territories.

The evolution of social investment practices within the mainstream capitalist economies over the last fifty years has led to discussions of values and social impacts becoming part of the mainstream business and investment lexicon. Likewise, the strategies employed by social investors to address the concerns of Indigenous Peoples have blossomed from tangential inclusion of Indigenous Peoples concerns in broader social screens to highly evolved, broad-based corporate campaigns targeting specific abuses.

While cultures can evolve with deeply divergent worldviews and economic practices, all cultures express themselves through traditions of story-telling. This report will thus tell the story of the way Native Americans and other Indigenous Peoples of the world apply their values to decisions about their assets, and it will tell the stories of social investors crafting new tools to respond to the concerns of Indigenous Peoples in the United States and beyond.

## **The Story of the Social Investment Industry and Their Response to Indigenous Peoples' Concerns**

The story of social investors' response to the concerns of Indigenous Peoples traces to the last quarter of the 20<sup>th</sup> century. Vibrant Indian activism in the 1960s and 1970s had made Native Americans concerns and demands visible to the broader society, including the nascent social investment community. Early shareholder activism included a shareholder proposal filed by members of the Interfaith Center on Corporate Responsibility (ICCR) in support of efforts by some members of the Crow Nation to challenge Westmoreland Coal's strip-mining plans on their reservation. At the same time, social screens employed by early social investors were starting to examine portfolio companies' policies and practices when operating on Indigenous territories. In many of these early screens, Indigenous Peoples' concerns were grafted on as an appendage to human rights or environmental screens.

## **Using Tools of Shareholder Advocacy to Address the Concerns of Indigenous Peoples**

Over the last 15 years, social investors have increasingly honed shareholder proposals and dialogues with corporations to make visible the concerns about business practices that impact Indigenous Peoples. The following chart gives a flavor of this evolution.

More than 50 corporations, mostly U.S. but increasingly Canadian and a couple of non-North American, have been engaged through the filing of shareholder proposals and company dialogues. The range of issues and companies is broad. Not surprisingly, corporations involved in resource extraction are most prevalent; but they are followed closely by consumer goods and retailing companies that have participated in the commercialization of Native sacred images and names. Many of these resolutions focus in on a particular issue of concern, such as a particular operation that is adversely affecting a particular Indian nation. In other cases, Indigenous Peoples are referenced as one particular community, among others. Such is the case in a number of resolutions that ask for companies to improve their employee diversity practices, or other resolutions which focus on matters like climate change or broad-based human rights.

## Select Shareholder Advocacy Responding to Indigenous Peoples Concerns

Year	Corporation	Issue	Lead Advocate	Outcome
<b>2008</b>	Conoco Phillips	Free, Prior and Informed Consent	Boston Common Asset Management	Pending
<b>2007</b>	Bank of Montreal	Biodiversity -Native Lands	Ethical Funds	W/D
	Bank of Nova Scotia	Biodiversity -Native Lands	Ethical Funds	Dialogue
	CIBC	Biodiversity -Native Lands	Ethical Funds	Dialogue
	Chevron	Human Rights Policy/ Indigenous Peoples	ICCR	26.9%
	Conoco Phillips	Free, Prior, Informed Consent	Boston Common Asset Management	9.9%
	Freeport McMoRan	Environmental Impact on Indigenous Peoples	NYCERS	Omitted
	Newmont Mining	Report on Community Opposition	Christian Brothers Investment Service	91.6%
	Procter & Gamble	Forestry Impacts on Indigenous Peoples	ICCR	Awaiting
	Royal Bank of Canada	Biodiversity -Native Lands	Ethical Funds	Dialogue
	Weyerhaeuser	Impact of Whiskey Jack Logging/First Peoples	Amnesty International	5.4%
<b>2006</b>	Alcan	Free, Prior, Informed Consent	Groupe Investissement Responsable	36.8%
	Burlington Resources	Indigenous Peoples Rights Report	Boston Common Asset Management	No meeting
	Burlington Resources	Sustainability Report incl. Indigenous Rights	NYCERS (New York City pension fund)	W/D
	Enbridge	Biodiversity -Native Lands	Ethical Funds	W/D
	EnCana	Biodiversity -Native Lands	Ethical Funds	W/D
	Honeywell	Onondaga Lake Pollution	Trillium Asset Management	8.1%
	Potash	Biodiversity -Native Lands	Ethical Funds	Dialogue
	Repsol	Environmental Impact/Indigenous Peoples	Boston Common Asset Management	Dialogue
	Toronto Dominion Bank	Biodiversity -Native Lands	Ethical Funds	W/D
<b>2004-5</b>	Burlington Resources	Indigenous Rights Policy	Boston Common Asset Management	W/D
	Repsol	Indigenous Peoples Rights Policy	Boston Common Asset Management	Dialogue
<b>2004</b>	Calpine	Indigenous Rights Policy	Calvert	4.4%
<b>2003</b>	Bed Bath and Beyond	Native American EEO	ICCR	24.9%
	Knight Ridder	Native American EEO	ICCR	Dialogue
	Xcel Energy	Impact of Energy Sources/Pimicikamak Cree	ICCR	W/D
<b>2002</b>	America Online	Sacred Names/Images	ICCR	W/D
	British Petroleum	Sacred Names/Images	Walden Asset Management	Dialogue
	British Petroleum	Drilling in ANWR	US PIRG	10.3%
	Disney (Walt)	Sacred Names/Images	ICCR	Dialogue
	Enron	Indigenous Rights/Environment	Trillium Asset Management /ICCR	Dialogue
	Federated Stores	Sacred Names/Images	ICCR	Omitted
	IDACORP	Hells Canyon; effects on Indigenous Peoples	Trillium Asset Management	35.5%
	IDACORP	Indigenous Peoples Rights	Calvert	12.8%
	Lehman Brothers	Indigenous Rights/Environment	ICCR	W/D
	Liz Claiborne	Sacred Names/Images	Calvert/ICCR	Dialogue
	Penney (J.C.)	Sacred Names/Images	ICCR	Dialogue
	Target	Sacred Names/Images	ICCR	Dialogue
	Time Warner	Report on Offensive Images	ICCR	W/D

	Tootsie Roll	Native American Images for Marketing	Calvert	Omitted
	Viacom	Sacred Names/Images	ICCR	Dialogue
	Wal-Mart	Sacred Names/Images	ICCR	Dialogue
<b>2000</b>	Dillard's	Native American EEO	ICCR	Omitted
<b>1999</b>	Occidental Petroleum	Environmental Impact/Indigenous Peoples	ICCR	15.9%
	Wal-Mart	Impact on Indigenous Communities	ICCR	2.3%
<b>1998</b>	Applebee's	Use of Negative Images	Walden Capital (Boston Common)	Dialogue
	Goodyear Tire	Use of Negative Images	ICCR	W/D
	Pepsico	Negative Images	ICCR	Omitted
	Philip Morris	Sacred Names/Images	ICCR	W/D
	Sears	Use of Negative Images	ICCR	Dialogue
<b>1997</b>	Anheuser-Busch	Non-Racist Logos	ICCR	W/D
<b>1996</b>	Amoco	Development on Indigenous Peoples' Land	ICCR	W/D
<b>1995</b>	Unocal	Development on Indigenous Peoples' Land	ICCR	4.9%
	Hydro-Quebec	Rights of James Bay Cree	Tufts University	Divested
	Exxon Mobil	Mining on Indigenous Lands	ICCR	6.0%
<b>1994</b>	Noranda	Mining on Indigenous Lands	ICCR	9.3%
<b>1993</b>	Kerr-McGee	Uranium Mining Native Lands	ICCR	W/D

*(Note on Outcomes field: Percentages indicate share of "yes" vote at annual meeting; Omitted means the SEC allowed the resolution to be excluded; W/D means the proponent chose to withdraw the proposal prior to a vote.)*

*Sources: Interfaith Center on Corporate Responsibility; Securities and Exchange Commission*

In the early part of this period, the 275+ religious organizations, who are members of The Interfaith Center on Corporate Responsibility, were the primary institution giving voice to these concerns. But since the turn of the century, another ten firms have played leading roles, including one of the largest public pension funds (New York City Employee Retirement System), several mutual funds and money managers, and two prominent NGOs (Amnesty International and US Public Research Interest Group). Non-US social investors have also been quite active in recent years, with Ethical Funds, Canada's largest social investment fund, leading the way with eight resolutions and/or dialogues with Canadian banks and resource industries.

Of the dozen or so proposals that have come to a vote, mainstream shareholders have responded very positively. A 2002 shareholder proposal filed by Trillium Asset Management that asked IDACORP to report on the effects of its Hells Canyon complex on Native Americans, whose land included the Canyon, was supported by more than 35% of shareholders, unprecedented for that period of time. A 2006 resolution on the evolving concept of free, prior and informed consent presented to Alcan by Montreal-based money manager Groupe Investissement Responsable garnered 36.8% of the votes cast. Momentum continued to build in the current annual meeting season, when Newmont Mining, in a highly unusual move, asked shareholders to vote in favor of a shareholder proposal offered by Christian Brothers Investment Service and others. The resolution, requesting Newmont publish a report

explaining the causes of community conflicts with the corporation and what Newmont intended to do to reduce those conflicts in the future was supported by an astounding 91% of shareholders.

Shareholder interest in protection of Indigenous Peoples' rights is high both in the social investment community and among mainstream investors. A survey of the social investment community published several years ago found that Indigenous rights ranked third among issues of greatest concern.

Mainstream shareholders have demonstrated their concerns about these issues by their strong votes when they are allowed to weigh-in on these matters. Many corporations however, have sought to keep shareholders from weighing in on these important issues, by seeking permission from the Securities and Exchange Commission to ignore proposals dealing with Indigenous Peoples and to leave them off of the proxy ballot. Sadly though, the Securities and Exchange Commission (SEC) is a significant impediment in holding corporations accountable for their policies and practices toward Indigenous Peoples. The SEC has consistently held that matters pertaining to the racist and offensive appropriation of Indigenous names and sacred symbols for commercial gain are matters of "ordinary business," not within the purview of shareholders.

## **Indigenous Peoples and Governance**

More often than not, the early efforts of social investors to respond to Indigenous Peoples' concerns were characterized by dominant culture peoples using their voices and economic power on behalf of Indigenous Peoples. Over the ensuing years, the responses of social investors evolved to promote greater inclusion of Native Americans and other Indigenous Peoples, both in the mainstream economy and in decisions affecting their lands and communities.

The social investment community invited Indigenous leaders to help guide their businesses. In 1989, Calvert's founding trustees Wayne Silby and John Guffey were interested in Rebecca Adamson's (Cherokee) microfinance experience in launching The Lakota Fund and invited her to join Calvert's Board of Trustees. The following year, Adamson used traditional Native values honed in her experience with The Lakota Fund to design the first program for high-social impact investing through a mutual fund, successfully connecting capital markets to low-income communities. Calvert's high-social impact investing evolved into Community Notes, a revolutionary vehicle offered through The Calvert Foundation, which allowed retail investors to invest easily and directly in pools of community investments. Calvert's high-impact social investment program was financially supported by the Ford Foundation, the Charles Stewart Mott Foundation and the John D. and Catherine T. MacArthur Foundation. From its basis in principle of Indigenous design, the success of Calvert's high-social impact investment program led to a key repositioning of social investment practices at the time from passive avoidance of irresponsible corporations to directly investing in positive community economic development allowing the wealth of society to flow to some of its most vulnerable members. Getting pools of capital to flow is one of the measures of success of Indigenous Economics models.

As the 1990s unfolded, Calvert added two additional Native Americans to its Advisory Council: Gary Brouse (Ponca) of ICCR and Andrea Carmen (Yaqui) of the International Indian Treaty Council. Together with Adamson, Brouse and Carmen played leading roles in helping Calvert establish the first Indigenous Peoples Screen in 1999. In 2002, Trillium Asset Management elected Sherry Salway Black (Oglala Lakota), former Vice President of First Nations Development Institute and currently Executive Director of the Ovarian Cancer National Alliance, to its board of directors.

While social investors were recognizing the great benefits of including Indigenous Peoples in positions of leadership, some Indigenous leaders were recognizing that the tools developed by social investors could be useful to their efforts to bring corporations to the bargaining table. One such early campaign was launched by the Grand Council of the James Bay Cree in their historic struggle with Hydro-Quebec and its far-reaching plans to build the largest dams on the continent on the Cree's territory in northern Quebec.

### **Indigenous Peoples Engage North American Investors: James Bay Cree and Hydro-Quebec**

In 1971, Quebec Premier Robert Bourassa announced plans to develop James Bay's vast hydrologic potential by building a series of dams and flooding an area the size of the state of Vermont. Much of this land was the territory of the James Bay Cree. Within six months of Bourassa's announcement, the first road was built to facilitate construction, and within two years dam construction began. In 1974, the eight villages of the James Bay Cree First Nation joined together as a common political entity for the purpose of negotiating with Hydro-Quebec. The following year, the Grand Council of the James Bay Cree and the Quebec government signed the James Bay Northern Quebec Agreement, a settlement covering two hundred years worth of land claims. By decade's end, construction of the first dam was completed, and the Cree's land was immersed beneath the flood waters. The James Bay project sent its first electricity south to the United States in 1981.

Within a couple of years, it became clear that the environmental impacts of the project were far greater than those forecast by Hydro-Quebec during the negotiations. In 1984, ten thousand caribou died while crossing the Caniapiscou River, deaths the Cree suspected were the result of an excess water release. The Cree also increasingly found deadly amounts of toxic mercury in food supply as leaves, trees and other vegetative matter decomposed.

In response to their concerns and Hydro-Quebec's recalcitrance, the Cree launched a corporate campaign aimed at revoking Hydro-Quebec's social license to operate and curtailing future hydro-development on their land. They first targeted utility customers of Hydro-Quebec and were able to win contract cancellations by utilities in Maine and New York. Next, in 1995 Cree leaders led by Grand Chief Matthew Coon Comb targeted Hydro-Quebec's funders, convincing Tufts University's trustees to be the first of several U.S. institutions to vote to divest their school's Hydro-Quebec bonds. With key constituents withdrawing their support for the project, Quebec government officials placed future hydro development on indefinite hold.

The disputes simmered over the next decade until the two sides and the Canadian government joined at the negotiating table and hammered out a settlement that resolved all of the unresolved issues that had built up since the 1975 Agreement. Under the terms of the settlement negotiated under the leadership of Cree Grand Chief Matthew Mukash and announced in July 2007, the James Bay Cree assume full responsibility for all policing, sanitation, courts, and social and economic development within their territory, Nunavik. Hydro-Quebec paid the Cree \$1.2 billion; money that the Cree are using to adapt their economy to the new realities, but in ways that continue to be based on their cultural values.

## **Indigenous Images: Stealing the Name, Then the Land**

Dominant cultures have often justified their exploitation of different cultures with teachings that other cultures are primitive, uneducated and inferior. These stereotypes are commonly reinforced by appropriating images and using them in demeaning ways. In South Africa, Darkie Toothpaste was marketed with the dark-skinned character with a huge gleaming smile. In the U.S., Aunt Jemima's image still adorns boxes of waffle mix.

The images and names of Indigenous Peoples and tribes have also been used in denigrating ways. Native leaders like the recently deceased WaBun-Inini (Vernon Bellecourt) (Ashinabe), ICCR's Gary Brouse and Charlene Teters (Spokane) worked tirelessly to make these abuses visible. Some of the most obvious examples come from the world of sports mascots. Whether it is the tomahawk chop acted out by Atlanta Braves fans, war-whoops chanted by supporters of the University of Florida Seminoles, the painted faces of Washington Redskins fans, or the toothy-faced grin of the feather-in-his-hair Chief Wahoo of the Cleveland Indians, Indigenous images have been appropriated for commercial purposes and used in ways offensive to Indigenous Peoples.

Campaigns to reclaim Indigenous images and tribal names have used financial pressure to reclaim Indigenous images, and the names of tribes and their leaders from the marketplace have been increasingly successful. While the Cleveland Indians continue to staunchly refuse to retire Chief Wahoo, Anheuser Busch bowed to shareholder and consumer pressure and agreed to no longer use Chief Wahoo in their advertising aimed at Cleveland's baseball fans. An even more important success came in August 2005 when the commissioners of the National College Athletic Association (NCAA) voted to exclude from post-season championship play the 18 teams whose mascots were named after an Indigenous tribe or leader without the permission of the tribe. Given that championships are financially lucrative and add to the prestige of the university, the threat of this sanction catalyzed action. The University of Illinois announced that it would retire its Chief Illiniwek mascot; a response to both the NCAA and fellow Big Ten Conference schools, the Universities of Iowa and Wisconsin, both of which announced they would no longer schedule athletic competitions against schools with Indigenous mascots. The University of Florida took a different tack, entering into negotiations with the Seminole Nation for continued use of their name. The negotiations afforded the tribe the opportunity to establish the respectful conditions under which the name may continue to be used, as well as some practices which must change.

The problem, however, persists and continues to be challenged by members of the social investment community. The Interfaith Center on Corporate Responsibility, led by Gary Brouse, continues to refuse deliveries of packages from FedEx, which purchased the naming rights to the stadium where the Washington Redskins play. When FedEx returns packages addressed to Mr. Brouse and his colleagues, another opportunity for education —and change—takes place.

By the late 1980s, social investors were pressing corporations on training and promotion opportunities for Native American employees within the corporate workforce. In the decade that followed, Native American leaders took the lead in challenging corporate theft of Indian names and images for marketing and other commercial purposes. Social investors were quick to lend their support to campaigns challenging corporations that exploit Indigenous Peoples' names and images that continues to this day. Also in the 1990s, social investors began to recognize and support Native American-led community economic development through targeted investments in The Lakota Fund, one of the grandmothers of the community investment industry.

### **A Grandmother of the Community Investment Industry: The Lakota Fund**

South Dakota's Pine Ridge Reservation was the poorest area of the United States in the 1980s. Like many Indian reservations at the time, most economic activity took place just outside the reservation in border towns controlled by non-Natives. Thus, money that came onto the reservation quickly left, benefiting non-tribal members as it flowed.

Established twenty years ago by Gerald Sherman, Elsie Meeks, Birgil Kills Straight, the Oglala Lakota College and other Lakota community leaders in partnership with Rebecca Adamson of First Nations Development Institute, the Fund put into practice Indigenous Economic values. When the idea of bringing capital to the reservation for the purpose of economic development was announced and applications for the first loans were taken, one entrepreneur submitted a slew of applications, each with a Polaroid photo of a different corner where a convenience store could be located. Entering new markets could have been a path taken by the visionary founders, but instead they took a different path, going out and mapping the informal economy on Pine Ridge. What they found surprised them. There were informal catering companies, one that made pine box coffins, another that welded metal crosses for the cemetery, and other businesses that provided locksmithing, hairdressing, fence mending, tire repair and Indian crafts. These businesses sustained people—barely—but needed capital to grow. And so the Lakota Fund was born. It brought money from large institutions like The Ford Foundation and lent it out for small business development, supporting its borrowers with large doses of financial education and other forms of technical assistance. All of this was done in ways that preserved Native values: children were welcome at training sessions, food was commonly shared. Culture and business were one, not separate compartmentalized parts of life.

From its basis in traditional Native values, The Lakota Fund served as the model of connecting capital markets to low-income communities that inspired Calvert trustee Rebecca Adamson (Cherokee) as she crafted the proposal that led Calvert, and later the social investment industry, to pursue high-social impact investments as a part of their portfolios, moving social investors forever beyond passive social screening as the defining practice of social investing. It was the story of The Lakota Fund that inspired Calvert's shareholders to unanimously approve Calvert's first-in-the-industry practice of investing 1% of fund assets in community investment vehicles. After listening to The Lakota Fund story, many Calvert shareholders asked the Fund to consider investing a far greater share of assets in Lakota and other life-affirming investments.

When The Lakota Fund began two decades ago, there were 40 small businesses on the Reservation, mostly owned by white people. Today, there are more than 200 Lakota-owned small business at Pine Ridge.

## Birth of an Indigenous Rights Screen

With awareness of Indigenous rights continuing to build and the tools employed by social investors growing more sophisticated, respect for Indigenous Peoples took a giant step forward in 1999 when following a meeting with Rebecca Adamson, Kinder, Lydenberg, Domini (now KLD Analytics) committed to expanding their research to include specific information regarding corporate practices of engagement with Indigenous Peoples in its SOCRATES database. Concurrently, the Calvert Social Investment Fund upped social investors focus on Indigenous issues further, becoming the first mutual fund to formally adopt an Indigenous Rights screen. The Calvert screen uses as its basis international treaties that define and protect Indigenous rights.

Calvert backed up its commitment by immediately adding its support to the on-going efforts of ICCR that engaged clothing designer Liz Claiborne over the company's marketing of the "Crazy Horse" brand. Though Liz Claiborne had backed down with other groups that had protested marketing decisions, for example by removing words from the Koran after Muslim organization expressed their offense, with Crazy Horse the company offered only minor alterations, like making "horse" plural and lower case. Gary Brouse, one of the long-time Program Directors of ICCR and a member of the Calvert Social Investment Fund's Advisory Board at the time, spoke of the irony of Liz Claiborne's recalcitrance: "It seems to me that if anyone should understand the value of a person's name and legacy, it should be Liz Claiborne herself." ICCR organized 800 institutional investors to sign a letter asking Liz Claiborne to withdraw the Crazy Horse label from the market. When the company refused, Calvert invoked its new screen and sold the stock, drawing significant media attention to the issue. Though Liz Claiborne resisted changing the Crazy Horse name for many years, the company quietly discontinued the Crazy Horse label in 2007.

Calvert's screen also led them to challenge Tootsie Roll Industries use of Native American names and images, including that of a young Indian boy with bow and arrow adorning the famous candy's wrapper. When Tootsie Roll also refused, Calvert also sold the stock.

Most recently, Calvert's Indigenous Rights screen has come into play when reconsidering the Fund's long-standing prohibition in owning bonds issued by The World Bank. In July 2007, Calvert announced that because of positive changes within the Bank's human rights, gender and Indigenous Peoples' rights policies and practices, the Fund would consider World Bank bonds as investments in the future. One of the criteria for future evaluation is the Bank's continuing dialogue with Calvert and the SRI community not only about Indigenous Peoples rights, but also about the environment, climate change and sustainable development.

Led by efforts like those of the Calvert Social Investment Fund to greatly expand the role of Indigenous Peoples in the governance of its social investment funds, the broader social investment industry strengthened their call for corporations to deal with Indigenous Peoples directly, as partners, and even co-developers, at the bargaining table. Concepts like the "social license to operate" and the promotion of policies like "free, prior and informed consent" elevate social investors' expectations that corporations deal directly and respectfully with Indigenous Peoples at the negotiating table.

Today's "best practices," such as "free, prior and informed consent," reflect less as a destination and more as a marker on the path to genuine justice, whereby Indigenous Peoples establish the rules of investment within their territories, and select and invite corporations they want to partner with in developing their land and resources. This will entail a shift from Indigenous Peoples reacting to plans developed by corporations and blessed by governments to Indigenous Peoples continuing to expand their capacities to take the lead in planning, managing and monitoring economic development, including the very real right to say "no," even with corporations salivating at their door. It is only when this stage is reached that an economic worldview based on growth and maximizing yield, can be balanced by economies and worldviews organized around taking only enough and maximizing the equitable distribution of economic activity.

### **Building Bridges:**

#### **Social Investors Take Their Cues from Indigenous Peoples**

For the last two years, Boston Common Asset Management and their client, Brethren Benefit Trust, have partnered with Amazon Watch, a leading NGO that works to protect Indigenous communities of the Amazon, to pressure Burlington Resources to respect the rights and governance processes of Shuar and Achuar Peoples in Ecuador. Amazon Watch has communicated the views of the Shuar and Achuar to Boston Common Asset Management, helping to shape the shareholder proposal and subsequent dialogue with Burlington Resources officials.

When, during the course of the dialogue, Burlington Resources managers produced letters from the Presidents of the three leading Indigenous Federations supporting development, Boston Common Asset Management challenged the authority of these letters, which were in opposition to resolutions passed by the representatives of the Federation's governing bodies. Boston Common Asset Management and Amazon Watch continue to demand that Burlington Resources new owner, ConocoPhillips, respect the governance structures of the Shuar and Achuar.

The leadership of Native American and other Indigenous Peoples of the world, supported by the leadership of the social investment community, has changed the behavior of corporations. Respecting the rights of Indigenous Peoples has shifted from being largely a moral concern to one that also has sweeping financial impacts for corporations. Strong and proactive corporate engagement with Indigenous communities affected by development can deliver mutual benefit both to the corporation and the Indigenous community. Some corporations track their engagement with Indigenous communities. For instance, in Canada, Royal Dutch Shell has constructed a database for this purpose, which includes some of the costs and benefits of such engagement. Conversely, neglecting or ignoring Indigenous Peoples can lead to direct financial losses and indirect lost revenue opportunities frequently measured in the millions of dollars.

## **The Business Case for Strong, Respectful Corporate Engagement with Indigenous Peoples**

Even while some corporations are learning that strong corporate engagement can yield mutual benefits to both the corporation and the community, other laggards continue to dismiss their responsibilities to seek a social license to operate and lose ever-increasing amounts of money, in addition to finding their sullied reputations making them unwelcome in new communities.

*Development without Conflict: The Business Case for Community Consent*, a recent report by the World Resources Institute (WRI), examines four case studies that make a strong economic argument for corporations to focus their attention on community engagement.

One of the case studies profiles Royal Dutch Shell's gas development project in The Philippines. Having learned from several weak community engagements in the past, Shell in The Philippines redoubled its commitment to effective engagement and started to track all of its investments in community engagement as well as the financial results generated. At its project in the Philippines, Shell documented an initial \$6 million investment in getting the community engagement process started. These investments ranged from bringing in development consultants to help the corporation listen to and incorporate the views of local communities, to flying community members to conference and other meetings where they could meet and strategize with other Indigenous Peoples facing development challenges, and grants to help fund economic development projects designed by the community: both the community and the company benefited greatly. Before Shell's community engagement began, the community was strongly opposed to Shell's presence; but after the engagement process took hold, 80% of the community supported the development project. Shell's upfront investment of \$6 million was followed by an on-going investment of about \$1 million per year. These costs represented 0.6% of total project development costs and 0.4% of annual pre-tax profits stemming from the project – a rate of return exceeding 1000% over the life of the project.

A second case study featured Meridian Gold's failed Esquel Gold Project in Argentina. Meridian entered the community with a strong development plan but without a plan for engaging the community. Tensions rose, the community organized, and in 2003 citizens voted in a referendum to withdraw Meridian's development rights. Failure to garner a social license to operate resulted in the loss of an economic license to operate as well. World Resources Institute pegs Meridian's losses on the project at about \$2 billion, \$379 million from direct losses of money invested, and the rest on lost opportunity costs and missed revenue from developing the gold-rich mine.

## **A Best Practice: Free, Prior and Informed Consent**

One of the areas where we most clearly see movement is in the emergence of free, prior and informed consent of Indigenous Peoples concerning development on or near their territories. The migration from consultation to consent was propelled by a 2005 World Bank policy shift that now requires free, prior and informed consent of Indigenous communities before those communities can be resettled in any Bank-funded project. From this narrowly stated policy has emerged a broader commitment to informed consent, even in cases where resettlement is not required.

“Free, prior and informed consent” is a concept, whose meaning will be worked out in practice, with successful efforts establishing new precedents that further define its meaning. One of the key unanswered questions is “prior to what.” Historically, many corporations have engaged in dialogue prior to the first bulldozer moving the earth, but long after development plans were conceived and approved. This model traps Indigenous Peoples at the negotiating table into having to seek the best from a bad situation – development will happen whether they like it or not. Leading corporations recognize the shortcomings of delaying engagement and are instead aiming to involve communities in the earliest stages of project conception and design. Doing so will allow the wisdom of Indigenous Peoples to be utilized in the development process and avoid the costs associated with expensive mitigation later on.

### **Building Culturally Aware Leadership: The Birth of the Social Investment Forum’s Indigenous Peoples Task Force**

In 2003, hundreds of social investors gathered for the annual SRI in the Rockies conference at the Squaw Valley Resort in California. SRI in the Rockies is the major conference for social investors and is co-produced by First Affirmative Financial Network and The Social Investment Forum. The planned agenda quickly gave way to heart-felt conversations about the choice of venue for the conference. “Squaw” is a derogatory term suggestive that Native American women are promiscuous, and is very offensive to Native Americans. Many of the room names within the resort were similarly offensive.

Conference organizers explained that the location was chosen several years earlier before they were aware of the issue of the appropriation of Native names, terms, language and images. With apologies offered, the group moved ahead toward action. Immediately, the offensive room names were covered over. The management of the resort and business leaders from the surrounding community were engaged to discuss concerns about the use of Native American names.

Shortly after the conference, the Social Investment Forum established an Indigenous Peoples Task Force to develop plans to integrate issues facing Indigenous Peoples into actions the social investment community can take. The Task Force is chaired by Susan White (Oneida).

The 2007 SRI in the Rockies conference, held at the Native American –owned Tamaya Resort in Santa Ana Pueblo (NM), was a pivotal moment in bridging the Native American and SRI communities. The conference itself, with 700 attendees, included several speakers and sessions on Indigenous Peoples concerns. The Social Investment Forum also hosted a day-long pre-conference that brought together three dozen Native American leaders and social investors to discuss social investment practices. To our knowledge, this event was the first meeting of its kind.

## **Indigenous Peoples Influence Social Investing from Within: The Oneida Nation Trust Committee**

Indigenous Peoples are the original social investors, taking into account the impact of the ways they deploy capital on the land and the community. Using initial capital provided from a century-old land claims settlement and additional capital generated by a successful gaming operation, the Trust Committee of the Oneida Nation voted in 1994 to invest some of their assets in stock and bond investments using social investment criteria. They hired two money managers specializing in socially responsive investing. The Trust Committee has taken an active role with their investments and leveraged these relationships both within the particular money managers, as well as the broader social investment community. Susan White, Director of the Oneida Trust Committee, played a catalyzing role in the formation of the Indigenous Peoples Task Force of the Social Investment Forum. This Task Force, like Calvert's earlier commitment to bring Indigenous Peoples into the governing bodies of their funds, gives Indigenous Peoples a voice in issues that affect Indigenous communities around the world, while creating a reciprocal benefit for the social investment community to benefit from the wisdom and experiences of Indigenous Peoples in developing and maintaining balanced economies.

While the Oneida have fully brought their values into the mainstream economy of stocks, bonds and social investment practices geared toward the market, they've simultaneously also continued to practice community investment within their community in ways that sustain and enhance their culture. The beautiful and award-winning Oneida Turtle School is designed in the shape of a giant turtle, one of the tribe's clan symbols. The school features Oneida language courses and time-out rooms staffed by Oneida elders to work with students having a difficult time managing their behavior. The Oneida Native Foods Program has reintroduced traditional foods to the Oneida's territory and is being used especially to provide for elders suffering from nutrition-related diseases like diabetes. In March 2005, the Oneida Trust Committee approved a \$25,000 loan to The Lakota Fund, the first intertribal loan for the purpose of community economic development.

Oneida is also engaging corporations that act as vendors to the tribe. Many years ago, the Oneida Tribal Council selected Mobil Corporation to supply the Oneida One-Stop with fuel. Since Mobil has merged with Exxon, a growing number of tribal members and leaders have become concerned about a range of Exxon Mobil's business practices from their disrespect for the rights and environment of Indigenous communities on a reservation nearby in Wisconsin and throughout the world to Exxon Mobil's foot-dragging on investments in renewable energy resources. In order to express these concerns, the Oneida Tribal Council initiated dialogue with their vendor, Exxon Mobil, inviting a representative to respond to their concerns at a Business Committee meeting. The Oneida's action reveals a different sort of relationship than that which most commonly occurs between Indigenous Peoples and large corporations. It was, and is, Oneida's choice as to who provides gas to their One-Stop; they set the terms of investment.

The Oneida One-Stop story is a rather simple situation when compared to the multi-billion dollar energy investments that many Indigenous communities around the world are dealing with. Imagine if we had a system that respected the sovereignty of Indigenous Peoples over their land. Imagine a respect of sovereignty in which the Indigenous Peoples decided the rate the resource was extracted or if it was extracted at all. Imagine a respect of the sovereignty of Indigenous Peoples where the world's largest corporations had to compete to be selected by the community, and where financial remuneration was considered along side of environmental protection records and respect for Indigenous culture in selecting a business partner. Sound far-fetched? Read on...

## **The Future: From Reacting with Consent to Initiating with Sovereign Power**

This paper began with a recounting of the history of corporate contact with Indigenous Peoples as one where royal sovereign power sublimated the sovereign power of Indigenous Peoples. When the awareness of the injustice done Indigenous Peoples entered the public consciousness in the second half of the 20<sup>th</sup> century, people from the dominant culture began to use their political power to give voice to the concerns of Indigenous Peoples.

At the dawn of the 21<sup>st</sup> century, we see some glimmers of hope of situations where the sovereign power of Indigenous Peoples is recognized with meaningful role in governance of everything from mutual funds to the developments of extractive industries on their lands, and even the use of their cultural symbols and names. Free, prior and informed consent is a step forward, but it is not a destination, merely a signpost on the way toward true sovereignty where Indigenous Peoples have control over their land and actively engage in the selection of their partners in development projects, rather than reacting to the development intentions of a giant corporation not of their own choosing.

Free, prior and informed consent is seldom completely free, free enough, that is, to have “no” mean “no,” where the project is abandoned. Instead, consent is sought against a back-drop of recognizing that the development is going ahead and the real purpose of the negotiations is to discuss mitigation of the most egregious impacts and provide compensation in the form of funding and skill sharing to promote community economic development.

As such, free, prior and informed consent is not sufficient as an end goal.

## **Indigenous Peoples Assume Role in Governance**

While the majority of community benefit agreements between corporations and Indigenous Peoples are based on a transactional model that recognizes that as something of value is taken from the community, something must be returned. There are new models of engagement that promise a strong governance role for Indigenous Peoples in decisions involving their lands.

One of the best examples of the relationship model is Polaris Minerals relationships with the Hupacasath and Ucluelet First Nations on the shore of Alberni Inlet on Vancouver Island. In 2002, Polaris entered a joint venture with the two First Nations to develop the Eagle Rock Quarry; a project with a 100-year expected lifespan. Central to the partnership are significant equity positions owned by both First Nations, making them equal partners at the table. Polaris executives speak openly that each side brings capacities to the partnership that the other side doesn't have. For instance, Polaris brings knowledge of mining and capital, while the Hupacasath and Ucluelet bring knowledge of the land and strong tools of conservation. Project leaders tell of the environmental challenges put forth by the First Peoples being a stepping stone to better, more efficient mining practices. Outside reports paint a picture of genuine relationship between First Peoples and corporate staffs that includes hiking together, dinner

parties and shared family picnics. These relationships, outside observers suggest, create a platform for community building that surpasses the “get it down” motivation of the transactional model. It is from this shared desire to enhance the community that is home both to the First Peoples and the corporation’s staff that informs the community benefits agreements. Outside observers report though that the close rapport does not make for effortless negotiations, but instead the negotiations, while often still challenging, are bounded and protected by the strong relationships of trust between negotiators.

Another exciting shift in the governance role of Indigenous Peoples is seen as Indigenous communities craft their own terms of development which serves to guide corporations interested in pursuing projects on their territories. The first evidence of this new practice is the Songman Protocol, produced by the Songman Circle of Wisdom, a group of Aboriginal Australian elders. The Protocol developed with the encouragement and financial support of the Aveda Corporation, prior to that corporation’s engagement with the Songman, outlines the Songman’s view of development and a protocol for certifying products based on Indigenous intellectual property. Within the Protocol, it is the community that monitors and certifies compliance with community standards.

In the words of the Protocol:

The Songman Protocol is a guiding document that provides a framework that will:

- Respect and acknowledge Indigenous culture and spirituality
- Advocate practical models that deliver positive outcomes for Indigenous communities
- Allow certification of compliance and provide recognition to activities and projects
- Increase real financial returns and commercial opportunities to the mutual benefit of project partners
- Provide a sound commercial basis for Aboriginal business development.

## Survey of Social Investors Response to Indigenous Peoples' Concerns

In Fall 2007, the 500 members of The Social Investment Forum were invited to participate in a web-based survey exploring the present practices of the social investment community relating to Indigenous Peoples' issues. A broad range of social investment firms were among the 50 respondents to the survey, including the largest SRI mutual funds and money managers, social research providers, a socially responsible bank, an NGO, and a number of financial planners and individual brokers specializing in SRI.

Nearly three quarters (74%) of respondents included Indigenous Peoples' concerns in their social investment practice. Of these, half had written or spoken to corporate officials regarding their policies concerning Indigenous Peoples; 42.9% had voted proxies in support of shareholder proposals involving Indigenous Peoples; nearly one-third (30.3%) have invested in community development financial institutions controlled by Indigenous Peoples; and nearly three-quarters (74.3%) screen their portfolio companies based on respect of Indigenous Peoples, with one-fifth of the respondents (21.1%) having divested a corporation's stock based on poor performance in responding to Indigenous Peoples' concerns. Two respondents reported filing shareholder proposals addressing Indigenous Peoples' concerns.

The most common concern raised by respondents in their dialogues with corporations was environmental pollution related to resource extraction (85% mentioned this); followed by use of sacred lands (75%), excluding Indigenous Peoples from the decision making process (75%), human rights issues pertaining to use of security forces (60%) and use of Indigenous Peoples' names/images in marketing (40%).

Slightly more than one-fifth of respondents (21.1%) engaged their portfolio companies based on a request by an Indigenous organization, whereas 36.8% reported their engagement came from a campaign sponsored by a non-Indigenous organization, and 36.8% based on a client-initiated request. More than three-quarters (76.5%) of respondents reported their Indigenous social screens were part of broader human rights screens, with the remaining 23.5% having explicit Indigenous Peoples screens. Many of the smaller firms and individual practitioners reported following the lead of the larger SRI institutions in guiding their Indigenous Peoples activities. Among these larger institutions, Calvert was most often mentioned.

Corporations that have been divested from the respondent's portfolios because of their lack of respect for Indigenous Peoples include: Liz Claiborne, Calpine and Tootsie Roll. Other companies mentioned as failing Indigenous Peoples screens were: Chevron, Newmont Mining, Unocal and Occidental Petroleum. A number of corporations were cited as leaders in their policies and practices toward Indigenous Peoples: Alcan, Aveda, BHP Billiton, BP, Estee Lauder, Goldman Sachs, 3M, Rio Tinto and Starbucks.

## **The Path to the Future: Three Actions for Investors to Take in Support of Indigenous Peoples**

### **1. Increase the recognition of Indigenous Peoples**

While Indigenous Peoples have made great strides in becoming more visible and recognized, social and political exclusion remain a primary barrier both to development and more importantly the full recognition of human rights. Governments—and government-owned natural resources corporations—are frequently partners in denying the territorial land claims of Indigenous Peoples. While most nations have laws on their books respecting the rights of Indigenous Peoples, those laws are often either hollow or poorly enforced.

Social investors can encourage corporations to press for recognition of sovereignty of Indigenous Peoples. For instance, in its Sakhalin II project in Russia, The Sakhalin Energy Investment Company (SEIC) has committed in writing, its intention to following the dictates of the UN's Convention on the Rights of Indigenous Peoples. This was done even though Russia has not ratified this important human rights statement. SEIC and others should be encouraged to continue to use their enormous power to press for recognition of Indigenous Peoples cut off from their political power.

### **2. Listen to the voices of Indigenous Peoples**

Moves like the Calvert Social Investment Fund's inviting Indigenous Peoples into the governance process, and the Social Investment Forum taking its leads from Indigenous Peoples within the Indigenous Peoples Task Force are important small steps. Larger steps will involve pressing corporations to think beyond the principle of free, prior and informed consent, to principles which recognize the legitimate claims of Indigenous Peoples to their lands. This means, at the least, involving Indigenous Peoples more fully as equal partners in the development, including a meaningful financial stake in the project.

One of the current issues on the minds of Indigenous Peoples throughout the world is evictions from their territories promulgated by the conservation policies of the large science-based conservation organizations. Many corporations (and well-intentioned individuals) fund these organizations, believing that by protecting biodiversity through setting aside land, these programs aid goals of environmental preservation. But when conservation groups use models that require these protected areas be "human free," those whose ancestors have lived and cared for pieces of land for tens of thousands of years are evicted and their land-based cultures set on the path to extinction. First Peoples Worldwide has begun

to engage the corporations that provide funding for these large science-based conservation groups, asking them to apply the same human rights standards that govern their operating businesses to their philanthropic portfolio. To date, we've contacted a dozen companies, including Starbucks, Walt Disney Company, Coca-Cola and McDonalds. We invite the social investment community to join us in challenging these conservation evictions that threaten millions of Indigenous Peoples throughout the world with extinction within decades.

Many social investors also continue to actively support efforts to get the Washington Redskins to change their team's name. The term, "redskins" was used historically to refer to the proof of "Indian kills" (in lieu of producing whole bodies) required before bounty payments could be made. Despite the fact that Native Americans have called for the team to change its name since the 1940s; that virtually all dictionaries define "redskins" as derogatory and offensive; that *Washington Post* called for the team to change its name in a 1992 editorial; and that the Trademark Trial and Review Board of the US Patent and Trademark Office cancelled the federal trademark on the team's name "on the grounds that the subject marks may disparage Native Americans and may bring them into contempt or disrepute," the Redskins name persists after the team's owners appealed the ruling and won a reversal in U.S. District Court in 2003.

It is into this climate that Federal Express purchased naming rights to the stadium, home of the Washington Redskins in 1999 paying an estimated \$ 7 million per year. But FedEx is not alone, BankAmerica, as part of a deal making it the official bank of the NFL, has been heavily promoting checks and bank statements featuring the Redskins logo, as well as buying naming rights to one of the stadium's gates.

Some social investors have begun refusing delivery of packages delivered by FedEx, forcing the company to return the package to the sender, and creating an opportunity to explain why. A campaign aimed at getting Bank of America to suspend their heavy promotion of the Redskin's racist imagery is also being considered.

### **3. Imagine an economy based on different rules of investment can be created**

Too often social investors cut themselves short with premature pragmatism that meets an idea like Indigenous Peoples as full partners in any development project in Indigenous territory with a mournful sigh: that simply isn't possible. It is good to look back and see how far we have come and to know that we can go much farther than we have come in the past. We have the leadership of the Oneida and the Menominee as guides to what a world based on different principles of investment can look like.

## Honorings

It is traditional in the dominant culture to acknowledge and thank those who contributed to a publication such as this. First Peoples Worldwide has been helped by many people who have shared their stories and wisdom for this publication. But this publication rests on shoulders far beyond the many recent conversations we have had. Thus, we prefer instead the Native American practice of honoring those who have gone before us, to show us the way. Movement toward greater justice and understanding comes from standing on the shoulders of others. Honor belongs to many whose names we no longer know, but the following is some of those we honor in offering this report:

The ancestors and elders of the Menominee Tribe, who tended the forests of their land in sustainable ways that came to be seen as models for an industry oriented more toward exploitation than sustainability.

To the Oneida Nation, and to its Trust Committee, for applying their values both in investing within their own community through things like their beautiful Oneida Turtle School and their innovative Native Foods program that serves tribal elders, to their leadership within the social investment community to help broaden knowledge of Indigenous concerns by social investment practitioners.

To Gary Brouse of the Interfaith Center on Corporate Responsibility, to Charlene Teters and to the late Vernon Bellecourt, who persisted in raising awareness about the theft of Native names and images for commercial gain. And to all the members of the religious community organized by ICCR who have tirelessly advocated that corporations respect the rights and listen to the wisdom of Indigenous Peoples in the communities where they operate.

To Steve Lydenberg and Amy Domini of Kinder, Lydenberg and Domini, and the trustees, management and shareholders of the Calvert Social Investment Fund for their leadership in establishing the initial research tools and investment screens on Indigenous Peoples.

To The Lakota Fund, one of the grandmothers of the community investment industry, for showing how Indigenous values of listening to the community and nourishing those needs and dreams with capital can transform the lives of communities, and who have shown that success can and should be measured by the way capital flows, rather than how it pools. And to the Calvert shareholders who voted to invest 1% of their fund's assets in community-based investments after hearing the story of The Lakota Fund.

To those Indigenous Leaders who have crossed bridges and invited collaboration with the social investment community: to Grand Chief Matthew Coon Comb of the James Bay Cree, to the Trust Committee of the Oneida Nation and Raeann Skenandore, Loretta Metoxen and Susan White. And to those social investors who met these leaders and worked with them: Trillium Asset Management, Walden Asset Management and many others.

And lastly, to those who shared their stories and memories with the authors of this report: Tim Smith of Walden Asset Management, Gelvin Stevenson (Cherokee) of First Nations Development Institute, and Jon Lickerman, former Social Research Director of The Calvert Group. And to members of the Social Investment Forum who shared the stories of the ways they use social investment tools to respond to Indigenous Peoples concerns through the survey on SRI activities to support Indigenous Peoples.