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## **A study of enterprise in Rankin Inlet, Nunavut: where subsistence self-employment meets formal entrepreneurship**

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**Abstract:** In Rankin Inlet, where formal enterprises are few, considerable entrepreneurial activity takes place in the informal sector. To supplement income, it is common to engage in subsistence self-employment such as hunting or fishing; food derived therefrom is shared but not sold. A road linking Rankin Inlet with the rest of Canada would allow freight to be transported from Manitoba to Rankin Inlet all year long, thereby reducing living costs in Rankin Inlet, and might possibly reduce dependence on subsistence hunting and fishing.

**Keywords:** Nunavut; Rankin Inlet; Kivalliq; entrepreneurship; self-employment; caribou; subsistence; beadwork; Kivalliq Arctic Foods.

**Reference** to this paper should be made as follows: Mason, A.M., Dana, L.P. and Anderson, R.B. (2009) 'A study of enterprise in Rankin Inlet, Nunavut: where subsistence self-employment meets formal entrepreneurship', *Int. J. Entrepreneurship and Small Business*, Vol. 7, No. 1, pp.1–23.

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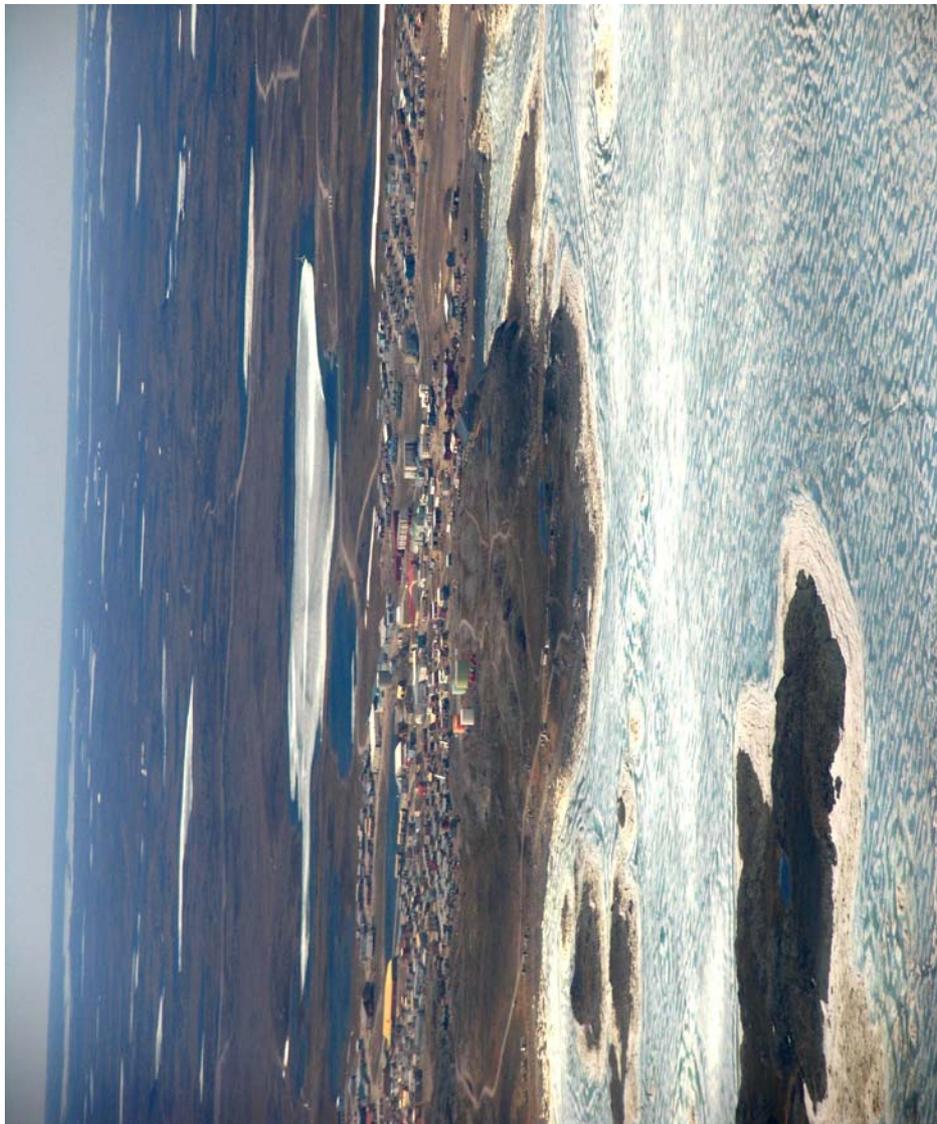
Leo Paul Dana holds degrees from McGill University and from the Ecole des Hautes Etudes Commerciales. He was the first doctoral student of entrepreneurship in the Canadian north. He has served as Visiting Professor of Entrepreneurship at INSEAD and Deputy Director of the International Business MBA Programme at Nanyang Business School, in Singapore.

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## 1 Introduction

On the west coast of Hudson Bay (see Figure 1), Rankin Inlet (see Figure 2) – known as Kangliqiniq<sup>1</sup> (literally ‘deep inlet’) in Inuktitut – is the government (see Figure 3), infrastructural (see Figure 4) and business hub of Nunavut’s Kivalliq region (formerly known as the District of Keewatin, Northwest Territories). Rankin Inlet is the most recently established community in this region. Unlike most northern communities, where water is delivered by truck, Rankin Inlet has running water. Houses are built on elevated pilings (see Figure 5) to avoid heating the permafrost.

**Figure 1** Aerial view of the Rankin Inlet area (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 2** View of the hamlet (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 3** Government plate (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 4** Developed infrastructure (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 5** Typical home (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 6** Nunavut Arctic College (see online version for colours)



*Source:* Photo by Leo Paul Dana

Unlike more homogeneous Arctic communities, Rankin Inlet, while being a predominantly Inuit community, is relatively multicultural, with more than 20% of the population being non-Inuit, including Asians from India and Iran. The hamlet is home to Anglicans, Catholics and Presbyterians.

Rankin Inlet is the second largest community (in residential area) in the Territory of Nunavut. Yet, according to the census, the majority of people who travel to work do so by foot or cycle. A major employer, here, has been the territorial government. Leo Ussak Elementary School and Maaniulujuk Ilinniavik High School have provided jobs, as has the Nunavut Arctic College (Figure 6), funded by the Government of Nunavut. Government cutbacks have gradually forced people to rely less on the state and seek other opportunities. The objective of this article is to give an overview of the enterprise sector in contemporary Rankin Inlet.

## 2 History

The fjord named Rankin Inlet (for Lieutenant John Rankin) was a venue for significant whale hunting until 1910. When the whale population was depleted, whalers stopped coming. Local people depended largely on fish, seal, walrus, and caribou for survival. Subsistence self-employment was the norm.

In 1928, R.G. Johnston discovered an ore body at Rankin Inlet. During the 1930s, the Knight Prospecting Syndicate and Nippising Mines drilled for diamonds in this area (Dailey and Dailey, 1961).

The region was home to Caribou Inuit (Padlimiut), studied by Birket-Smith (1929). During the 1940s, these people experienced starvation. The federal government subsequently decided that a subsistence economy was no longer viable for the Inuit.

Increased use of nickel,<sup>2</sup> coupled with the high price of nickel during the Korean War and the discovery of nickel at Rankin Inlet, prompted the establishment of Rankin Inlet Nickel Mines. In 1954, the company's name was changed to North Rankin Nickel Mines. Dailey and Dailey (1961) wrote, "Although construction of the mine was begun in the year 1953, local Eskimo labour was not utilized in the development until the spring of 1956 (p.4)."

In 1955, at the head of the inlet, a community was established with the same name – Rankin Inlet. Hughes reported, "In 1957–58 some 320 Eskimos from Eskimo Point<sup>3</sup> and Chesterfield Inlet<sup>4</sup> (on the west coast of Hudson Bay) moved to Rankin Inlet, where in 1959, 107 were working in the nickel mine (Hughes, 1965, p.16)." This introduced "an entirely new subsistence pattern based on wage work and with the development of industrial activities in the north (Hughes, 1965, p.16)". Thus, government and industry introduced wage employment to traditional hunters. Dailey and Dailey (1961) suggested, "The concepts of 'work' as a regimented activity and of labour as a commodity are largely foreign to the Eskimo (p.78)." With regards to absenteeism from the mine, Dailey and Dailey (1961) wrote, "it is simply that the Eskimo does not as yet conceive of himself as a necessary part of this enterprise nor does he recognize the need for regimentation (p.78)".

Williamson (1974) provided an account of the commercial-industrial boom and the economic decline that followed the mine's closure in 1962. Some workers moved south to work at other mines, such as Lynn Lake in Manitoba.

To remedy the economic downturn, a pig farm was established in Rankin Inlet in 1969. The pigs were fed fish, their meat was unpleasant and this venture came to an end. Another short-lived project was a cannery to preserve seal meat and other local food, for sale to southern communities.

In 1991, Joe Nattar built an *inukshuk* (see Figure 7) that stands overlooking Williamson Lake. The word *inukshuk* means “likeness of a man” and the plural is *inuksuit*. These were traditionally used to mark good fishing sites, places where tools were stored and other places of significance.

**Figure 7** *Inukshuk* (see online version for colours)



*Source:* Photo by Leo Paul Dana

### **3 Methodology**

This paper combines a case study of the community (Eisenhardt, 1989; Eisenhardt, 1991; Ellram, 1996; Jensen and Rodgers, 2001; Leenders *et al.*, 2001; Rowley, 2002; Stake, 1995; Yin, 2003) with participatory observation (Jorgensen, 1993).

Interviewees were identified by means of snowball sampling (Goodman, 1961). As explained by Müller-Wille and Hukkinen (1999), “In snowball sampling of interviewees, those already interviewed identify who else they think should be interviewed (p.47).” Supporting documentation came from newspaper stories, procedure and policy manuals,

government documents, research studies, statistical data from Statistics Canada, Indian and Northern Affairs Canada, Human Resources and Skills Development, Health Canada, and archival records.

Methodology incorporated the guidelines, for research involving human subjects, from several different bodies including: the Association of Canadian Universities; the Northern Research Institute; the Inuit Tapiriit Kanatami; and the Indigenous Peoples Health Research Centre.

Input from Elders was ongoing. They were first asked about the need for the research, the appropriateness of the research questions and the research methods. The Elders, in turn, asked how the communities would benefit from participating in the research process and how the research results would be interpreted, used and disseminated. They indicated that all people were to be treated with respect and that oral communication must be available and information translated into their languages.

A Scientist's Research License was granted from the Nunavut Research Institute. To obtain this license, an online application form was completed and a 500-word project description and letters of consent and letters of support were provided in Inuktitut, the official language of Nunavut, using the local Kivalliq dialect and English. The Nunavut Research Institute screened the application and then circulated it to selected reviewers from the municipal council, land claims organisation, Inuit associations, territorial government departments, institutions of public government (*e.g.*, the Nunavut Impact Review Board, and the Nunavut Planning Commission) and others having an interest in the proposed research. This process usually requires about 45 days.

A notice was put in the regional newspaper, the *Kivalliq News*, two weeks before our arrival. This briefly described the project, the researchers, the timing and provided contact information. This resulted in the researchers being contacted by e-mail from several community members.

In-person interviews were conducted in Rankin Inlet. A local community interpreter was used for all interviews with Elders. Each participant reviewed the project description, asked questions and then signed a consent form. All interviews were digitally recorded and photographs were taken using digital cameras. After the interviews, the Elders were provided with the appropriate honorarium. Copies of the signed consent form, digital interviews and pictures, in digital and print format, were returned to each participant.

A project website was created to provide project information and updates, and to allow for ongoing communication. This information is provided in both English and Inuktitut. Several participants have continued to interact with the researchers through e-mail.

#### **4 Findings**

Rankin Inlet is home to several firms in the formal sector, including stores and hotels. Most families supplement their formal income with supplemental activities, such as subsistence fishing (see Figure 8). As summarised in Table 1, subsistence activity consists of an economic gain but without any transaction.

**Figure 8** Subsistence fishing vessel at Rankin Inlet (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Table 1** Economic activities

<i>Economic activity</i>	<i>Status</i>	<i>Examples</i>
Formal enterprise	Legal transaction	General store, airline
Informal entrepreneurship	Not always 'in the books'	Selling carvings
Subsistence self-employment	No commercial transaction	Subsistence hunting
Covert economic activity	Illegal transaction	Selling drugs

In the formal sector, the Northern Store sells appliances, clothing, food, house wares, and outdoor products; it also provides services including catalogue ordering, cheque cashing, money transfers and fast food. The Kissarvik Co-operative Association Ltd. provides accommodation, in addition to a grocery and retail store; as well, it sells artwork made by Inuit living in Rankin Inlet. The Red Top (Figure 9) is a convenience shop. Sakku Drugs sells pharmaceuticals. A subsidiary of the Nunavut Development Corporation, Ivalu serves as a fashion centre. The Canadian Imperial Bank of Commerce and the Royal Bank provide banking services. The Bank of Montreal no longer operates here. Manuq Inn and the Siniktarvik Hotel cater to visitors and the latter also sells artwork by local Inuit.

**Figure 9** The Red Top (see online version for colours)

Source: Photo by Leo Paul Dana

Kivalliq Arctic Foods, in Rankin Inlet, purchases and processes caribou from the Coral Harbour (Salliq) harvest. Kivalliq Arctic Foods is a subsidiary of Nunavut Development Corporation. The company owns and operates Rankin Inlet's only commercial meat

processing plant. Brian Schindel was brought in from southern Canada to provide management expertise for Kivalliq Arctic Foods; he is General Manager of Kivalliq Arctic Foods. He and Brian Zadowski, Vice-President of Operations for the parent Nunavut Development Corporation, told the authors about numerous innovations taking place. Additional ovens have been purchased with double doors to speed processing and increase energy efficiency. By utilising hoses to apply the solutions, jerky making has sped up between four to five times. Visual identification of the Tundra Brand has been developed and is linked to arctic char, caribou and the musk ox products. Significant attention has been paid to maintaining, both, Canadian Food Inspection Agency and European Union certification. Policies and procedures continue to be upgraded to assure highest standards of food quality are maintained. Computerisation and monitoring systems are being introduced as technology costs come down.

Prior to 1995, Kivalliq Arctic Foods caribou was sold locally in the Northwest Territories. The company then received federal approval to sell throughout Canada. To sell to the US and European markets a veterinary inspector must be located on-site in Rankin Inlet to sign the documents. After establishing a network of distributors, Kivalliq Arctic Foods expanded into the USA and Europe. European Union certification must be renewed every two years and requires the processing facility to be reinspected.

In 1997, the original Kivalliq Arctic Foods processing plant was destroyed by fire. In 1999, the company worked with the Manitoba Food Development Centre to create and diversify its product base. This allowed the firm to develop plans, to troubleshoot and optimise the process, and to ensure appropriate nutritional labelling. A new facility was built with more efficient layout, new stainless steel equipment, large ovens and freezers. The processes meet international quality assurance and hygiene standards and received European Union Certification in 2001. Between five and 12 Inuit employees work in the processing facility.

Kivalliq Arctic Foods faces high transportation costs and a European Union tariff of up to 18% when competing in Europe where reindeer is sold duty-free. Conducting market research and participating in Canadian trade missions has enabled Kivalliq Arctic Foods to determine product specifications, product integrity and product comparable prices. Their caribou meat is cut and packaged specifically for targeted distributors to high end restaurants – chefs are the ultimate buyer. Careful attention is paid to skinning, cutting, and small controlled portion-sizes. Exported products include tenderloins, Denver and French racks. The product is quick frozen and vacuum sealed. Kivalliq Arctic Foods's yellow labelling is distinctive and carries specific product information.

The company also makes jerky, sausage, smoked ribs, and *mikku* (a local dried caribou delicacy) developed as a customised product just for the Nunavut market. The products are sold through a retail and wholesale store and online. Value added processing has increased significantly since the 1990s.

The company uses traditional aboriginal branding. The corporate and product descriptions link to the Inuit culture and reinforce that the caribou are truly wild and eat only wild foods. The name was changed from Keewatin Meat & Fish to Kivalliq Arctic Foods. The logo now includes a North Star, *inukshuk* and igloo (see Figure 10) that their customers associate with the Arctic and Nunavut. Kivalliq Arctic Foods was located in the Aboriginal First People's Pavilion during Team Canada's Trade Missions to Russia and Germany. Kivalliq employee, James Kannak wore traditional Inuit clothing as he discussed the Kivalliq Arctic Foods product's with visitors to the booth.

**Figure 10** Kivalliq Arctic Foods (see online version for colours)



Source: Photo by Leo Paul Dana

Participating in various fairs, Kivalliq Arctic Foods caribou products have been featured by Aboriginal chefs. The company has provided product tasting events, sponsored dinners and receptions, and met with selected distributors. Kivalliq Arctic Foods has participated in the Western Canada Trade Mission to Texas and California, the states with the highest per capita income levels in the USA; caribou meat was provided at receptions and dinners. Kivalliq Arctic Foods is included in the *Directory of Aboriginal Exporters*. The company is also listed in the *World Information Network for Exports*. Trade commissioners globally use this to source products and services from Canada.

When bovine spongiform encephalopathy – also known as mad cow disease – broke out in 2003, the Canadian and Nunavut governments met with their counterparts in the USA and other countries to ensure that caribou was exempted from the ban. The Canadian Food Inspection Agency participated by presenting documentation and scientific studies. Thanks to the geographic isolation of the Southampton herd, the nature of the feed (diet of lichens and willow), and distinctive product status (wild game), the caribou were exempted. Since 2003, Canadian Food Inspection Agency regulations and guidelines have become much stricter to increase hygiene, quality assurance and food safety.

Food processing, including arctic char, caribou and musk ox, contributes an annual \$7.4 million to Nunavut's GDP. The Conference Board of Canada suggests this figure is understated as land-based activities are not generally captured.

Individual hunters of mammals such as caribou (see Figure 11) or musk ox (see Figure 12) may sometimes use by-products of a hunt for carving. Ollie Ittinuar, an elder and hunter of Rankin Inlet makes harpoons and traditional *ulus* (crescent shaped knives) from bone and from wood. In Rankin Inlet, carvings may be purchased from local artisans; Ivalu; Kissarvik Co-operative; the Matchbox Gallery; the Siniktarvik Hotel; and the Sugar Rush Café. The Nunavut Development Corporation also has online sales, featuring a variety of Inuit products including carvings made from antlers and caribou bones. Arctic Co-operatives Limited is a service federation for 35 cooperatives across northern Canada. It purchases the carvings from local cooperatives, including the Kissarvik Co-operative in Rankin Inlet. Arctic Co-operatives Limited then markets the products through its operating division, namely Canadian Arctic Producers.

Elder Lizzie Naiktaa Ittinuar, a resident of Rankin Inlet, is noted for her detailed beadwork on ceremonial parkas. She began selling her clothing products in 1969 when her boys were small. She distinguished her products by making ceremonial parkas with beads. “I could sell them but they were not doing as well.” After seeing dolls on television, she experimented and started making traditional Inuit dolls with beaded details. She recently received a \$20,000 grant from the Canada Council. She created a map of Rankin Inlet, 48 inches by 84 inches, made from cloth, caribou skin and seal skin with extensive beading. The Canada Council purchased the rug for their Art Bank. With assistance from the Kivalliq Inuit Association to fill out the forms, she was approved for a contract to set up her own sewing group.

**Figure 11** Caribou (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 12** Musk ox (see online version for colours)



Source: Photo by Leo Paul Dana

Barter also has its place. Rankin Inlet's oldest citizen, Elder Ollie Ittinuar, and his wife, Lizzie, described receiving wooden sticks in exchange for their products. That was in former times and now transactions are more complex. Yet, the principle has remained the same. With regards to subsistence hunting and fishing, the traditional Inuit exchange of reciprocity of food still works within families and groups – a considerable activity.

## 5 Towards the future

Rankin Inlet has grown significantly (see Figure 13) since its creation half a century ago, and the hamlet is growing further (see Figure 14). In some ways, traditional ways live on; for example, the *amauti* has changed little in centuries (Bird, 2002). (This is a woman's parka with a large hood and pouch in which to carry a child, as shown in Figure 15. The large, loose shoulder enables the mother to bring the child around from her back for nursing.)

While some traditional ways survive, change is in the air. At the time of writing, in 2008, there were no road links and the community relied on air transport (see Figure 16) and on barges for food shipments and other freight; the barges dock at Itivia (see Figure 17). A road linking Rankin Inlet with the rest of Canada is in the works. It would allow freight to be transported from Manitoba to Rankin Inlet all year long, thereby reducing living costs in Rankin Inlet. However, motorways elsewhere in the north have caused countless accidents with caribou. What other impacts might a road have?

**Figure 13** Fifth Division (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 14** Construction (see online version for colours)



*Source:* Photo by Leo Paul Dana

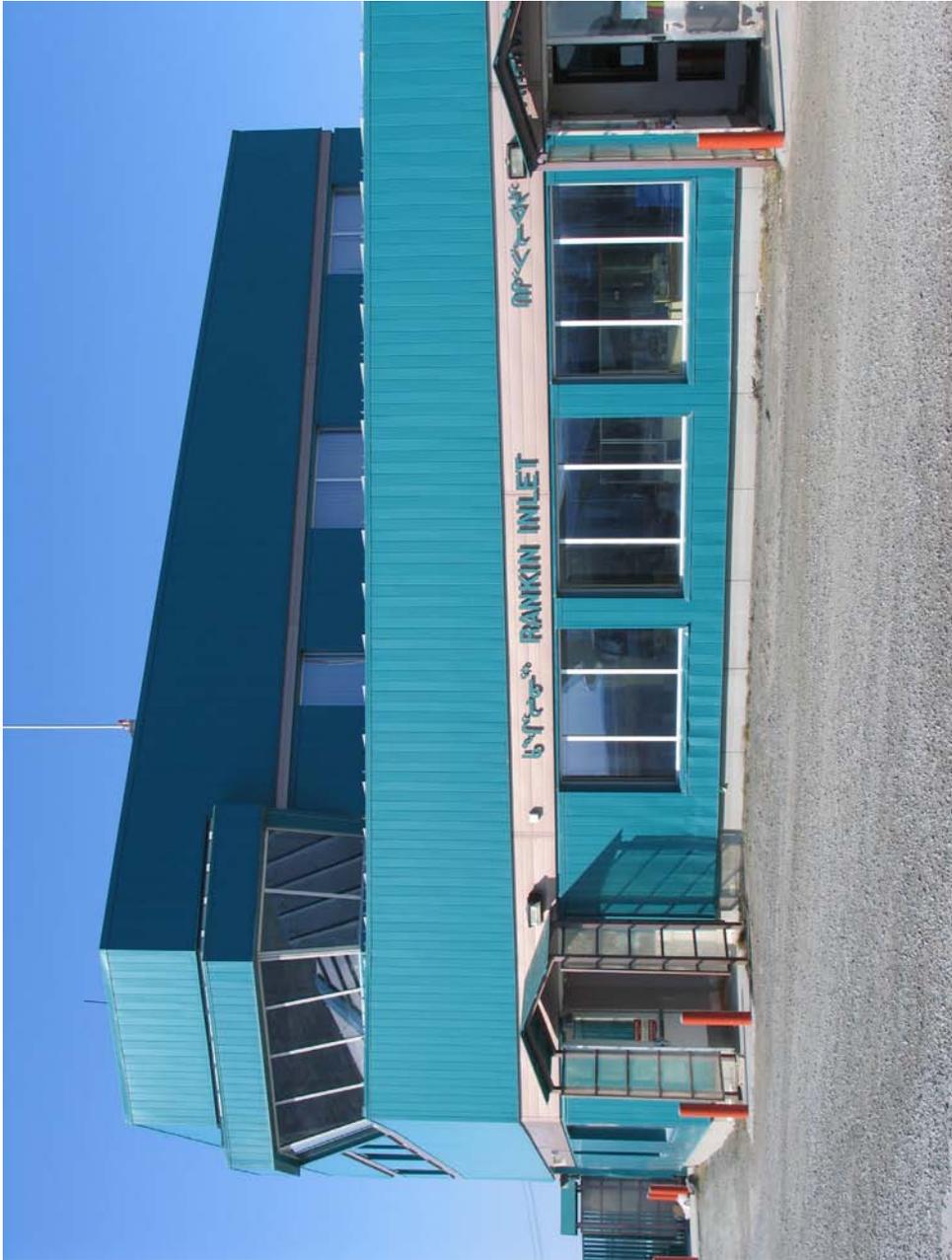
**Figure 15** Traditional *amauti* (see online version for colours)



*Source:* Photo by Leo Paul Dana

Also bound to cause change is a rich gold deposit on the Meliadine River, and the discovery of kimberlite 20 km from the hamlet; this volcanic rock often contains diamonds. Thus, there is an expected increase in extraction industry, and in the service sector that would cater to a high concentration of people. Would a mine boost the economy? The mine might, but explorations may frighten caribou, and would certainly have a toll on many caribou, thereby having a negative impact on subsistence activities of the people once known as the Caribou Eskimos.

**Figure 16** Rankin Inlet Airport YRT (see online version for colours)



*Source:* Photo by Leo Paul Dana

**Figure 17** Entrance for barges at Itivia (see online version for colours)



*Source:* Photo by Leo Paul Dana

## Acknowledgements

Support for this research was obtained from the Canadian Council for Small Business and Entrepreneurship and from Canada's Senator Charlie Watt. Funding for this paper was provided in part by the Social Sciences and Humanities Research – Northern Opportunities Grant, and the Canadian Agricultural Rural Development (CARD) Programme. We thank Michael McMullen, Executive Vice-President, Northern Canada Retail, The North West Company, for reviewing the paper. We also express gratitude to Professor Ludger Müller-Wille, of McGill University, who provided insightful feedback on an earlier version of this paper.

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**Notes**

- 1 Dailey and Dailey (1961) referred to it as Kangeklinak.
- 2 The USA had been using nickel to produce coins since 1866, and Canada since 1922. The US nickel has been made from 75% copper and 25% nickel since 1866 except for a few years during WWII when 5 cents coins were silver. With the exception of a few years during which Canadian 5 cents coins were made from tombac (an alloy of zinc and copper), and later steel, Canadian nickels have been 100% nickel.
- 3 Eskimo Point has since been renamed Arviat.
- 4 Chesterfield Inlet is also known as Igluligaarjuk.