

Keys to Nation-Building in Indian Country

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The Puzzle

Indian Country is poor, but it is not uniformly poor.

What explains the success that some Indian nations have had in building sustainable, self-determined economies?

Two Models of Reservation Economic Development in the United States

- The Standard Model has dominated Indian Country since the Meriam Report of 1928
- The Nation-Building Model is emerging in practice in Indian Country today

These models are producing very different results. How do the models differ, and why does one work so much better than the other?

Characteristics of the Standard Model of Reservation Economic Development

- Short-Term, Non-Strategic
- Lets Others Set the Development Agenda
- Views Development as Primarily an Economic Problem
- Views Indigenous Culture as an Obstacle to Development

1. Short-Term, Non-Strategic

- Focuses on short-term fixes instead of fundamental issues
- Encourages a "flavor-of-the-month" approach
- Is more concerned with starting businesses than sustaining them
- Discourages long-term, strategic thinking
- Does not ask "what kind of society are we trying to build?" but jumps straight to "how do we generate jobs and income now?"

2. Lets Others Set the Development Agenda

- Development goals typically are set by Congress, funding sources, the states, etc.
- Decisions about strategic direction, resource management, and other matters are often in non-Indian hands
- Regulatory power is often in non-Indian hands
- When Indians take over decision-making, it is more likely to be reactive than proactive

3. Views Economic Development as Primarily an Economic Problem

- Goal is jobs and income
- Pays primary attention to economic variables (e.g., natural resources, human capital, access to \$, etc.)
- Pays little attention to the reservation political environment in which development has to succeed

4. Views Indigenous Culture as an Obstacle to Development

- BIA (1969): "Development will proceed as the process of acculturation allows"
- Recognizes indigenous culture as a resource that can be sold (e.g., tourism, arts and crafts), but misses its utility as a guide to organization or action

Development Planning and Process under the Standard Model

1. Ask the tribal planner to identify business ideas and funding sources
2. Apply for outside grants / Respond to outside initiatives
3. Start whatever can be funded
4. Appoint your supporters to run projects
5. Micromanage
6. Pray

Typical Results of the Standard Model

- Failed enterprises
- A politics of spoils
- Outside perceptions of incompetence and chaos that undermine the defense of sovereignty
- Continuing poverty

Characteristics of the Nation-Building Model of Economic Development

- De Facto Sovereignty
- Effective Governing Institutions
- Cultural Match
- Strategic Orientation

1. De Facto Self-Governance

- Puts the development agenda in Indian hands
- Puts control of the necessary resources in Indian hands
- Couples decisions and their consequences, leading to better decisions
- Has concrete, bottom-line payoffs
- Appears to be necessary (but not sufficient) for sustainable development

The Basis of Native Self-Governance In the United States

Basis	Chronology	Distribution
Law (self-governance federally-recognized nations as a legal matter)	c. 1830...	Over time, all recognized Indian
Policy (self-governance recognized as formal federal policy)	c. 1975	All federally-recognized Indian nations
Practice (de facto self-governance)	c.1970s...	Self-selected Indian

2. Effective Governing Institutions

- Stability
- Separation of politics from business management
- Effective and non-politicized dispute resolution (a strong and independent judiciary)
- A bureaucracy that can get things done

Dimensions of Indian Self-Governance

- **Law** (legal recognition of rights and powers)
- **Policy** (formal observance of rights and powers by federal or state governments)
- **Practice** (tribal assertions of self-governing powers-de facto self-governance)

- **Efficacy** (*capable* and *effective* assertions of those powers)

For development to succeed, Indian nations have to *exercise their sovereignty effectively*. Recognition and assertion cannot do the job alone.

3. Cultural Match

- To be effective, governing institutions must have legitimacy with the people
- This means they have to match indigenous ideas about how authority should be organized and exercised
- Institutions that match contemporary indigenous cultures are more successful than those that don't
- Economic strategies that match contemporary indigenous cultures are more successful than those that don't
- But there's no blank check; institutions and strategies also have to work

4. Strategic Orientation

A shift...

- ...from reactive thinking to proactive thinking (not what can be funded but what we want to create)
- ...from short-term thinking to long-term thinking (twenty-five years from now, what kind of society do we want?)
- ...from opportunistic thinking toward systemic thinking (how does this option fit our conception of our society?)
- ...from a narrow problem focus to a broader societal focus (fixing not just problems but societies)

Note that not one of the characteristics of the Nation-Building Model is something we usually describe as "economic." They are all political.

In the Nation-Building Model Economic Development is First and Foremost a Political Problem

Development Planning and Process Under the Nation-Building Model

1. Asserting Sovereignty
2. Building Institutions
3. Setting Strategic Direction
4. Taking Action

(Potential) Results of the Nation-Building Model

- More effective access to and use of resources
- Increased chances of sustained and self-determined economic development
- A more effective defense of sovereignty
- Societies that work

Key Findings from Harvard Project Research

Successful Indian Nations

Assert the Right to Govern Themselves and

Exercise That Right Effectively

By **Building** Capable Governing Institutions

That **Match** Their Cultures