

# TOGETHER, WE CAN CREATE ECONOMIC PROSPERITY FOR INDIAN TRIBES

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>> 12/11/16 DRAFT FOR COMMENTS / DISCUSSION / CORRECTIONS <<  
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(NOTE: This essay is concerned mainly with the economics of Indian reservations. For cultural and historical essays and resources, including a map showing locations of tribes before Columbus arrived: <http://www.americanindianpartnership.com/the-blackfeet.html> )

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### **1. INTRODUCTION**

Most Americans have never been to a large, remote Indian reservation, and those that have sometimes come away realizing you don't have to get on a plane to find the Third World: We have many pockets of grinding poverty, staggering unemployment, and debilitating social problems right here at home.

It has been that way for more than one hundred years, and much collective thought, effort, and resources have been applied to these problems. Some tribes have indeed prospered, especially those with casinos near large population centers, or with abundant marketable natural resources, or some other unique competitive advantage, or exceptional ingenuity. But most tribes have remained mired in economic distress, especially those situated on large remote reservations.

In short and in general, there is a large, widespread problem and it isn't getting fixed. New and better approaches are needed.

In my view, the only way you can truly understand why economic and social progress on Indian reservations has been so difficult is to not merely study it, but rather to actually live it, breathe it, be completely immersed in it, and get your butt kicked by it. Unless you have lived on an Indian reservation and invested significant quantities of your own money in capitalistic adventures over many years, personally hired and managed large work forces thereon, worked your way through or around the political, cultural, and social dynamics and pitfalls, have an understanding of how the outside world works and have built successful businesses there, and --this is key-- are also a tribal member...

...you may find that when you try to apply the whiz-bang, sure-fire, best practices, business methods that worked so well for you elsewhere in America, they fall flat on the reservation. And you may be mystified as to WHY?

I know I was mystified when, in the first few years I launched new enterprises in many industries on the Blackfeet Reservation, pouring my own money down black holes, those businesses often didn't take off as fast and as well as I knew from experience they would have in off-reservation markets.

Why? Lots of reasons, as it turns out, many of which I didn't see coming at first and couldn't really comprehend. I am a Blackfeet member, but was trained in business out there (Stanford MBA and Public Management) and all my business experience was in the global mainstream. I had a long, good run in technology and other industries (Fortune 500, NASDAQ, SMB, and start ups) before I decided to come to the reservation to try out some economic development ideas that had been rattling around in my head for many years.

So what tripped up my early business attempts on the reservation? Well --guess what?-- many Indians just don't like to buy from other Indians. And --guess what?-- there is no UCC (Uniform Commercial Code) to protect your business operations, and even if there was, Tribal Courts have been known to rule for whichever relative on the docket is hosting Thanksgiving dinner. Guess what? --the vast majority of my local vendors don't have checking accounts, so buying merchandise to stock the shelves is like being an army paymaster, doling out cash to a long queue from a metal box. Most of my local customers don't have debit or credit cards (or checking accounts, either). And though you would think with 70% unemployment a lot of people are looking for steady jobs, even careers, it turns out a surprising number just want a paycheck or two to get their car fixed or buy a new cell phone and then they disappear without even calling in sick. If you start so much as a lemonade stand, many will assume you are making millions and say mean things about you. Some Indians, if metaphorically they see a dollar on the floor, their first thought is "If I don't grab it, someone else will," whereas you and I would think "OK, here's a dollar, now lets work together to turn that \$1 into \$5 then \$10..." like modern wealth creation works, as opposed to an ancient mercantilism, zero sum mindset. I do understand all of the foregoing is symptomatic of deep, generational poverty and financial inexperience, but it makes it hard to build businesses.

So why should any businessperson or investor subject themselves to all this by bringing their capital and energies to an impoverished reservation with bewildering idiosyncrasies, when it is far easier and safer to make money off reservation? Why go where the money *isn't*, when you can go where the money *is*? The answer is, most business people and investors won't. That's one reason why, for example, the Blackfeet Reservation has essentially no viable private sector economy.

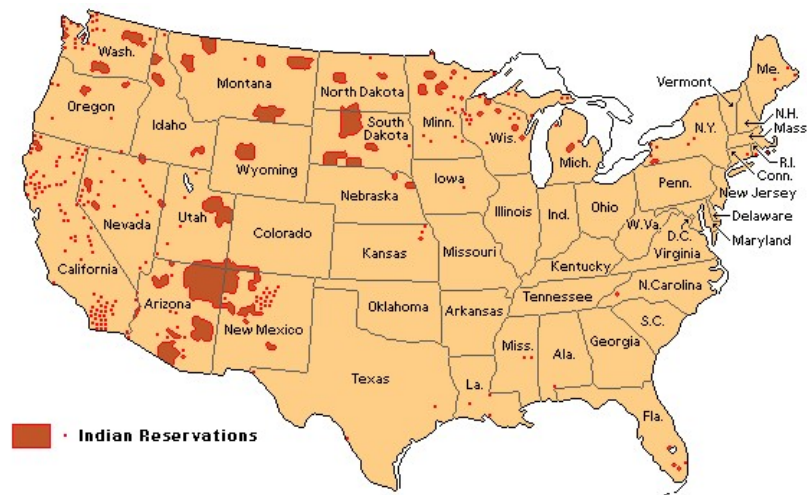
However, I am seeing with my own projects that there are clear, workable solutions. But before I could begin to see the solutions, I had to understand the problems. I like what one of my Fortune 500 bosses said to me years ago: "None of us is as smart as all of us." So true.

I am writing this essay for two reasons. First, to help you, the reader, understand the obstacles to economic development on Indian reservations that I have encountered. Second, to the extent you are willing, to help me think things through and add your thoughts to the discussion, as well, because, sure enough, none of us is as smart as all of us.

Let's start with a little bit of data and context so we know what this thing we are talking about called Indian Country looks like.

## **2. OVERVIEW OF INDIAN COUNTRY**

Today, there are 567 Indian tribes in the United States, which includes 229 tribes in Alaska. There are 326 reservations (some of which are called Indian colonies, pueblos, or rancherias) located in 33 states. Alaska has only one reservation (Metlakatla) so most Indians there live in tribal villages or communities. In the lower 48, after 200 years of being forced off their homelands, only about 1% of tribes still live on their ancestral lands. (Six out of 567, which includes the Blackfeet and Navajo. My three children all have the same Navajo mother, so they are doubly blessed to have their world include two true ancestral homelands.)



## **3. WHAT IS AN INDIAN?**

In the 2010 U.S. Census, about 5.2 million Americans self-identified as Indian. About 2.9M of that 5.2M are enrolled members of a tribe. The remaining 2.3M have Indian blood, but are not enrolled members of a tribe.

Of the 2.9 million enrolled members, a little less than half live on or near an Indian reservation, the rest live off-reservation, often in urban locations. Many Indian non-members also live on or near reservations. For example, the Blackfeet Tribe has about 17,000 members total. Our reservation (which is 1.5M acres, about the size of Delaware) has +-10,000 residents: +-8,600 are members, +-1,000 are Indian non-members (most have Blackfeet blood), and +-400 are non-Indians (numbers approximate).

By the way, note that about half the Blackfeet tribe lives away from our reservation. It may seem odd that of the +-8,400 that live off-reservation more than 5,000 live in Western Washington. The reason is simple: Prior to WWII almost all Indians in the United States lived on or near their reservations, but when WWII broke out many joined the service or moved to where war industries were located. In the case of the Blackfeet, most went to the nearest big city, Seattle, to join the war effort. After the war, many Indians everywhere decided to not move back to the reservation. This explains the large number of Blackfeet in the Puget Sound area, and also explains why today more than half of the American Indian population live off-reservation --it all goes back to WWII.

If someone says they are an Indian it can mean either: **1.** They have Indian ancestry, but are not enrolled in a tribe, like the 2.3M, above. **2.** They are enrolled in a tribe, which by definition means they have Indian ancestry, like the 2.9M, above.

An enrolled member is a citizen of a tribe, which brings certain rights and protections (voting, a stake in tribal resources, etc.), and responsibilities (e.g. subject to arrest and prosecution by tribal entities). The federal government allows each tribe to set their own

membership requirements. A few tribes require 1/2 blood, but most tribes have 1/4 blood requirement (e.g. Blackfeet, Navajo, et al) or less, ranging down to include tribes with no minimum blood requirement, relying instead on a proven lineage to an ancestor on early tribal rolls (e.g. Cherokee Nation, Choctaw Nation, et al).

#### **4. WHAT DO WE CALL YOU?**

The word “Indian” is not derogatory unless spoken with malice or racist undertones. The term “Native American” is fine, too, though we don’t use it much ourselves.

In conversations among ourselves, we use the terms Indian, member, native, cuzzin, or use our family, tribal, or band / group / branch / name. For example, Blackfeet / Blackfoot is the tribe, made up of one Montana and three Canadian groups. Amiskapi Pikuni / Southern Piegan is the Montana group.

So, for example, if I was walking down the street in Browning and met someone new, after greetings I might ask: “Who are your people?” They would give me a surname, so I would ask: “from here?” If they said yes, I would know they are Pikuni. Or they might say Siksika, which means they are from our sister reserve in Canada. Or, since surnames are widely shared across tribes, they might say “No, not Blackfeet, I am Chippewa Cree, in which case I would know they came from the Rocky Boy Reservation.

We are often asked the difference between “Blackfeet” and “Blackfoot.” The answer is, perhaps, surprisingly mundane. The Blackfoot Confederacy includes all four of our tribes: three in Canada: the Siksika, the Kainai, and the Northern Piegan / Pikuni (all three call themselves Blackfoot, if they are using the Anglo name), and one in Montana: Southern Piegan (we call ourselves Blackfeet). All groups agree the language is Blackfoot (not Blackfeet).

The reason we call ourselves Blackfeet is because that is how our treaty was written back in the days when few of us spoke English anyway. Perhaps some bureaucrat from Washington D.C. arbitrarily chose the word Blackfeet, while different bureaucrats in Canada chose the word Blackfoot. So if you call a Blackfeet person Blackfoot instead, or vice versa, usually it means the same thing, so they aren’t likely to mind.

#### **5. WHO CAN LIVE AND WORK ON A RESERVATION?**

That depends on tribal laws of that particular reservation, but most allow non-members to live there. Most have TERO laws (Tribal Employment Rights Office) which gives hiring preference to members, but usually non-members and non-Indians can work or start a business on a reservation.

For example, on the Blackfeet Reservation, any outsider can buy land or a house without notifying any tribal office, and live here, just like any member. They can also work or start a business here, too, provided TERO is observed and a business license is purchased. But we have nine months of winter (as I write this, it is -19 out of the wind, so a little brisk), you will be subject to tribal law, and if you need a movie multiplex, Costco, Home Depot, WalMart, or Target you will either drive 100 miles west across the Rockies if the pass isn’t snowed in, or 125 miles east across the prairie if high winds haven’t closed the highway. Overpopulation due to an influx of new arrivals is not a big problem here.



## **6. WHY DO MEMBERS STAY, WITH POVERTY AND OTHER SOCIAL ILLS?**

Yes, there are easier places to live, stay warm, and prosper, yet about half of our Blackfeet members still live on or near the reservation. Why?

Here is why: When we stand anywhere on our reservation, we have the blood of 300 generations of our ancestors in the ground beneath our feet. (DNA from recent, local archaeological digs peg our arrival well before 10,000 B.C.)

The land doesn't belong to us, we belong to the land. How many societies on earth can claim this sense of place, this sense of belonging, this unbroken continuity? Members stay because it is where we belong, it is our sacred land, it is where our hearts reside and our spirits soar.

## **7. THE MOOD ACROSS INDIAN COUNTRY TODAY**

If you look in all four directions from a street corner in Browning, on the Blackfeet Reservation, the Rockies fill the western panorama, and prairie rolls out to the northern, southern, and eastern horizons. Storms of breathtaking ferocity barrel through all the time, and because of the more-or-less flat terrain, you can see them coming from a long way off. If you see people standing rapt, all looking the same direction, follow their gaze and you will see angry, dark clouds. The question is: Is it coming here and how bad will it be?

Today, that is a metaphor for life in Indian Country. There is a storm of dark and potentially devastating power on our horizon, and it scares me and my adult cuzzins to death. We have been on our homeland for over 10,000 years and survived everything nature and man has thrown at us. But this time is different.

Here's why. Two things define and make possible the survival of Indian tribes and reservations: SOVEREIGNTY and RESOURCES. Sovereignty simply means our right to self-govern / self-determine / manage our affairs. Resources include land and natural resources but also services and dollars which flow to us through the federal spigot. Long-standing treaty rights assure us that our sovereignty will be eternally honored and the spigot will remain open. (Treaties notwithstanding, it is important to know that these dollars are not gifts or hand-outs, they are our share of the tax base, similar to federal monies disbursed to any town / county / state.)

But what if one day a new administration and congress, both hostile to Indians, takes over Washington D.C. and decides to eliminate sovereignty and turn off the spigot? (This



happened before in the 1940s - 1960s Indian Termination Policy period, since reversed.) Should it happen again, of course Indian Country will fight tooth and nail against this violation of treaty rights. But the vast majority of America's 567 tribes are very poor and, even collectively, we have little political clout. So we aren't well-equipped to fight this particular Indian War.

Even in the best of times the Blackfeet Reservation is a place fraught with stress, worry, fear, helplessness. Given the wild unpredictability of politics and policies today, can you imagine how much worse our dread, our panic, as we look east at the dark storm brewing in Washington D.C.? The mood is dictated by our devotion to the land, to our heritage, to our people, and to our future, even while we watch and prepare for storms.

Can you imagine an America without Indian tribes or reservations? It is on our reservations --Indian Country's collective homelands-- that the flame still burns bright: the

flame of thousands of years of tradition, heritage, culture, living *with* the land --not in conflict with it, being human in ways other humans may have forgotten how to be.

Can you imagine all this being washed away, like tears in rain? Is it coming here and how bad will it be?

## **8. WHAT IS AN INDIAN RESERVATION?**

The short answer: They were originally created as internment camps, a place Indians could not leave without a pass, or otherwise be subject to arrest and deportation back to the reservation. (Indians did not become citizens until 1924, the same year my father was born in Browning. Some states barred Indians from voting until 1957, after I was born.)

Go back and look at the U.S. map (above) that shows Indian reservations. Note that east of the Mississippi, there are few reservations, and most of those are small and were reconstituted in recent times in response to a federal petition, in some cases with a casino in mind. In the early decades of the 1800s, Indians in the east were rounded up (with a few escaping to the hills and forests) and marched west (Trail of Tears and other removals), often to what was then called Indian Territory, reduced by 1890 to the area now called Oklahoma.

All of the big Indian reservations are in the western part of the U.S. east of the Cascades and Sierras --in other words on the lands the pioneers and wagon trains didn't want as they made their way to the fertile, booming West Coast.

What happened is that, in later decades of the 1800s as westbound pioneers came through, they, and the U.S. Army assigned to protect them, encountered Indians that could not so easily be rounded up and moved elsewhere. These were Indians with decades of mounted warfare experience. Before they had horses, these 170 pound men took down wounded-animal-ferocious 2,000 pound buffalo from ground level using only spears. These were Good-Day-to-Die Indians with lethal expertise, a home court advantage, delivering the sort of astonishing, last-gasp violence against invaders that comes only from protecting the people you love and the home you hold sacred. (Ask Custer.)



At some point the army made it clear to politicians in Washington D.C. that the western Indian wars would go on forever and the middle of the America would be awash with the blood unless a solution was found. The solution was to create large, widely-spaced Indian internment camps called reservations. This created wide corridors between groups of hostiles

that allowed the safe passage of pioneers and other non-Indians. The Indians were induced to peaceably move to these reservations in return for promises made in treaties. So the U.S. government traded more than just land for treaties, they also purchased the safety and survival of countless non-Indians passing through.

Once settlers arrived on the West Coast they found more Indians. Not so much the hostile, mounted warriors they just ran the gauntlet through, but these coastal Indians were nonetheless in the way of homesteads, towns, and commerce. So they were given

reservations, too, albeit small out-of-way the way ones, because the federal government didn't want to give up prime land.

One way to look at the reservation era which led to the creation of Indian Country as it is today is in five phases:



**1.** In the first half of the 1800s, Indians in the east were forcibly moved out west or fled to the hills, and very few reservations were created.

**2.** Later in the 1800s, all the big reservations were created in the middle of the country to separate pioneers / settlers / army from the most warlike of Indians.

**3.** Also later in the 1800s, large number of small reservations were created on the West Coast to get Indians out of the way.

**4.** Then in 1907, Indian Territory was turned into Oklahoma, at which time those Indian tribes therein didn't get reservations at all, just "Indian Jurisdictional Areas."

**5.** In 1971, Alaska Natives were granted rights to some of their aboriginal lands. With the exception of Metlakatla, these are not reservations, but function similarly.

Here are a few things to know about today's reservations. Their boundaries are set by congress and remain unchanged even if land therein is sold to non-Indians. Land inside reservations will be one of three statuses:

**1.** Trust land, held in perpetual trust (i.e. for exclusive, unfettered use) for the tribe itself by the federal government. This is land that the Tribal Council or tribal government controls and administers. No non-federal outside entity (e.g. an adjacent county or state) may collect property taxes, place liens, or exert any jurisdiction.

**2.** Trust land, held in perpetual trust (i.e. for exclusive, unfettered use) for an individual tribal member by the federal government. No non-federal outside entity (e.g. an adjacent county or state) may collect property taxes, place liens, or exert any jurisdiction. This explains why you see so many people living in trailers on reservations: A bank cannot foreclose on trust land and therefore will not finance a house sitting on trust land. But trailers can legally be repossessed by wheeling them away.

**3.** Fee land, i.e. land that either at some point was sold out of trust, initially to non-Indians, or was deemed surplus by the federal government and sold to non-Indians, thereby losing its trust status. If an Indian bought fee land inside a reservation, the land would not automatically go back into trust, instead it can be a complicated, lengthy process with uncertain outcome. Fee land owned by Indians and non-Indians alike can have property taxes assessed on it, usually by an adjacent county.

For example, the Blackfeet Reservation is 1.5 million acres and about one-third is in trust for the tribe, one-third is in trust for members, one-third is fee land. By contrast, there are reservations where virtually all the land has over time been converted to fee land.

But tribal law applies within a reservation's boundaries regardless of the status of lands. For example, residents of Western Washington might wonder why there are Indian smoke shops and Indian fireworks stands along I-5, north of Tacoma, in an otherwise sprawling middle-class residential and industrial area. It is because you are on the Puyallup Reservation, which has very little trust land left. The non-Indian population inside the reservation is about 38,800 (many residents may not even realize they are living on a reservation), while about 2,500 Puyallup Indians live there. Tribal members are exempt from certain local laws, so can open a smoke shop or fireworks stand, whereas non-Indians cannot.

## **9. WHY ARE SO MANY TRIBES SO POOR?**

Big, remote Indian reservations are among the very poorest places in America, and for much the same reason: A **lack of a viable private sector economy**. The Blackfeet Reservation and many others have an economy that has virtually no local tax base and therefore consumes wealth rather than creates it. This is the opposite of self-sustaining solvency. Rather, it means a perpetual economic death spiral that requires constant outside monies to keep it from hitting bottom.

Here's two stories to make my point.

**1.** As America expanded westward in the 1800s, little towns sprang up at strategic points, due to a railroad station, gold being discovered, ranching or farming, timber, a shipping terminus, or some other major economic activity. As the surrounding economic activity increased, the town needed more government services, so the government grew accordingly. If mining, timber, farming, or whatever else was driving the local economy went into decline and shrank, so did the size of government. Maybe the town dried up and blew away, as happened with the hundreds of ghost towns that dot the Old West.

Which is how it is supposed to work: a local government should be sized according to local economic activity. A big economy requires a big town and a big government. A small economy can support only a small town and a small government. This is a basic law of economics that applies everywhere in America, except on Indian reservations (and military bases).



Because on Indian reservations, local government is disconnected from local economic activity. For example the Blackfeet government employs 500 – 800 people depending on the season, which is an absurdly large number for a place with very little industry-driven economic activity. The only sizable “industry” or “business” on the Blackfeet reservation is government, and government is not a business because it produces no profits, creates no wealth, and does not meet payroll from sales.

In every solvent town, county, or state in America, governments are funded by the citizenry (which pays taxes and fees), and the private sector (which includes all for-profit enterprises) generates profits and payrolls and pays taxes. Thus the citizenry and private sector is the economic engine that drives the entire economy, and the government works for them.



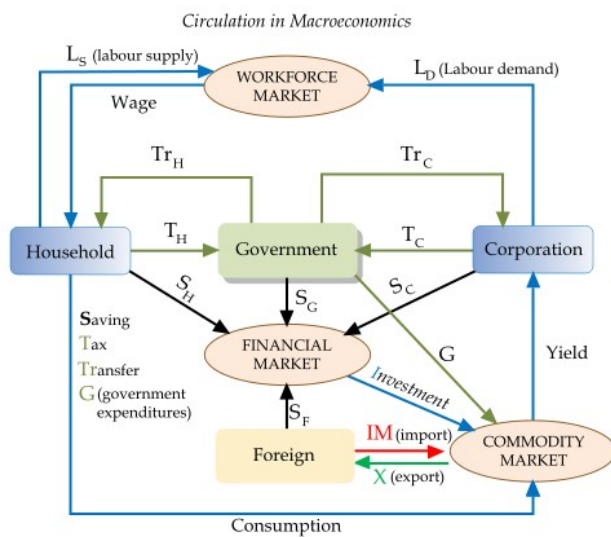
But on the Blackfeet reservation and many other reservations, things work in reverse, and that is why we have no viable economies. There is essentially no local tax base to fund government (no property / sales / income taxes are collected by the tribe) and businesses are few and pay almost no local taxes or fees, either. So tribal government is funded almost entirely from over the horizon, mostly by Washington D.C.

Thus, the main function of tribal government is to control the purse strings of dollars it had no hand in generating. This money and the services it funds is desperately needed by tribal members --with no alternate source, this is their lifeblood-- so the result is a sort of patronage system with cronyism, nepotism, and self-dealing playing an outsize role. This turns an economy on its head, because in essence the citizenry is controlled by the government rather than the other way around.

Plus, whereas a private sector exists to create wealth by turning \$1 into \$2 into \$5 into \$10 by adding value to goods and services, governments are pass-through mechanisms that

takes \$1 and passes it along, with everybody taking a cut. So \$1 becomes 50 cents then 10 cents then 1 cent --the opposite of what the private sector does.

In other words, the private sector creates wealth, government consumes it. If the largest financial mechanism on a reservation is, by far, tribal government (which is the case on the Blackfeet Reservation and many other reservations) the economy is forever in a downward spiral, constantly requiring more outside dollars to keep it from hitting bottom.



Basically, the federal

government is just paying us Indians to govern ourselves. Since that activity in no way, shape, or form constitutes the basis for a viable economy, we have no viable economy. The day the federal government stops sending us money, treaties or no treaties, is the day tribal leaders wake up to the reality that a society can't survive without a viable economy.

2. In a movie call the Crying Game, a captured British soldier tells a story to his IRA guard: A scorpion wants to get to the other side of a river but cannot swim. So he asks a frog for a ride on his back. "But you will sting and kill me" protests that frog. "No I won't, if I did we would both die" replied the scorpion. So the frog agrees, but halfway across the river the scorpion stings the frog and as they both drown the frog asks why. "I can't help it," said the scorpion, "it's my nature."

The first story describes the death-spiral structural problem with the economics of many Indian reservations. The second story describes why it is so hard to fix: Many of us Indians living in our insular, isolated societies have a hard time changing self-defeating ways and assumptions. If I had a dollar for every time I said "...We are our own worst enemy..." to other tribal members, I could personally fund every idea in the next section.

One particularly debilitating assumption is that tribal governments and the Tribal Council are there to take care of us, like a mom and dad. It is possible to just get by on a reservation with no job --there are programs to give you some food, health care is free, you can walk or hitch where you need to go, and there is always a couch somewhere to sleep on.

Many settle into a basic existence, waiting for pennies to fall from heaven or the Tribal Council (which on our reservation we call the BTBC) to somehow make their life good. What we should do, of course, is pick ourselves up and if we can't find a job, make a job, or at least stay busy and useful. But reservation life can crush your spirits, burst your dreams, and grind away your ambitions and energies until there is nothing left. Some of us then find ways to ease the pain until our ship comes in. For many, it never will.

Below is an excerpt from an essay I wrote for the local paper (Glacier Reporter, Letters to the Editor) in March, 2013 when Tribal government exploded into two factions that went to war with each other, making government completely dysfunctional for months.

*To the Editor,*

*"...I don't blame anyone for the mess, Tribal politics is always messy. The problem is we lacked checks and balances to contain unusually extreme political fighting and actions.*

*But underlying factors still sit there like a long row of powder kegs: enrollment, constitutional reform, suspensions, expulsions, indictments, firings, quorums, protecting natural resources, accusations of corruption, etc. With so many anxious to even the score, next election may be more about payback than restoring stability.*

*But there is a silver lining: the realization that Tribal government is not our biggest problem and is neither the cause nor the solution to what ails us. Our three biggest problems, that lock us into poverty and unrest, are:*

*1. A false belief that Tribal government holds us down or lifts us up. So we foolishly sit and wait for the BTBC to save us, to make our lives good. That ship is never coming in, so we live in unhappy limbo.*

*2. A false sense of entitlement that we are owed something. So we game and milk every system we can and scramble for what we can take, not what we can make. That's how we stay poor, thrashing around in the crab barrel.*

*3. A victim mentality. So we spend our woe-is-me lives searching for the next opportunity to be a victim, to blame someone else for our condition. That's how we stay beaten and demoralized.*

*Tribal government exists to handle the boring, mundane tasks of governance, not drive the local economy or be our parents to solve our problems.*

*And no one owes us anything. We weren't born so others can take care of us. Sure, our ancestors were cheated and mistreated, but they are long gone. Nothing is owed you for their pain.*

*The only cure for poverty here is a vibrant, growing, entrepreneurial private sector. And selling to each other gets us nowhere. What we need most is for Blackfeet entrepreneurs --not Tribal government-- to build enterprises aimed at capturing new dollars from outsiders. That's how we achieve a prosperous economy and a healthy society.*

*Let Tribal politicians sort their own problems out. They got themselves into it, they can get themselves out of it. The other 99% of Blackfeet have better things to do, namely figure out how to capture and bring new dollars directly to reservation households that work to earn it. If enough of us put our minds, spirits, and energies to that problem then everything else holding us down will fix itself or fade to irrelevancy..."*

The bottom line, in my view, is that if tribal members sit around waiting for tribal government to fix unviable economics and bring prosperity, they will be waiting forever. Though I wrote these words about the Blackfeet Reservation, these sorts of problems are widespread across Indian Country. The question is: What to do?

## 10. WHAT IS THE WAY BACK TO PROSPERITY?

As I wrote in the last section: *"...The only cure for poverty here is a vibrant, growing, entrepreneurial private sector. And selling to each other gets us nowhere. What we need most is for Blackfeet entrepreneurs --not Tribal government-- to build enterprises aimed at capturing new dollars from outsiders. That's how we achieve a prosperous economy and a healthy society..."*

That means planting and growing seeds in a place resistant to that sort of propagation. This propagation --i.e. creating a wide range of new local enterprises-- occurs naturally and constantly in the more fertile ground of the outside capitalistic world. But, metaphorically speaking, the business croplands on reservations are barren and sterile.

Thus the only solution I can see is to use outside monies and expertise to create on-reservation business incubators / accelerators to:

1. Fund / mentor / closely engage / act as a safety net for an initial batch of first-mover entrepreneurs, say, a dozen carefully-selected aspirants.
2. Promote, herald, even glamorize, this inaugural group and their successes, with the aim of inspiring others to follow suit, slowly but surely increasing successful participation and graduation, thereby building a culture of entrepreneurship.
3. Expand the project as quickly as facilities, resources, suitable participants, and funding allows, with the aim of spinning off successful, durable new businesses as the foundation for a growing, prosperous private sector economy.



I am convinced, after years of seeing it start to work with my own business projects, that the solution to poverty on Indian reservations is as simple as the previous paragraph, though the details are devilish.

The end game for this newly viable private sector economy is to get household incomes up to livable levels. For most reservations, that means tapping into outside dollars, either selling to outsiders or capturing their dollars

when they visit, coupled with steady organic internal growth.

There is no magic or genius to it: this is how sustainable, prosperous companies, towns, counties, states, or nations got to be so. And now you know why the first 5,000 words of this essay was spent explaining the context, mindset, and workforce limitations holding us back.

In other words, as we look for the means to create economic prosperity on reservations, it is not lack of a readily available, proven economic model that is missing. It is not even a lack of capital that is the main problem since this grand experiment proposes to provide essential capital to entrepreneurs. What is missing is local capable, committed business-minded people, outside social investors / benefactors, and a labor force ready, willing, and able to build a vibrant, entrepreneurial economy that can replace tribal government as the main economic engine.

Because, remember, the private sector creates wealth, government consumes it. Think of a prosperous private sector as an efficient renewable energy generator smoothly cranking out megawatts to power all the things needed for a happy, healthy society. Then think of

tribal government as a gas-guzzling, gear-grinding beater that limps along in between frequent break-downs, using more fuel than anyone can afford to buy.

It is a curious thing that American scholars, foundations, experts, and even the U.S. government itself seems far more interested in solving economic / health / social problems in impoverished countries overseas than trying to lift up our own Third World patches called Indian reservations.

I say this because since I don't like to reinvent wheels, I read all the research and writings I can on economic development in Indian Country. I have found very little that comprehends the actual problems I am seeing, let alone workable solutions.

Instead, much of what I see is directly from, or an extension of, work began by the Harvard School of Government Project on American Indian Economic Development, which was founded in 1987. In 1988, the U.S. Congress passed The Indian Gaming Regulatory Act which authorized and opened the floodgates for Indian casinos. This was the first

widespread, big money opportunity for tribes that were lucky enough to be near cities and large population centers so, unsurprisingly, Harvard's research was focused heavily on Indian casinos as powerful new engines for Indian economic development.



It is important to understand that only a tribe --i.e. a tribal government recognized by the federal government-- can own and operate an Indian casino. An individual Indian or a group thereof cannot. Similarly, any new enterprises funded from casino profits to diversify would also likely be owned and operated by the tribe itself, not by individual Indians.

All of which does little to promote the creation of a private sector economy on a reservation. If the major enterprises on a reservation are owned by the tribal government, that isn't even capitalism, because this artificial economy lacks the long term profit motive, the risk / reward dynamic, and the personal wealth creation potential that grows and sustains an economy.

Here is something I wrote a couple years ago when I was communicating with scholars on the subject:

*"...But my personal experience in recent years suggests to me that the economic development models and priorities Harvard promotes --ideas which first came to prominence in the Indian casino gaming boom of the 1990s-- now have limited value to the majority of tribes, and indeed might well be counterproductive for many tribes, in part because it sets them on a wild goose chase away from real solutions.*

*Here's why. Much of Harvard's thinking seems to rest on the assumption that tribal councils / tribal governments --i.e. the governance institutions-- will be the driving and controlling force in economic development. And therefore much of their advice has to do with separating politics from tribal enterprises, nation building,*

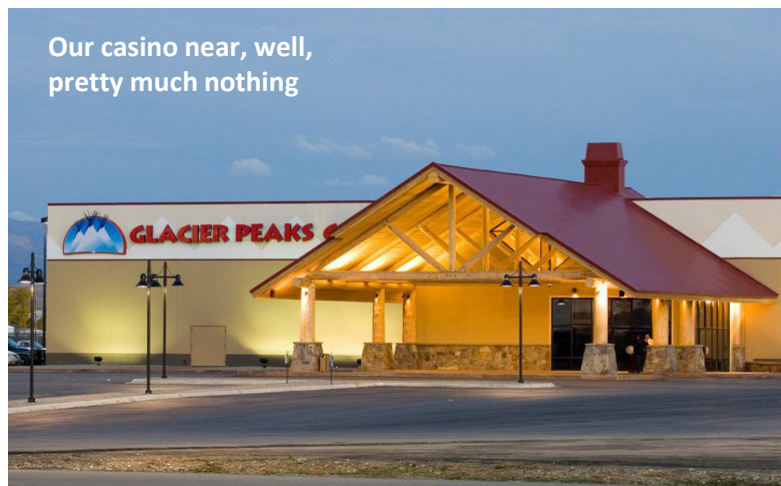
*etc. This makes sense for enterprises that only tribal governments can legally operate (.e.g. casinos).*

*But 20 years later, Indian Country is overall as poor and sick as ever, and falling farther and farther behind. As much as I admire and appreciate Harvard's thought leadership over the decades, I think, especially for large remote reservations (such as mine), the Harvard approach has not proved notably efficacious in bettering the lives of the general citizenry living there.*

*That's because it is clear to me that in the absence of a viable private sector reservation economy (where the driving and controlling force is a critical mass of individual entrepreneurial tribal members), nothing tribal government can do is going to make meaningful, sustainable economic and social progress. Which is why my for-profit and nonprofit efforts in recent years have been aimed at promoting and fostering tribal member entrepreneurship..."*

My view is that so long as it is assumed that Tribal Councils and the tribal governments they control must be the main drivers and dominant stakeholders in economic development, most reservations without large casinos will continue their downward spiral.

Now let's look at the sort of entrepreneurial-driven, private sector solutions I think will work. I have been thinking about this for years, and like to plan ahead, so in 2012 bought a 6,000 square foot building in downtown Browning (probably not your idea of a downtown, but everyone calls it downtown and it's an amusing characterization)



I only use part of it for current operations, the rest is unused for now. The idea was that, eventually I would need a large building to serve as a business incubator / accelerator where tribal members could start businesses, have their overhead covered or heavily subsidized, and be hands-on mentored to success.

This building is on the main street next door to the Post Office. There is no mail delivery on the Blackfeet Reservation so everyone has to go downtown to get their mail, meaning anything going on in my building is immediately known to everyone in town. Thus, connecting with local customers is instant and free. Certainly drives down the cost of customer acquisition, which is often a killer in start ups.

Over the years I have launched several businesses on the reservation --I think of them as proof of concept ventures-- to discover which businesses will work and which won't. My enterprises derive far more revenue from visitors than from locals (Glacier Park, which we abut, has over 2 million visitors a year). On the supply side, the general consensus we hear from our hundreds of vendors is that my operations now buy more locally-made Blackfeet arts and crafts than any other outlet. So the money is flowing the right direction, and some households have moved from hand-to-mouth and are for the first time making a living wage.

These new, proof of concept businesses have been in many different lines of work and have succeeded to the point that I can clearly see that proprietors working full time could nicely support their household with them, provided overhead was manageable. But I am not

cut out to be a shopkeeper, so my role is to use my own capital and energies to see what works and then figure out how to pass it on to someone who can work it and make it their own.

Here's a partial list of businesses I know to be viable, suitable for existing skill sets of tribal members, and meet an unmet need: PC repair and maintenance, internet cafe, business services stores (like a UPS Store, et al), shared commercial kitchen for catering, various food services (e.g. buffalo burgers which, incredibly, are rarely available around town), for-hire meeting and party venues, sign making and apparel decorating (screen / sublimation / vinyl cutting / large format printing), dollar store / general merchandise, motorized and wilderness tours, call center, bookkeeping services, clothing store, short term office rental for business travelers, long term office space with full time receptionist for



companies that work mostly in the field, arts and crafts retail and wholesale, exhibiting artists workshops, art gallery, thrift store, flowers / holiday / special event gifts, fulfillment / shipping / receiving for offsite vendors and producers, online sales of locally made goods.

But the hope is that many Blackfeet will have a business idea of their own, and we can help them turn that dream into a steady income sufficient to comfortably support their household.

The business incubator / accelerator I think is needed would consist of these components.

- 1.** A facility large enough to house the initial batch of a dozen entrepreneurs. This is the 6,000 building mentioned above, purchased in 2012. The building is big enough, has an ideal location, and remodeling is underway.
- 2.** Office equipment, furniture, fixtures. There is a good amount of it on hand already, but more would be needed to facilitate a dozen new businesses in the building. .
- 3.** Specific equipment for these business. I already own restaurant and food services equipment, sign making / sublimation / printing equipment, display fixtures, but more would be needed.
- 4.** Funding to cover overhead, business-specific remodeling, capital costs for new or additional equipment, and inventory.
- 5.** The idea is that these entrepreneurs would draw no wages (they are building their own businesses, after all), but would have their overhead paid for or heavily subsidized, the necessary equipment would be purchased and loaned to them until they can reimburse or purchase their own, and for businesses involving inventory: a revolving loan fund.

6. The training / mentoring / hand-holding / safety net piece. That is a role I enjoy, and local staff and people can handle some of this. Other experienced businessmen, academics, trainers, and subject matter experts can be brought in as needed.

Where will the money for this business incubator / accelerator come from? For the last several years, I have preferred to use only my own money for my various proof of concept ventures --makes things simpler-- and I will continue to fund things. But now that I know what works and feel it is time to move beyond proof of concept and launch in earnest, outside funding (and expertise) will help this business incubator / accelerator scale faster. The more it scales, the more money goes into households sooner, the faster we build and entrepreneurial culture, and the sooner we can develop best practices to take to other reservations.

So if there are outside funding sources that are of like minds and want to help drive new methods of economic development, first on the Blackfeet Reservations, later on other reservations, I am open to suggestion how to do it: Large donors? Crowdfunding? Foundations? Individuals? I operate a 501(c)3 on the reservation, so funding can be tax deductible for entities that want the deduction. I also operate for-profits for entities that would rather fund that way.

I watched a great movie last week (*Hell or High Water*, 2016, Jeff Bridges, Chris Pine, Ben Foster). A line of dialogue jumped out at me and stuck in my head: *I've been poor my whole life, like a disease passing from generation to generation. But not my boys, not anymore.*"

It's true poverty is often inherited and, what's more, it's highly contagious. Walk around with me for a day on the reservation and you will see that we are teaching each other how to be poor, even how to fail at life.

But prosperity and making a good life is contagious, too. I have had an amazing, blessed life. I was dealt a great hand and so were my children. I have come to believe that the reason for my good fortune out there was so I could bring it back here and help other tribal members make their own good lives, too. Today, far too many of them are poor and miserable. Maybe with your help, in whatever form it comes, we can take this idea, improve it, launch it, make it work on a scale and with an impact no one could have dreamed of, become wildly contagious, and spread like a prairie fire.

I want tribal members to believe they don't have to be poor... *not anymore.*

## **11. INSIDE RESERVATIONS AND TRIBES**

This section, forthcoming when I get time, is where I will put stories, anecdotes, and examples of life, laws, and outlooks on Indian reservations --the sort of "Wow, I never knew that!" and "You're making this up, right?" stuff that amazes or bewilders most Americans but helps them understand Indian Country a little better.

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