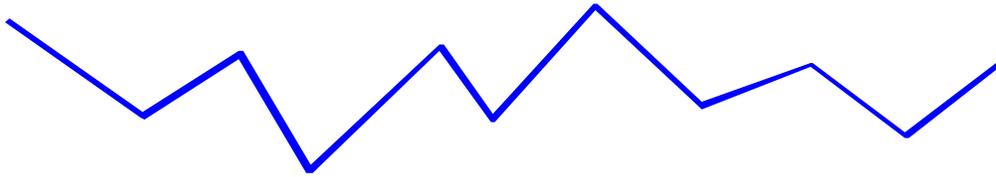


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Job Creation and Job Skills Development in Indian Country

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JOB CREATION AND JOB SKILLS DEVELOPMENT IN INDIAN COUNTRY

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Executive Summary

JOB CREATION AND JOB SKILLS DEVELOPMENT IN INDIAN COUNTRY

The University of Akron, with funding from the Economic Development Administration, undertook research into the development of job skills and job creation for tribal members in Indian country. The study:

- Identified the current relevant literature on job creation and job skills development in Indian communities.
- Assessed what tribal economic development practitioners are currently doing. Specifically, it evaluated the success of programs in achieving the goals of job creation and job skills development.
- Provided conclusions based on the available data.

The study focused only on economic development on reservations and tribally owned land in the forty-eight continental United States. Alaska and Hawaii were excluded due to the unique nature of their situations.

Information was gathered through a literature review and a survey. The literature review consisted of researching contemporary relevant literature on tribal economic development successes and barriers to success. This was done with a focus on addressing job skills and job creation and examples of “best practices.” The survey was sent to 488 tribes. The survey asked tribes to identify successes they have had with jobs skills development and job creation and what programmatic roadblocks they have encountered.

The research indicated that some tribes are still new to economic development; not surprising given that many tribes have only been recognized at the federal level within the last twenty years. Other studies suggest that tribes will have more success with job skills development and job creation when these are considered as ancillary goals and the primary focus of business is on profitability. When tribes focus on creating programs for enterprises for profit, job creation and job skills development will tend to follow. Tribally-owned business will also tend to be more profitable and sustainable when it is managed by an independent board of directors that provides separation from tribal government. The research also revealed the need for technical assistance and training for those performing economic development for tribes.

Based on the research and literature review, the following conclusions are drawn:

- Tribal economic development practitioners will have the best chance of success for achieving the goals of job skills development and job creation by developing programs that encourage profitable investment and enterprise development.
- Long-term economic development success in Indian country is dependent on increased training and networking for tribal economic development practitioners. A government agency would be the logical party to perform such a role.

Job Creation and Job Skills Development in Indian Country

INTRODUCTION

The purpose of this research is to analyze and present the issues of job creation and job skills in Indian Country and the role of tribal economic development practitioners in promoting these goals. With the consistently high rates of unemployment in many areas of Indian Country, the need to create jobs and develop competitive job skills is paramount. The implementation of welfare reform only heightens the problem and the need to identify successful practices that can be shared.

The literature review portion of the study builds on the work being done by the Harvard Project on American Indian Economic Development. Beyond this, we sought to gather the most current data on the practices of economic development practitioners in Indian Country in job creation and the development of job skills. To accomplish this, we sent surveys to all federally recognized tribes in the 48 continental United States. Alaska and Hawaii were excluded due to their uniqueness. Practices that focus on development on reservations or land in tribal trust were considered. Though many Indians live off the reservation and some tribes have programs to benefit them, their job opportunities are often dependent on the non-Indian economy in the area where they live. Tracking the opportunities for Indians in the non-Indian economy was beyond the scope of this paper. Instead, the focus was on economic development happening on Indian land; in other words, land in tribal trust, whether within the boundaries of the reservation or not.

This paper will also examine how government programs can best be formulated to produce favorable practices like the ones reviewed. It will highlight instances of unique intergovernmental relationships and identify new roles for government support of local development initiatives.

Background:

“While some of today’s tribes have found success in our new economy, far too many have been caught in a cycle of poverty and unemployment. Too many have suffered from government’s failure to invest proper resources in education, infrastructure and health care. The facts, of course, are all too familiar. American Indian unemployment remains unacceptably high, reaching 70 percent on some reservations. One-third of American Indians and Alaska Natives still live in poverty and many lack decent health care.

Indians are the victims of twice as many violent crimes as other Americans. Nearly half the roads and bridges on reservations are in serious disrepair. Many schools are crowded and crumbling. More than 80 percent of the people in Indian

country are not connected to the Internet, and one-third of Indian children never finish high school.”

[President Clinton, 2/25/00]

American Indians face some of the most depressed socio-economic conditions of all ethnic groups in the U.S. One-quarter of all Native Americans and Alaska Natives were below the poverty level in the latter part of the decade of the nineties, nearly three times the rate for non-Hispanic whites.¹ Poverty rates on reservation lands stand at nearly 50 percent [Bowman, 1999]. The median household income of American Indians and Alaska Natives during 1997-1999 stood at \$30,784 in comparison to \$43,287 for non-Hispanic whites over the same period.²

The average Indian unemployment rate, while dropping during the decade of the nineties, still remains at 46%.³ Educational attainment also lags well behind the levels achieved by the general public. For example, less than 10% of all Native Americans had four or more years of college in 1989, while for the entire U.S. that figure stood in excess of 20%.⁴ For residents of reservation lands, only 54 percent completed high school.⁵

The picture is not all negative, however. For example, the Census Bureau reports that non-Hispanic American Indian enrollment in the nation's colleges and universities in 1996 was up over 60 percent from 1980 levels.⁶ Further, the number of businesses owned by American Indians increased 93 percent between 1987 and 1992, compared to an increase of 26 percent for all U.S. businesses.⁷ In sum, there have been gains in the development of businesses in Indian country in recent years. Much of this gain has been in gaming and gaming-related activities.⁸

Currently, approximately one-third of tribes are involved in gaming of some kind. Most of these are small enterprises with strict limitations placed by state governments on the types of gaming allowed.⁹ Many tribes have chosen not to become involved in gaming as it conflicts with the values of that community. Other tribes are located in such remote areas that gaming is not really an economic development possibility. Even though there is much media attention on Indian gaming and there is a perception that many tribes and tribal members are becoming rich from gaming, that is just not the case [Cornell and Taylor, 2000]. There exists substantial controversy as to whether gaming brings a net positive economic impact to the Indian communities that employ this development strategy. Supporters of gaming point to the increased jobs and decreased welfare dependency of tribes with casinos.¹⁰ Others note that gaming proceeds are often used to fund schools and health centers, and generally increase the civic capacity of the community [Eckholm, 1994].

Opponents of casinos point to the social problems created by gaming activities, such as gambling addiction and increased indebtedness [Wisconsin Policy Research Institute, 1996]. Still others claim that a substantial number of casino patrons are local residents and that gaming simply redistributes consumption dollars away from other activities, leaving little net economic impact on the community.

Given this controversy, and the lack of a definitive trend in the results of studies documenting the socio-economic impact of gaming on Indian communities, this study will identify economic development strategies that do not depend solely on gaming. This approach also has merit given the number of tribes not involved in gaming and in light of the increasing number of states sanctioning gaming for non-Indian venues.

Adding to the current problems faced by tribal leaders is the implementation of welfare reform. With Indian unemployment already in excess of ten times the national average, there is an overwhelming need to create jobs in Indian Country. The impact of welfare reform will go beyond simply economic considerations for many tribes. Without assistance, the severe lack of jobs on Indian land will force more and more Indians to look off the reservation for economic support. With many isolated reservations, this means that many younger Indians will have to move off the reservation to survive. This distances the generations, making it difficult for the elders of the tribe to pass the traditions and history of the tribe to the next generations and threatening the reservation way of life.

The development of job skills of individual Indians and the creation of jobs will empower tribes to determine the future course of their economic development. With skilled workers, tribes will be competitive in national and world markets. This is important because tribes can only be successful to a point if the client base is almost exclusively other Indians. Also, developing a skilled labor pool is necessary to leverage any past successful economic development through the creation of ancillary enterprises. Finally, it is worth noting that with the Internet, location is not the limiting factor it once was in economic development. But this opportunity will not be realized without a competitive labor pool.

LITERATURE REVIEW

This review examines articles in journals, books, major newspapers, and government publications that address job creation and job skills in Indian Country. Three issues emerged from that review: the importance of culturally consistent and proactive governments, the importance of business enterprises that are politically independent from the tribe, and the need for additional resources devoted to technical assistance. Each of these is discussed in turn.

The Importance of Culturally Consistent and Proactive Governments. A review of the relevant literature begins with the work that has been done by the Harvard Project on American Indian Economic Development. Researchers associated with this project have been leaders in data collection and analysis. They have also tried to identify the necessary foundations for successful economic development that span the varied situations in Indian country. Analyzing the data from over 550 tribes, researchers have been able to identify themes that can have some practical use to any tribe, irrespective of the uniqueness of their situation. Through their analysis, they have identified three factors that they consider to be the keys to Indian economic development:

- Sovereignty Matters
- Culture Matters
- Institutions Matter

Summarized briefly, the argument is that, as a basis for successful economic development, tribes must have decision-making responsibility that is consistent with their culture and institutions. When decisions are made outside of the tribe (by the Bureau of Indian Affairs, for example), there is less likelihood for success. The more responsibility stakeholders have for making decisions, the more the decisions will be in the best interests of the stakeholders [Jorgensen and Taylor, 2000]. This finding is consistent with generally held views of development in non-Indian contexts as well.¹¹

The implications of this for tribes are that they are not hopelessly locked into a cycle of perpetual poverty. The changes that are required are primarily political ones. As we shall see from reviews of other articles, tribes with the aforementioned foundation have been able to achieve economic development success without unique natural advantages.

Two examples validate the hypothesis that there is a direct connection between (1) governments that are culturally consistent and proactive and (2) the prospects for success with economic development initiatives: the Flathead of Montana and the Cochiti Pueblo of New Mexico [Cornell and Kalt, March 1995]. The Flathead of Montana have a form of government that is based on a traditional and common parliamentary democracy, a model that is similar to the one often advocated in the past by the Bureau of Indian Affairs.¹² In contrast, the Cochiti Pueblo of New Mexico have a form of governance based on a historical theocracy, utilizing a system based on an overall spiritual leadership combined with a council of past government leaders providing guidance to current government leaders. Both have achieved economic success while having very different forms of government and very different natural resource endowments. The important idea here is of “same problems, different solutions;” in other words, there is not one model of government to assure successful economic outcomes. Rather it is the validation of the tribal government by its members that is a necessary foundation for successful development. Tribes that have been able to identify their comparative advantages and can build off of stable and supported units of governance have been able to achieve sustained economic development [Cornell and Kalt, March 1995].

In evaluating alternate forms of tribal government, four types of government are defined: parliamentary, executive, theocracy and Athenian. Cornell and Kalt (October 1995) define these terms as follows: “Parliamentary” refers to governments in which the representative tribal council selects the tribal chief executive. “Executive” refers to governments in which the tribe’s reservation citizens directly elect the tribal chief executive. “Theocracy” indicates that the tribal religious leader(s) appoints the key tribal authorities and establishes central tribal policies. “Athenian” refers to democratic decision making authority being vested in a tribal council in which all members of the tribe serve on the tribal council. [Cornell and Kalt, October 1995]. These definitions are important in so far as the argument is that the type of government is not as important as what they define as the “cultural match” of the government with the tribe’s traditions.

The validity of this hypothesis can be seen in Table I. This table illustrates that when there is a cultural match for the tribal government, the tribe outperforms expectations for employment levels (positive results for “Employment Relative to Fitted Expectation”). When there is not a cultural match for tribal government, the opposite is true.

In the case of the Flathead of Montana, they did in fact continue to use the form of government that was implemented through the Bureau of Indian Affairs. But in their case this parliamentary form of government was consistent with the form of government that had been used prior to the Indian Reorganization Act of 1934. The Flathead have had success in the tourism industry and to a lesser degree in agriculture and logging. The tribal government has tried to operate a few businesses over the years and has had little success. However, there has been notable success in the entrepreneurial development of tribal members. The Cochiti have had success with a retirement community and, like the Flathead, tourism.

Tourism has proven to be a valuable method of development for many other tribes as well. This can range from cultural and artisan to ecotourism to recreational to gaming and often incorporates many of these [Lew and Van Otten, 1998]. However, there can be costs involved as nontribal visitors come to a reservation in growing numbers, from threats to the environment to a sense of a cheapening of a cultural heritage for profit [Turco and Riley, 1998]. Tourism has also afforded many tribes the opportunity to develop economic structures over time that are consistent with their forms of governance. In particular, the fluidity of successful tourism development allows for trial and error that is not always possible with more traditional industries [Vallen, 1998].

The Importance of Politically-independent Enterprises. A recent study of the Harvard Project, using data originally gathered by the National Congress of American Indians, surveyed tribes to ascertain the causes of success of enterprises in Indian country. The results indicate that the chances of profitability for a tribally-owned business are greatly enhanced the more politically independent the enterprise. In other words, a tribally-owned business will tend to be more profitable and sustainable when it is managed by an independent board of directors that provide separation from tribal government. The conclusion is also supported by recent study by the National Congress of American Indians (2001) in their case study analysis of common factors that make Indian enterprises successful.

The same study concluded that tribally-owned businesses have not been particularly successful when having jobs as the primary goal of the business. Businesses tended to be more successful in job creation when it was a byproduct of their overall goal of profitability. This implies the best way to achieve the goals of job creation and job skills is indirectly by providing programs that focus on profitable development. [Jorgensen and Taylor, 2000]

Table I
Economic Performance And Institutional Forms
On American Indian Reservations

	Change in Income 1977-89	1989 BLS Employment¹	Employment Relative to Fitted Expectation²	Form of Government	Independent Judiciary	Cultural “Match”³
Flathead	16%	83%	+11%	Parliamentary	Yes	Yes
White Mtn Apache	12%	89%	+23%	Executive	No	Yes
Cochiti Pueblo	10%	96%	+20%	Theocracy	?	Yes
Mescalero Apache	9%	80-90%	+33%	Executive	No	Yes
Muckleshoot	6%	74%	+5%	Parliamentary	No	Yes
Pine Ridge Sioux	-1%	50%	-20%	Executive	No	No
San Carlos Apache	-7%	49%	-15%	Executive	No	No
Rosebud Sioux	-10%	10%	-38%	Executive	Yes	No
Hualapai	-11%	26%	-18%	Executive	No	No
Yakima	-12%	39%	-1%	Athenian	Yes	No
Crow	-12%	33%	-7%	Athenian	No	No
Northern Cheyenne	-15%	52%	-4%	Executive	No	No
All Reservations	-1%	55%	--	--	--	--

Notes:

1. 1989 BLS Employment is one hundred percent minus the BLS unemployment rate (with the latter measuring the percent of the workforce actually looking for employment and not finding it).
2. Employment Relative to Fitted Expectation represents the difference between actual employment levels and the employment levels predicted by a model of 67 reservations, controlling for reservation governmental form, local economic conditions in surrounding counties, human and resource capital endowments, and on-reservation property rights structures. This model is presented and estimated in Cornell and Kalt (1995b).
3. Cultural “Match” refers to possible congruence between historical self-selected governmental form and modern (largely imposed) governmental form.

Source: Cornell and Kalt, 1995, p. 18

The Need for Capacity-Building Technical Assistance. A major point that comes through from the survey of business managers is the need for ongoing technical assistance. As Jorgensen and Taylor (2000) conclude in their analysis

“...self-reported insufficiency of technical assistance...has a large negative effect on success; ...the data from this survey suggest that meeting unmet TA needs is roughly equivalent to increasing profitability by an order of magnitude or to positively changing the employment trend” [Jorgensen and Taylor, 2000, p.10].

The need for additional technical assistance would logically have a starting place with the tribal economic development practitioner. It is to be expected that since many tribes have only been re-recognized at the federal level in the last twenty years or less, economic development for many tribes has been a “learn as you go” experience. The authors of the paper reach the conclusion that,

“Much the way venture capital firms provide managerial talent and organizational advice with their investments of funds, the federal government could accompany its grants and other aid to tribal enterprise with even more readily available and higher quality knowledge, executive education, and information. A good deal of support has been provided in the past by various federal agencies, yet this research indicates substantially more could be done to improve the quantity and/or quality of technical assistance” [Jorgensen and Taylor, 2000, page 13].

Lessons are being learned, both from tribal economic development practitioners and from government program managers. Collectively, they are building up a wealth of knowledge on how to promote tribal economic development. What may very well be needed is a more systematic approach to delivering technical assistance to tribal economic development practitioners in such a way that they can improve delivery of technical assistance on their own. Such assistance could be integrated with the major government programs that provide economic development assistance.

The Harvard Project on American Indian Economic Development does provide technical assistance for governance and capacity building through its National Executive Education Program for Native American Leadership (NEEPNAL). This program is designed to use small focus groups to provide intense training on specific leadership issues and is conducted in cooperation with various national and international institutions of higher learning [Begay, Cornell and Kalt, October, 1997]. This platform, however, cannot substitute for the combination of training tied to funding that a government agency could provide. Just as the United States Department of Housing and Urban Development has been able to integrate strategic planning (at five year and one year intervals) with project implementation and training through the Native American Housing and Self Determination Act (NAHASDA), so too could another agency tie the components of economic development into a package of staff and funding that would encourage capacity building by tribal leaders.

Capacity building is important because it improves the ability of people and institutions to make good decisions. A good summary of what it entails can be found in the following passage:

“The term "capacity-building" or "capacity development" represents a basic way of thinking and its consequences, which must be adhered to whenever the creation and extension of institutional and human capacities on a sustainable basis is envisaged. Capacity-building supports a more efficient use of existing potential and capacities, extends existing and creates new potential. Additional resources can be provided in the form of technical and financial investments and through the transfer of know-how. Institutional sustainability requires an enabling environment and nurturing frame conditions. Socio-cultural aspects and the elements of the institutional system must be adequately taken into consideration. In consequence, capacity-building is a complex issue which necessitates a combination of different measures and considerations. It always entails a high level of sensitivity and intuition due to the fact that nearly all capacity-building measures, be they on the level of the state, the civil society, or the private sector, have political implications and touch upon questions of power and vested interests” [Capacity Building for Sustainable Development Concepts, Strategies and Instruments of the German Technical Cooperation (GTC), Deutsche Gesellschaft für technische Zusammenarbeit (GTZ), Eschborn, Germany, May 1999].

The President of the National Congress of American Indians has also recently stressed the importance of capacity building for economic development in recent testimony before Congress.¹³ This can come about only if Tribal officials formulate and implement successful, locally-based, economic development policies. Towards that end, technical assistance that Tribal leaders could consult on the various components of economic development, from hands-on training seminars to a “one-stop” website, would serve as a valuable resource.

To summarize, the major factors that come from a review of the literature are:

- Sovereignty matters at the tribal and at the business levels.
- There is a need for capacity building in the field of tribal economic development practitioners in order to have a cadre of talent upon which tribes can build sustained development.
- The best focus for this technical assistance would be from a government agency as it would have the position of being able to provide training and link it to financial assistance that a nongovernmental entity could not match. This assistance would also encourage training and increased communication between new tribal economic development practitioners, successful tribal economic development practitioners and program managers.

THE SURVEY

Methodology

The survey portion of the study was designed after reviewing the preliminary work of the National Congress of American Indians (NCAI) on identifying the characteristics of successful Indian businesses. That work, also funded by the Economic Development Administration, was in progress at the time of this study and results were not yet available for inclusion in the literature review. The NCAI conducted a survey of Indian tribes, with questions about the operation of successful tribal and individual Indian enterprises. However, their focus was more on the business and not on what economic development practitioners are doing to create a successful economic environment.

For the present study, respondents were asked to evaluate the success of major economic development programs in promoting job training and the development of job skills. The specific programs listed on the survey ranged from locally initiated programs such as revolving loan funds to federal programs such as the Indian Community Development Block Grant program. Respondents were also given the opportunity to answer more open-ended questions on government economic development policies and successful partnerships with non-Indian governments.

The survey was pre-tested with selected individuals performing economic development in Indian Country, representatives of the Economic Development Administration, and academics with experience in creating and administering surveys. Several changes were made in the original survey instrument based upon this pre-testing. A copy of the final survey instrument can be found in Appendix A.

A survey was sent to each federally recognized tribe in the forty-eight states. Unfortunately, there is no definitive database that clearly identifies the key current economic development representative for each tribe. For some tribes, this may be the Tribal Chairperson or Tribal Administrator while for others it may be a Tribal Economic Developer or Tribal Planner. For tribes where a key economic development person could be identified, the survey was addressed to this person. If no such person could be identified, then the chief elected official was used as the addressee, though this may also be problematic if there was a recent change in that position.

The process was further complicated by the fact that there is no database that contains a complete list of current tribal officials. For the present study, the mailing information listed on the websites of the NCAI and the Bureau of Indian Affairs was cross-referenced. Thus, though best attempts were made to have the survey end up in the hands of the most interested party in the tribe, this may very well have not always been the case. It may have been especially a problem for larger tribes where administrative responsibilities are spread over many departments and possibly also many buildings. The lack of a thorough database for contact names and information for economic development can hinder both informational gathering and sharing studies like this one. It can also limit

the effectiveness of outreach programs. This highlights a basic lack of data that should be addressed in the future.

This process resulted in sending out 488 surveys. They were sent with self-addressed stamped envelopes to encourage ease in response. A total of 32 surveys were returned giving a response rate of 6.67%. This rate was certainly lower than expected and occurred despite the fact that the time permitted to return the survey was extended from six weeks to over twelve weeks.

Though this return rate was disappointing and makes the analysis much more limited than the intended scope, it is consistent with the survey response rates of other recent studies in Indian Country. For example, the response rate was 48 out of 559 (8.59%) for an EDA-funded technology infrastructure assessment study [Riley, Nassersharif, and Mullen, June, 1999]. While this evidence on the low response rate of surveys in Indian Country is only anecdotal, it does suggest that it is difficult to gather information systematically on the problems and challenges faced by the Indian community. Small sample sizes can make drawing wider population conclusions difficult and potentially misleading.

Given the low response rate associated with the present survey we made an effort to cross-reference the survey results with other studies so as not to be solely dependent on the former when attempting to identify trends and policy implications. These findings are presented in the next section.

Survey Results

As stated above, there were 32 responses to the survey. Survey respondents are identified in Table II. For each tribe the table identifies the state of its location, whether or not it is in a rural or Standard Metropolitan Area (SMA), and socioeconomic data on tribal enrollment, unemployment rate, and the percentage of employed persons below the poverty level. The right hand column of the table indicates whether follow-up questions were sent, based on initial survey responses.

Despite the small number of responses, the geographic coverage of the respondents to the survey was relatively large. In all, tribes from 19 states were included in the results. Twenty-three (72%) of the respondents came from west of the Mississippi River; all but four (12.5%) were from rural areas. Economically, measured unemployment (1997 data, the latest available) ranged from zero percent to 89%, with approximately one-half of the tribal respondents having unemployment above the 1997 national average for the Indian labor force.

From the returned surveys, those that listed some activity in job creation and job skills development were identified. Of the 32 initial surveys, 21 were identified as having some level of activity. These tribes were sent individually tailored follow-up questionnaires with the intent of gathering more detailed information about their programs. Of these, three responded with only one providing additional detail.

**Table II
Survey Respondents**

Tribe	State	Rural or MSA	Tribal Enrollment	Unemp. Rate	Employed below poverty level (%)	Follow-Up? (Y or N)
Elko Band of Te-Moak Tribe	NV	Rural	1,445	29	36	Y
Confederated Tribes of Siletz Indians	OR	Rural	3,222	29	7	Y
Pokagon Band of Potawatomi Indians	MI	Rural	2,483	20	4	Y
Duck Valley Shoshone-Paiute Tribes	NV	Rural	1,163	51	39	Y
Ft. McDowell Yavapai Nation	AZ	MSN	na	na	na	na
Walker River Paiute Tribe	NV	Rural	1,969	51	0	Y
Mohegan Tribe	CT	Rural	1,309	nr	nr	Y
Ho-Chunk-Nation	WI	Rural	5,747	37	19	Y
The Winnebago Tribe of Nebraska	NE	Rural	3,857	27	13	Y
Bad River Band of Lake Superior Tribe of Shippewa Indians	WI	Rural	6,372	43	5	Y
Fond du Lac Band of Lake Superior Chippewa	MN	Rural	3,847	20	0	N
Prairie Band of Potawatomi Indians	KS	Rural	4,312	41	nr	Y
Eastern Shishone of Wind River	WY	Rural	3,169	69	38	Y
Wampanoag Tribe of Gay Head	MA	Rural	288	65	33	Y

**Table II - continued
Survey Respondents**

Tribe	State	Rural or MSA	Tribal Enroll- ment	Unemp. Rate	Employed below poverty level (%)	Follow- Up? (Y or N)
Cheyenne-Arapaho Tribe of Oklahoma	OK	Rural	10,903	53	nr	N
Fort Belknap Tribes	MT	Rural	5,188	70	42	Y
The Chickasaw Nation	OK	Rural	37,785	54	nr	Y
Bay Mills Indian Community	MI	Rural	1,255	8	1	N
White Earth Band of Chippewas	MN	Rural	20,989	55	10	N
Hannahville Indian Community	MI	Rural	641	20	20	Y
Shoshone-Bannock Tribes	ID	MSA	4,294	60	21	Y
Nisqually	WA	MSA	505	70	55	Y
Pueblo of Sandia	NM	MSA	466	4	11	N
Kaibab Band of Paiute Indians	AZ	Rural	233	0	0	N
Pala Band of Mission Indians	CA	Rural	874	89	59	Y
Flanbreau Sortie Sioux Tribe	SD	Rural	683	71	2	Y
Confederated Tribes of Warm Springs	OR	Rural	3,831	39	19	N
Ute Mountian Ute Tribe	UT	Rural	3,174	77	12	Y
Santee Sious Tribe of Nebraska	NE	Rural	2,569	69	42	Y

**Table II - continued
Survey Respondents**

Tribe	State	Rural or MSA	Tribal Enroll- ment	Unemp. Rate	Employed below poverty level (%)	Follow- Up? (Y or N)
Keweenaw Bay Indian Community	MI	Rural	3,267	38	53	N
Fort Independence	CA	Rural	122	35	36	N
Squamish	WI	Rural	nr	nr	nr	N
National Survey (all tribes)				50	30	

Notes: na = not available

Source: United States Bureau of Indian Affairs, *1997 Labor Market Information on the Indian Labor Force: A National Report*. The report was available at their website: <http://www.doi.gov/bia>.

Table III shows the distribution of survey responses with regard to who is the primary person responsible for economic development for the tribe. Of the 32 tribes responding, only 19 stated they had someone designated as an economic developer working for the tribe (59%). Fifteen of these were full-time and the remainder were part-time. For the tribes without a full time economic developer it will be difficult for them to address their long-term economic development needs. These data highlight the need for tribes to have a steady source of funds to pay for a full time economic developer until that tribe can build the capacity to have the position paid through projects and fees from successful programs (e.g., the interest from a revolving loan fund, etc.).

Table IV shows the survey results of questions regarding implemented economic development programs. Two-thirds of all respondents indicated that they offered some form of job training program. These programs generally received high marks in terms of their success in job creation and the development of job skills. In fact, job training had the overall lowest mean rating (2.7) of the four programs explicitly listed in the survey. (In the survey responses, a lower mean rating indicates a higher assessment of a level of success.) Youth job training programs and training associated with the Federal Job Training Partnership Act were specifically noted by respondents as successful economic development strategies.

**Table III
Description of Survey Respondents**

	Number of respondents
Economic Developer	19
Full Time	15
Part Time	4
Planner	5
Tribal Officer	4
Tribal Administrator	2
Human Resources Director	1
Special Assistant	1

Revolving loan funds, recruitment, and business start-up advisory programs were used comparatively less by survey respondents. These programs also received more mixed evaluations in terms of their success in job training and skills development. The modal response for revolving loan fund programs was a neutral score of three; those that rated this program either more or less successful did not offer consistent reasons for their assessment. As to recruitment programs, there was some confusion by survey respondents as to what this meant. Some took it to mean recruitment of workers while others thought it meant (as intended) local initiatives to recruit new businesses.

**Table IV
Economic Development Programs**

Program	% of Tribes with Program	Success of Program in Promoting Job Creation and Development of Job Skills (No. of respondents)					Mean Rating
		1 (highly successful)	2	3	4	5 (not successful)	
Revolving Loan Fund	30.3	1	1	5	2	0	2.9
Job Training	66.7	1	11	3	5	1	2.7
Recruitment	36.4	0	4	2	2	0	2.8
Business Start-up Advisory	27.3	0	3	4	2	0	2.9

Table V provides the results of respondents' assessment concerning the level of success of different federal programs. Respondents were asked which programs they considered most successful, and, as a part of this question, how they measured success (i.e. ease in achieving funds, flexibility in structuring funds, reporting requirements, etc.). Once again, a lower mean rating implies a higher overall sense of success of the program by the respondent.

Table V
Federal Programs for Economic Development

Program	% of Tribes with Program	Success of Program in Promoting Job Creation and Development of Job Skills (No. of respondents)					Mean Rating
		1 (highly successful)	2	3	4	5 (not successful)	
ICDBG	63.6	7	8	2	1	0	1.83
HUD Drug Elimination Grants	42.4	0	6	4	3	0	2.77
NAHASDA	78.8	6	5	7	6	0	2.54
ANA Grants	66.7	6	4	9	2	0	2.33
EDA Grants	39.4	3	5	4	1	0	2.23

Two thirds of survey respondents were recipients of Indian Community Development Block Grants (ICDBG) and nearly all rated this program as successful in promoting job creation and the development of job skills. The overall mean rating was 1.83. Respondents cited flexibility as a basic strength of this program. While funds were used for a variety of purposes, infrastructure improvement was listed most frequently.

A similar proportion of survey respondents received Administration for Native Americans (ANA) grants although many were less positive in their assessment of this program.

Nearly 80 percent of respondents received Native American Housing and Self Determination Act (NAHASDA) grants and nearly half gave this program a positive evaluation in terms of its success as an economic development tool. Respondents viewing the program less favorably noted local problems with program administration (“we’re moving slowly here,” “having difficulty addressing the reservation’s housing needs,” “need managerial skills and direction”).

Relatively few tribes among survey respondents received HUD Drug Elimination grant funds. The tribes that did receive these funds gave the program relatively low ratings (mean rating 2.77) although no consistent reason was given for this low evaluation.

One interesting point to note here is the relatively low percentage of respondents using EDA programs. Only forty percent of the respondents indicated that they were recipients of EDA funding. This may be explained in part by the fact that beginning in the Reagan Administration, EDA total funding was cut approximately in half. Yet the

tribes using EDA programs generally rate them high in terms of their success in promoting job creation and skill development.

In responding to the greatest hindrance to the use of federal programs (question 10 in the survey), many respondents had clear opinions on the need for change. Terms such as “short project periods for funding,” “long time frames to know if receiving funding,” “little follow-through working with tribes,” “no training funds,” and “lack of executive managerial skills” clearly indicate a level of frustration with the current funding structure and also frustration with current capacity. It is encouraging that responding tribal representatives themselves are asking for training.

Respondents generally gave high (or improving) marks with regard to their relationships with representatives of federal, state, and local governments (questions 11 on the survey). Officials of the USDA and the EDA were specifically mentioned as helpful to the success of tribes in meeting their economic development objectives. A few respondents still expressed concern about their relationship with state government, especially as it pertains to areas of sovereignty in tribal lands.

Finally, with regard to changes in government programs and policies that tribes would like to see to foster job creation and the development of job skills (question number 12 in the survey), many respondents once again expressed a need for additional resources devoted to training. Topics identified for additional training included grant writing, program compliance, and the development of comprehensive economic development plans and feasibility studies. In other areas, several respondents noted the need for more autonomy and local control, especially in the areas of state tax policy. Locating SBA Small Business Development Centers on reservations and tribal lands was also recommended.

Policy and Programmatic Implications

The primary policy and programmatic implication that has become evident from this study is the need for increased resources and the need for the federal government to provide direct technical assistance in the training of tribal economic development practitioners. The most common survey response to the question of the greatest hindrance to the use or effectiveness of federal programs was one of frustration. Survey respondents typically felt money for economic development was tied to specific projects. Yet, many tribes were not at the point of developing sustainable projects. Thus, a major focus for many tribal economic development practitioners is chasing projects and plans that fund their salaries. This approach to development is not likely to lead to sustainable projects and programs.

The lack of adequate funding for training economic development practitioners is especially problematic given the uniqueness of tribal economic development. Many smaller, newly recognized tribes have had to hire outside the tribe to find experienced economic development practitioners. Finding ones that are trained in cultural and sovereignty issues, *and* are familiar with successful tribal economic development, is of

paramount importance. Thus, what is needed is developing the capacity of trained and connected tribal economic development practitioners in Indian Country.

One approach would be to build upon the strategic planning process already being used by many tribes. These could be made more interactive “working plans” that are developed through training. Five and one-year plans would be developed by local tribal economic development practitioners that could address the following, as an example:

- Baseline assessment and strategic planning
- Business retention
- Infrastructure development
- Business expansion
- Job skills development
- Community development
- Business recruitment

These activities can already be covered in a comprehensive planning strategy. What is different in this recommendation is expanding this process to include training that would encourage capacity building and networking.

A major benefit would be increased communication between tribes concerning economic development in Indian Country. By increasing the capacity of trained tribal economic development professionals the agency would be promoting the best resource for sustainable economic development for tribes in the long term.

SUMMARY AND CONCLUSIONS

Economic development in Indian Country is a unique experience given the range of locations and the issue of sovereignty. Many tribes do not have full-time economic development practitioners and many involved in tribal economic development are learning as they go. This is not surprising given that many tribes have only been recognized at the federal level in the last twenty years or less and are still building the necessary capacity to administer tribal affairs. Lessons are being learned but there is a question of how much these lessons are being shared.

The primary result is that in tribal development sovereignty does matter, both for the tribe and for the businesses the tribe is trying to promote. Examples show that job creation and job skills development are best encouraged through programs that promote these in profit-seeking businesses, not when these are ends in themselves. Creating an environment that promotes investment and enterprise development, consistent with the tribe’s cultural history, offers the best chance for success with long-term development. This approach has been successful regardless of the location of tribally owned land and the initial endowment of natural resources.

The need has been identified, both in the literature and the survey results, for increased training and networking for tribal economic development practitioners. Through this, tribal economic developers may better be able to utilize available resources, from “best practices” of other practitioners to creative funding sources for their programs. This would establish the best-known foundation for providing tribal economic development with the means to assist with the development of job skills and job creation for tribal members.

Endnotes

- ¹ <http://www.census.gov/Press-Release/www/20000/cb00-158.html>.
- ² <http://www.census.gov/Press-Release/www/20000/cb00-158.html>.
- ³ National Congress of American Indians, <http://www.ncai.org/indianissues/EconomicDevelopment/economdev.htm>.
- ⁴ <http://www.census.gov/population/socdemo/race/India/ailang2.txt>.
- ⁵ National Indian Gaming Association, <http://www.indiangaming.org/>.
- ⁶ <http://www.census.gov/Press-Release/www/1999/cb99-238.html>.
- ⁷ <http://www.census.gov/Press-Release/cb96-127.html>.
- ⁸ http://indiangaming.org/library/studies/1002-impact_facts/, <http://www.ksg.harvard.edu/hpaied/98-1.pdf>.
- ⁹ National Indian Gaming Association, <http://www.indiangaming.org/>.
- ¹⁰ National Indian Gaming Association, <http://ww2.dgsys.com/~niga/stats.html/>.
- ¹¹ See, for example, the following United Nations and OECD sites: <http://www.un.org/documents/ga/docs/55/a55209.pdf>, <http://www.un.org/documents/ga/docs/55/a55-188.pdf>, [http://www.oalis.oecd.org/olis/2001doc.nsf/c5ce8ffa41835d64c125685d005300b0/256985004c66e3c12569e50059973e/\\$FILE/JT00102047.PDF](http://www.oalis.oecd.org/olis/2001doc.nsf/c5ce8ffa41835d64c125685d005300b0/256985004c66e3c12569e50059973e/$FILE/JT00102047.PDF).
- ¹² The history of tribal governments has been one where a parliamentary government is the most common form of governance, most likely due to it being the standard form of government advocated by the Bureau of Indian Affairs since the Indian Reorganization Act (IRA) of 1934. It is defined to have a representative tribal council, a tribal chair elected in parliamentary fashion, little provision for judicial functions, little detail on the powers of various parts of government and a requirement that the U.S. Secretary of the Interior approve of any changes in the tribe's constitution.
- ¹³ See "Economic Development, Good Governance, and Capacity Building," testimony to the Senate Committee on Indian Affairs by Susan Masten on July 18, 2001.

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Appendix A

Survey Instrument

Survey on Economic Development Practices that Promote Job Creation and the Development of Job Skills

The University of Akron, with a grant from the Economic Development Administration, is conducting a study to gather information on practices by Tribal economic development practitioners that promote job creation and the development of job skills.

This study will identify successful practices by Tribal economic practitioners that promote job creation and the development of job skills and also how such successes are measured.

The hope is that this information can be used by Tribal economic development leaders to better assist their tribal members by providing practical information on promoting job creation and job skills development.

Please return this survey by August 18, 2000.

1. Name of Tribe _____
2. Address _____
3. Phone _____
4. E-mail address _____
5. Contact Name and Title _____
6. Are you:
An economic developer full time _____ part-time _____
_____ A tribal officer that works on economic development
_____ Other _____
7. What if any service areas do you have beyond your reservation?

8. Please indicate below the types of programs for economic development that your tribe current has in place and rate the success of the program on a 1 to 5 scale, with 1 = Highly Successful and 5 = Not Successful. It would also be of great use to us if you could tell us the basis upon which you are judging the success of the program.

Program	Do your tribe currently have this program? (please circle)	If so, please rate program success in promoting job creation and the development of job skills (please circle)	Please describe how the success of this program is measured (e.g. numbers of jobs created, numbers of tribal members in job training programs, etc.)
A revolving loan fund	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Job training programs	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Recruitment program	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Business start-up advisory program	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Other (please describe):		1 2 3 4 5 (Highly Successful) (Not Successful)	
Other (please describe):		1 2 3 4 5 (Highly Successful) (Not Successful)	

9. Please indicate below the types of federal programs for economic development that your tribe has found to be successful and rate the success of the program on a 1 to 5 scale, with 1 = Highly Successful and 5 = Not Successful. It would also be of great use to us if you could tell us the basis upon which you are judging the success of the program.

Program	Has your tribe made use of this program in the recent past? (please circle)	If so, please rate program success in promoting job creation and the development of job skills (please circle)	How describe how you are measuring success for federal programs (e.g. ease of applying, amount of funds available, flexibility in administration, competitiveness, etc.)
ICDBG	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
HUD Drug Elimination Grants	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
NAHASDA	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
ANA Grants	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Dept. of Education Grants	Yes No	1 2 3 4 5 (Highly Successful) (Not Successful)	
Other (please describe):		1 2 3 4 5 (Highly Successful) (Not Successful)	
Other (please describe):		1 2 3 4 5 (Highly Successful) (Not Successful)	

10. Other than lack of funding, what do you find to be the most significant hindrance in any of the federal programs listed in the preceding table from being more successful?

11. What relationships with non-Indian governments have been most beneficial to this success? In other words, please describe instances with local, state, or federal government representatives that have helped your program(s) be successful.

12. What changes would you like to see in government (at all levels) programs and policies to foster job creation and the development of job skills in Indian country?

13. Do you have any promotional materials (brochures, fliers, etc.) that you use with your programs?

Yes _____

No _____

We thank you for your cooperation in completing this survey. You will receive a copy of the results of the study.