

**MALCOLM WIENER CENTER FOR SOCIAL POLICY  
JOHN F. KENNEDY SCHOOL OF GOVERNMENT  
HARVARD UNIVERSITY**

*Strategic Land Acquisition:  
Implementing Formal Structures, Policies and Processes  
for Sustainable Decision Making*

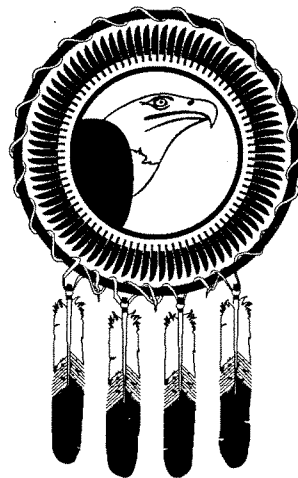
*The Crow Tribe of Montana*

by

**Feyrouz Damji and Suzanne Kim**

*PRS 97-3*

April 1997



**HARVARD PROJECT ON  
AMERICAN INDIAN ECONOMIC DEVELOPMENT**

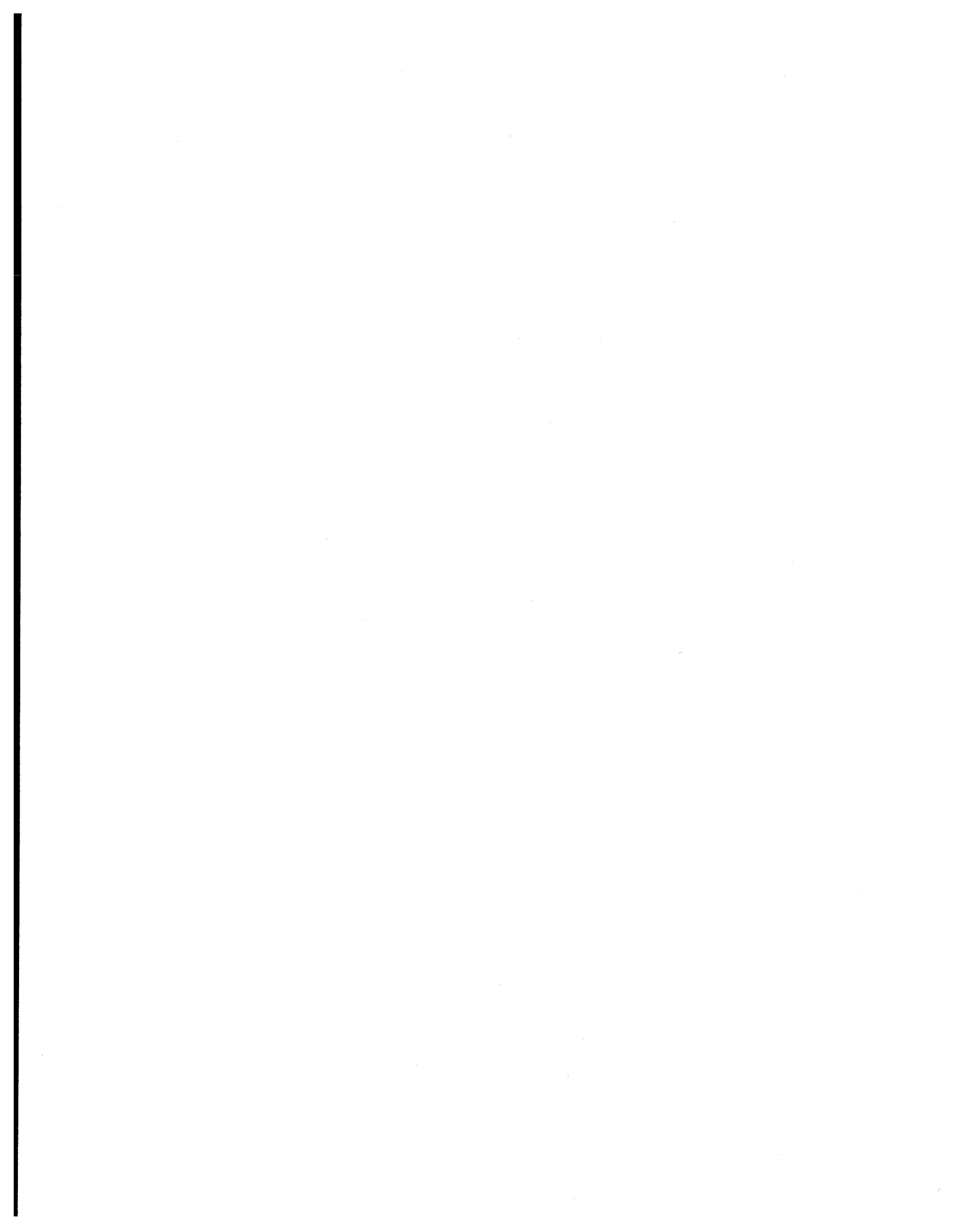
**The views expressed in this paper are those of the author(s) and do not necessarily reflect those of past and present sponsors of the Harvard Project on American Indian Economic Development, the Malcolm Wiener Center for Social Policy, the John F. Kennedy School of Government, or Harvard University. Reports to tribes in this series are currently supported by the Christian A. Johnson Endeavor Foundation. The Harvard Project is directed by Professors Stephen Cornell (Department of Sociology, University of California, San Diego) and Joseph P. Kalt (John F. Kennedy School of Government, Harvard University). For further information and reproduction permission, contact the Project's Executive Director, Manley Begay, at (617) 495-1338.**

# TABLE OF CONTENTS

<b>SECTION ONE — CONSTRAINTS AND OPPORTUNITIES</b>	<b>7</b>
I. Overview .....	9
II. Tribal Goals.....	9
III. Tribal Problem Definition .....	9
IV. Our Problem Definition.....	11
V. Current Opportunities.....	12
VI. Goals and Recommendations.....	13
<b>SECTION TWO — GOALS AND RECOMMENDATIONS</b>	<b>15</b>
I. Goals and Recommendations.....	17
II. Discussion of the Recommendations.....	17
III. Qualifications.....	22
<b>SECTION THREE — THE ACTION PLAN</b>	<b>25</b>
I. Overview of the Action Plan.....	27
II. Implementing the Action Plan.....	27
III. Checklist.....	29
IV. The Action Plan .....	30
<b>OPERATIONS MANUAL A — ESTABLISHING THE REAL ESTATE OFFICE</b>	<b>A—1</b>
<b>OPERATIONS MANUAL B — ADOPTING POLICIES FOR THE REO</b>	<b>B—1</b>
<b>OPERATIONS MANUAL C — ESTABLISHING THE LAND USE MANAGEMENT AND PLANNING OFFICE</b>	<b>C—1</b>

## REFERENCES

- APPENDIX A — SAMPLE LEASE DOCUMENT
- APPENDIX B — APPLICATION FOR SALE OF LAND
- APPENDIX C — LAST WILL AND TESTAMENT



## EXECUTIVE SUMMARY

The Crow Tribe wants to acquire all the land within its reservation boundaries. The Tribe believes that regaining control of these lands will allow it to achieve its goals of sovereignty, cultural preservation, and economic prosperity. While land acquisition may be *necessary* to realize these broader goals, we have concluded that it is not *sufficient*.

Our major finding is that for land acquisition to benefit the Tribe, it must be part of a long-term development strategy. Currently, land acquisition decisions are made in a vacuum—they are not made in the context of a long-term Tribal vision nor with a formal consideration of the land's use value. **Therefore, we recommend that the Tribe embark upon a process of developing and employing strategic land acquisition and use decision making structures, policies, and processes.**

The present land acquisition process is unsustainable—not only will the Tribe run out of funds before it has purchased all the land, but the Tribal government also lacks the necessary management, technical, and institutional capacity to reap the full benefits of the lands under its control. In addition, the Tribe must address a number of broader challenges in order to develop and implement land acquisition policies more effectively. These include the absence of a clearly articulated Tribal vision, consistent decision making processes, and land-related technical expertise.

Despite these potential obstacles and challenges, the Tribe has an incredible window of opportunity to achieve its goals. First, recent court settlements have resulted in an inflow of financial resources, a portion of which the Tribe wants to target towards land acquisition. Second, there is great consensus within the Tribe about land acquisition. Thus, the Tribal Government has the political legitimacy to reform institutions and make potentially unpopular decisions. Third, because the current Chairperson has served three consecutive terms, the Tribal government is experiencing a long stretch of political stability. Finally, because of the recent decline in agricultural and land prices, more non-Tribal members who own land within reservation boundaries are willing to sell their lands.

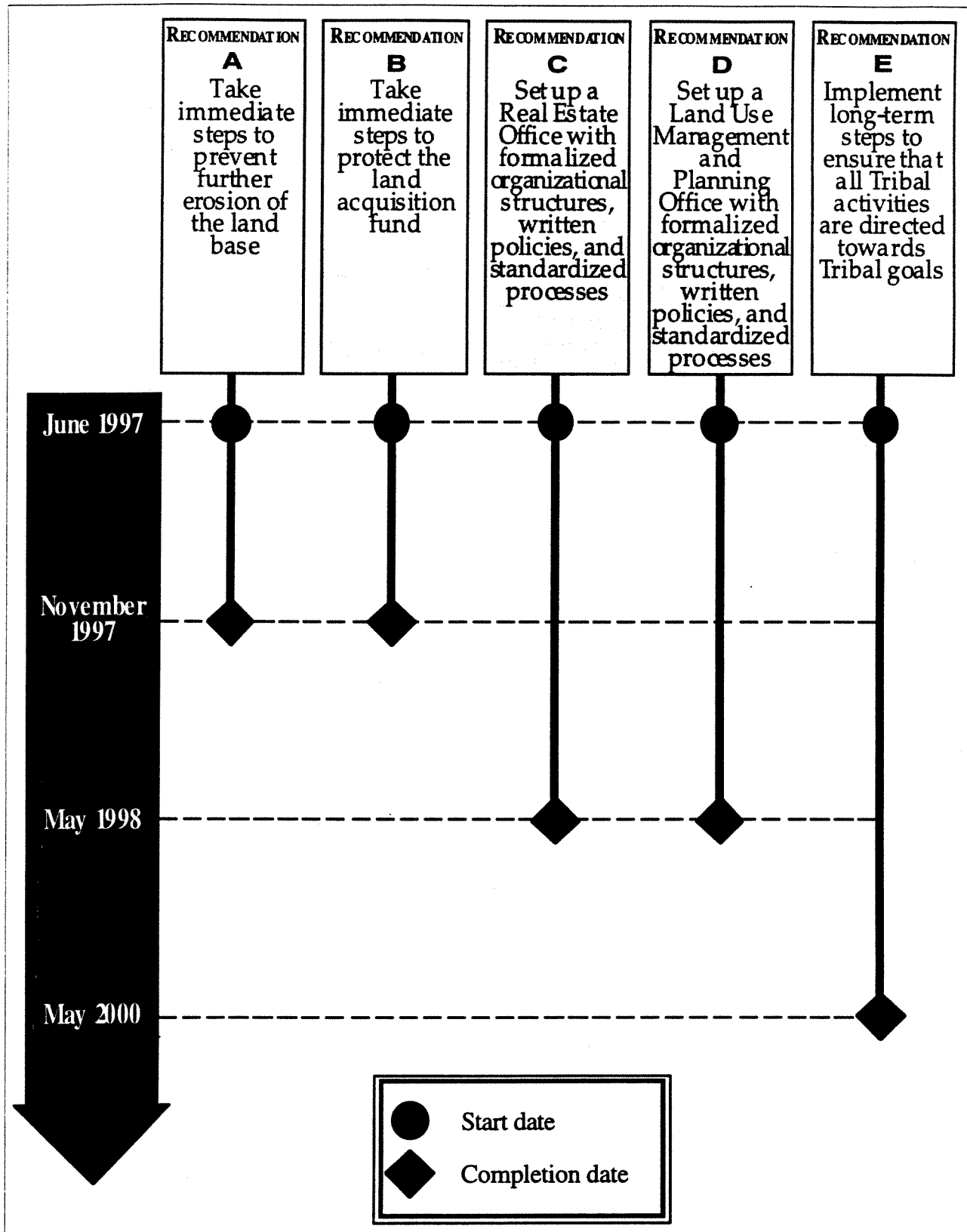
The Tribe must take advantage of this incredible window of opportunity now. It is imperative, however, that the Tribe not only act quickly, but also *carefully*. By successfully managing the land acquisition process, the Tribe can channel momentum into other areas and begin to establish a more sustainable and effective Tribal bureaucracy.

Given Tribal goals, its current resources, its external and internal political environment, legal concerns, and financial limitations, we have developed the following list of five recommendations to aid the Tribe in making *strategic* land acquisition decisions:

- A. Take immediate steps to prevent further erosion of the land base;**
- B. Take immediate steps to protect the land acquisition fund;**
- C. Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes;**
- D. Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes; and**
- E. Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals.**

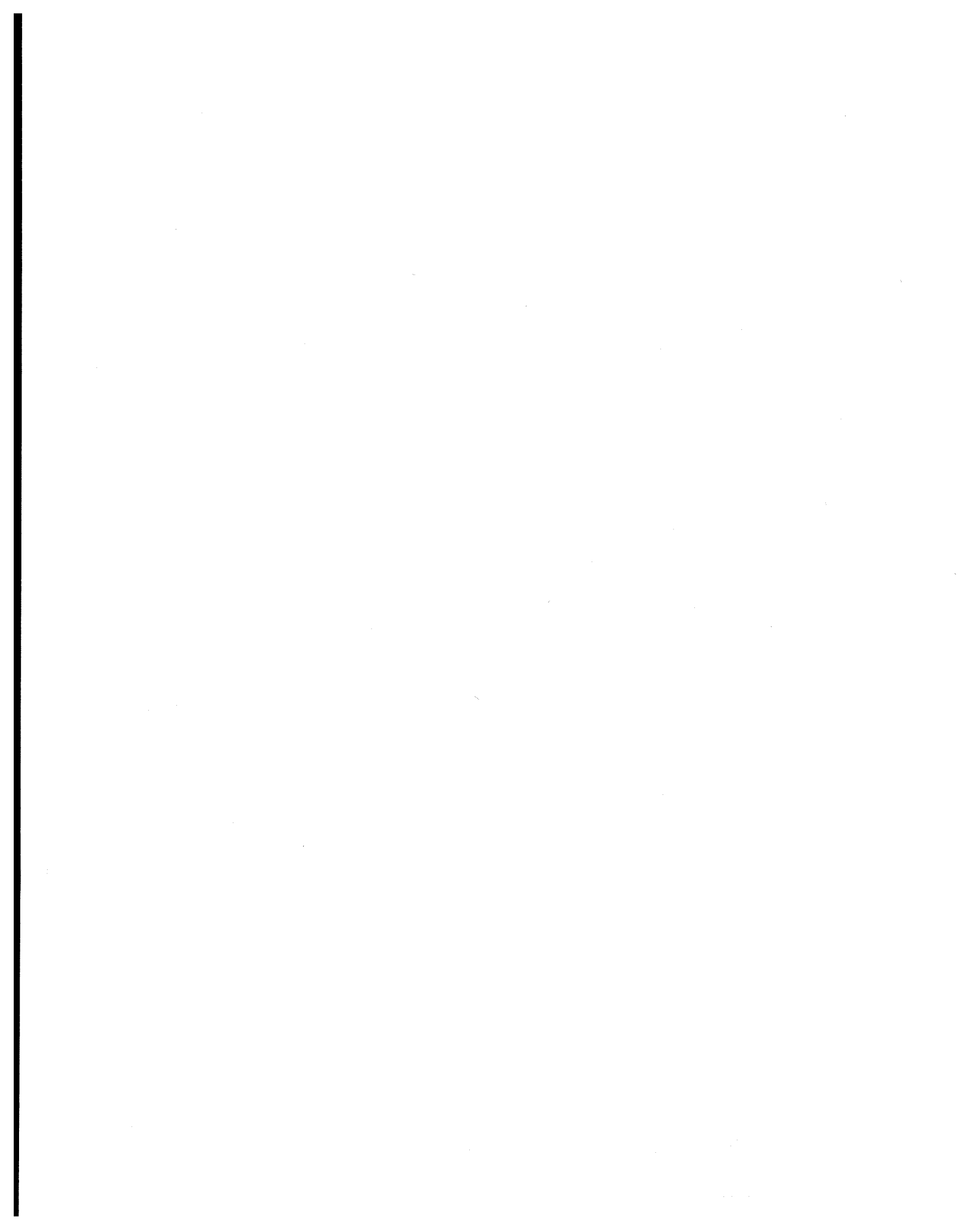
Directly following the Executive Summary is a timeline of the five recommendations and their start and completion dates. We have also prepared an action plan to aid the Tribe in implementing the above five recommendations. Following the timeline is a checklist highlighting the most essential components of the action plan. Finally, three Operations Manuals accompany this report. Operations Manual A details the objectives, functions, structure and establishment processes of a Tribal Real Estate Office. Operations Manual B describes the policies that the Real Estate Office should adopt in implementing its activities. Operations Manual C explains the objectives, functions, structure and establishment processes of a Tribal Land Use Management and Planning Office. We have designed each of these manuals as a stand-alone booklet which Tribal members can use to guide the establishment of the Real Estate Office and the Land Use Management and Planning Office.

## Timeline to Implement the Five Recommendations



## Checklist of Necessary Resources and Actions

RECOMMENDATION	RESOURCES	ACTIONS
<input type="checkbox"/> Take immediate steps to prevent further erosion of the land base	<input type="checkbox"/> One coordinator <input type="checkbox"/> Detailed information on will preparation <input type="checkbox"/> Detailed information on current land sales and leasing process <input type="checkbox"/> Office with equipment such as phone, computer, fax, internet, copier <input type="checkbox"/> Part-time volunteers	<input type="checkbox"/> Allocate coordinator presently employed in the Tribal Government <input type="checkbox"/> Recruit and train volunteers <input type="checkbox"/> Develop the Land Education and Assistance Program (LEAP) <input type="checkbox"/> Develop the Land Acquisition Vision Statement (Vision) of the Tribal Government <input type="checkbox"/> Mobilize support for LEAP by communicating the Vision <input type="checkbox"/> Pass resolution to endorse LEAP & the Vision <input type="checkbox"/> Implement LEAP
<input type="checkbox"/> Take immediate steps to protect the land acquisition fund	<input type="checkbox"/> External investment management services <input type="checkbox"/> Newsletters <input type="checkbox"/> External opinions on investment management proposals <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Enact temporary moratorium on all Tribal land acquisitions <input type="checkbox"/> Contract outside investment management firm <input type="checkbox"/> Communicate the Tribal Land Acquisition Vision (Same Vision as in Rec. A) <input type="checkbox"/> Upon creation of a Real Estate Office, lift temporary moratorium on land acquisitions
<input type="checkbox"/> Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes	<input type="checkbox"/> Full-time outside consultant <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire consultant to manage transition process <input type="checkbox"/> Negotiate transfer of BIA functions by Tribe <input type="checkbox"/> Put policies and procedures into place <input type="checkbox"/> Take over BIA functions <input type="checkbox"/> Review, revise, update, implement
<input type="checkbox"/> Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes	<input type="checkbox"/> Professional planner <input type="checkbox"/> BIA Land Services & Cartography services <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire professional planner <input type="checkbox"/> Pass resolution <input type="checkbox"/> Create the Land Use Management and Planning Office <input type="checkbox"/> Meet with REO and the Zoning Department <input type="checkbox"/> Meet with stakeholders <input type="checkbox"/> Produce the long-term "Plan" <input type="checkbox"/> Implement regularized communication channels <input type="checkbox"/> Review, revise, update, implement
<input type="checkbox"/> Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals	<input type="checkbox"/> Services of a communications specialist <input type="checkbox"/> Cooperation of LUMPO <input type="checkbox"/> Cooperation of the key education stakeholders <input type="checkbox"/> External mgmt consultant	<input type="checkbox"/> Define and communicate the long-term Tribal mission and objectives <input type="checkbox"/> Establish a civil service system <input type="checkbox"/> Build the technical and management skills base



## SECTION ONE — CONSTRAINTS AND OPPORTUNITIES

### *How Can Land Acquisition Help the Crow?*



## **Contents of Section One**

- I Overview
- II Tribal Goals
  - A. Sovereignty
  - B. Cultural Preservation
  - C. Prosperity
- III Tribal Problem Definition
- IV. Our Problem Definition
  - A. Management Capacity
  - B. Institutional Capacity
  - C. Technical Capacity
- V. Current Opportunities
  - A. Availability of Funds
  - B. Political Stability
  - C. Economic Conditions
- VI Goals and Recommendations

## I. OVERVIEW

---

Tribal members express three goals: sovereignty, cultural preservation, and prosperity. Tribal members believe that the primary obstacle to achieving these goals is that they do not own the land within the boundaries of the Crow Reservation. While we agree that the current land ownership status poses a significant problem for the Tribe, we believe that the Tribe must address an additional problem. The Tribe currently lacks the management, technical, and institutional capacity to achieve its goals. Therefore, land ownership alone will not enable the Tribe to achieve its goals of sovereignty, cultural preservation, and prosperity. However, the Tribe also has numerous opportunities which it can use to achieve its goals. These include the availability of funds, political stability, and economic conditions. We recommend that the Tribe take advantage of these opportunities and make its land acquisition decisions within a framework that allows for consistent, objective decision making and which considers long-term Tribal goals at every stage of the decision making process.

## II. TRIBAL GOALS

---

The leadership and members of the Crow Tribe express three primary goals:

### A. *Sovereignty*

The Tribe would like to determine and regulate the activities that occur within Tribal boundaries, raise revenue, and exercise the right to protect sacred and environmentally sensitive lands.

### B. *Cultural Preservation*

The Tribe wants to preserve its culture through the continued use of traditional Crow customs and language. It believes that its ability to do so is directly tied to control of Tribal lands.

### C. *Prosperity*

The Tribe wants to develop a sustainable economy so it can provide for the basic needs of its members without direct external support.

## III. TRIBAL PROBLEM DEFINITION

---

Tribal members and leadership believe that they cannot achieve these goals because they do not own all of the land within reservation boundaries. Therefore, *the Crow define their primary problem as the lack of Tribal land ownership.*

The following table demonstrates the extent and complexity of this problem. Because of the variety of land ownership and control, the Tribe believes that it is unable to assert sovereignty over its land.

**Table 1-1. Land Ownership Status on the Crow Reservation**

<b>OWNERSHIP OF LAND</b>	<b>DEFINITION OF OWNERSHIP STATUS</b>	<b>ROLE OF B.I.A.</b>	<b># OF ACRES</b>	<b>% OF CROW LANDS</b>
Fee	<ul style="list-style-type: none"> <li>• Reservation land held by Tribal/non-Tribal members</li> <li>• No restrictions prohibiting sale or lease</li> <li>• Can be bought or sold openly on open market</li> <li>• Jurisdiction of the Tribe over zoning and taxing of this land is under question as these rights are currently subject to the courts</li> <li>• Indians pay taxes on fee land</li> </ul>	<ul style="list-style-type: none"> <li>• Not involved in fee land transactions</li> <li>• BIA must approve transfers of land from Trust to fee status</li> </ul>	646,707	28.33%
Tribal Trust	<ul style="list-style-type: none"> <li>• US holds legal title and tribes hold beneficial title</li> <li>• Tribe can occupy and use the land and benefit from any income it may produce but it does not own it</li> <li>• Held in trust by US Government</li> </ul>	<ul style="list-style-type: none"> <li>• All land transactions (gifts, inheritances, sales, certain leases &amp; exchanges) must be approved by govt.</li> <li>• Approval can be granted / denied by BIA</li> <li>• BIA must ensure that sales of trust land take place at or above fair market value</li> </ul>	395,603	17.33%
Allotted Trust	<ul style="list-style-type: none"> <li>• Members can occupy and use the land and benefit from any income it may produce but they do not own the land</li> <li>• The Tribe has priority rights over the purchase of these lands if they are offered for sale. When leasing allotted lands, Tribal members are given first priority to bid.</li> </ul>	<ul style="list-style-type: none"> <li>• Same as with Trust land</li> </ul>	1,191,603	52.2%
Other	<ul style="list-style-type: none"> <li>• Federal</li> <li>• State</li> <li>• Other</li> </ul>		48,851	2.14%
<b>Total</b>			<b>2,282,764</b>	<b>100%</b>

*Note:* The above land acreages are approximations of the real values. Unfortunately, this lack of accuracy persists in almost all categories of demographic data on the Crow Tribe.

#### IV. OUR PROBLEM DEFINITION

Our definition of the Tribe's problem is different. We argue that *even if the Tribe were able to buy back all of its land tomorrow, it still would not achieve its goals of sovereignty, cultural preservation and prosperity.* The obstacles facing the Tribe are much deeper than those that land ownership could solve. We have categorized these obstacles into the following three areas:

##### A. *Management capacity*

Currently the Tribe lacks the capacity to manage large-scale Tribal operations. As one interviewee commented, "*Managing a farm is different than working on a farm.*" Lack of training in business administration and natural resource management inhibits the Tribe's current ability to profit from land ownership.

##### B. *Technical capacity*

Strong management skills must be accompanied by necessary technical capacity. While the possession of land is a critical component of economic development, even more critical is the possession of technical skills. Currently the Tribe is lacking in agricultural and natural resource management skills. The Crow buffalo enterprise is a prime example of how the lack of technical skills can waste valuable Tribal resources. Until technical skills are developed, land acquisition will not translate into economic development.

##### C. *Institutional capacity*

Currently, the Bureau of Indian Affairs (BIA) Realty Office and the Land Resources Committee of the Crow Tribe jointly conduct land acquisition, sales, and leasing. Through a series of treaties, the federal government has established itself as a trustee of Indian lands. Trusteeship grants the federal government oversight of the use and sale of land and of the income derived from the land. Through Congressional legislation, the BIA acts as the representative of the federal government in the implementation of its authority. Therefore, many of the decisions that the Tribe wishes to make regarding land acquisition are subject to BIA approval and, by extension, *to the fulfillment of BIA goals, rather than those of the Tribe.*

The Land Resources Committee of the Tribal Government consists of elected representatives from each of the Tribal districts. The Committee evaluates land sales, purchases, and lease requests which are prepared by the BIA Realty Office. The Committee often decides which land to purchase according to subjective criteria, such as geographical location (land for sale within the district of a representative is often bought first) or family affiliation (if a relative of a Committee member offers his or her land for sale, his or her land is given purchase priority).

The current institutional structure results in the following problems:

PROBLEM	RESULT
Dependency	<ul style="list-style-type: none"> <li>• Tribal government lacks the systems and knowledge to process land purchases, sales, and leases from start to finish.</li> <li>• Tribe does not make its own decisions regarding financial planning and investment.</li> <li>• Goals of the Tribe are not directly reflected in decisions regarding land and financial management.</li> </ul>
Redundancy	<ul style="list-style-type: none"> <li>• Each decision is made twice—once by the Realty Office at the BIA and again by the Tribal Land Resources Committee.</li> <li>• Paper travels back and forth between the BIA and the Tribal Government for any</li> </ul>

PROBLEM	RESULT
	decision to be evaluated and approved. The result is major time lags in processing of acquisitions, sales, and leases.
Politicization	<ul style="list-style-type: none"> <li>• Decisions are not made according to a systematic evaluation procedure. The result is ad-hoc decision making where options are not weighed according to the same criteria or according to Tribal goals.</li> <li>• Decisions are subject to outside influence because a systematic procedure is not in place.</li> <li>• The structure of the Land Resources Committee results in decisions that are influenced by regional political considerations instead of Tribal goals.</li> </ul>

Therefore, the Tribe faces two problems:

1. **Buying all of the land within its boundaries will prove to be logistically and financially difficult.**
2. **Lack of Tribal management, technical, and institutional capacity means that simply owning more land will not allow the Tribe to fulfill its objectives of economic prosperity and sovereignty.**

## V. CURRENT OPPORTUNITIES

---

The Crow Tribe faces numerous challenges in achieving its goals. However, it currently has opportunities which, if managed correctly, will allow the Tribe to make huge gains towards achieving sovereignty, cultural preservation, and prosperity.

### A. *Availability of Funds*

Recent court settlements have resulted in an inflow of financial resources, a portion of which the Tribe wants to target towards land acquisition. These include the Coal Severance Tax and the 107<sup>th</sup> Meridian Boundary Settlement.

While the Tribe is in the process of receiving funds from recently settled claims, *these sources of funding are not sustainable as currently managed.* Because the Tribe uses the principal amounts and has not strictly targeted interest payments towards priority areas, these sources are being depleted. Unless the Tribe actively develops sustainable financing mechanisms, it will be unable to buy a substantial amount of land.

### B. *Political Stability*

Given the long tenure of the current Chairperson, the Crow Tribe currently experiences political stability. This stability provides an ideal opportunity for the Tribal Government to institutionalize a process of long-term planning. In addition, in a Tribe that is largely fractionated and politicized, there exists a large degree of consensus around the issue of land acquisition. Thus, the Tribal Government has the political legitimacy to reform institutions and make potentially unpopular decisions.

### C. *Economic Conditions*

A current downturn in the farm industry has led to favorable conditions for land purchase. This downturn stems from a variety of sources, including the drop in cattle prices, the negative

impact of the 1996 *Farm Bill*, and the decrease in financial lending to the farm industry. However, these negative conditions will also affect Tribal attempts to farm the land it purchases. Therefore, the Tribe should evaluate potential uses of the land other than farming before buying land.

## **VI. GOALS AND RECOMMENDATIONS**

---

The primary issue is, therefore, what the Tribe will do to ensure that the benefits of land ownership are channeled towards the long term development of the Tribe. The point here is not that the Tribe is incapable of managing its land resources. Tribal members possess a great many skills and are capable of determining their own needs and wants. However, it is critical that these are developed and channeled to maximize the benefits of land acquisition to the Tribe. Therefore, we would recommend that the Tribe make its land acquisition decisions within a framework which allows for consistent, objective decision making and which considers long-term Tribal goals at every stage of the decision making process.

The Tribe must embark upon long-term planning that takes place in the context of sound institutional structures, depoliticized processes, and consistent policies. These structures, processes, and policies are critical for two reasons: First, they ensure that decisions are made in a consistent manner and within the context of Tribal goals, rather than in the current ad-hoc, politicized manner. Second, they ensure that decisions are sustained through political changes. Finally, until the Crow Tribal leadership builds its own institutions to make and implement Tribal decisions, the BIA will remain a political obstacle in the Tribe's ability to exert control over all of the land within its boundaries. The Tribe must develop institutions and processes to allow the Tribal government to make decisions reflecting Tribal needs.



## SECTION TWO — GOALS AND RECOMMENDATIONS

### *Recommendations to Achieve Tribal Goals*



**Contents of Section Two:**

- I Goals and Recommendations
- II Discussion of the Recommendations
  - A. Take immediate steps to prevent further erosion of the land base
  - B. Take immediate steps to protect the land acquisition fund
  - C. Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes
  - D. Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes
  - E. Implement long-term steps to ensure all Tribal activities are directed towards Tribal goals
- III Qualifications
  - A. Land held in Trust
  - B. Land as Collateral for Individuals

## I. GOALS AND RECOMMENDATIONS

---

Based on our understanding of the desires and concerns of the Tribe, we feel that the following should be the Tribe's goals with regard to land acquisition:

- To purchase all the land within the exterior boundary of the Reservation;
- To ensure that land acquisition decisions are consistent with Tribal goals, namely sovereignty, cultural preservation, and prosperity; and
- To assert sovereignty over the use and regulation of Tribal land.

From this understanding, we have prepared a set of recommendations that will help the Tribe achieve the above goals. In summary, our five recommendations are as follows:

- A. Take immediate steps to prevent further erosion of the land base;
- B. Take immediate steps to protect the land acquisition fund;
- C. Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes;
- D. Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes; and
- E. Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals.

If the Tribe does not implement these five recommendations, we strongly believe that the Tribe is not only putting its land consolidation efforts at stake, but also jeopardizing its future as a sovereign nation. The current land acquisition decision making process is unsustainable—if the Tribe continues in its present course, the Tribal Government will lose the ability to regain all of the land within reservation boundaries. Furthermore, the Tribe must take advantage of its narrow window of opportunity now.

Land acquisition is an important issue because Tribal members feel so strongly about it. Carrying out these recommendations will renew pride among Tribal members and garner respect from other Tribes and governments. By responsibly making land acquisition decisions, the Tribe will effectively demonstrate to the BIA its ability to assert sovereignty and foster Tribal members' confidence in their government. Furthermore, by successfully executing a land acquisition strategy, the Tribe can channel this new momentum into other areas and establish a sustainable and effective Tribal bureaucracy.

## II. DISCUSSION OF THE RECOMMENDATIONS

---

⇒ **Recommendation A: Take immediate steps to prevent further erosion of the land base.**

One objective of the Crow Tribe is to purchase all of the land within its boundaries. While the Tribe embarks upon a land acquisition strategy, however, the possibility for the Tribe to buy and

control most of the land within the exterior boundary of the reservation is quickly diminishing. There are two sources of threat:

- Heirship
- Sale of land to non-Tribal members

First, Tribal members do not write wills bequeathing their lands to their heirs. The result has been the splintering of land plots and enormous difficulties incurred by the Tribe when it tries to buy back these portions and transfer them into Tribal trust. In addition to this existing complexity, the US Supreme Court recently held that it is unconstitutional to revert fractionated land interests back to tribes.

Second, many Tribal members voluntarily sell their lands outside the Tribe. Their prime motivation is financial need. While the Tribe has first priority over the purchase of allotted lands, the bureaucracy of the process often leads to lengthy processing times. Those Tribal members who cannot afford to wait sell their land to non-Tribal members. Often, Tribal members do not understand the processes involved in leasing and selling land. They sell land unappraised and, therefore, at below market prices. Because Tribal landowners are not generating much income from leasing their land, they are further encouraged to sell their land for additional funds. In addition, because they are not aware of how the BIA arrives at leasing rates and recommended sale prices, they feel disenfranchised and cheated by the process. Many Tribal members also feel insecure with the prospect of negotiating with non-Tribal members.

Therefore, we recommend that the Tribe embark upon an educational campaign targeting the above sources of land base erosion. Immediate action to target sources of land erosion will not only benefit the Tribe's long-term efforts to buy back its land, but will also greatly benefit Tribal members who depend on land sales and leases to survive.

⇒ **Recommendation B: Take immediate steps to protect the land acquisition fund.**

Land is currently purchased using the \$10 million set aside through the Coal Severance Tax. When initially established, the Tribe was supposed to keep the \$10 million principal intact and use only the interest. Due to the absence of a formal process and written land acquisition guidelines, both the principal and the interest have diminished.

Recently, the Tribe used \$5 million of the principal to buy the Soap Creek Ranch. This has translated into fewer funds. In addition, the BIA, which has the authority to place land into Trust, will not place the Soap Creek Ranch into trust until the Tribe submits a land management and consolidation plan. In the meantime, the Tribe is taxed on the revenue the ranch generates. *In sum, existing Tribal funds are dwindling.*

The Tribe can also tap other sources of revenue to purchase land. First, the 107th Meridian Settlement states that the Tribe must set aside a portion of fund for land acquisition. However, the Tribe has not formally earmarked a specific amount. Second, the leasing of Tribal Trust lands may generate revenue. The Tribe, however, has not officially designated the use of these leasing revenues.

Therefore, we recommend that the Tribe stop all land purchases until it has developed and established formal structures, policies, and processes for land acquisition. A formal investment policy will allow the Tribe to make cost-effective decisions when buying land. Given that Tribal funds are limited, it is critical that the Tribe manage its investments wisely. In case it is not possible to enact a Tribal Resolution, the Tribal Chairperson needs to set the temporary moratorium as official Tribal policy.

Furthermore, we recommend that, in the interim, the Tribe contract out the management of its land acquisition fund. Currently, the Tribe lacks financial management expertise to make investment decisions. It should initially begin by contracting out small amounts of its funds. In this way, the Tribe can protect itself against massive loss or misuse of funds. While the funds are contracted out, the Tribe should send one member of the Tribal Government for further training in financial management. This person will then be responsible for working with the external fund managers and training of an internal team of investment managers.

Finally, we recommend that the Tribe earmark specific amounts of the Settlement and leasing revenues for the purpose of land acquisition.

⇒ **Recommendation C: Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes.**

Currently, BIA employees perform many of the processes involved in the leasing and sale of land. As discussed in Section One, the current institutional systems of acquisition, sale, and leasing result in dependency, redundancy, and politicization. We therefore recommend that the Tribal Government take control of its realty functions. In order to do so, the Tribe should establish a Real Estate Office (REO). We suggest that the realty functions of the BIA be transferred to the Tribal Government. The Tribal Government should immediately begin negotiations regarding the transfer procedure. However, *the Tribal Government does not have to rely on the transfer of BIA functions to implement an effective land acquisition and management program. The Tribal Government can take action immediately.* The Government should hire a consultant through a short-term contract to initiate the process of establishing an REO. This consultant should oversee the implementation of the land acquisition and management policies outlined in Operations Manual B while contracting out technical functions as necessary.

A Tribal Real Estate Office should have the following objectives:

1. Create an efficient process.
2. Allow the Tribal Government to take control of its own decision making with regard to land.
3. Develop land-related expertise within the Tribal Government.
4. Effectively link the technical and political components of the decision-making process.

1. CREATING AN EFFICIENT PROCESS

The current processes of land leasing and acquisition are extremely inefficient. Most land related processes originate at the BIA Realty Office. Once claims and/or applications are prepared and reviewed, they must travel to the Tribal Government for processing and approval prior to returning to the BIA Realty Office for further processing and implementation. The current process results in the repetition of certain steps and also in significant delays. Creating a Tribal REO would allow all claims to be processed in one place and subject to review by the BIA where necessary.

2. TAKING CONTROL OF DECISION MAKING

Currently, the BIA conducts a number of critical processes on behalf of the Tribe. However, BIA decisions do not reflect Tribal goals and needs. Bringing the realty functions under the control

of the Tribal Government would allow the Tribe to direct activities. In addition to having direct control over its processes, the Tribe would be fully accountable for the outcome of its decisions.

### 3. BUILDING TECHNICAL EXPERTISE

The creation of an REO would allow the Tribe to build necessary land-related expertise and conduct long-term planning. Currently, the Land Resource Committee is comprised of elected officials who hold office for a period of one year. Because their terms are short, committee members are unable to build up significant expertise. As explained below, the Tribe should create an REO because the roles performed by elected officials are not the same as those of civil servants with technical expertise.

### 4. LINKING TECHNICAL AND POLITICAL ROLES

As an elected body, the Land Resource Committee (LRC) is responsible for representing the needs of the Crow people. It should therefore not be involved with the technical processes of acquisition and management. Instead, the LRC should be responsible for setting the goals and objectives of the REO in conjunction with the REO Director and for approving decisions made by REO staff. The REO would create a more effective link between the technical and political aspects of decision making by ensuring that decisions regarding land fall within the broader objectives of the Crow Tribe and have a technical foundation.

See the Operations Manual A for a detailed explanation of the scope, structure, and functions of the REO.

⇒ ***Recommendation D: Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes.***

The Tribe currently lacks a Land Use Management and Planning Office. A comprehensive planning program requires an examination of all current uses of lands within the reservation and a preparation of a map exhibiting how the Tribe should or should not use these lands in the long-term. A planning program will serve important functions for the Tribe.

First, a planning program guides development. The plan should be used to inform major Tribal decisions such as acquisition and zoning. For example, the decision to buy a plot of land should be considered in light of the Tribe's long-term, comprehensive development plan. Using the plan, decision makers can determine the preferred use of a plot of land, how it fits into the Tribe's long-term goals, and, therefore, whether it is of value. Without a comprehensive planning program, the Tribe may sponsor projects whose purposes conflict or which do not make the best use of limited funds. For example, the Tribe's proposal to purchase a large ranch for \$2 million may seem like a great deal, considering the size and market value of the ranch. When this decision is set against the planning program, however, this proposal may seem like a waste of valuable funds—that money could be better used by buying a small plot of land next to a major highway to establish a badly needed and potentially lucrative gas station. Therefore, a plan can prevent needless waste of precious resources.

A planning program can also mobilize political support. A good planning program employs the efforts of other governmental bodies, businesses, community organizations, and Tribal members. The input of these groups can yield critical political support for both the Tribal planning program and Tribal decisions emanating from it.

However, it is not sufficient to merely have a planning program—the Tribe must also set up an office with a formal structure, written policies, and standardized processes. Such an office is important for the following reasons:

- Instills professionalism in the employees of the Tribal Government
- Ensures that the Tribe's needs are assessed continuously and not on an ad hoc basis
- Insulates the planning process from bureaucratic turnovers resulting from elections
- Provides continuity in the Tribal decision making process which is critical for long term decision making
- Guarantees better understanding of overall Tribal land use practices
- Enables the Tribe to manage land uses more effectively and efficiently
- Informs land acquisition and zoning decisions
- Legitimizes the Tribal government in the eyes of the BIA and allows the Tribe to assert sovereignty more effectively
- Legitimizes the efforts and decisions of the Tribal Chairperson

Therefore, we recommend that the Tribe set up a Land Use Management and Planning Office by May 1998. See Operations Manual C for details regarding the Land Use Management and Planning Office.

⇒ ***Recommendation E: Implement long-term steps to ensure all Tribal activities are directed towards Tribal goals***

It is important that the Tribe focuses its energy and resources to activities that will not only help fulfill Tribal goals in the short term, but also in the long term. We have defined three goals around which the Tribe should rally its resources in the longer term. They are as follows:

1. Define and communicate the long-term Tribal Mission and Objectives
2. Establish a civil service system
3. Build the technical and management skills base

These recommendations are not controversial. From the interviews we conducted and studies we read, it appears that many Tribal Members would agree with the letter and intent of these recommendations. In addition, carrying out these recommendations effectively can be a useful campaign tool for the Tribal Chairperson.

1. DEFINE AND ARTICULATE THE LONG-TERM TRIBAL MISSION AND OBJECTIVES

The long-term vision is important for several reasons. First, it instills in Tribal government workers a sense of purpose, ownership and pride.

Second, it can serve as an effective political tool. By appealing to common desires and concerns, Tribal members can feel connected to the purposes and activities of the Tribal Government and leadership. Thus, it justifies the existence of the Tribal Government, lending it legitimacy.

Third, a mission statement can serve as the foundation for establishing benchmarks of success. From this vision emanates the specific objectives which function as criteria for project selection and benchmarks for project evaluation.

## 2. ESTABLISH A CIVIL SERVICE SYSTEM

Currently, the Tribal Chairperson appoints a majority of Tribal Government employees. There is no formal civil service system. We recommend that the government establish a civil service system consisting of trained Tribal employees, organizational structures with formal authority and objectives, consistent processes, and written policies. It is critical that the civil service system does not turn over every two years as a result of elections.

Establishing a civil service system in the Tribal Government is important for several reasons. First, it provides the foundation for a more efficient and effective government. By reserving certain positions for civil servants rather than elected officials, it is possible to develop "expert" bureaucrats who become highly versed in a certain specialty area. Some civil service positions require technical expertise and thus selection for positions should be based purely on merit and ability. Also, a civil service system fosters stability which contributes to the efficiency and efficacy of a government. Furthermore, it allows for a greater degree of objectivity in carrying out functions.

Second, a civil service system encourages professionalism. Civil service positions, because of their favorable health and pension plans, are often perceived as desirable. Thus, a civil service system may attract not only highly skilled Crow members who currently serve in the local Bureau of Indian Affairs, but also those serving outside of the Tribe. This encourages professionalism by expanding the pool from which the Tribal Government may choose its employees.

Third, increased professionalism, stability and effectiveness may increase the confidence of Crow members in the Tribal Government. Several Crow members expressed their enthusiastic support of a civil service system.

Fourth, a civil service system can increase the confidence of the BIA in the Tribal Government. BIA officials dislike the politicization of the Tribe's decision making processes. Their confidence in a trained civil service may allow the Crow Tribe to assert its sovereignty more effectively.

## 3. BUILD THE TECHNICAL AND MANAGEMENT SKILLS BASE

A solid base of highly educated and trained Tribal government employees is an asset to the Tribal government. The Tribal government currently lacks skilled Tribal employees, especially in the areas of land management, investment, real estate appraisal, and planning. Without its own skills base, the Tribe will continue rely on outside entities, such as the BIA, to handle tasks and projects requiring high skills. Therefore, building internal skills lays the groundwork for the Tribe to assert sovereignty. Finally, building an internal skills base could be cheaper for the Tribe in the long run. As the Tribe is very aware, it is extremely expensive to contract out technical expertise.

### III. QUALIFICATIONS

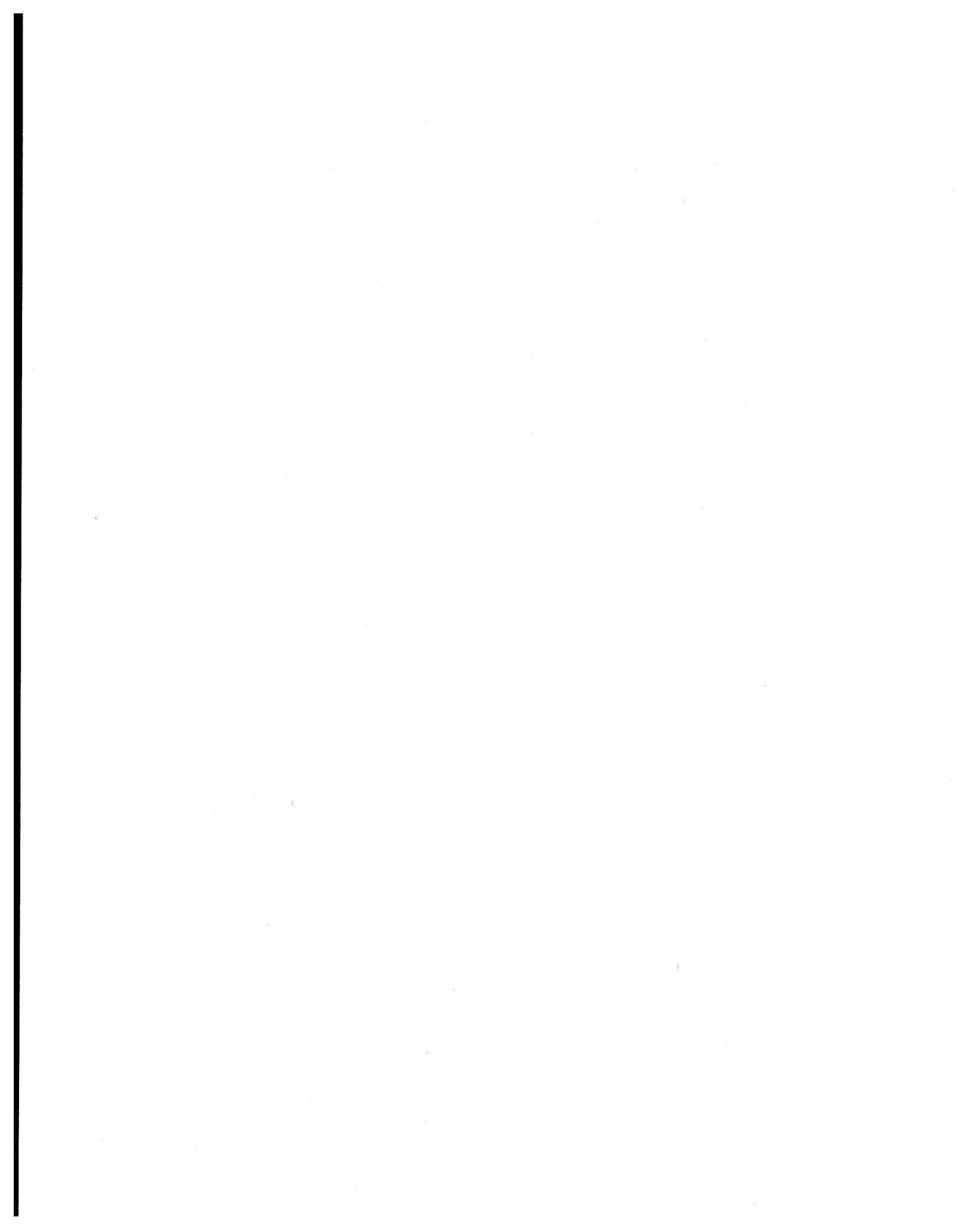
---

#### A. *Land held in Trust*

We have conducted our analysis on the assumption that, once the Tribe buys land, it will convert it into Trust land. However, an issue to be addressed in the long term, both by the Crow and other Tribes, is that if the Tribe truly desires to assert sovereignty, then it may not want the US Government to act as its Trustee.

**B. *Land as Collateral for Individuals***

Tribal ownership of the land within its boundaries offers significant advantages in terms of centralized planning and provision for Tribal needs. However, the Tribe should analyze the effects of its decisions on individual Tribal members. For example, how does Tribal ownership of land affect the ability of individual Tribal members to own land or access land as a source of collateral for loans? What strategies is the Tribe willing to employ to address potential problems? For example, does the Tribe wish to provide homes for members, establish its own financing mechanisms, or provide better access to external financing mechanisms?



## SECTION THREE — THE ACTION PLAN

### *Implementing Recommendations*



**Contents of Section Three:**

- I Overview of the Action Plan
- II Implementing the Action Plan
- III Checklist
- IV. The Action Plan
  - A. Take immediate steps to prevent further erosion of the land base
  - B. Take immediate steps to protect the land acquisition fund
  - C. Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes
  - D. Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes
  - E. Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals

## **I. OVERVIEW OF THE ACTION PLAN**

---

The purpose of this Action Plan is to assist the Tribe in implementing the five recommendations.

We suggest that the Tribe implement the Action Plan with care. Unexpected situations and circumstances always arise; therefore, the Tribe should scrutinize the recommended action steps on an on-going basis to determine applicability and feasibility. Also, while we have taken careful steps to ensure that the most important issues are addressed, we may have left out certain action steps.

Part II consists of a timeline to assist the Tribe in implementing the Action Plan. Underneath each recommendation is a line charting the start date (indicated by a solid circle) and completion date (indicated by a solid diamond) for implementing the recommendation. Part III contains a checklist that briefly catalogues the resources and action steps necessary to execute the five recommendations. Part IV contains a detailed description of the resources and actions listed in Part III, as well as implementation issues that the Tribe should bear in mind throughout the process.

Detailed descriptions of Recommendation C, establishing the Real Estate Office (REO) and adopting its policies, can be found in Operations Manual A and Operations Manual B, respectively. These manuals follow Section Three of this report. Detailed descriptions of Recommendation D, establishing the Land Use Management and Planning Office (LUMPO) and adopting its policies, can be found in Operations Manual C of this report.

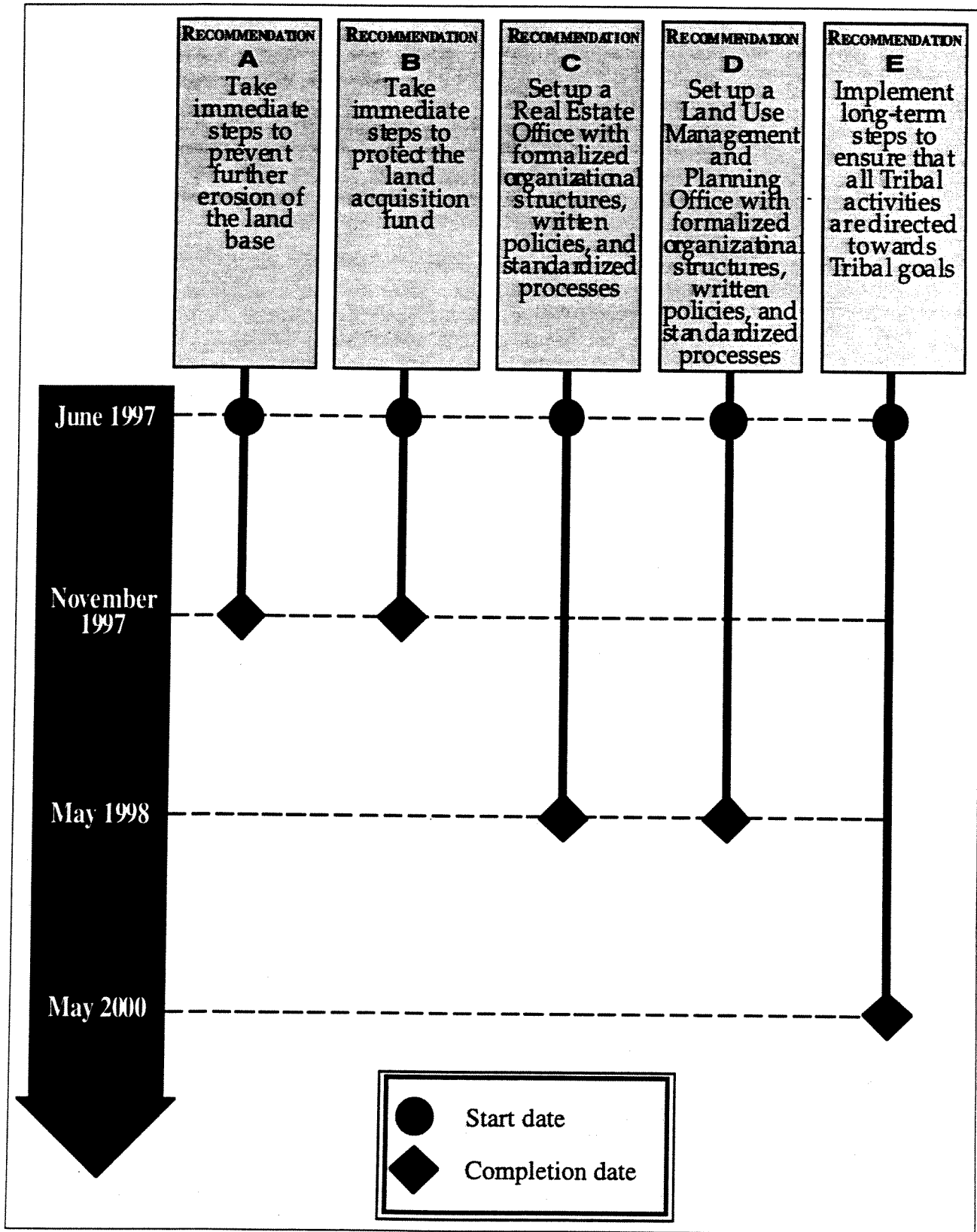
## **II. IMPLEMENTING THE ACTION PLAN**

---

Although the Action Plan allows for differing completion dates for the recommendations, it is critical that the Tribe begin to implement each one immediately. Recommendations A & B should be initiated immediately and completed by the beginning of November 1997. Recommendations C & D should also be initiated immediately and completed by May 1998. Recommendation E should also be executed immediately to ensure that the beneficial effects of the above recommendations are sustained in the long-term.

We suggest start and completion dates according to both practical feasibility and the Chairperson's election cycle. We feel that it is important that the Tribe completes Recommendations A, B, C & D by the next election cycle, in case the present Chairperson does not retain her office. Although it is important that Recommendation E is completed soon, we do not think that it can be successfully implemented within this term; however, the Tribe should complete the recommendation by the end of the next election cycle.

**Table 3-1. Timeline to Implement Five Recommendations**



### III. CHECKLIST

We have prepared the following checklist to facilitate the implementation process. We recommend that the Tribe check off each item upon completion to record and chart the Tribe's progress. Items in this checklist are further elaborated in the next section.

**Table 3-2. Checklist of Necessary Resources and Actions**

RECOMMENDATION	RESOURCES	ACTIONS
<input type="checkbox"/> Take immediate steps to prevent further erosion of the land base	<input type="checkbox"/> One coordinator <input type="checkbox"/> Detailed information on will preparation <input type="checkbox"/> Detailed information on current land sales and leasing process <input type="checkbox"/> Office with equipment such as phone, computer, fax, internet, copier <input type="checkbox"/> Part-time volunteers	<input type="checkbox"/> Allocate coordinator presently employed in the Tribal Government <input type="checkbox"/> Recruit and train volunteers <input type="checkbox"/> Develop the Land Education and Assistance Program (LEAP) <input type="checkbox"/> Develop the Land Acquisition Vision Statement (Vision) of the Tribal Government <input type="checkbox"/> Mobilize support for LEAP by communicating the Vision <input type="checkbox"/> Pass resolution to endorse LEAP & the Vision <input type="checkbox"/> Implement LEAP
<input type="checkbox"/> Take immediate steps to protect the land acquisition fund	<input type="checkbox"/> External investment management services <input type="checkbox"/> Newsletters <input type="checkbox"/> External opinions on investment management proposals <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Enact temporary moratorium on all Tribal land acquisitions <input type="checkbox"/> Contract outside investment management firm <input type="checkbox"/> Communicate the Tribal Land Acquisition Vision (Same Vision as in Rec. A) <input type="checkbox"/> Upon creation of a Real Estate Office, lift temporary moratorium on land acquisitions
<input type="checkbox"/> Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes	<input type="checkbox"/> Full-time outside consultant <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire consultant to manage transition process <input type="checkbox"/> Negotiate transfer of BIA functions by Tribe <input type="checkbox"/> Put policies and procedures into place <input type="checkbox"/> Take over BIA functions <input type="checkbox"/> Review, revise, update, implement
<input type="checkbox"/> Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes	<input type="checkbox"/> Professional planner <input type="checkbox"/> BIA Land Services & Cartography services <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire professional planner <input type="checkbox"/> Pass resolution <input type="checkbox"/> Create the Land Use Management and Planning Office <input type="checkbox"/> Meet with REO and the Zoning Department <input type="checkbox"/> Meet with stakeholders <input type="checkbox"/> Produce the long-term "Plan" <input type="checkbox"/> Implement regularized communication channels <input type="checkbox"/> Review, revise, update, implement

RECOMMENDATION	RESOURCES	ACTIONS
<input type="checkbox"/> Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals	<input type="checkbox"/> Services of a communications specialist <input type="checkbox"/> Cooperation of LUMPO <input type="checkbox"/> Cooperation of the key education stakeholders <input type="checkbox"/> External mgmt consultant	<input type="checkbox"/> Define and communicate the long-term Tribal mission and objectives <input type="checkbox"/> Establish a civil service system <input type="checkbox"/> Build the technical and management skills base

#### IV. THE ACTION PLAN

The following are detailed descriptions of each item from the previous checklist. The plan is divided into the five recommendations. Each recommendation is further divided into two sections: (1) Resources, People, and Equipment and (2) Step-by-Step Actions.

⇒ **Recommendation A: Take immediate steps to prevent further erosion of the land base.**

<b>START DATE:</b>	Beginning of June 1997
<b>COMPLETION DATE:</b>	Beginning of November 1997

##### 1. Resources, People, and Equipment

RESOURCE	DETAILED DESCRIPTION
1. One Full-time Coordinator	Qualifications of the Coordinator <ul style="list-style-type: none"> <li>• Experience with community organizing</li> <li>• Familiarity with Crow language and culture</li> <li>• Extensive knowledge of and experience with will preparation and the land sale and lease processes</li> <li>• Excellent writing, organizational, and management skills</li> </ul>
2. Part-time Volunteers	Qualification of volunteers <ul style="list-style-type: none"> <li>• Familiarity with Crow language and culture</li> </ul>
3. Detailed information on will preparation	Blank copy of "Indian Will Under the Act of June 25, 1910, As Amended by the Act of February 14, 1913" is located in the Appendix
4. Detailed information on current land sales and leasing processes	BIA forms and instructions on these processes are located in the Appendix
5. Chairperson's endorsement	Important to secure necessary financial and institutional resources
6. Office space	One office space to share with the REO
7. Equipment	Phone, Computer, Chalkboard, Desk; and Access to Copier, Fax, Internet, Printer. Access to Tribal vehicle

2. *Step-by-Step Actions*

ACTION	DETAILED DESCRIPTION
<p>1. Hire a full-time coordinator to implement Recommendation A and provide that staff person with a physical office</p>	<p>1. Role of coordinator</p> <ul style="list-style-type: none"> <li>• Recruit and train volunteers to assist in the land sales and leasing negotiations process and to help members prepare wills</li> <li>• Develop the Land Education and Assistance Program (LEAP)</li> <li>• Mobilize support for LEAP</li> <li>• Implement LEAP</li> </ul>
<p>2. Recruit and train volunteers</p>	<p>2. Role of Coordinator</p> <ul style="list-style-type: none"> <li>• Train volunteers</li> <li>• Inform volunteers where Members can get technical expertise in these areas</li> <li>• Obtain BIA list of all Tribal members currently in the process of selling or releasing land</li> <li>• Assess which Tribal members need assistance through the processes</li> </ul> <p>3. Role of volunteers</p> <ul style="list-style-type: none"> <li>• Educate all Tribal members currently in the process of selling or leasing land about their rights and the process</li> <li>• Educate the sick and elderly about the importance of wills and how to prepare them</li> <li>• Provide information on where Tribal members may turn to get more technical information</li> <li>• Mobilize support for LEAP and the Vision (see below)</li> </ul>
<p>3. Develop the Land Education and Assistance Program (LEAP)</p>	<p>4. Purpose of LEAP</p> <ul style="list-style-type: none"> <li>• To prevent the further draining of the current land base through Tribal education programs and consulting services</li> </ul> <p>5. Scope of LEAP</p> <ul style="list-style-type: none"> <li>• Education on the property rights of land owners</li> <li>• Education on the land leasing and sales processes</li> <li>• Education on the purpose of writing wills</li> <li>• Education on how to prepare wills</li> <li>• Assistance during sales and leasing negotiations</li> <li>• Assistance in preparation of wills</li> <li>• Matching interested Members with outside sources of technical expertise</li> </ul>
<p>4. Develop the Land Acquisition Vision Statement of Tribal government</p>	<p>6. Purpose of the Vision Statement</p> <ul style="list-style-type: none"> <li>• To communicate the land acquisition goals and objectives of the Tribe and to legitimize</li> </ul>

ACTION	DETAILED DESCRIPTION
	<p>the Tribal Government's efforts with regard to land acquisition</p> <p>7. Elements of the Vision Statement</p> <ul style="list-style-type: none"> <li>• Statement of Tribal goals and objectives with regard to land acquisition</li> <li>• The importance of LEAP and its purpose and objectives</li> <li>• Emphasize: Everyone wants Tribal control of the land within the reservation boundaries and, therefore, has a stake in ensuring the successful achievement of Tribal goals and objectives—instill sense of responsibility through an emotional plea</li> <li>• Provide the significant positive and negative consequences if every Tribal member does or does not contribute</li> <li>• Support for the establishment of the REO and the LUMPO</li> </ul>
<p>5. Mobilize support for LEAP and the Tribal Land Acquisition Vision Statement</p>	<p>8. Purpose for mobilizing support</p> <ul style="list-style-type: none"> <li>• To ensure passage of Tribal resolution to support LEAP and to provide popular support base for the Tribal Land Acquisition Vision Statement</li> </ul> <p>9. Means for mobilizing support</p> <ul style="list-style-type: none"> <li>• Tribal Chairperson communicates Tribal Land Acquisition Vision Statement in each district</li> <li>• Land Resources Committee representative conducts meetings in every district to garner support for the Vision and Program and to get feedback from Tribal members</li> <li>• Use heads of clans to communicate LEAP and Vision</li> <li>• Tribal-wide newsletter to communicate LEAP and Vision</li> <li>• Place informational brochures in BIA office and other high profile locations like grocery stores and post offices</li> </ul>
<p>6. Pass Resolution to endorse LEAP and Tribal Land Vision formally and to secure money and resources to implement LEAP</p>	<p>10. Purpose of the Resolution</p> <ul style="list-style-type: none"> <li>• To provide support for LEAP fiscally and formally</li> <li>• To place the Vision into writing</li> <li>• To legitimize LEAP and the Vision</li> </ul> <p>11. Elements of the Resolution</p> <ul style="list-style-type: none"> <li>• Explicit financial contribution to implement and sustain LEAP</li> <li>• Explicit endorsement of the Vision</li> <li>• Explicit endorsement of LEAP and its objectives</li> </ul>
<p>7. Implement LEAP</p>	<p>12. Possible Forms of LEAP</p> <ul style="list-style-type: none"> <li>• Regular workshops in every district</li> </ul>

ACTION	DETAILED DESCRIPTION
	<ul style="list-style-type: none"> <li>• Periodic "clinics", matching up volunteers with Members</li> <li>• Informational clinic where Members can stop by with questions or can request assistance</li> <li>• Door-to-door campaigns</li> <li>• Mini-conferences</li> </ul> <p>13. Things to consider in the future</p> <ul style="list-style-type: none"> <li>• Establishing measurable benchmarks to monitor progress</li> <li>• Working with Little Bighorn College to institute regular classes and workshops</li> <li>• Hiring staff with technical expertise (appraisals and wills)</li> <li>• Being absorbed into the REO</li> </ul>

### 3. Implementation Issues

There are two potential sources of opposition in implementing Recommendation A: the BIA and Crow culture. First, some of the action steps suggested currently fall within the jurisdiction of the BIA Realty Office. For example, it is currently the function of a BIA staff person to provide assistance with the leasing process. The BIA may therefore resist the creation of a program to perform such functions. At the same time, some BIA staff welcome increased involvement of the Tribe in managing their own affairs. When establishing the program, it is therefore important that Tribal leadership work closely with BIA staff to build upon their existing expertise and good will and to encourage their input.

Second, some Crow feel that the process of writing wills counters their cultural beliefs. At the same time, preservation of the land base is critical to Crow cultural preservation. The LEAP coordinator should therefore try to design a program based upon commonalities between these beliefs.

Other potential problems include accessibility and mobilizing volunteers. First, the Crow Reservation is very large and it will be difficult for staff of the education program to access those Crow living in remote areas. Second, it may initially be difficult to convince Tribal members to volunteer their services to this program. On the other hand, given the high rate of unemployment on the reservation, there does exist a pool of Tribal members who have time to commit.

Finally, it is absolutely critical that the Tribal Chairperson extend her full support and endorsement to this program. Without this support, it will be extremely difficult to pass a Tribal Resolution and access necessary human, institutional and financial resources for implementation.

⇒ **Recommendation B: Take immediate steps to protect the land acquisition fund.**

**START DATE:** Beginning of June 1997  
**COMPLETION DATE:** Beginning of November 1997

1. **Resources, People, and Equipment**

RESOURCE	DETAILED DESCRIPTION
1. External investment management services	Qualifications of the investment management firm: <ul style="list-style-type: none"> <li>• Experience and success in managing funds of other tribes</li> <li>• Strong reputation</li> </ul>
2. Newsletters	Purpose <ul style="list-style-type: none"> <li>• To communicate the Vision Statement</li> <li>• To justify the temporary moratorium</li> <li>• To discourage land owners from selling land during temporary moratorium</li> </ul>
3. External opinions on investment management proposals	Purpose <ul style="list-style-type: none"> <li>• To ensure quality of proposals</li> <li>• To obtain technical assessment of proposals</li> <li>• To diminish risk</li> </ul>
4. Tribal Chairperson's endorsement	Ensure that investment strategy has political legitimacy

2. **Step-by-Step Actions**

ACTION	DETAILED DESCRIPTION
1. Enact temporary moratorium on all Tribal land acquisitions.	1. Purpose of the temporary moratorium <ul style="list-style-type: none"> <li>• To ensure the <i>possibility</i> of land purchase in the future</li> <li>• To develop and implement formalized organizational structures, policies, and processes to ensure the most strategic and advantageous land acquisition decisions.</li> </ul> 2. Elements of the Resolution <ul style="list-style-type: none"> <li>• Temporary moratorium on all land acquisitions (a) until the newly created Real Estate Office (Recommendation C) adopts the Cash Management and Investment Policies and (b) until Tribe passes another Tribal Resolution lifting the moratorium</li> <li>• Safety valve clause: establishment of emergency fund to aid small individual land owners</li> </ul>
2. Contract a non-Tribal investment management firm to manage the current	3. Selection of Investment Manager <ul style="list-style-type: none"> <li>• Approach the Top Investment Managing</li> </ul>

ACTION	DETAILED DESCRIPTION
<p><b>"\$10 million" Land Acquisition Fund</b></p>	<p>Firms (Goldman Sachs, Morgan Stanley, JP Morgan, Lehman Brothers, Merrill Lynch).</p> <ul style="list-style-type: none"> <li>• Get advice on who to approach from other Tribes.</li> <li>• Get proposals from several firms and compare them</li> <li>• Get second and third opinions from a trusted expert who will <i>not</i> be the investment manager (for example, other investment firm, other Tribes or the Harvard Project on Native American Economic Development) on each proposal</li> </ul> <p>4. Scrutinize the proposal</p> <ul style="list-style-type: none"> <li>• Risk averse proposal is the best--safety before yield</li> <li>• See Operations Manual B, Cash Management and Investment Policies, for more information</li> </ul> <p>5. Negotiate the contract</p> <ul style="list-style-type: none"> <li>• Ensure the legality of the contract with Tribal Attorney</li> <li>• Examine the liability clauses and terms of conditions</li> </ul>
<p><b>3. Communicate the Tribal Land Acquisition Vision Statement (Note that this is the same Vision Statement as in Recommendation A)</b></p>	<p>6. Purpose of the Vision</p> <ul style="list-style-type: none"> <li>• To justify the temporary moratorium</li> </ul> <p>7. Elements of the Vision</p> <ul style="list-style-type: none"> <li>• Communicate the limitation on funds</li> <li>• Stress the positive—holding off purchases now will result in more money to purchase land in the long run</li> <li>• Discuss the Safety Valve—that the Tribe will establish an emergency fund for small landowners</li> <li>• Discourage Tribal land owners from selling land to non-Members during the Moratorium through the use of "for the betterment of the Tribe" and other emotional pleas.</li> </ul> <p>8. Communicating the Vision</p> <ul style="list-style-type: none"> <li>• See suggestions set forth in Recommendation A, Action #5.</li> </ul>
<p><b>4. Upon the newly created Real Estate Office's adoption of the Cash Management and Investment Policies, Lift the temporary moratorium on Tribal land acquisitions</b></p>	<p>9. Purpose of Lifting the Temporary Moratorium</p> <ul style="list-style-type: none"> <li>• To resume Tribal acquisition of land by authorizing the REO to make land acquisition decisions</li> </ul> <p>10. When to lift the temporary moratorium</p> <ul style="list-style-type: none"> <li>• Establishment of the REO (See Recommendation C and Operations Manual A and B)</li> <li>• Management of funds are contracted out with a reliable investment manager</li> <li>• Adoption of the investment strategy</li> </ul>

ACTION	DETAILED DESCRIPTION
<p>5. Enact Temporary Moratorium on all Tribal land acquisitions.</p>	<p>11. Purpose of the temporary moratorium</p> <ul style="list-style-type: none"> <li>• To ensure the <i>possibility</i> of land purchase in the future</li> <li>• To develop and implement formalized organizational structures, policies, and processes to ensure the most strategic and advantageous land acquisition decisions.</li> </ul> <p>12. Elements of the Resolution</p> <ul style="list-style-type: none"> <li>• Temporary moratorium on all land acquisitions (a) until the newly created Real Estate Office (see actions under Recommendation C) adopts the Cash Management and Investment Policies and (b) until pass another Tribal Resolution lifting the temporary moratorium on Tribal land acquisitions</li> <li>• Specific allocation of 107th Meridian funds and leasing revenues towards land acquisition</li> <li>• Safety valve clause: establishment of emergency fund to aid small individual land owners</li> </ul>

3. *Implementation Issues*

Two potential sources of opposition are Tribal landowners and the Tribal Chairperson. First, Tribal landowners who wish or need to sell their land will not support the temporary moratorium. Tribal leadership should attempt to convince these landowners that the moratorium will assist the Tribe in controlling more of its land base in the future. Second, the Tribal Chairperson may suffer politically from the moratorium if those members who oppose the action are sufficiently vocal. However, many Tribal members with whom we spoke are eager for Tribal leadership to act strategically and take control over Tribal resources. The articulation and implementation of a Land Acquisition Plan may please these members.

There are small landowners whose only alternative is to sell their land. We have addressed this problem by recommending that the Tribe institute a safety valve—the Tribe would set aside some money to aid these people in the interim.

⇒ **Recommendation C: Set up a Real Estate Office with formalized organizational structures, written policies, and standardized processes.**

<b>START DATE:</b>	Beginning of June 1997
<b>COMPLETION DATE:</b>	Beginning of May 1998

1. *Resources, People, and Equipment*

RESOURCE	DETAILED DESCRIPTION
1. Full-time outside consultant	Qualifications of the consultant <ul style="list-style-type: none"> <li>• Expertise in land assessment and transactions</li> <li>• Excellent and demonstrated management, communication, and organizational skills</li> <li>• See Operations Manual A for more details</li> </ul>
2. Office	One shared office room with LEAP
3. Equipment	Computer, Desk, Phone Access to Tribal vehicle, fax, copier, internet
4. Tribal Chairperson's Endorsement	Important to ensure dedication of financial and other resources

2. *Step-by-Step Actions*

(Please see Operations Manuals A and B for more information.)

ACTION	DETAILED DESCRIPTION
1. Hire consultant to manage transition process	1. Role of Consultant <ul style="list-style-type: none"> <li>• Put policies and procedures into place</li> <li>• Streamline existing processes</li> <li>• Act as Director for initial 18 months of project</li> </ul>
2. Negotiate transfer of BIA functions	2. Pass Resolution to allow for the transfer of functions from the BIA 3. Purpose of the Tribal Resolution <ul style="list-style-type: none"> <li>• To allow the Crow Tribal Council to take over the functions of the BIA</li> <li>• To allow the creation of a Real Estate Office (REO)</li> </ul> 4. Elements of the Tribal Resolution <ul style="list-style-type: none"> <li>• Endorse taking over of BIA functions regarding acquisition, leasing, and sales by the newly created REO</li> <li>• Adopt a policy establishing an independent REO which will include REO's objectives, scope, structure, and requirements for evaluation.</li> <li>• Provide financial and other resources to</li> </ul>

ACTION	DETAILED DESCRIPTION
	support REO
<b>3. Put policies and procedures into place</b>	5. Create a Tribal Real Estate Office 6. Adopt and codify Policies: <ul style="list-style-type: none"> <li>• Acquisition Policy</li> <li>• Policy to Contract Out Land Management</li> <li>• Leasing</li> <li>• Cash Management and Investment Policies</li> <li>• Education Policy</li> <li>• Communication Policy</li> </ul> 7. Streamline existing processes 8. Absorb LEAP into the REO
<b>4. Take over BIA functions</b>	9. Transfer of functions from BIA according to the negotiated agreement
<b>5. Review, Revise, Update, Implement</b>	10. Establish regular review and assessment dates 11. How to conduct a review <ul style="list-style-type: none"> <li>• Check if reach benchmarks/objectives for acquiring land</li> <li>• Conduct personnel assessments/reviews</li> <li>• Conduct review of policies—functional areas</li> </ul> 12. Issues to consider when revising and updating Policies <ul style="list-style-type: none"> <li>• Revise policies without undermining the legitimacy of the initial policy</li> <li>• Avoid frequent/ illegitimate/ inappropriate changes</li> </ul> 13. Implement revisions

⇒ ***Recommendation D: Set up a Land Use Management and Planning Office with formalized organizational structures, written policies, and standardized processes.***

<b>START DATE:</b>	Beginning of June 1997
<b>COMPLETION DATE:</b>	Beginning of May 1998

1. *Resources, People, and Equipment*

RESOURCE	DETAILED DESCRIPTION
1. One full-time Professional Planner	Qualifications of the Planner <ul style="list-style-type: none"> <li>• Expertise and experience in Tribal, city or regional planning</li> <li>• Excellent research skills</li> <li>• Architecture and business degrees (or city/regional planning degree)</li> </ul>
2. Services of BIA Land Services, Cartography Department	The current BIA cartographer is highly skilled. The BIA Land Services Office contains mapping equipment which is quite expensive. Therefore, it is in the Tribe's interest to utilize BIA services and equipment until the Tribe can provide for its own.
3. Office	One dedicated office room
4. Equipment	Computer, Desk, Phone, Chalkboard; and Access to Fax, Printer, internet
5. Tribal Chairperson's Endorsement	Important to secure dedication of necessary resources

2. *Step-by-Step Actions*

(See Operations Manual C for more details)

ACTION	DETAILED DESCRIPTION
1. Hire Professional Planner	1. Role of the Planner <ul style="list-style-type: none"> <li>• Create the LUMPO</li> <li>• Develop and implement policies and processes</li> <li>• Conduct meetings with stakeholders</li> </ul>
2. Pass Resolution	2. Purpose of the Resolution <ul style="list-style-type: none"> <li>• To legitimize the LUMPO</li> <li>• To dedicate necessary resources to establish and operate the LUMPO</li> </ul> 3. Elements of the Resolution <ul style="list-style-type: none"> <li>• Provision creating LUMPO as a separate office</li> <li>• Allocation of necessary resources</li> <li>• Endorsement of LUMPO policy which spells out objectives, scope, structure, and requirements for evaluation</li> </ul>

ACTION	DETAILED DESCRIPTION
	4. Mobilizing support for the resolution <ul style="list-style-type: none"> <li>• Through communication of the Vision Statement (See actions under Recommendation A, B &amp; C)</li> </ul>
3. Create the Land Use Management and Planning Office (LUMPO)	5. Adopt and codify policies <ul style="list-style-type: none"> <li>• Planning Program Policy</li> <li>• Intergovernmental Affairs Policy</li> </ul> 6. Implement Procedures and Processes
4. Meet with REO and Zoning Department	7. Purpose of the meetings <ul style="list-style-type: none"> <li>• To initiate the working relationship with these offices/departments</li> <li>• To discuss adopted policies</li> <li>• To get their perspective on future development and land use issues</li> <li>• To begin the planning process</li> </ul>
5. Meet with Tribal members and other stakeholders	8. Purpose of the Meeting <ul style="list-style-type: none"> <li>• To get their perspectives on future development and land use issues</li> <li>• To communicate the vision</li> </ul> 9. Format of Meetings <ul style="list-style-type: none"> <li>• Town Halls</li> <li>• Newsletter Communication</li> <li>• Flyers</li> </ul>
6. Conduct (contract out) research projects	10. Mapping current uses <ul style="list-style-type: none"> <li>• Use BIA Land Services</li> <li>• Use USDA Soil Conservation Survey resources</li> </ul> 11. Mapping current needs <ul style="list-style-type: none"> <li>• Utilize BIA Land Services</li> </ul> 12. Some other issues to research <ul style="list-style-type: none"> <li>• Tribal desires/concerns</li> <li>• Environmentally sensitive areas</li> <li>• Location of utility lines/pipes</li> <li>• Regional market demand and supply</li> <li>• General economic forecast</li> <li>• Demographic and housing forecast</li> </ul> 13. Contract out research services
7. Produce a Long Term Planning Program/Document	14. Purpose of the Planning Program/Document <ul style="list-style-type: none"> <li>• To translate desires and concerns of stakeholders onto map designating uses</li> </ul> 15. Elements of the Planning Program/Document <ul style="list-style-type: none"> <li>• Designates acceptable uses and conditions based on the long term Tribal vision</li> </ul>
8. Implement regularized communication channels with REO, Zoning Department, Tribal Chairperson, Tribal Council, other government bodies, Tribal members.	16. Forms of communication <ul style="list-style-type: none"> <li>• Regular newsletters</li> <li>• Regular meetings with key stakeholders</li> <li>• Mini-conferences</li> </ul>
9. Review, Revise, Update, Implement	17. Same in Recommendation C, Action #5

⇒ **Recommendation E: Implement long-term steps to ensure that all Tribal activities are directed towards Tribal goals**

**START DATE:** Beginning of June 1997  
**COMPLETION DATE:** Beginning of May 2000

1. *Resources, People, and Equipment*

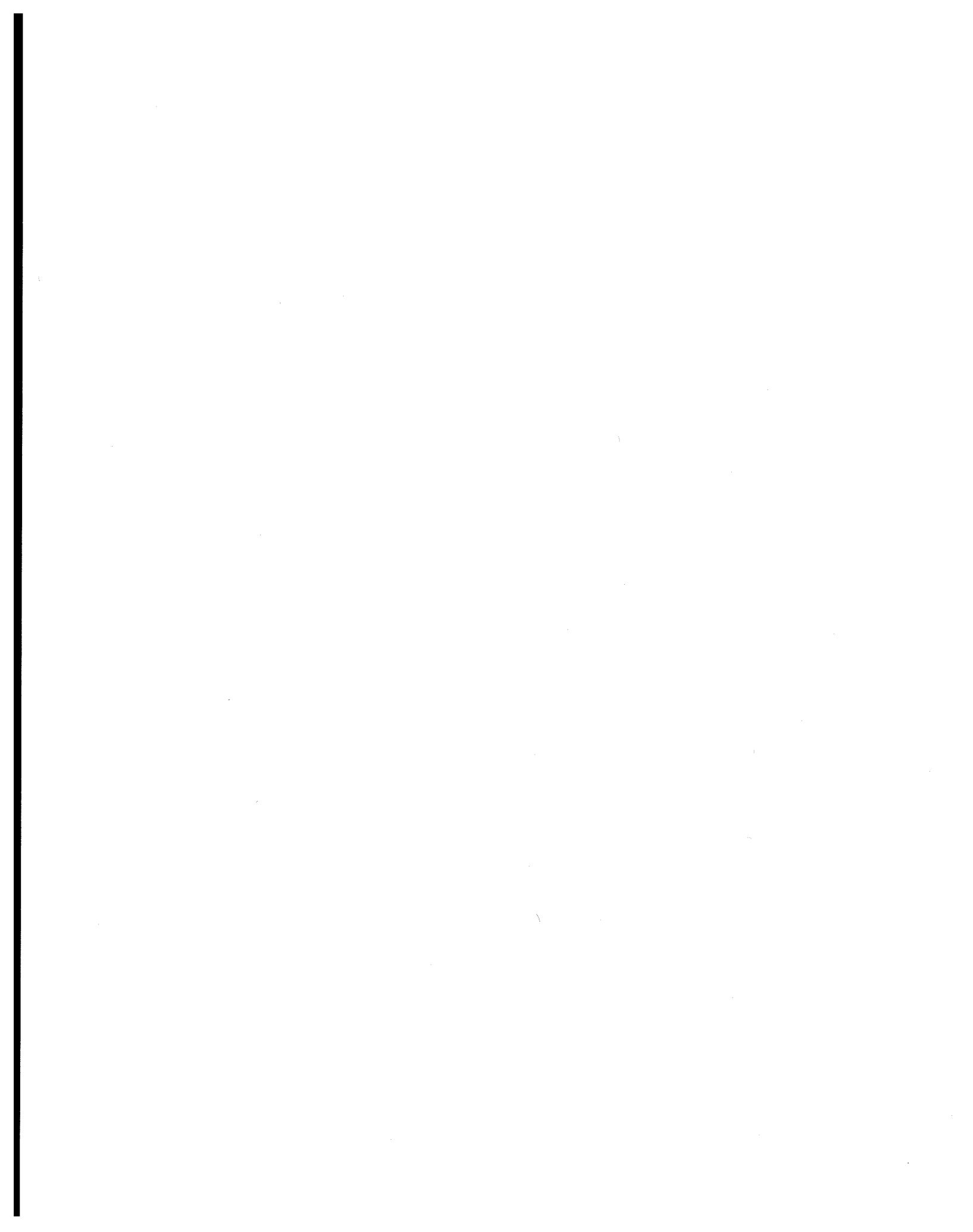
RESOURCE	DETAILED DESCRIPTION
1. Services of a communications specialist	To assist in communicating the Tribal long-term goals Qualifications <ul style="list-style-type: none"> <li>• Familiarity with Crow language and customs</li> <li>• Experience in communications</li> <li>• Excellent written and oral communications skills</li> </ul>
2. Cooperation of the Planning Department	To assist in translating Tribal long-term goals into objectives and guiding Tribal activities and projects towards achieving those objectives
3. Outside Management Consultant	To assist in transitioning the current government structure into a civil service system
4. Cooperation of the Education Committee, Little Big Horn College of Trustees, School Board Members, Tribal Government Personnel Office	To assist in implementing strategies to protect and then build up the current skills base in the Tribal government

2. *Step-by-Step Actions*

ACTION	DETAILED DESCRIPTION
1. Define and Articulate the Long-term Tribal Mission and Objectives	1. Characteristics of the Long-term vision <ul style="list-style-type: none"> <li>• Articulates the purpose of the Tribe;</li> <li>• Is easily understandable to Tribal Members;</li> <li>• Appeals to sentiment of Tribal Members;</li> <li>• Asserts and reinforces important Tribal values; and</li> <li>• Is general, yet specific enough to provide clear direction.</li> </ul> 2. Characteristics of Long-term objectives <ul style="list-style-type: none"> <li>• Practically feasible</li> <li>• Measurable</li> <li>• Politically sustainable</li> <li>• Tied to an evaluation schedule</li> </ul> 3. Steps to take to formulate and articulate long-term goals and objectives <ul style="list-style-type: none"> <li>• Conduct public meetings to understand and compile the different long-term visions</li> </ul>

ACTION	DETAILED DESCRIPTION
	<p>held by Tribal members</p> <ul style="list-style-type: none"> <li>• Tribal Chairperson should articulate own long-term goals formally</li> <li>• Tribal Council should pass a resolution formally articulating the long-term goals</li> <li>• Translate goals into objectives and initiate a public relations campaign to communicate goals and objectives</li> </ul>
<p><b>2. Establish a Civil Service System</b></p>	<p>4. Constitutional Revision</p> <ul style="list-style-type: none"> <li>• Lengthening the current election cycle</li> <li>• Depoliticizing certain key functions such as land acquisition, planning, financial management</li> <li>• Reducing dependency on BIA</li> <li>• Separating powers</li> <li>• Decentralizing authority</li> </ul> <p>5. Characteristics of the Civil Service System</p> <ul style="list-style-type: none"> <li>• Merit-based hiring system</li> <li>• Regular reviews of civil servants structured with a system of rewards and incentives</li> </ul>
<p><b>3. Build the Technical and Management Skills Base</b></p>	<p>6. Formal Educational Scholarship Program for current Tribal Government employees</p> <ul style="list-style-type: none"> <li>• Need to research what educational programs and/or scholarship programs are currently operating (examine the Little Bighorn College, local adult education centers, community centers, national data banks, BIA, Indian training centers across the nation). If they exist, are employees able to attend such programs (examine fiscal and transportation feasibility)</li> <li>• Form of the program—education/training program, scholarship program, rotating internships or apprenticeships</li> <li>• Examine program models employed on other reservations such as the Flathead</li> </ul> <p>7. Tribe-wide Educational Development Program</p> <ul style="list-style-type: none"> <li>• Changing emphasis/curriculum of schools to match needs of the Tribal government</li> <li>• Emphasis on building the following skills: real estate business, appraisal, management, investment, agricultural economics, business, organizational, secretarial, and computer</li> </ul> <p>8. Use of other outside technical expertise</p> <ul style="list-style-type: none"> <li>• Apply for Americorps volunteers</li> <li>• Examine various consulting, management consulting groups who offer pro bono services</li> <li>• International Executive Service Corps Volunteers</li> </ul> <p>9. Other ways to retain and build up current skills</p>

ACTION	DETAILED DESCRIPTION
	<p>base</p> <ul style="list-style-type: none"> <li>• Establish civil service system</li> <li>• Provide attractive incentives</li> <li>• Depoliticize the current government system</li> <li>• Establish/alter personnel policy to encourage employees to take advantage of available scholarships and educational and training programs</li> <li>• Initiate an awareness campaign publicizing currently available scholarships and educational programs</li> <li>• Encourage the Chairperson to give a "pep talk" encouraging employees to raise professional standards.</li> <li>• Recruit at the college</li> <li>• Link Tribal scholarship program to government service</li> <li>• Initiate a nation-wide publicity campaign to recruit Crow or other Native Americans with needed skills</li> </ul>



# OPERATIONS MANUAL A

## *Adopting Policies for the Real Estate Office*

*To Accompany*

**Strategic  
Land Acquisition:  
IMPLEMENTING FORMAL STRUCTURES,  
POLICIES AND PROCESSES FOR  
SUSTAINABLE DECISION MAKING**

**THE CROW TRIBE OF MONTANA**

**APRIL 1997**

**FEYROUZ DAMJI  
SUZANNE KIM**



## Overview

Currently, BIA employees perform many of the processes involved in the leasing and sale of land. The current institutional systems of acquisition, sale and leasing result in dependency, redundancy and politicization. Therefore, the Tribal Government should take steps to manage its realty functions. In order to do so, the Tribe should establish a Real Estate Office (REO). The Tribe should begin the process of establishing an REO by hiring a consultant on short-term contract. This consultant should be able to oversee the implementation of the land acquisition and management policies while contracting out technical functions as necessary. For example, the following services might all be acquired under short-term contracts: an appraiser to conduct technical assessments, a real estate broker to negotiate land acquisitions, and a short-term consultant to develop and initiate implementation of a community education program. In sum, the successful establishment of a Real Estate Office will result in an efficient and consistent sales, acquisition and leasing process, will allow the Tribal government to take control of its own decision making, and will develop necessary land-related expertise within the Tribal government.

## Contents

### *Section One: Overview of the Real Estate Office*

- I Objectives
- II Scope of REO
- III Organizational Structure
  - A. Overview
  - B. Role of Board of Directors
  - C. Role of REO Staff
  - D. Role of REO Director
  - E. Role of BIA
  - F. Role of the Land Resources Committee
  - G. Role of LUMPO

### *Section Two: Establishing the REO*

- I Starting the Process
- II Action Plan
- III Setting Goals and Specifying Objectives
  - A. Why Set Goals and Specify Objectives?
  - B. How to Set Goals and Objectives
  - C. How to Use Goals and Objectives
- IV Discussion of Policies

# SECTION ONE — OVERVIEW OF THE REAL ESTATE OFFICE

## I. OBJECTIVES

---

A Real Estate Office within the Crow Tribal Government will have the following objectives:

1. Create an efficient process
2. Allow the Tribal Government to take control of its own decision making with regard to land
3. Develop necessary expertise within the Tribal Government with regard to land-related issues
4. Effectively link the technical and political components of the decision-making process

### 1. CREATING AN EFFICIENT PROCESS

The current processes of land leasing and acquisition are extremely inefficient. Most land related processes originate at the BIA Realty Office. Once claims and/or applications are prepared and reviewed, they must travel to the Tribal Government for processing and approval prior to returning to the BIA Realty Office for further processing and implementation. The current process results in the repetition of certain steps and also in significant delays. Creating a Tribal REO would allow all claims to be processed in one place and subject to review by the BIA where necessary.

### 2. TAKING CONTROL OF DECISION MAKING

Currently, the BIA conducts a number of critical processes on behalf of the Tribe. BIA decisions do not reflect Tribal goals and needs. Bringing the realty functions under the control of the Tribal Government would allow the Tribe to direct activities. In addition to having direct control over its processes, the Tribe would be fully accountable for the outcome of its decisions.

### 3. BUILDING TECHNICAL EXPERTISE

The creation of an REO would allow the Tribe to build necessary land-related expertise and conduct long-term planning. Currently, the Land Resource Committee is comprised of elected officials who hold office for a period of one year. Because their terms are short, committee members are unable to build up significant expertise. As explained below, the Tribe should create an REO because the roles performed by elected officials are not the same as those of civil servants with technical expertise.

### 4. LINKING TECHNICAL AND POLITICAL ROLES

As an elected body, the Land Resource Committee (LRC) is responsible for representing the needs of the Crow people. It should therefore not be involved with the technical processes of acquisition and management. Instead, the LRC should be responsible for setting the goals and objectives of the REO in conjunction with the REO Director and for approving decisions made by REO staff. The REO would create a more effective link between the technical and political aspects of decision making by ensuring that decisions regarding land fall within the broader objectives of the Crow Tribe and have a technical foundation.

## II. SCOPE OF REO

---

Defining the specific areas for which the office will be responsible is important for two reasons. First, those employees working in the office should understand what they are and are not responsible for. Second, the scope can function as a benchmark for review. The responsibilities that fall within the REO are as follows:

- Develop and implement land acquisition and management strategies.
- Perform the following substantive functions:
  1. Land Acquisition
  2. Land Tenure and Management (Management of Leasing-out Contracts, Business and Homesite Leases, Permits, Deeds, Probates, Collections, Titles and Records, Management of per capita payments, Land Sales, and Appraisals)
- Develop an investment strategy for the land acquisition fund
- Manage the land acquisition fund
- Interact and coordinate with the BIA regarding the sale and leasing of land as well as the transfer of fee land into trust land
- Liaise with the Enrollment Committee
- Develop and implement a community education program
- Communicate the REO's acquisition and management strategy to Tribal members
- Consult with LUMPO to evaluate land acquisition and management proposals according to LUMPO's comprehensive development plan.

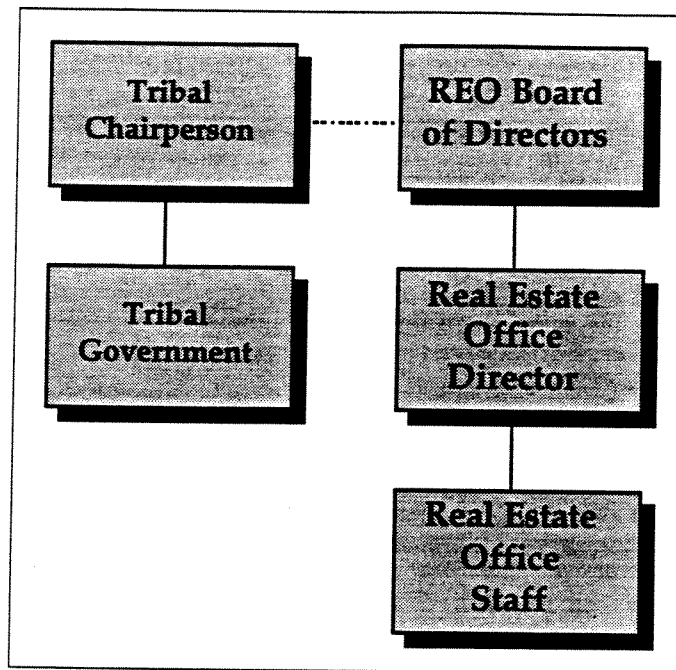
The above list does not imply that separate people be hired to perform each of the above functions. Many of these areas overlap and require coordination. For example, decisions regarding land purchase are heavily reliant upon the assessments of an appraiser. However, the REO is ultimately responsible for the fulfillment of these responsibilities regardless of its personnel structure.

### III. ORGANIZATIONAL STRUCTURE

---

#### A. Overview

Figure A-1. Organizational Structure of the REO



The Tribal Government must determine both external and internal structures for the REO. First, the Government must establish an internal structure; i.e. the internal lines of authority and the number of departments and staff. Second, it must decide what role the office will play within the overall Government structure; i.e. to whom is the office accountable and with which other offices should it communicate.

#### 1. INTERNAL

The Tribal Government does not need to re-invent the wheel in establishing its own Real Estate Office. Instead, when negotiating the transfer of realty functions from the BIA to the Tribal Government, it should adopt those organizational structures, functions and processes that have proven to work well and reform those that have not. In addition, the Tribal Government may, in the course of its negotiations, agree not to lay off immediately any BIA employees as a result of the transition. Therefore, the Realty Office within the Tribal Government will initially look very similar to the current Realty Department within the BIA. The Office will be headed by a Real Estate Office Director who will oversee a number of functional departments.

#### 2. EXTERNAL

It is critical that the Tribal Government be both accountable to legitimate political structures and isolated from unwarranted political interference. Land is a highly politicized issue. The potential benefits that can be attained from purchase, sale or use of land are great. Therefore, the REO will be particularly susceptible to the involvement of interested parties. *It is critical that the office be structured to maintain its legitimacy and to channel external involvement through formal processes.* For the REO to succeed within the Tribal Government it must operate with an extraordinary degree of professionalism. We would therefore propose the establishment of a

semiautonomous Tribal Real Estate Office which is equipped to make informed land-related decisions while remaining accountable to the Tribe's interests. One way in which to achieve this is through a Board of Directors, the role of which is outlined below.

**B. Role of the Board of Directors**

The REO will be accountable to a Board of Directors which, in turn will be responsible to the Tribal Chairperson. The role of the Board of Directors will be to give the REO sufficient direction without interfering in its day-to-day operations. The Board of Directors will consist of a minimum of 5 members and a maximum of 12 members. The Board should be at least two-thirds Tribal members, although the presence of non-Tribal members would be acceptable.

The role of the Board of Directors will be as follows:

- Set goals of the REO in conjunction with the Director
- Approve annual budgets
- Approve operating plans on an annual basis
- Approve all acquisition plans and targets on an annual basis
- Approve changes in any of the above plans as they become necessary
- Cosign any expenditure of Tribal funds over a specified amount
- Oversee the activities of the REO to ensure that any misconduct is immediately addressed by the Chairperson
- Submit to the Tribal Chairperson quarterly reports on REO activities and progress
- Accountable for actions taken by the REO.

Other issues regarding the Board of Directors include:

1. Scheduled Meetings
2. Term of Position
3. Appointment
4. Removal
5. Compensation

1. SCHEDULED MEETINGS:

Quarterly at minimum. Additional/ emergency meetings can be scheduled as necessary

2. TERM OF POSITION

3 year terms. During the first set of appointments, half the Board members will have terms of two years and the other half three years. This is to stagger the changeover of Board members.

3. APPOINTMENT

The Tribal Chairperson will appoint the Board of Directors to create a group which understands the land needs of the Tribe and possesses technical, managerial, and financial skills. A combination of Tribal leaders, financial experts, legal experts, and land experts would be ideal. One space on the Board of Directors should be reserved for a representative of the Land Resource Committee.

#### 4. REMOVAL

The Tribal Chairperson may remove a member of the Board of Directors if he/she exhibits acts of gross misconduct. These are defined as the misuse of Tribal funds or the use of his/her position for personal financial gain.

#### 5. COMPENSATION

The Directors should be provided nominal compensation for meetings attended.

##### *C. Role of the REO Staff:*

The staff of the REO will be accountable to the Board of Directors and will submit their acquisition and operating plans and budgets on an annual basis. In addition, the staff will submit quarterly activity reports to the overseeing authority.

The REO staff will be responsible for the following:

- Setting goals within their functional areas
- Developing operational plans within their substantive areas
- Implementing day-to-day activities
- Submitting activity reports
- Working with other staff members and offices within the Tribal Government and the BIA as necessary

##### *D. Role of the REO Director*

The Director of the REO plays a critical role in directing and overseeing the office, serving as the liaison with other Tribal offices, and serving as the point of ultimate accountability within the REO. The Director must therefore have technical skills with regard to land acquisition and management and must also possess managerial and financial skills. The following list of roles played by the Director represents an attempt to provide the Director with the ability to make quick decisions but operate under specific parameters as defined by the Board of Directors. His/her role will be as follows:

- Make daily spending and operating decisions consistent with the budget and operating plans approved by Board of Directors
- Authorize land acquisition decisions based upon staff assessments and subject to approval of Board of Directors
- Set operational goals, objectives, policies and procedures
- Oversee daily activities of REO staff
- Develop plans regarding acquisition, staffing levels, investment, and technical assistance subject to approval by Board of Directors
- Develop and manage training program for REO
- Hire additional employees according to annual operating plans submitted to Board of Directors
- Cosign (with Board of Directors) on purchases above a specified amount

- Submit office activity reports to Board of Directors including problem areas (both past and foreseen)
- Serve as a conduit between the Tribe and the BIA; keep BIA advised of all activity for which BIA notification is required
- Ensure that BIA is in compliance with agreements between it and the Tribe
- Identify areas for improvement
- Contract for consulting and training services; identify needs for technical assistance and arrange for service provision

Personnel issues regarding the Director of the REO include the following:

1. Term of Position
2. Appointment
3. Removal
4. Compensation
5. Plan of Operation

3 year contract with 6 month probationary period

2. APPOINTMENT

The Director will be appointed by the Board of Directors on the basis of his/her technical, managerial and financial skills. The Director need not be a Tribal member. If he/she is not a Tribal member, a practical and/or academic training program must be put into place to train a Tribal member to take over the position. See Operations Manual B.

3. REMOVAL

The Director can be removed by the Tribal Chairperson when he/she is in violation of contract or has demonstrated incompetence.

4. COMPENSATION

The Director must be offered a competitive salary.

5. PLAN OF OPERATION

The Director must submit an operating plan to the Tribal Authority on an annual basis. The Operating Plan should include:

- Operating budgets
- Capital budgets
- Production levels
- Staffing requirements (including training)

#### *E. Role of the BIA*

Even when the Tribal Government takes over the functions of the BIA Realty Office, the BIA will continue to play a significant role. The US Government holds ultimate jurisdiction over all land transactions regarding Trust land. Therefore, the BIA is ultimately accountable for decisions made by the Tribal Realty Office.

The Crow Tribe has a great deal of power in land transactions because it functions as the single buyer in the market for allotted lands. In addition, since the Crow Tribe buys land, conflicts of interest could emerge because the Realty Office will also be responsible for appraisals. However, the BIA's approval functions allow it to oversee that all transactions are fair and do not take advantage of Tribal members selling their land. Because the BIA, as Trustee of Tribal lands, is ultimately responsible for land transactions, including appraisals, an institutionalized system of checks and balances exists and should be used to protect the interests of Tribal members.

#### *F. Role of the Land Resources Committee*

The Land Resources Committee currently serves as an advisory committee. This role should not change with the establishment of a Tribal Realty Office. Members of the LRC are elected representatives of Tribal districts. Therefore, they should not be responsible for technical assessments and decisions regarding land acquisition and use. However, they are a valuable resource to the Realty Office. Their role should be as follows:

- Convey the interests of their respective districts to the Realty Office
- Communicate the land acquisition strategy and land management plans to Tribal members within their districts
- Assist the Realty Office in obtaining critical information regarding their districts e.g. needs assessments, land values, etc.
- Provide representation on the Board of Directors

#### *G. Role of LUMPO*

The role of the LUMPO in the land acquisition decision making process should be to advise the REO. Specifically, LUMPO's role should be two-fold: (1) to assess REO land purchasing proposals for use or non-use value; and (2) to assess whether the land of interest serves the Tribe's short-term and long-term goals as defined in LUMPO's planning documents. As an advisory body in the land acquisition decision making process, it is important to ensure in writing that LUMPO's role is advisory and not decision maker.

# SECTION TWO — ESTABLISHING THE REO

## I. STARTING THE PROCESS

We recommend that the Tribal Government immediately initiate the process of establishing an REO. In order to do so, we suggest that the Government contract the services of a consultant. The role of the consultant will be as follows:

- Conduct negotiations with the BIA in conjunction with Tribal Chairperson and other relevant Government structures
- Further conceptualize the role of the REO
- Set up the REO
- Begin streamlining processes to eliminate redundancy
- Act as Director of the REO until a permanent director has been recruited and employed

The consultant should have excellent managerial skills, a strong understanding of the technical aspects of land acquisition and management, and a strong foundation in financial management.

## II. ACTION PLAN

**Table A-1. Checklist of Necessary Resources and Actions**

RECOMMENDATION	RESOURCES	ACTIONS
<b>SET UP A REAL ESTATE OFFICE WITH FORMALIZED ORGANIZATIONAL STRUCTURES, WRITTEN POLICIES, AND STANDARDIZED PROCESSES</b>	<input type="checkbox"/> Full-time outside consultant <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire consultant to manage transition process <input type="checkbox"/> Negotiate transfer of BIA functions by Tribe <input type="checkbox"/> Put policies and procedures into place <input type="checkbox"/> Take over BIA functions <input type="checkbox"/> Review, revise, update, implement

**Table A-2. Resources, People, and Equipment**

RESOURCE	DETAILED DESCRIPTION
<b>1. Full-time outside consultant</b>	Qualifications of the consultant <ul style="list-style-type: none"> <li>• Expertise in land assessment and transactions</li> <li>• Excellent and demonstrated management, communication, and organizational skills</li> <li>• See Operations Manual A for more details</li> </ul>
<b>2. Office</b>	One shared office room with LEAP
<b>3. Equipment</b>	Computer, Desk, Phone Access to Tribal vehicle, fax, copier, internet
<b>4. Tribal Chairperson's Endorsement</b>	Important to ensure dedication of financial and other resources

**Table A-3. Step-by-Step Actions**

ACTION	DETAILED DESCRIPTION
1. Hire consultant to manage transition process	1. Role of Consultant <ul style="list-style-type: none"> <li>• Put policies and procedures into place</li> <li>• Streamline existing processes</li> <li>• Act as Director for initial 18 months of project</li> </ul>
2. Negotiate transfer of BIA functions	2. Pass Resolution to allow for the transfer of functions from the BIA 3. Purpose of the Tribal Resolution <ul style="list-style-type: none"> <li>• To allow the Crow Tribal Council to take over the functions of the BIA</li> <li>• To allow the creation of a Real Estate Office (REO)</li> </ul> 4. Elements of the Tribal Resolution <ul style="list-style-type: none"> <li>• Endorse taking over of BIA functions regarding acquisition, leasing, and sales by the newly created REO</li> <li>• Adopt a policy establishing an independent REO which will include REO's objectives, scope, structure, and requirements for evaluation.</li> <li>• Provide financial and other resources to support REO</li> </ul>
3. Put policies and procedures into place	5. Create a Tribal Real Estate Office 6. Adopt and codify Policies: <ul style="list-style-type: none"> <li>• Acquisition Policy</li> <li>• Policy to Contract Out Land Management</li> <li>• Leasing</li> <li>• Cash Management and Investment Policies</li> <li>• Education Policy</li> <li>• Communication Policy</li> </ul> 7. Streamline existing processes 8. Absorb LEAP into the REO
4. Take over BIA functions	9. Transfer of functions from BIA according to the negotiated agreement
5. Review, Revise, Update, Implement	10. Establish regular review and assessment dates 11. How to conduct a review <ul style="list-style-type: none"> <li>• Check if reach benchmarks/objectives for acquiring land</li> <li>• Conduct personnel assessments/reviews</li> <li>• Conduct review of policies—functional areas</li> </ul> 12. Issues to consider when revising and updating Policies <ul style="list-style-type: none"> <li>• Revise policies without undermining the legitimacy of the initial policy</li> <li>• Avoid frequent/ illegitimate/</li> </ul>

ACTION	DETAILED DESCRIPTION
	inappropriate changes 13. Implement revisions

### III. SETTING GOALS AND SPECIFYING OBJECTIVES

- What targets can the Crow Tribe's Real Estate Office set and meet by the end of 1 year? By the end of 5 years?
- Are they attainable goals?
- Has the REO achieved its goals at the end of 1 year? At the end of 5 years?

#### A. Why Set Goals and Specify Objectives?

The establishment of goals is critical for four reasons. First, the managers and staff of the office will have targets which will inform the development of its policies and programs. The REO can then evaluate the potential of proposed programs based upon their compatibility with office goals. Second, goals can be translated into objectives. Objectives serve as a benchmark when reflecting back upon the accomplishments of the office and the activities of its staff. Objectives allow the Tribal government to monitor and evaluate its progress. Because they are measurable, the Tribe can monitor how close it is to achievement and re-evaluate if it is off-base. Clear objectives serve as the foundation for an evaluation process, serving as benchmarks by which the Tribal Government can evaluate what the office has achieved. Third, goals and objectives will assist in the *budgeting* process. Funds can be targeted towards specific areas based upon the focus of the goals and objectives. For example, the Tribe would allocate funds very differently if the objective were to purchase 80% of the land within its boundaries rather than if the target were 20%. Finally, the process of setting goals will force Tribal leadership to consider its long-term needs in the context of resource constraints.

Therefore, the objectives of the REO should be focused, realistic and concrete. The REO should set its goals in terms of amount of land the Tribe wants to buy, the degree of consolidation of this land and the potential yield of the land. For example, a typical goal statement may be:

- By the end of 1998, the REO will buy x acres of land.
- The Tribe will have Y acres of consolidated land.
- The land we buy should generate \$z of income or provide housing for p number of people.

#### B. How to Set Goals and Objectives

1. Conduct a needs study of the Tribe to indicate infrastructure needed and land space required
2. Make a list of what is needed
3. Conduct a market study of current lands for sale and potential lands for sale
4. Assess potential uses and value of lands for sale
5. Apply realistic constraints such as personnel available, skill level, legal constraints, financial constraints to the list of needs, market study and use/value assessment
6. Set realist targets

### C. *How to Use Goals and Objectives*

Approval of future acquisition and management decisions should be contingent upon their compatibility with the goals. Review of acquisition and management decisions should be based upon initial goals and objectives set.

- Does/did buying this piece of land bring us closer to achieving our goals?
- Which specific goals does/ did purchase help us meet?
- How?

## IV. DISCUSSION OF POLICIES

---

In order for the REO to function effectively it must put into place policies and procedures that are consistent and take into account a long-term vision for land acquisition. Without policies and procedures that are codified as Tribal resolutions, staff members will make decisions that are ad-hoc and uncoordinated. This could lead to the Tribe's not acquiring as much land as it could and/or the unnecessary loss of Tribal funds. In addition, "...formalized rules and procedures serve to *empower* a people by allowing them to carry forward the public's interest." (Kalt 21) Passing Tribal resolutions to adopt these policies will have three effects.

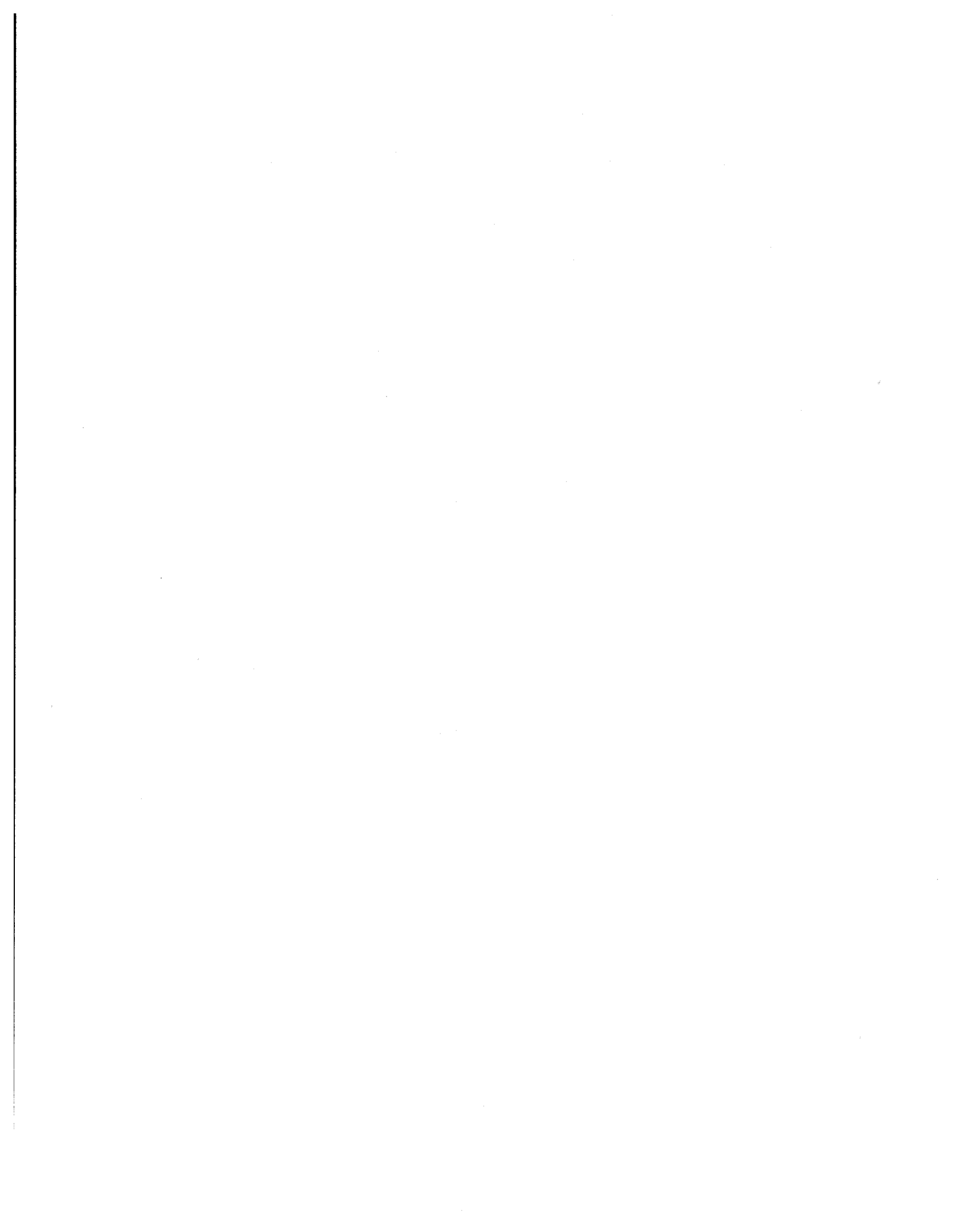
- Ensure that the office remains depoliticized. Changeovers in Tribal administration will not have as substantial an effect on the activities of the Office. In addition, setting financial and organizational management policies as resolutions will make it more difficult for self-interested parties to take advantage of the power the office holds.
- Commit political leadership to supporting the activities of the REO.
- Inform Tribal members of the REO's existence and mobilize them as a support base for its activities. Both leadership and membership will be more inclined to take the REO seriously.

*The Tribe will not be able to take over BIA functions immediately. Therefore, it may take some time to put the processes described above in place. However, the policies below should be adopted by the Tribe as soon as possible. For example, the Tribal Chairperson and the Land Resources Committee can use the criteria outlined in the Acquisition Policy below to make their current land decisions, even before the REO is in place.*

The policies that the Tribe requires are as follows:

- Acquisition Policy
- Policy to Contract Out Land Management
- Leasing Policy
- Cash Management and Investment Policies
- Education Policy
- Communication Policy

Detailed descriptions of each policy can be found in Operations Manual #2: Adopting Policies for the Real Estate Office.



# OPERATIONS MANUAL B

## *Adopting Policies for the Real Estate Office*

*To Accompany*

**Strategic  
Land Acquisition:  
IMPLEMENTING FORMAL STRUCTURES,  
POLICIES AND PROCESSES FOR  
SUSTAINABLE DECISION MAKING**

**THE CROW TRIBE OF MONTANA**

**APRIL 1997**

**FEYROUZ DAMJI  
SUZANNE KIM**

## Overview

In order for the Real Estate Office (REO) to function effectively it must put into place policies and procedures that are consistent and take into account a long-term vision for land acquisition. Without policies and procedures that are codified as Tribal resolutions, staff members will make decisions that are ad-hoc and uncoordinated. This could lead to the Tribe's not acquiring as much land as it could and/or the unnecessary loss of Tribal funds. In addition, "...formalized rules and procedures serve to *empower* a people by allowing them to carry forward the public's interest." (Kalt 21) Passing Tribal resolutions to adopt these policies will have three effects.

- Adopting the Charter of the REO as a Tribal resolution will better ensure that the office remains depoliticized. Changeovers in Tribal administration will not have as substantial effect on the activities of the Office. In addition, setting financial and organizational management policies as resolutions will make it more difficult for self-interested parties to take advantage of the power the office holds.
- Codification of these policies will commit political leadership to supporting the activities of the REO.
- Tribal members will not only be informed of the REO's existence, but can also be mobilized as a support base for its activities. Both leadership and membership will be more inclined to take the REO seriously.

## Contents

### *Section One: Land Acquisition Policy*

- I Purpose of a Land Acquisition Policy
- II What is a Land Acquisition Policy

### *Section Two: Policy to Contract Out Land Management*

- I Purpose of a Land Management Policy
- II Functions of a Policy to Contract Out Land Management

### *Section Three: Leasing Policy*

### *Section Four: The Cash Management and Investment Policies*

- I Overview of the Cash Management and Investment Functions
- II The Cash Management Policy
- III The Investment Policy

### *Section Five: Education Policy*

- I Community Education
  - A. Focus of Community Education
  - B. Purpose of an education policy
- II Professional Training
  - A. Academic Training
  - B. Practical Training

### *Section Six: Communications Policy*

- I Overview of the Communications Policy
- II Who Should Use This Policy?
- III What are the Functions of a Communications Policy?
- IV. How Should the REO Communicate?

# LAND ACQUISITION POLICY

## I. PURPOSE OF A LAND ACQUISITION POLICY

---

In order to make sound decisions when deciding whether to buy a plot of land, the REO should engage in a basic needs assessment and determine the most beneficial uses of land before it buys. Each decision should be weighed against a consistent set of criteria.

## II. WHAT IS A LAND ACQUISITION POLICY?

---

A land acquisition policy should incorporate the following:

1. Land Acquisition Objectives
  2. General Land Use Plan
  3. List of Land Acquisition Criteria
1. LAND ACQUISITION OBJECTIVES

The Tribal leaders and members with whom we spoke indicated a number of objectives of land acquisition. These include:

- To purchase all the land within the exterior boundary of the Reservation;
  - To ensure that land acquisition decisions are consistent with Tribal goals, namely sovereignty, cultural preservation, and economic prosperity; and
  - To assert sovereignty over the use and regulation of Tribal land.
2. GENERAL LAND USE PLAN

The general land use plan should incorporate the following:

- Basic needs assessment
- A survey of land assets
- A list specifying which land areas meet respective land acquisition objectives

The Land Use Management and Planning Office (LUMPO) should information this aspect of the Acquisition Policy. The major output of LUMPO is a comprehensive development plan which spells the preferred use of lands within the boundaries

3. LIST OF LAND ACQUISITION CRITERIA

Critical to an acquisition policy are the criteria which will be used to evaluate all land purchases. All plots of land should, at minimum, be evaluated according to the following basic criteria. The Director of the REO should be able to justify each of his/her decisions to purchase a plot of land according to these criteria. The following are criteria against which all land purchase decisions should be measured:

CRITERIA	QUESTIONS TO ASK
<b>Affordability</b>	<ul style="list-style-type: none"> <li>• What is the financial cost of this land?</li> <li>• Can the Tribe afford the land?</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• What are the uses of this land?</li> <li>• Which acquisition objectives does potential use of this land meet?</li> <li>• How much is its potential use worth to the Tribe?</li> <li>• What will be the cost of not buying this land?</li> <li>• How much is the Tribe willing to pay for this land?</li> </ul>
<b>Management capacity</b>	<ul style="list-style-type: none"> <li>• What are the managerial resources necessary to manage the land?</li> <li>• Does the Tribe have the managerial capacity to ensure that the land is used according to its highest and best use?</li> <li>• Have we ever done this before?</li> <li>• Are we good at it?</li> <li>• If not, can the Tribe contract out management to ensure that it can access the value of the land?</li> </ul>
<b>Technical constraints</b>	<ul style="list-style-type: none"> <li>• Does the Tribe have the technical capacity to purchase and/or manage the land, e.g. equipment, technical knowledge, etc.</li> </ul>
<b>Environmental Impact</b>	<ul style="list-style-type: none"> <li>• What will be the environmental impact of purchase and potential use of the land?</li> <li>• Does the current or intended use of this land comply with federal, state and tribal environmental standards?</li> </ul>
<b>Equity</b>	<ul style="list-style-type: none"> <li>• Does purchase of this land have different effects on specific groups within the Tribe?</li> <li>• Who benefits and who loses?</li> </ul>
<b>External Impact</b>	<ul style="list-style-type: none"> <li>• What will be the impact of this purchase on external and/or non-Tribal members?</li> <li>• Will the impact affect our ability to buy the land?</li> <li>• Will the impact affect our ability to profit from the purchase and management of the land?</li> </ul>
<b>Feasibility</b>	<ul style="list-style-type: none"> <li>• If this is not a listed sale, how likely is it that the current owner will sell?</li> </ul>
<b>Additional Advantages/ Disadvantages</b> <ul style="list-style-type: none"> <li>• Location</li> <li>• Tribal Rights</li> <li>• Sacred Lands</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Does the particular location of the land make it more advantageous?</li> <li>• Does the purchase of this land help the Tribe further extend its rights/jurisdiction, e.g. right-of-way/taxes?</li> <li>• Is the location of the lands sacred to the Crow and would its purchase ensure its protection?</li> <li>• Are there any additional factors which should have an impact on the decision?</li> </ul>

# POLICY TO CONTRACT OUT LAND MANAGEMENT

Land management is critical to the Tribe's ability to benefit from buying land.

**Without professional and effective land management,  
there is no point in buying land.**

## I. THE PURPOSE OF A LAND MANAGEMENT POLICY

---

Staff of the REO should use this policy to make decisions about what should be done with land once the Tribe owns it and it has been converted into Trust land.

## II. FUNCTIONS OF A POLICY TO CONTRACT OUT LAND MANAGEMENT

---

Before buying a plot of land the Tribe should know how what role it intends to play in managing it. The decision of how the Tribe will manage its land will play a critical role in evaluating the potential value of the land to the Tribe.

One of the primary objectives of land purchase is economic development. Once the Tribe purchases land, it needs to adopt the land management strategy that best meets this objective. The Tribe should establish through a Land Management Policy whether it will directly manage the land that it owns, or whether it will contract out this management. An evaluation of the options follows:

## III. DISCUSSION OF THE OPTIONS

---

### ⇒ **Option A: Direct Tribal Management**

This option entails the Crow Tribe developing and running Tribal enterprises on the land it buys. The Tribe would employ Tribal members to manage and implement all enterprise activity. The profits from the enterprise would accrue either to the enterprise itself (if it is established as a separate entity/corporation like the casino) or to the Tribal Government. The Tribe's success with such endeavors in the past is varied. The Little Bighorn Casino operates at break-even profits, usually able to cover its costs but not generate a profit, while the buffalo herding example is pointed to by all Tribal members as a massive failure.

### ⇒ **Option B: Contract Out Management**

Through this option, the Tribe would buy land and then contract out its management to the current owners or to other skilled managers. The contractees would be those with the greatest degree of managerial and technical skill, regardless of whether they are Tribal members or not. The advantage of this system is its low level of human resource and financial commitment by the Tribe. However, the profits generated would be split between the enterprise manager and the Tribe. This

option does require a high level of managerial capability, both to negotiate agreements in the interests of the Tribe and to manage the fulfillment of contracts.

#### IV. EVALUATION OF OPTIONS

---

EVALUATION CRITERIA	DIRECT TRIBE MANAGEMENT	CONTRACT OUT MANAGEMENT
Tribal Economic Development Goals Met	Income & Jobs	Income & Potential for some job
Tribal Financial Commitment Required	Heavy	Low
Previous Experience	Limited success	None at Crow Other Tribes have had success
Level of Managerial Expertise Required	High	High
Level of Technical Expertise Required	High	Low
How Substantial are the Organizational Implications?	High	Low/Medium

The option of contracting out management presents a lower risk and greater potential for success. The profits generated from this option should be targeted towards the fulfillment of Tribal goals. Potential areas are the provision of capital for micro-enterprise activity and the further development of educational levels among Tribal members. For example, the promotion of training programs in specific areas of agricultural economics and/or management would better equip Tribal members to develop and run their own businesses successfully.

**We would therefore recommend that the Tribe adopt Option B, Contracting Out of Land Management, as its policy.**

## LEASING POLICY

The current leasing process is extremely time-consuming and requires both the BIA and the Tribe to complete a great deal of paperwork. The REO should undertake a full review of leasing process including the system used to evaluate land and the potential processes which would reduce paper flows and time lags.

Many Tribal members expressed frustration at their inability to negotiate leases with non-Tribal members. As a result they felt that they were being taken advantage of. Others questioned the legitimacy of BIA assessed land values. The Leasing Policy should therefore include a component of community education of Tribal members. In addition, placing appraisal under Tribal authority may help to legitimize land assessments. However, as explained above, a mechanism must be put into place to ensure the fairness of the appraisal system.

# THE CASH MANAGEMENT AND INVESTMENT POLICIES

## I. OVERVIEW OF THE CASH MANAGEMENT AND INVESTMENT POLICIES

### A. *What are the Cash Management and Investment Functions?*

The cash management and investment functions are as follows:

1. Get the cash in as fast as you can;
2. Release cash at the last possible moment; and
3. Generate additional income with the cash in the meantime, ensuring liquidity and safety beforehand.

All of the functions should be carried out with adequate *safety* precautions and with the maximum amount of efficiency as possible. Furthermore, these functions should be conducted in accordance to a Cash Management Policy and an Investment Policy.

### B. *The Tribe's management of funds*

We asked the following four questions to assess whether the Tribe's cash management and investment program is effective, sound, and appropriate:

- How is cash mobilized and disbursed?
- If there is an explicitly written investment policy, what is it and what does it contain?
- What is the investment process?
- What are the organizational structure, responsibilities, and competence level of relevant staff and what is the relationship of this staff with financial institutions?

The Tribe is more liquid than ever and has allocated funds towards the purpose of land acquisition. The Tribe, however, lacks an investment strategy to guide the use of these funds. The funds are, therefore, in danger of depletion. The targeted portion of the Severance Tax principal, originally \$10 million, is almost exhausted not only because of large purchases, such as the recent purchase of the Soap Creek Ranch, \$5 million, but also because of the absence of formalized Tribal structures, policies, and procedures, to ensure the proper management and best use of funds. If the Tribe is not careful, the remainder of this fund and the interest from the 107th Meridian Settlement will not be substantial enough for the Tribe to make significant land purchases. Currently, the BIA manages the Tribe's land investment funds because the Tribe lacks the necessary expertise and necessary structures, policies, and procedures to make investment decisions. Therefore, in order stretch each dollar further and to protect the funds in the long-term, the Tribe needs to develop and establish, among others, cash management and investment policies.

### C. *Discussion of the Options*

#### ⇒ **Option A: Direct Tribal Management/Transfer BIA Authority over Fund**

Under this option, the Tribe would manage the land acquisition fund directly. The BIA would transfer authority over the Tribal Trust Fund to the Tribe. The Tribe would employ Tribal or non-Tribal members to manage and implement the cash management and investment functions. Other

Tribes have internally managed funds with success. Unlike other tribes, however, the Crow does not have the expertise to manage such funds. The risk for mismanagement is high. Therefore, this is a nonviable option.

⇒ **Option B: Contract Out Management/Retain BIA Authority over Fund.**

Under this option, the BIA would retain authority over the Tribal Trust Fund; however, it would be required to contract out the management of funds. Currently, the BIA's management of funds is lacking; private investment management firms can yield higher returns and guarantee high levels of safety. The advantage here is that the BIA would handle the contracting out and would bear the ultimate responsibility should something go wrong. This option requires not require Tribal expertise. In the meantime, the Tribal should build its technical and management skills base and eventually manage the funds itself.

Therefore, we recommend that the Tribe pursue *OPTION B, Contracting out Management funds and Retaining the BIA as Trustee*, as its initial policy. Nonetheless, the REO needs to adopt a Cash Management Policy and an Investment Policy.

## II. THE CASH MANAGEMENT POLICY

### A. Overview of the Cash Management Policy

To ensure that the REO achieves the objectives of *efficiency, speed, and control*, the REO must adopt a Cash Management Policy. In general, an efficient, safe, and time-conscious cash mobilization and disbursement program has the following components:

1. An established rigid accountability system;
2. An aggressive and formalized process; and
3. A written policy that formalizes (1) and (2).

To ensure that the Tribe maximizes the money available to purchase land, it is important that incoming revenues are quickly and safely invested and that payments are appropriately disbursed.

**Incoming Money Quickly and Safely Invested —  
Payments for Activities =  
More \$\$\$ for Acquiring Land**

### B. Principles of the Cash Management Policy

The purpose of the Cash Management Policy is to guide the flow of cash in and out of the REO. The policy should incorporate as many of the following principles as possible:

- *Accountability must be established.* Precise records of cash receipts facilitate auditing efforts and ensure accuracy. Accountability can be accomplished accurately and rapidly through sophisticated technology; however, such a decision should be informed by a cost/benefit analysis to ascertain whether the benefits of such a system outweigh its costs.

- *Cash receipts should be as deposited as quickly as possible.* Quick deposits allow greater funds for investments. A lockbox system is an efficient method of ensuring that funds are deposited as quickly as possible.
- *Current cash-receipt practices should be reviewed and favorable practices should be implemented.* Reviews should be held to check whether current policies and procedures should be updated. Reviews should be held regularly and also spontaneously and should be conducted by auditors. Reviews should be followed by a remedial process to ensure appropriate measures are taken.
- *Access to cash should be tightly controlled to discourage embezzlement.* Cash can be tightly controlled and protected by means such as mandating a cosigner, entrusting custodial powers to outside entities such as other departments or commercial banks, or through collateralization.
- *Payments should be delayed until the due date.* Again, there should be a review process to check cash-control procedures and policy and check payment procedures and policy. Review processes should be followed by a process to ensure compliance and should be conducted by an explicitly designated person. Outdated and inadequate procedures, policies, programs, and processes should be updated and revised.

**C. What are the major components of the Cash Management Policy?**

1. Scope
2. Objectives
3. Receipt and Deposit
4. Custodial Functions
5. Disbursement of Funds
6. Relationship with Financial Institutions
7. Delegation and Authority
8. Reporting and Performance Evaluation

1. SCOPE

Scope defines the policy's parameters of influence. In this case, the scope should be carefully designed to ensure that the policy rules the process. For example, the policy should ensure the REO carries out certain steps in a particular sequential order.

2. OBJECTIVES

Objectives clarify the intent and purpose of the policy. Specifically, the purpose is to ensure that safety and control takes precedence over speed and yield.

3. RECEIPT AND DEPOSIT

The policy should specify the implementation of an aggressive cash management program to accelerate the deposit of cash receipts from leasing. The policy should recommend the use of a lockbox service, Depository Transfer Checks (DTCs), Automated Clearing House (ACH), and messengers to expedite the collection of funds.

The policy should also set forth strict accountability and access guidelines.

#### 4. CUSTODIAL FUNCTIONS

The policy should set into place strict access guidelines. Without such guidelines, the possibility for embezzlement is high. The policy should mandate the use of a cosigner, witness or custodian to limit access to funds.

#### 5. DISBURSEMENT OF FUNDS

The policy should set forth strict guidelines to control the disbursement of funds. In order to minimize float, the policy should also lay the processes by which payments are made. There should also be a provision to update these processes to increase efficiency and accountability.

#### 6. RELATIONSHIPS WITH FINANCIAL INSTITUTIONS

The policy should also set forth REO's relationship with financial institution. Because the purpose of the REO is not solely to make money, it makes sense to use financial institutions to operate many of the cash management activities. Some services include account-maintenance services, wire transfer facilities, concentration accounts, sweep facilities, lockbox services, credit facilities, and investment services

The policy should set forth guidelines on the selection of depository institutions and other financial institutions and firms.

#### 7. DELEGATION AND AUTHORITY

The policy should specify who is responsible for enforcing and carrying out the policy.

#### 8. REPORTING AND PERFORMANCE EVALUATION

Finally, the policy should specify when and where regular and interim/ad-hoc performance reports should be filed. The policy should also specify who conducts regular and ad-hoc performance evaluations.

### III. THE INVESTMENT POLICY

---

#### A. *Overview of the Investment Policy*

Closely linked to the Cash Management Policy is the Investment Policy. To ensure that the Tribe maximizes the money available to acquire land, it is important that (1) the money generated through the lease of Tribal trust lands and money derived from various other sources, i.e. private and federal grants, are quickly and safely invested, and (2) the payments to acquire land, operate the REO, maintain Tribal trust lands, etc. are delayed to last possible moment. Most importantly, however, the priorities when investing money should first and foremost be SAFETY, LIQUIDITY, and CONTROL.

**Safe Investments +  
Insurance of Liquidity +  
Assurance of Control =  
More \$\$\$ for Acquiring Land**

## ***B. Purpose of the Investment Policy***

The purpose of the Investment Policy is to guide the investment process. The process should generally be as follows:

1. Prepare the investment policy to identify and specify an entity's objectives, constraints, preferences, and capabilities.
2. Implement appropriate and effective administrative systems, internal controls, and oversight.
3. Conduct an expenditure/cash forecast to determine how liquid investments should be, which, in turn, determines the appropriate security terms.
4. Determine an investment horizon to ensure liquidity and safety.
5. Establish an appropriate investment strategy that adheres to the following: cash flow, liquidity, and maturity requirements, risk minimization principles (such as diversification to minimize credit risk & protect principal), and portfolio size restraints. An investment strategy must also consider the level of sophistication of the investment staff, the availability of investment services, and the support of policy makers and chief administrative officials. Then, an investment strategy can make yield considerations.
6. Scrutinize investment instruments to determine first whether they are aligned with investment strategies and are transparent and understandable and to determine the yield curve.
7. Choose instruments after accounting for safety and liquidity considerations; then examine yield considerations.
8. Monitor markets and investments through an appropriate system and process.
9. Report, review, and compare investment results. Examine performance across time and compare to appropriate benchmarks and comparisons.
10. Adjust portfolios, if appropriate, to reflect changing objectives, circumstances, needs, and to respond to results.
11. Monitor and update the whole process accordingly.
12. Update and revise investment policies, if necessary. Furthermore, if there are temporary cash flow shortfalls, there must be a process to regulate short-term borrowing. Such a process is needed to ensure that sources are available (i.e. local commercial banks, regional and national credit markets, and state liquidity pools) and to ensure adherence to existing debt policies and regulations.

## ***C. What are the Principal Components of an Investment Policy?***

An investment policy should contain the following elements:

1. Scope
2. Objectives
3. Instruments
4. Maturities
5. Diversification
6. Credit and Market Risk
7. Delegation and Authority

8. Prudence
9. Ethics
10. Controls
11. Relationships with Banks and Dealers
12. Safekeeping and Custody
13. Reporting and Performance Evaluation

1. SCOPE

Scope defines the policy's parameters of influence. In this case, the scope should be carefully designed to ensure that the policy rules the process. For example, the policy should ensure the REO carries certain steps in a particular sequential order.

2. OBJECTIVES

Objectives clarify the intent and purpose of the policy. Specifically, the purpose is to ensure that safety and control takes precedence over speed and yield.

3. INSTRUMENTS

The policy should provide detailed guidance on which investment instruments are acceptable. Undoubtedly, the selection of the instrument is the most important part of the investment process. Recommended investment vehicles include US Treasury Securities, Bank Certificates of Deposit, Bankers' Acceptances, Commercial Paper, and Money-Market Funds.

4. MATURITIES

The policy should specify the acceptable maturities. Investment instruments with longer maturities usually translate into higher risks. In determining acceptable maturities, liquidity requirements should be taken into consideration.

5. DIVERSIFICATION

To minimize risk, the policy should set forth diversification requirements. Spreading the risk over a variety of maturities and investment instruments usually translates into less risk.

6. CREDIT AND MARKET RISK

The policy should set forth the acceptable level of credit and market risk.

7. DELEGATION AND AUTHORITY

The policy should specify who is responsible for enforcing and carrying out the policy. Furthermore, it should delineate the amount of discretionary authority each staff member has. It should also set forth the acceptable level of staff competence.

8. PRUDENCE AND ETHICS

The policy should explicitly state that prudence guides each investment decision. Furthermore, the policy should spell out the ethical modes of behavior with regard to investment decisions. It should specify the consequences in case of unacceptable actions.

## 9. CONTROLS

The policy should set forth controls and accountability systems to minimize the risk in the decision making process.

## 10. RELATIONSHIPS WITH BANKS AND DEALERS

The policy should also set forth REO's relationship with financial institution. By tapping into the technical knowledge and expertise of outside institutions, cash managers can make more informed decisions and favorable deals. The policy should set forth guidelines on the selection of depository institutions and other financial institutions and firms.

## 11. SAFEKEEPING AND CUSTODY

The policy should set into place strict access guidelines. Without such guidelines, the possibility for embezzlement is high. The policy should mandate the use of a cosigner, witness or custodian to limit access to funds.

## 12. REPORTING AND PERFORMANCE EVALUATION

Finally, the policy should specify when and where regular and interim/ad-hoc performance reports should be filed. The policy should also specify who conducts regular and ad-hoc performance evaluations.

# EDUCATION POLICY

The education policy comprises of the following areas:

1. Community Education
2. Professional Education
  - Academic Training
  - Practical Training

## I. COMMUNITY EDUCATION

---

The objective of the Crow Tribe is to purchase all of the land within its boundaries. However, while the Tribe embarks upon a land acquisition strategy, its current holdings are threatened. The first problem identified, that of heirship laws, should be addressed as one component of a community education campaign. In addition, many Tribal members do not understand the leasing and sales process. It is common for Tribal members to lease and sell lands at below market values. Finally, many Tribal members are intimidated by the prospect of negotiating with non-Tribal members.

### A. *Focus of Community Education*

The REO should focus its community education around three areas:

1. Writing wills
2. Leasing process
3. Sales process

#### 1. WRITING WILLS

This component should focus upon the importance of writing wills, in particular the negative consequences faced by the Tribe because of the splintering of allotted lands. It should also contain a full description, or a "how-to" of the will writing process. This should include appropriate levels of detail, appropriate formats and appropriate terminology to use in a will.

#### 2. LEASING PROCESS

This component should outline the basic rights of a Tribal lessor when leasing land. The focus should be upon setting fair and achievable rates, lengths of leases, and how to terminate a lease. A critical section should be negotiating leases, in particular with non-Tribal members. The REO should publicize current sources of assistance and support available to those needing assistance.

#### 3. SALES PROCESS

This component should explain the processes through which non-Tribal members can sell allotted land. It should stress the negative consequences to the Tribe when allotted lands are sold to non-Tribal members. In addition, the REO should communicate the rights of Tribal members when selling land. Again, a section on negotiation skills is critical. If necessary, REO staff should avail themselves to assist in the negotiations process

## **B. Purpose of an education policy**

The REO bears primary responsibility for the education of Tribal members on land-related issues. It is not necessary for the REO to hire one person specifically for this role. Instead, a staff member who works on leasing should assist in communicating leasing information while one who works on sales should do the same for sales. However, the REO should coordinate its community education program with Little Bighorn College. For example, the college would be an appropriate site for seminars open to the public on "Negotiating a Lease." In addition, the REO should tap expertise within the college when developing programs.

## **II. PROFESSIONAL TRAINING**

---

### **A. Academic Training**

Tribal leadership and Government staff indicated to us that the Tribe lacks members who not only understand the technical aspects of land management, but also possess managerial skills. Tribal staff members and BIA staff also indicated that the Tribal Government should build investment management skills within its staff in order that they not rely upon external organizations (such as the BIA) to manage its affairs. The REO should therefore work with the Little Bighorn College to target the following educational areas immediately:

- Agricultural economics
- Management
- Financial management(including accounting, budgeting, and investment management)

It is critical that Tribal staff members are trained in the above areas in order to establish and implement an effective land acquisition and management program.

Staff of the REO should also possess other skills. However, in the short term, work that relies upon the possession of these skills can be contracted out to skilled consultants. Once the REO has been established and its activities are underway, it can begin to build internal capacity in these areas. Therefore, in the medium term, the REO should actively target the following areas:

- Land appraisal and valuation
- Environmental land management
- Real estate finance
- Real estate brokerage

At a much more general level, the Tribe would benefit from increasing educational enrollment levels and increasing educational achievement levels at the primary, secondary and tertiary levels.

In order to accomplish its educational goals, the REO should do the following:

1. GATHER INFORMATION ON EXISTING EDUCATIONAL PROGRAMS AND SCHOLARSHIP OPPORTUNITIES THAT ARE RELEVANT TO THE FUNCTIONS PERFORMED BY REO STAFF

One relatively inexpensive and potentially effective method for raising the level of skills and professionalism is to encourage employees to apply for scholarships from outside sources to pay for such courses. The information gathered should be made easily accessible to staff members.

2. ESTABLISH A PERSONNEL POLICY TO ENCOURAGE EMPLOYEES TO TAKE ADVANTAGE OF AVAILABLE SCHOLARSHIPS AND EDUCATIONAL AND TRAINING PROGRAMS

One method to raise the level of skills and professionalism is to encourage current employees to take training "refresher" courses. However, without an official policy and active encouragement, employees may not think of taking up such courses, and may be too intimidated to ask superiors' permission to take them.

3. DEVELOP AN AGGRESSIVE SCHOLARSHIP PROGRAM

In light of limited resources, we recommend that outside scholarship opportunities be exploited before embarking on a campaign to develop an in-house scholarship program. Nonetheless, Tribal scholarships should be targeted to developing the above listed skills among current and potential REO employees. Because there is a clear deficiency in the number of Tribal members skilled in these areas, it is justifiable for the Tribe to earmark a portion of its resources to developing such skills.

4. TIE TRIBAL SCHOLARSHIPS TO GOVERNMENT SERVICE

As a means of introducing young Tribal members to the functions of government and to access the skills that Tribal members have developed at educational institutions, the REO should link scholarships to a mandated period of government service. (See section on practical training below).

#### ***B. Practical Training***

It is critical that the REO establish a formal system to train current and future Tribal employees. We have recommended that positions be filled by skilled non-Tribal employees if skilled Tribal employees are unavailable. However, when positions are filled by non-Tribal members, the REO should actively attempt to train Tribal members to fill these positions. In addition, the REO should actively build the pool of skills among potential REO employees. The mechanisms we recommend are as follows:

1. ESTABLISH A FORMAL "SHADOW" TRAINING PROGRAM

When non-Tribal consultants are contracted for a position within the REO, a Tribal member should also be hired "in-training" if he/she has necessary academic/professional qualifications but lacks experience. The Tribal member will work closely with the non-Tribal member to learn more about how to effectively fulfill the position.

When academic/ professional qualifications are necessary to fulfill the responsibilities of a position, the REO should assist Tribal members in accessing the appropriate training. If the REO provides a Tribal member with scholarships, the scholarship should be linked to a period of service with the Tribe such as internships. These internships can be performed during breaks from the academic year, or after completion of education.

2. ESTABLISH AN INTERNSHIP PROGRAM FOR YOUNG TRIBAL MEMBERS

Every year, the REO should hire one young Tribal member for a summer internship. The selected Tribal member should be enrolled in an academic program that relates to the targeted educational areas outlined above. The summer intern should be paid a modest stipend. As the REO expands in size and capability it may choose to widen the scope of its internship program.

# COMMUNICATIONS POLICY

## I. OVERVIEW OF THE COMMUNICATIONS POLICY

---

During our discussions with Tribal leadership and membership, we heard very different opinions about the Tribe's strategy (or lack of) for land acquisition. This diversity of opinion is both normal and healthy in a society. However, we heard a number of opinions regarding past decisions of the Tribal leadership that were based on rumor rather than fact. For example, both the motivations and the details of the recent purchase of the Soap Creek Ranch were described to us several times, but most stories differed regarding the reasons for purchase and what the Tribe actually bought. Tribal members base their opinions of the Tribal Government on these rumors. A communications policy would assist in alleviating some of the miscommunication and serve the following purposes:

- Given the political instability that the Crow Tribe has faced, it would be useful for Tribal leadership to actively inform Tribal members of their actions and their justifications. While this may not (and should not) stem dissent, it will help prevent harmful rumors from spreading regarding the motivations of decision makers.
- Educating Tribal members about the Tribe's land acquisition and management policy keeps the wider Crow community informed of REO activities and their justifications and can help garner support for actions that benefit the Tribe as a whole.
- Interactive communications with Tribal members may help the Tribal Chairperson, the leadership of the REO and the Land Resources Committee to understand peoples' needs and potential reactions to policies under consideration. In addition, feeling as though their concerns are being heard can help the community to identify with the activities of the REO and potentially show greater support.
- Communicating REO policies can lead to increased coordination and policy consistency among Tribal Government entities and offices. As other employees are made aware of the REO's activities they may try to work together on issues that are related, raise areas where there is conflict, or decide not to duplicate functions performed by the REO

## II. WHO SHOULD USE THIS POLICY?

---

The REO should work in conjunction with the Tribal Chairperson and the Land Resources Committee in the implementation of a Communications Policy.

## III. WHAT ARE THE FUNCTIONS OF A COMMUNICATIONS POLICY?

---

### 1. CONVEY LAND ACQUISITION AND MANAGEMENT POLICIES

The REO should communicate its policies and strategies in order that Tribal members understand clearly the long-term direction in which the Tribe is heading as well as justifications for short-term actions

### 2. HEAR THE NEEDS AND CONCERNS OF TRIBAL MEMBERS

Communicating interactively with Tribal members will allow the REO to assess major needs of the community. Eventually, responsibility lies with the REO to ensure it has accessed a variety of opinions before making a decision; the needs of Tribal members form one critical component. It is

more effective for the REO to hear members' needs "straight from the horses' mouth" rather than speculating whether a community wants more land for housing or agriculture. In addition, interacting in a formal environment with Tribal members can provide a structured mechanism for the REO to get ongoing feedback from Crow members.

### 3. COMMUNICATE ACTIVITIES AND PROGRESS OF REO

The REO should keep Tribal members informed of the progress of the REO's acquisition and management activities. The process of first communicating goals and strategies and then reporting progress will help maintain the accountability of the REO to the Crow people.

## IV. HOW SHOULD THE REO COMMUNICATE?

---

### 1. PUBLIC FORUMS

The Tribal Chairperson, the staff of the REO and the members of the Land Resources Committee should hold a public forum to launch the new Land Acquisition and Management Program of the Crow Tribe. The forums should be district based in order to ensure active participation. The Land Resources Committee member from the district where the forum is being held should host the meeting, actively encourage participation and arrange logistics with support from the REO. District-based public forums should be held as policies change, when significant actions are being taken and/ or every 6 months to get feedback from Tribal members.

### 2. NEWSLETTER

The REO should publish a quarterly newsletter, detailing its past and ongoing activities and plans for the upcoming quarter. This should be sent to each Tribal household. Again, ongoing communication with Tribal members should encourage the staff of the REO to meet their expressed and published goals.



# OPERATIONS MANUAL C

## *Establishing the Land Use Management and Planning Office*

*To Accompany*

**Strategic  
Land Acquisition:  
IMPLEMENTING FORMAL STRUCTURES,  
POLICIES AND PROCESSES FOR  
SUSTAINABLE DECISION MAKING**

**THE CROW TRIBE OF MONTANA**

**APRIL 1997**

**FEYROUZ DAMJI  
SUZANNE KIM**



## Overview

The Tribe currently lacks an office that conducts land use planning for the entire Tribe. A planning program will serve important functions for the Tribe. First, a planning program guides development. The plan should be used to inform major Tribal decisions such as acquisition and zoning. For example, the decision to buy a plot of land should be considered in light of the Tribe's long-term, comprehensive development plan. Using the plan, decision makers can determine the preferred use of a plot of land, how it fits into the Tribe's long-term goals, and, therefore, whether it is of value. Without a comprehensive planning program, the Tribe may sponsor projects whose purposes conflict or which do not make the best use of limited funds. For example, the Tribe's proposal to purchase a large ranch for \$2 million may seem like a great deal, considering the size and market value of the ranch. When this decision is set against the planning program, however, this proposal may seem like a waste of valuable funds—that money could be better used by buying a small plot of land next to a major highway to establish a badly needed and potentially lucrative gas station. Therefore, a plan can prevent needless waste of precious resources. A planning program can also mobilize political support. A good planning program employs the efforts of other governmental bodies, businesses, community organizations, and Tribal members. The input of these groups can yield critical political support for both the Tribal planning program and Tribal decisions emanating from it. In sum, a comprehensive planning program requires an examination of all current uses of lands within the reservation and the preparation of a map exhibiting how the Tribe should or should not use these lands in the long term.

## Contents

### *Section One: Overview of the LUMPO*

- I Introduction
  - A. What is a Land Use Management and Planning Office?
  - B. What is the objective of LUMPO?
  - C. What are the functions of the LUMPO?
  - D. What should be LUMPO's relationship to the REO
  - E. What should be LUMPO's relationship to the Zoning Department
  - F. LUMPO's relationship to other critical Tribal entities
- II Scope of LUMPO
- III Organizational Structure
  - A. Overview
  - B. LUMPO Staff
  - C. LUMPO Director

### *Section Two: Establishing the LUMPO*

- I Starting the Process
- II Action Plan
- III Setting Goals

### *Section Three: Policies of the LUMPO*

- I Introduction
  - A. Why have Policies?
  - B. Overview of the Policies
- II Planning Program Policy
- III Intergovernmental and Intertribal Communications Policy

# SECTION ONE — OVERVIEW OF THE LUMPO

## I. INTRODUCTION

---

### A. *What is a Land Use Management and Planning Office (LUMPO)?*

In the broadest sense, a LUMPO will establish a framework for making decisions on the *future* management and use of all land within reservation boundaries. Like a typical city planning commission, a LUMPO would establish the framework by employing the following strategic actions:

1. Write down the economic, social, and political goals, desires, and concerns of the Tribe and key stakeholders;
2. Conduct various research studies on land-related topics, ranging from economic development and environmental conditions to agricultural feasibility and cultural sensitivity;
3. Examine the current land uses and conditions;
4. Using (1), (2), and (3), develop the "Plan", a map delineating the best uses of land;
5. Use the "Plan" to advise the REO regarding land acquisition decisions and the Zoning Department regarding zoning regulations; and
6. Review, revise, update, and implement changes to the "Plan" regularly.

Therefore, LUMPO functions as an advisory and research body in the land acquisition decision making and zoning processes.

### B. *What is the objective of the LUMPO?*

The purpose of the LUMPO is to ensure that land within the Crow Tribe is utilized in the best possible manner for the Tribe in the long run. Specifically, LUMPO is to ensure the following:

- Protection of sacred, residential, and environmentally sensitive lands
- Profitability and marketability of potentially lucrative lands
- Fulfillment of the long-term Tribal mission and goals

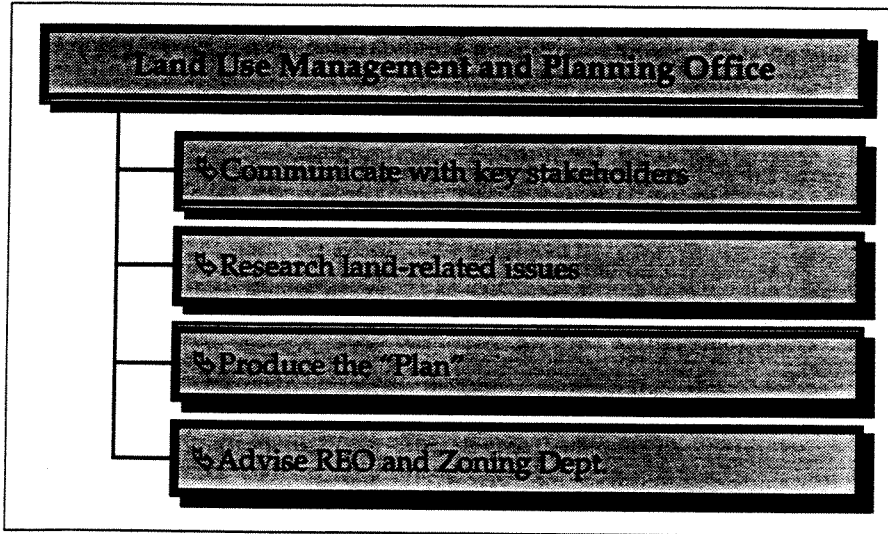
### C. *What are the specific day-to-day functions of the LUMPO?*

The functions of the LUMPO are multi-fold and are as follows:

- To educate Tribe about the planning process
- To conduct regular meetings with stakeholders and key governmental bodies
- To perform regular land use surveys
- To conduct research on or obtain documents regarding the land topography, economic forecasts, and environmental conditions
- To advise the Zoning Department regularly regarding zoning regulations
- To advise the REO with regard to land acquisition decisions
- To produce the "Plan"
- To communicate and publish the contents of the "Plan" for public awareness
- To review, revise, and update the "Plan" regularly

The following table categorizes the above functions into four key functions:

**Table C-1. Key Functions of LUMPO**



**D. What should be LUMPO's relationship to the Real Estate Office (REO)?**

The role of the LUMPO in the land acquisition decision making process should be to advise the REO. Specifically, LUMPO's role should be two-fold: (1) to assess REO land purchasing proposals for use or non-use value; and (2) to assess whether the land of interest serves the Tribe's short-term and long-term goals as defined in LUMPO's planning documents. As an advisory body in the land acquisition decision making process, it is important to ensure in writing that LUMPO's role is advisory and not decision maker.

**E. What should be LUMPO's relationship to the Zoning Department?**

The most effective way to enforce and implement the planning document is through complementary zoning regulations. Therefore, the planning document should inform the codification of zones, which is handled through the already existing Zoning Department. Again, LUMPO's role in the zoning process is advisory.

**F. LUMPO's relationship to other critical Tribal entities**

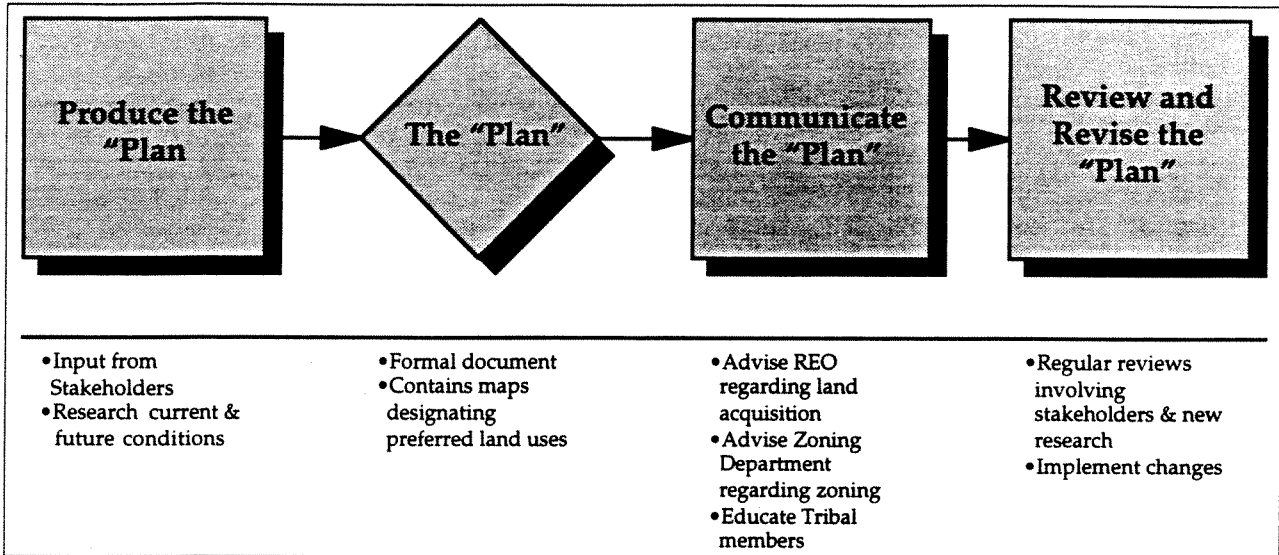
There are a number of other Tribal Committees, Commissions, and Tribal Government Departments with which LUMPO should have a formal relationship. The following is a sample of important organizations along with a possible issue of common concern:

- Housing Committee — which lands to designate as residential
- Fish & Game and Gaming Committees — which lands to designate as environmentally sensitive
- Water Resource Committee — which lands to designate as farmland
- Public Utility Commission — which lands to designate as industrial
- School Board Members — which lands to designate for schools
- Natural Resource Management Department — which lands to designate as grazing
- Planning and Development Department — which lands to designate as light industrial, commercial, etc.

## II. SCOPE OF LUMPO

The specific areas of responsibility for which the office will be responsible should be outlined clearly from the beginning. Furthermore, the scope of the office should be formalized through a Tribal Resolution. Defining scope is important for two reasons. First, LUMPO staff can better understand each of their roles, responsibilities, and purposes. Second, the scope can function as a benchmark for review. The LUMPO's responsibilities are set forth in the following table:

**Table C-2. Responsibilities of the LUMPO**

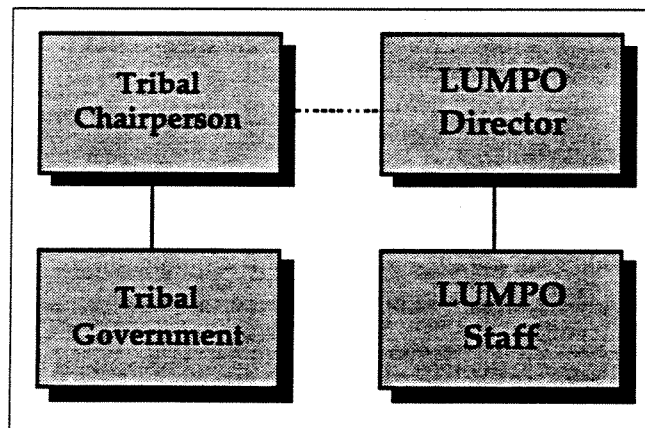


The above table does not imply that separate people be hired to perform each of the above functions. Many of these areas overlap and require coordination. The LUMPO, however, is ultimately responsible for the fulfillment of these responsibilities regardless of its personnel structure.

## III. ORGANIZATIONAL STRUCTURE

### A. Overview

**Figure C-1. Organizational Structure of the LUMPO**



The Tribal government must determine both the external and internal organizational structures of the LUMPO. First, it must determine the office's fit within the overall governmental structure and its functional and hierarchical relationship to other offices. In addition, the government must establish the internal structure of the LUMPO, including the roles and responsibility of staff members and their relationship to one another. By determining the external and internal structures, the Tribal Government prevents the needless duplication of functions and potential conflicts arising from questions about hierarchy.

#### 1. INTERNAL

There are two routes the Tribal Government may take to establish the LUMPO. The first option is for the government to create a brand new office. In doing so, the Tribe will have to hire a non-Tribal member to initiate the process because the Tribe currently lacks the technical expertise. Before the Tribe hires an experienced and well-qualified professional planner to oversee the process, the Tribe needs to set the general framework—the organizational structure, the major functions, the scope, and the relationship with other Tribal governmental entities. Then, the planner, who would serve as Director of the LUMPO, would determine the specifics in establishing the office. The second option is for the Tribe to break off a part of the existing Zoning Department to function as the LUMPO. Currently, the Zoning Department executes both the planning and zoning functions. The problem with this arrangement is that because both functions are enormous, neither receives the attention it deserves. The solution is to create two offices, each handling one of the functions. There currently, however, is no one in the Zoning Department who has the requisite expertise and training to create and run a planning office. Therefore, the ideal solution is to remove the planning function from the Zoning Department and place it in a newly created office, initially run by an external expert.

#### 2. EXTERNAL

Like the Real Estate Office (REO), it is critical that the Tribal Government be both accountable to legitimate political structures and isolated from unwarranted political interference. Specifically, while it is critical that all stakeholders provide input to LUMPO with regard to planning program, it is also important that LUMPO's functions are continuously executed, regardless of election cycles. If LUMPO staff constantly turns over due to election cycles, then its functions will be neither effectively nor successfully executed because of the expertise and time necessary to produce planning documents. Furthermore, for the LUMPO to succeed within the Tribal government it must operate with an extraordinary degree of professionalism. Therefore, the Tribal government should establish a semiautonomous LUMPO in which staff members are not political employees, but rather civil servants, chosen on the basis of merit. Because LUMPO is primarily an advisory office, which informs the REO in the land acquisition decision process and the Zoning Department in the zoning process, it is not critical that LUMPO be held politically accountable to a Board of Directors. It is crucial, however, that the Tribal Government use formalized mechanisms to hold the LUMPO accountable in terms of personnel performance and established policies.

#### *B. Role of the LUMPO Staff:*

The staff of the Land Use Management and Planning Office will be held accountable to the Tribal Chairperson and submit its activity reports and operating plans and budgets on an annual basis. Furthermore, the LUMPO staff will be responsible for the following:

- Setting goals within their functional areas
- Developing operational plans within their substantive areas
- Implementing day-to-day activities
- Working with other staff members/offices within the Tribal Government as necessary

### C. *Role of the LUMPO Director*

The Director of the LUMPO plays a critical role in directing and overseeing the office, serving as the liaison with other Tribal offices and with Tribal members and serving as the point of ultimate accountability within the LUMPO. The Director, therefore, should have excellent managerial, financial, communications, and negotiations skills, in addition to a sophisticated understanding of the planning, land acquisition, and zoning processes. Furthermore, the Director should possess a general familiarity with relevant economic, environmental, cultural, legal issues. The Director's responsibilities will be as follows:

- Submit an operating plan, which includes operating budget, capital budgets, production levels, and staffing and skill level requirements to the Tribal government on an annual basis
- Make daily spending and operating decisions consistent with the budget and operating policies of Tribal government
- Set operational goals, objectives, policies and procedures
- Oversee daily activities of the LUMPO staff
- Develop plans regarding research, planning, staffing levels, investment, technical assistance, etc.
- Develop and manage the training program for LUMPO
- Hire additional employees according to annual operating plans submitted to Tribal government
- Submit office activity reports to Tribal government including problem areas (both past and foreseen)
- Identify areas for improvement
- Contract for consulting, research and training services; identify needs for technical assistance
- Produce the "Plan"

Other personnel issues regarding the Director include the following:

1. Term of Position
2. Appointment
3. Removal
4. Compensation

#### 1. TERM OF POSITION

5 year contract with a 1 year probationary period

#### 2. APPOINTMENT

The Tribal government shall appoint the Director on the basis of his/her planning, negotiations, oral and written communications, managerial and financial skills and experience in the planning process. The Director need not be a Tribal member. If he/she is not a Tribal member, a practical

and/or academic training or apprenticeship program must be put into place to so that eventually a Tribal member may take over the position.

3. REMOVAL

The Tribal Chairperson may remove the Director when he/she is in violation of contract or has demonstrated incompetence.

4. COMPENSATION

The Director must be offered a competitive salary.

## SECTION TWO — ESTABLISHING THE LUMPO

### I. STARTING THE PROCESS

We recommend that the Tribal government immediately initiate the process of establishing the Land Use Management and Planning Office (LUMPO). In order to do so, the Tribal government needs to hire a professional planner to serve as the Director of LUMPO on a full-time basis. Furthermore, the Tribe needs to enact a Resolution that contains the following elements:

- The Charter of the LUMPO which includes its objectives, scope, structure, and requirements for evaluation
- Establishment of the LUMPO as a separate office and under the civil service system
- Allocation of necessary financial and physical resources to establish the LUMPO

The Director of the LUMPO should ensure that LUMPO is established and that policies outlined in Section Three of Operations Manual C are implemented. The Director should further conceptualize the role and purposes of LUMPO and specify and institute standardized processes that reflect LUMPO's role and purposes in the Tribal Government.

### II. THE ACTION PLAN

The following is an overview of the recommended resources and actions necessary to establish and operate the LUMPO:

**Table 1 — Checklist of Necessary Resources and Actions**

RECOMMENDATION	RESOURCES	ACTIONS
<b>SET UP A LAND USE MANAGEMENT AND PLANNING OFFICE WITH FORMALIZED ORGANIZATIONAL STRUCTURES, WRITTEN POLICIES, AND STANDARDIZED PROCESSES</b>	<input type="checkbox"/> Professional planner <input type="checkbox"/> BIA Land Services & Cartography services <input type="checkbox"/> Office <input type="checkbox"/> Equipment <input type="checkbox"/> Tribal Chairperson's endorsement	<input type="checkbox"/> Hire professional planner <input type="checkbox"/> Pass resolution <input type="checkbox"/> Create the Land Use Management and Planning Office <input type="checkbox"/> Meet with REO and the Zoning Department <input type="checkbox"/> Meet with stakeholders <input type="checkbox"/> Produce the long-term "Plan" <input type="checkbox"/> Implement regularized communication channels <input type="checkbox"/> Review, revise, update, implement

The following are detailed descriptions of the previous checklist. The descriptions are divided into "Resources, People, and Equipment" and "Step-by-Step Actions"

#### 1. *Resources, People, and Equipment*

RESOURCE	DETAILED DESCRIPTION
<b>1. One full-time Professional Planner</b>	Qualifications of the Planner <ul style="list-style-type: none"> <li>• Expertise and experience in Tribal, city or regional planning</li> <li>• Excellent research skills</li> </ul>

RESOURCE	DETAILED DESCRIPTION
	<ul style="list-style-type: none"> <li>• Architecture and business degrees (or city/regional planning degree)</li> </ul>
2. Services of BIA Land Services, Cartography Department	The current BIA cartographer is highly skilled. The BIA Land Services Office contains mapping equipment which is quite expensive. Therefore, it is in the Tribe's interest to utilize BIA services and equipment until the Tribe can provide for its own.
3. Office	One dedicated office room
4. Equipment	Computer, Desk, Phone, Chalkboard; and Access to Fax, Printer, internet
5. Tribal Chairperson's Endorsement	Important to secure dedication of necessary resources

2. *Step-by-Step Actions*

ACTION	DETAILED DESCRIPTION
1. Hire Professional Planner	1. Role of the Planner <ul style="list-style-type: none"> <li>• Create the LUMPO</li> <li>• Develop and implement policies and processes</li> <li>• Conduct meetings with stakeholders</li> </ul>
2. Pass Resolution	2. Purpose of the Resolution <ul style="list-style-type: none"> <li>• To legitimize the LUMPO</li> <li>• To dedicate necessary resources to establish and operate the LUMPO</li> </ul> 3. Elements of the Resolution <ul style="list-style-type: none"> <li>• Provision creating LUMPO as a separate office</li> <li>• Allocation of necessary resources</li> <li>• Endorsement of LUMPO policy which spells out objectives, scope, structure, and requirements for evaluation</li> </ul> 4. Mobilizing support for the resolution <ul style="list-style-type: none"> <li>• Through communication of the Vision Statement (See actions under Recommendation A, B &amp; C)</li> </ul>
3. Create the Land Use Management and Planning Office (LUMPO)	5. Adopt and codify policies <ul style="list-style-type: none"> <li>• Planning Program Policy</li> <li>• Intergovernmental Affairs Policy</li> </ul> 6. Implement Procedures and Processes
4. Meet with REO and Zoning Department	7. Purpose of the meetings <ul style="list-style-type: none"> <li>• To initiate the working relationship with these offices/departments</li> <li>• To discuss adopted policies</li> <li>• To get their perspective on future development and land use issues</li> <li>• To begin the planning process</li> </ul>
5. Meet with Tribal members and other stakeholders	8. Purpose of the Meeting <ul style="list-style-type: none"> <li>• To get their perspectives on future</li> </ul>

ACTION	DETAILED DESCRIPTION
	development and land use issues <ul style="list-style-type: none"> <li>• To communicate the vision</li> </ul> 9. Format of Meetings <ul style="list-style-type: none"> <li>• Town Halls</li> <li>• Newsletter Communication</li> <li>• Flyers</li> </ul>
6. Conduct (contract out) research projects	10. Mapping current uses <ul style="list-style-type: none"> <li>• Use BIA Land Services</li> <li>• Use USDA Soil Conservation Survey resources</li> </ul> 11. Mapping current needs <ul style="list-style-type: none"> <li>• Utilize BIA Land Services</li> </ul> 12. Some other issues to research <ul style="list-style-type: none"> <li>• Tribal desires/concerns</li> <li>• Environmentally sensitive areas</li> <li>• Location of utility lines/pipes</li> <li>• Regional market demand and supply</li> <li>• General economic forecast</li> <li>• Demographic and housing forecast</li> </ul> 13. Contract out research services
7. Produce a Long Term Planning Program/Document	14. Purpose of the Planning Program/Document <ul style="list-style-type: none"> <li>• To translate desires and concerns of stakeholders onto map designating uses</li> </ul> 15. Elements of the Planning Program/Document <ul style="list-style-type: none"> <li>• Designates acceptable uses and conditions based on the long term Tribal vision</li> </ul>
8. Implement regularized communication channels with REO, Zoning Department, Tribal Chairperson, Tribal Council, other government bodies, Tribal members.	16. Forms of communication <ul style="list-style-type: none"> <li>• Regular newsletters</li> <li>• Regular meetings with key stakeholders</li> <li>• Mini-conferences</li> </ul>

### III. SETTING GOALS AND SPECIFYING OBJECTIVES

- What targets can the Crow Tribe's Land Use Management and Planning Office set and meet the end of 1 year? By the end of 5 years?
- Are they attainable goals?
- Has the LUMPO achieved the objectives set for the end of 1 year? 5 years?

#### A. Why set goals and specify objectives?

Establishing goals is critical for four reasons. First, the managers and staff of the office will have targets which will inform the development of its policies and programs. The LUMPO can then evaluate the potential of proposed programs based upon their compatibility with office objectives. Second, goals can be translated into objectives. Objectives serve as a benchmark when reflecting *back* upon the accomplishments of the office and the activities of its staff. Objectives allow the Tribal government to monitor and evaluate its progress. Because they are measurable, the Tribe can monitor how close it is to fulfillment and re-evaluate its activities if it is not close to achieving them. Clear objectives serve as the foundation for an evaluation process, serving as benchmarks by which the Tribal Government can evaluate what the office has achieved. Third, goals and objectives assist in the *budgeting* process. Funds can be targeted towards specific areas

based upon the focus of the goals and objectives. Finally, the process of setting goals will force Tribal leadership to consider its long-term needs in the context of resource constraints.

Therefore, the objectives of the LUMPO should be focused, realistic and concrete. For example, the LUMPO should set objectives in terms of the number of meetings with different stakeholders it wants to organize and attend, the number of different research projects, and the date by which to complete the planning documents. Typical objective statements may be as follows:

- By the end of 1998, the LUMPO will publish its first comprehensive, long-term Tribal "Plan".
- By the end of 1997, the LUMPO will have had a meeting with X, Y, and Z.
- By July 1997, the LUMPO will catalogue current uses of the land.
- By December 1997, the LUMPO will develop several economic forecast models by which to determine the best possible uses of the land.

**B. How to set goals and objectives:**

The following is one possible process the LUMPO may wish to use to set its goals:

1. Make a rough list of goals consistent with the LUMPO's scope.
2. Determine what land use, economic, environmental, agricultural, grazing and other land-related research projects are needed to produce the planning documents.
3. Make a list of what studies have not been conducted and what maps have not been produced.
4. Determine the key stakeholders and make a list of important meetings.
5. Assess LUMPO's resources and other resources that may be tapped to implement the planning process.
6. Determine potential constraints such as personnel availability, skill level, & funding.
7. Reexamine the goals to determine practical feasibility.
8. Translate the goals into concrete, measurable, accountable, and time-sensitive objectives.

**C. How to use goals and objectives**

As discussed, review of the planning process and LUMPO's other activities should be conducted utilizing the initial goals set. If objectives and goals are unfulfilled, LUMPO should conduct an internal investigation to determine the causes. Furthermore, objectives should be assessed according to how well they lead to fulfilling the goal from which the objectives were translated. For example, did conducting X meetings by 1998 contribute to the goal of a politically legitimate "Plan". If so, how?

## SECTION THREE — POLICIES OF LUMPO

### I. INTRODUCTION

---

#### A. *Why Have Policies?*

In order for the LUMPO to function effectively it must put into place policies and procedures that are consistent, written, formalized, and legitimate. Without policies and procedures that are codified as Tribal resolutions, staff members will make ad-hoc and uncoordinated decisions. This could lead to undesired consequences such as the unnecessary loss of Tribal funds. In addition, "...formalized rules and procedures serve to *empower* a people by allowing them to carry forward the public's interest." (Kalt 21) Passing Tribal resolutions to adopt these policies will have three effects.

- Formally defining the planning program and intergovernmental communications policies will make it more difficult for self-interested parties to take advantage of the power the office holds.
- Codification of these policies will commit political leadership to supporting the activities of the LUMPO.
- Tribal members will not only be informed of the LUMPO's purpose and efforts, but can also be mobilized as a support base for its activities. Both leadership and membership will be more inclined to take the LUMPO seriously.

#### B. *Discussion of the Policies*

The policies that the Tribe requires are as follows:

- Planning Program Policy
- Intergovernmental and Intertribal Communications Policy

The LUMPO needs to adopt a Planning Program Policy to guide the planning process and to ensure the creation of a "Plan" that is politically legitimate and consistent with the long-term Tribal mission and goals. One reason is that the *process* itself is just as important as the *outcome* of the process. For example, if certain stakeholders do not feel included in the planning process, this could undermine the political legitimacy of the "Plan". Therefore, the Planning Program Policy is crucial to ensure a sound, standardized process and a well-conceived "Plan".

The LUMPO also needs to adopt an Intergovernmental and Intertribal Communications Policy. Planning documents are useless if they remain on the shelves of LUMPO. Therefore, the Intergovernmental and Intertribal Communications Policy is important to ensure that LUMPO communicates the contents and purpose of the planning documents and informs the land acquisition and zoning processes.

Detailed descriptions of each policy follow this section.

## II. THE PLANNING PROGRAM POLICY

---

### A. *Using the Policy*

The LUMPO should use the Planning Program Policy to guide the process by which the LUMPO produces, evaluate, and updates the "Plan".

### B. *Components of the Policy*

The following are recommended components of the policy:

1. Scope
2. Objectives
3. Input from Stakeholders
4. Research
5. The "Plan"
6. Delegation and Authority
7. Reporting & Performance Evaluation

#### 1. SCOPE

Scope defines the policy's parameters of influence. In this case, the scope should be defined so that the policy guides, not rules, the process. For example, the policy should ensure that the LUMPO engages in certain activities, such as communication with stakeholders and research, in producing the "Plan".

#### 2. OBJECTIVES

Objectives clarify the intent and purpose of the policy. Specifically, it is important that the objective is to ensure that stakeholders and relevant research inform the production of the "Plan".

#### 3. INPUT FROM STAKEHOLDERS

As discussed earlier, input from stakeholders is critical in the planning process. The policy should specify that, at a minimum, the goals, desires, and concerns of the Tribe, in general, and Tribal Chairperson are obtained. Furthermore, the LUMPO should investigate stakeholders' desires regarding current land uses and preferred land use schemes.

The policy should recommend that the input of Tribal members, landowners, entrepreneurs, and other individuals are obtained. The policy should also recommend that LUMPO obtains the input of the Land Resource Committee, the Education Committee, the Housing Committee, the Health Committee, the Zoning Committee, the Crow Conservation Committee, the Tax Commission, the Crow Energy Corporation, the Water Resource Committee, the Fish and Game Committee, the Gaming Commission, the Budget Committee, the Culture Commission, the Public Utility Commission, the Social Services Committee, the School Board, the Allocation Committee, 107th Budget Committee, the Executive Committee, and the Little Big Horn College.

The policy should also recommend the preferred forms of communication, among which should be community meetings and regular newsletters. Furthermore, the policy should highly recommend the creation of a "steering committee" composed of representatives of the key stakeholder

organizations. Such a committee would aid LUMPO in accessing the major concerns and desires of stakeholders.

#### 4. RESEARCH

Including this component of the policy is important to ensure that the planning process include relevant and quality research. At a minimum, the LUMPO needs to research the following current conditions:

- Regional and local economic trends
- Land uses (residential, agricultural, grazing, light industrial, retail, office, etc.)
- Demographic trends
- Transportation flows
- Location of utility lines and other infrastructure
- Environmental conditions
- Land ownership
- Location of sacred lands
- Location of public services, such as schools, hospitals, and police

Furthermore, the policy should require that the LUMPO research future conditions, examining the above issues.

The policy should state that research may be conducted internally or may be accomplished by hiring an outside firm. If research is contracted out, then the policy should set forth guidelines for selecting and hiring a researcher or firm.

#### 5. THE "PLAN"

This component is critical to ensure that LUMPO produces a quality "Plan". The policy must state that the "Plan" is a written document that includes maps designating the preferred future land use. The policy must also state that the "Plan" should be used as a tool to guide decisions on land acquisition, zoning, and development to ensure that these decisions effectively enable the Tribe to reach its goals of sovereignty, cultural preservation, and prosperity.

The preferred land use maps should include designations for the following:

- Grazing
- Dry farming
- Agriculture
- Light industry
- Heavy industry
- Retail
- Office
- Housing
- Schools; and
- Open space.

The "Plan" should also contain maps designating the preferred location of the following:

- Right-of-ways
- Infrastructure, including highways, rail, roads, and pedestrian pathways
- Utility lines
- Environmental zones
- "Cultural" or "sacred" zones

The policy must state that the "Plan" must be regularly reviewed by stakeholders, checked against on-going research, updated and amended, and utilized (See "Intergovernmental and Intertribal Communications Policy" which can be found in the after discussion of this policy.)

6. DELEGATION AND AUTHORITY

The policy should specify who is responsible for enforcing and carrying out the policy.

7. REPORTING & PERFORMANCE EVALUATION

Finally, the policy should specify when and where regular and interim/ad-hoc performance reports should be filed. In this case, LUMPO should submit these reports to the Tribal Government. The policy should also specify who conducts regular and ad-hoc performance evaluations. In this case, the Tribal Government should have this authority. It should also specify the situations in which the Tribal Government can take measures to remedy the situation in question.

C. *Adopting the Policy*

The Planning Program Policy should be a written document that is formally approved by the Tribal Chairperson through a signature. Furthermore, it should be also formally endorsed by the Tribe through a Tribal Resolution.

### III. THE INTERGOVERNMENTAL AND INTERTRIBAL COMMUNICATIONS POLICY

---

A. *Using the Policy*

The LUMPO should use the Intergovernmental and Intertribal Communications Policy to guide the process by which the LUMPO utilizes planning documents.

B. *Components of the Policy*

1. Scope
2. Objectives
3. Communication and Education
4. Relationship with the Real Estate Office
5. Relationship with the Zoning Department
6. Delegation and Authority
7. Reporting & Performance Evaluation

1. SCOPE

Scope defines the policy's parameters of influence. In this case, the scope should be defined so that the policy guides, not rules, the communications process. For example, the policy should ensure that LUMPO engages in certain activities, such as making available the contents of the "Plan", educating the Tribe about the value and contents of the "Plan", and advising the Real Estate Office and Zoning Department.

## 2. OBJECTIVES

Objectives clarify the intent and purpose of the policy. Specifically, the objective should include that LUMPO use the "Plan" for communication, education, and advice.

## 3. COMMUNICATION AND EDUCATION

The communication and education components are critical to ensuring that the preferred land use scheme laid out in the "Plan" is achieved in the long-term. The policy should state that LUMPO must initiate an awareness and education program to ensure that Tribal members are familiar with and understand the contents of the "Plan". The policy should also state that the "Plan" is available for anyone in the Tribe to view.

## 4. RELATIONSHIP WITH THE REAL ESTATE OFFICE

In order to achieve the land use scheme of the "Plan", LUMPO must ensure that certain land acquisition and management decisions are made. The policy must explicitly state that LUMPO's role in the land acquisition process is advisory.

The policy should specify the kind of advice LUMPO should convey to the REO. Specifically, LUMPO should provide the REO with the following:

- Preferred uses of the land to be purchased
- Long-term value of the land determined by setting its use against Tribal goals.

With regard to the latter point, the following three types of "use" values should be considered:

- *Existing* use value (Existing structures, profits, assets, etc.)
- *Potential* use value (Proximity to infrastructure, natural resources, relationship to the "Plan", size of parcel, soil content, technical requirements, etc.)
- *Existence* or non-use value (Environmentally sensitive, culturally sacred)

The policy should also specify when regular and ad-hoc advisory meetings should occur and the acceptable means to maintain interim communication.

## 5. RELATIONSHIP WITH THE ZONING DEPARTMENT

In order to ensure that the REO's land management decisions are made in accordance with the "Plan", LUMPO needs to ensure that zoning regulations that mirror the "Plan" are in place. The policy must explicitly state that LUMPO's role in the zoning process is advisory. The policy also must explicitly state when regular and ad-hoc advisory meetings should occur and the acceptable means to maintain interim communication.

## 6. DELEGATION AND AUTHORITY

The policy should specify who is responsible for enforcing and carrying out the policy.

## 7. REPORTING & PERFORMANCE EVALUATION

Finally, the policy should specify when and where regular and interim/ad-hoc performance reports should be filed. In this case, LUMPO should submit these reports to the Tribal Government. The policy should also specify who conducts regular and ad-hoc performance evaluations. In this case, the Tribal Government should have this authority. It should also specify

the situations in which the Tribal Government can take measures to remedy the situation in question.

***C. Adopting the Policy***

The Intergovernmental and Intertribal Communications Policy should be a written document that is formally approved by the Tribal Chairperson through a signature. Furthermore, it should be also formally endorsed by the Tribe through a Tribal Resolution.

## REFERENCES

The following is a list of relevant resources to which the Tribe may wish to refer as it establishes its organizational structures and develops its acquisition, sales and leasing processes.

### Reports to the Harvard Project on American Indian Economic Development

- Buseck, Lori and Heather Tallman. *An Evaluation of the Flathead Indian Reservation's Land Appraisal System*. May 1989.
- Dewes, W., A. Laird, A. Martinez, and C. O'Hara. *Managing Organizational Change. A Report to the Crow Tribe of Montana*. May, 1988.
- Dickinson, Mark and William F. Wiggins. *A Single Acre, A Sovereign Effort: A Model for Muckleshoot Land-Use and Economic Development*. April 1995.
- Hall, Jan Erik. *Apache Cattle: The Reservation as Marketplace, a Sale Yard Feasibility Study*. May 1988.
- Haupt, Barbara. *Buying Back the Land: Land Acquisition as a Means to Achieving Tribal Goals on the Puyallup Reservation*. April 1992.
- Monrad, Marie. D. *Native American Tribal Trust Funds: Expanding the Options for Tribal Control*. April 1988.
- Nead, Kim and Denise Toussaint. *Developing a Management Plan for Crow Tribal Wildlife Resources*. May, 1987.
- Nissenbaum, Paul and Paul Shadle. *Evaluating Land Use Proposals: A Comprehensive System for the Puyallup Tribe of Indians*.
- Pierson, Annette M. and Frederick Tombar, III. *Americorps: A Promise for Indian Country? An Assessment of the Potential Impact of the Americorps Program. A Case Study of the Pine Ridge Reservation*. April 1994.
- Purkey, Andrew. *The Crow Tribal Government and Economic Development*. May 1988.
- Real Bird, Richard, Former Chairman of the Crow Tribe of Montana. *In Search of Peace and Prosperity: The Crow Tribal Struggle for Economic Sovereignty*. An Address to Harvard University. April 1988.
- What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*. Edited by Stephen Cornell and Joseph P. Kalt. American Indian Studies Center, UCLA, Copyright, Regents of the University of California.

### Crow Documents

- 107th Advisory Committee Priorities. Bill Pease. 1996.
- Constitution and Bylaws of the Crow Tribal Council.
- Crow Conservation District Documents (Sarge Old Horn)

Crow Economic Development Plan of Operation. Bill Pease

"Did You Know?" Data Compiled by Billings Area Land Titles and Records Office. DA Wilson. 03/11/94.

Economic Analysis of the Crow Indian Reservation. Bill Pease

General Questions and Answers About Indian Reserved Water Rights.

Land Acquisitions for Individual Indians. Fee-to-Trust Procedural Guidelines. Regulations: Title 25 CFR, Part 151.3

Position Statement and Administrative Management Plan for the Crow Tribe Industrial Development Commission. January 28, 1982.

Settlement Agreement Between the Crow Tribe of Indians and the United States to Resolve the 107th Meridian Boundary Dispute. Crow Tribe of Montana. November 28th, 1994.

### Other Resources

Belue, Clarence Thomas. *Oppressors, Power, and Tears: A History of White Control of Crow Lands*. A Paper Submitted to Professor Rennard Strickland. University of Wisconsin-Madison Law School. In Partial Fulfillment of the Requirements of Law 528-940.

Belue, Clarence Thomas. *White Oppression and Enduring Red Tears: Indian Law and the Real Rules for White Control of Crow Lands*. April, 1991.

Cleveland City Planning Commission. "Cleveland Civic Vision 2000 Citywide Plan" (Cleveland, OH 1991)

Clinton, Robert, Neil J. Newton and Monroe E. Price. *American Indian Law: Cases and Materials*. The Michie Company, Law Publishers. Charlottesville, VA. 1973.

Crow, Joe Medicine and Daniel Press. *Handbook of Crow Indian Laws and Treaties*. Crow Agency, Montana. 1966.

*Housing Problems and Needs of American Indians and Alaska Natives*. Prepared for the US Department of Housing and Urban Development Office of Policy Development and Research by The Urban Institute Center for Public Finance and Housing. May 1996.

"Indian Housing. Hands in the till." *The Economist*. 22 March 1997.

Moore, Mark H. *Creating Public Value: Strategic Management in Government*. Harvard University Press, Cambridge 1995

O'Brien, Sharon. *American Indian Tribal Governments*. University of Oklahoma Press. USA 1993.

Peterson, John E. and Dennis R. Strachota. *Local Government Finance; Concepts and Practices*. Government Finance Officers Association. Chicago, Illinois. 1993.

Plummer, Norman B. *Crow Indians: The Crow Tribe of Indians, Commission Findings*. Garland Publishing Co., New York & London. 1974

Stafford, John Wade. *Crow Culture Change: A Geographical Analysis*. Michigan State University, Ph.D., 1972 Geography.

# APPENDIX A - SAMPLE LEASE DOCUMENT

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

## LEASE

95-2/  
5/18/95

Allotment No. \_\_\_\_\_  
Lease No. \_\_\_\_\_  
Contract No. \_\_\_\_\_

\_\_\_\_\_ Indian Agency

THIS CONTRACT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
by and between the Indian or Indians named below (the Secretary of the Interior acting for and on behalf of Indians),  
hereinafter called the "lessor," and \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_  
hereinafter called the "lessee," in accordance with the provisions of existing law and the regulations (25 CFR 162) which,  
by reference, are made a part hereof, WITNESSETH: That for and in consideration of the rents, covenants, and  
agreements hereinafter provided, the lessor hereby lets and leases unto the lessee the land and premises described as follows, to wit:

containing \_\_\_\_\_ acres, more or less, of which not to exceed \_\_\_\_\_ acres may be cultivated, for the term of  
\_\_\_\_\_ 5 \_\_\_\_\_ years, beginning on the first day of \_\_\_\_\_, 19\_\_\_\_  
fully to be completed and ended on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
subject to the conditions hereinafter set forth. The lessee, in consideration of the foregoing, covenants and agrees, as rental  
for the land and premises, to pay \$ \_\_\_\_\_ per annum:

TO--	DATE DUE	AMOUNT
HEIRS OF ALLOT. NO.	10/01/95	\$ _____
	10/01/96	\$ _____
\$ PER IRRIGATED ACRE	10/01/97	\$ _____
\$ PER DRY FARM ACRE	10/01/98	\$ _____
\$ PER PASTURE ACRE	10/01/99	\$ _____

WHERE RENTAL IS PAID DIRECT, SATISFACTORY PROOF OF PAYMENT MUST BE FILED AT THE CROW INDIAN AGENCY WITHIN TEN DAYS OF DUE DATE

BOND: \$ \_\_\_\_\_ FEE: \$ \_\_\_\_\_

In the event of the death of any of the owners to whom, under the terms of this lease, rentals are to be paid direct, all rentals remaining due and payable shall be paid to the official of the Bureau of Indian Affairs having jurisdiction over the leased premises. This provision is applicable only while the leased premises are in trust or restricted status. While the leased premises are in trust or restricted status, the Secretary may in his discretion, and upon notice to the lessee, suspend the direct rental payment provisions of this lease in which event the rentals shall be paid to the official of the Bureau of Indian Affairs having jurisdiction over the leased premises.

**THIS LEASE IS SUBJECT TO THE FOLLOWING PROVISIONS:**

1. **"SECRETARY"** as used herein means the Secretary of the Interior or his authorized representative.
2. **INTEREST** - It is understood and agreed between the parties hereto that, if any installment of rental is not paid within 30 days after becoming due, interest will be assessed at the existing prime rate, plus three (3) percent, times that amount owed for the period during which payments are delinquent. Interest will become due and payable from the date such rental becomes due and will run until said rental is paid. The interest rate formula is Interest = (Prime Rate + .03) times amount due.
3. **OPERATION AND MAINTENANCE ASSESSMENTS** - It is understood and agreed that the lessee will pay all operation and maintenance assessments annually in advance on the due date preceding each irrigation season, including any penalties accruing against the above-described land under irrigation, and will pay all charges assessed in connection with any other improvement project or district within which the lands may be located, pursuant to the existing or future orders or regulations of the Secretary.
4. **REPAIRS** - It is understood and agreed that the lessee is to keep the premises covered by this lease in good repair, and the said lessee will be responsible for all damages done to buildings and fences and other improvements, except the usual wear and decay.
5. **CROP LEASES** - It is understood and agreed that the lessee will not purchase or be a party to the purchase by anyone, of the lessor's share of the crop, without prior approval of the Secretary.
6. **SUBLEASES AND ASSIGNMENTS** - Unless otherwise provided herein, a sublease, assignment or amendment of this lease may be made only with the approval of the Secretary and the written consent of all parties to this lease, including the surety of sureties.
7. **RESERVATIONS** - It is understood and agreed that the lessor reserves the right to make oil and gas leases, grant rights of way and other legal grants, on the premises covered by this lease and that in event such a lease or grant is made, the lessee hereunder shall be entitled to damages for the actual loss sustained by him on account of said lease or grant, and to nothing more. It is further understood that in the event of a dispute between the lessee hereunder and the lessee or permittee under any oil and gas lease, right of way, or other grant, as to the amount of such actual damages the matter will be referred to the Secretary who shall be the sole and final judge as to the amount of said damages.
8. **UNLAWFUL CONDUCT** - The lessee agrees that he will not use or cause to be used any part of the leased premises for any unlawful conduct or purpose.
9. **RELINQUISHMENT OF SUPERVISION BY THE SECRETARY** - Nothing contained in this lease shall operate to delay or prevent a termination of Federal trust responsibilities with respect to the land by the issuance of a fee patent or otherwise during the term of the lease; however, such termination shall not serve to abrogate the lease. The owners of the land the lessee and his surety or sureties shall be notified by the Secretary of any such change in the status of the land.
10. **IMPROVEMENTS** - Unless otherwise provided herein it is understood and agreed that any buildings or other improvements placed upon the said land by the lessee become the property of the lessor upon termination or expiration of this lease.
11. **VIOLATIONS OF LEASE** - It is understood and agreed that violations of this lease shall be acted upon in accordance with the regulations in 25 CFR 162.
12. **ASSENT NOT WAIVER OF FUTURE BREACH OF COVENANTS** - No assent, express or implied, to any breach of any of the lessee's covenants, shall be deemed to be a waiver of any succeeding breach of any covenants.
13. **UPON WHOM BINDING** - It is understood and agreed that the covenants and agreements hereinbefore mentioned shall extend to and be binding upon the heirs, assigns, executors, and administrative of the parties to this lease. While the leased premises are in trust or restricted status, all the lessee's obligations under this lease, and the obligations of its sureties, are to the United States as well as to the owner of the land.
14. **INTEREST OF MEMBER OF CONGRESS** - No Member of, or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this contract if made with a corporation or company for its general benefit.
15. **ADDITIONS** - Prior to execution of this lease, provision number 17 - **LAND USE PROVISIONS** has been added hereto and by reference is made a part hereof.
16. **APPROVAL** - It is understood and agreed that this lease shall be valid and binding only after approval by the Secretary.



**APPENDIX B — APPLICATION FOR SALE OF LAND**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

APPLICATION FOR PATENT IN FEE OR FOR THE SALE OF INDIAN LAND

Allottee \_\_\_\_\_ No. \_\_\_\_\_ Reservation \_\_\_\_\_  
\_\_\_\_\_  
(Date)

Application is hereby made for (patent in fee) (supervised sale) \* for the following described land: \_\_\_\_\_  
\_\_\_\_\_

containing \_\_\_\_\_ acres, more or less.

In justification of this application, true statements are made to the following items (item 15 only is applicable for the sale of inherited lands in multiple ownership):

1. Age \_\_\_\_\_
2. Date of birth \_\_\_\_\_
3. Degree of Indian blood \_\_\_\_\_
- Single
4. Married (strike out one)
5. Education: Years in elementary school \_\_\_\_\_ High school \_\_\_\_\_  
College \_\_\_\_\_
6. The following persons are dependent upon me for support (Give names, ages, and relationship) \_\_\_\_\_  
\_\_\_\_\_
7. I am enrolled as a \_\_\_\_\_ Indian
8. Permanent address \_\_\_\_\_
9. The amount of my annual income is \$ \_\_\_\_\_
10. My income is obtained from the following sources: \_\_\_\_\_  
\_\_\_\_\_
11. If receiving public assistance grants from the State or general assistance from the Bureau of Indian Affairs, or funds from the Veterans Administration, Social Security, or any regular public benefit, state kind and amount. (If none, state none.) \_\_\_\_\_

# APPENDIX C — LAST WILL AND TESTAMENT

BIA-5407 - Rev. April, 1982

INDIAN WILL UNDER THE ACT OF JUNE 25, 1910, (36 Stat. 855-856)  
AS AMENDED BY THE ACT OF FEBRUARY 14, 1913, (37 Stat. 678)

-----  
**LAST WILL AND TESTAMENT**

OF

\_\_\_\_\_ Allottee No. \_\_\_\_\_ Age \_\_\_\_\_

I, \_\_\_\_\_ of the \_\_\_\_\_

Tribe, of the State of \_\_\_\_\_, being of sound and disposing mind, realizing the uncertainty of human life, do make this my Last Will and Testament hereby revoking all former wills by me made, in manner and form following, that is to say:

FIRST. ----I desire that all my legal debts be paid, including the expense of my last illness, funeral, and burial.

SECOND. ---I give, devise, and bequeath to -

NO RIGHTS OF AN EXECUTOR ARE TO BE RECOGNIZED

IF MORE SPACE IS NECESSARY TO DESCRIBE PROPERTY, AFFIX A SEPARATE SHEET

A diagonal Line Shall Be Drawn From the Last Devise to the Bottom of This Page

I give, devise, and bequeath all of the rest and residue of my estate, real, personal, and mixed, to:

In witness whereof, I, \_\_\_\_\_, have hereunto set my hand, sealed, published, and declared this to be my Last and Testament, this \_\_\_\_\_ day of \_\_\_\_\_, in the year of our Lord one thousand nine hundred and \_\_\_\_\_.

Witnesses:

\_\_\_\_\_  
Residing at \_\_\_\_\_

\_\_\_\_\_  
Residing at \_\_\_\_\_

The foregoing instrument of writing was here and now signed by \_\_\_\_\_ in our presence, and at this request and in the presence of each other we have signed as witnesses and he has published and declared this to be his (her) Last Will and Testament.

\_\_\_\_\_  
Residing at \_\_\_\_\_

\_\_\_\_\_  
Residing at \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE EXAMINER OF INHERITANCE

Pursuant to the provisions of the Act of February 14, 1913 (37 Stat. 678), and the provisions of 25 CFR 81, the within will is hereby \_\_\_\_\_ in accordance with the Order of even date herewith.

Done at the City of \_\_\_\_\_

\_\_\_\_\_  
Examiner of Inheritance

CONTINUATION SHEET NO. \_\_\_\_\_ TO WILL DATED \_\_\_\_\_

OF \_\_\_\_\_ :

THIS WILL CONSISTS OF THE REGULAR FORM AND \_\_\_\_\_ CONTINUATION SHEET(S).  
A diagonal Line shall be drawn from the last devise to the bottom of this page.

# THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

## Project Report Series

- 98-9 Begay, Manley A., Jr., Stephen Cornell and Joseph P. Kalt.  
"Making Research Count in Indian Country: The Harvard Project on American Indian Economic Development."  
October 1997.
- 98-8 Filipovich, Karen and Brian Weinberger.  
"Building Effective Land Management Processes." (Release Pending)  
April 1998.
- 98-7 Petek, Gabriel and Rachel Teisch  
"An Electricity Restructuring Strategy for the Crow Tribe."  
April 1998
- 98-6 Manzanares, Elsa and David Thaler  
"Toward a Comprehensive Workforce Development System for the Oglala Nation."  
(Release Pending)  
April 1998
- 98-5 Jayaraman, Saru and Myong Leigh  
"Getting Down to Business: Expanding Dine College's Role in Navajo Economic Development."  
(Release Pending)  
April 1998
- 98-4 Henson, Eric and Luxman Nathan  
"Tool of Sovereignty: The Crow Commercial Code"  
April 1998
- 98-3 Goldstein, Michael S.  
"Building Support for the Development of the Hualapai Tribal Court" (Release Pending)  
April 1998
- 98-2 Nguyen, Mariah Nhu and Derrick H. Robinson  
"The Elder Multicultural Care Project: Feasibility Study." (Release Pending)  
Prepared for Bay Area Native American Ministries.  
April 1998
- 98-1 Kalt, Joseph P.  
"Statement of Professor Joseph P. Kalt Before the National Gambling Impact Study Commission,  
March 16, 1998."
- 97-5 O'Brien, Lawrence, Pablo Padillo and Andrew Williams  
"Hualapai Judicial Reform: Developing Alternative Dispute Resolution." (Release Pending)  
A Report to the Hualapai Tribe  
June 1997

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 97-4 Calleros, Russell A. and Anna Ling  
"Maximizing the Impact of the Restoration Fund: Policies the White Mountain Apache Tribe Can Use to Manage the 22-H Fund." (Release Pending)  
April 1997
- 97-3 Damji, Feyrouz and Suzanne Kim  
"Strategic Land Acquisition: Implementing Formal Structures, Policies and Processes for Sustainable Decision Making.")  
The Crow Tribe of Montana.  
April 1997
- 97-2 Aoki, Andrew and Dan Chatman  
"An Economic Development Policy for the Oglala Nation." (Release Pending)  
April 1997
- 97-1 Lam, James  
"Evaluating the Impact of Federal Welfare Reform Legislation in Indian Country  
May 1997.
- 96-7 Ramirez, Armando L and Sue W. Wong.  
"A New Direction: Building a Foundation for Successful Economic Development on the Three Affiliated Tribes' Fort Berthold Reservation."  
(Release Pending)  
April 1996.
- 96-6 Maturino, Teresa and Elaine Trevino  
"How Can the White Mountain Apache Tribe Attract, Produce, and Retain Quality Tribal Managers?"  
(Release Pending)  
April 1996.
- 96-5 Lu, Jean and Larry Witte  
"The Basis of a Nation-to-Nation Relationship: A Report to Oglala Sioux Tribe and the Senate Committee on Indian Affairs."  
(Release Pending)  
April 1996.
- 96-4 Garcia, Delia.  
"Analyzing the Organizational Structure of the San Carlos Apache Tribal Health Department: Asset or Liability?"  
(Release Pending)  
April 1996.
- 96-3 Hemmer, Daniel.  
"Options for Evaluating Social Costs Resulting From Lands Taken From the Standing Rock Sioux Tribe for the Oahe Dam Project"  
(Release Pending)  
April 1996.
- 96-2 Lee, Andrew J.  
"From Planning to Implementation: Integrated Planning at the Yakama Indian Nation."  
April 1996.
- 96-1 Kalt, Joseph P.  
"Statement of Professor Joseph P. Kalt Before the United States Senate Committee on Indian Affairs, September 17, 1996."

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 95-5 Freeman, Andrea K. and Marc L. Moore  
Finding True North: Using Compass Points for Guidance." (Release Pending)  
A Project Selection Framework for the Northern Cheyenne Tribe of Montana.  
April 1995.
- 95-4 Cornell, Stephen and Joseph P. Kalt  
"Successful Economic Development and Heterogeneity of Government Form on American Indian Reservations."  
March 1995.
- 95-3 Cornell, Stephen and Joseph P. Kalt  
"Cultural Evolution and Constitutional Public Choice: Institutional Diversity and Economic Performance on American Indian Reservations."  
January 1995.
- 95-2 Jorgensen, Miriam  
"Linking Education and Research for Self-Determined Native American Development: What Can be Done?  
A Seminar Sponsored by the National Executive Education Program for Native American Leadership."  
August 15-17, 1994.
- 95-1 Dickinson, Marke and William F. Wiggins  
"A Single Acre, A Sovereign Effort:  
A Model for Muckleshoot Land-Use and Economic Development."  
April 1995.
- 94-12 Emory, Georgia  
"Easing the Equity Crunch on the Cheyenne River Sioux Reservation."  
(Release Pending)  
April 1994.
- 94-11 Ang, Saralyn Minnie Cam  
"The Oglala Lakota Judiciary: Meeting Nontribal Demands and Tribal Needs." (Release Pending)  
April 1994
- 94-10 Blackford, Loren L.  
Negotiating a Strategic Vision for the Seneca Nation." (Release Pending)  
April 1994
- 94-9 Sahay, Puchka  
"Making Choices About Development Activity: A Feasibility Analysis of Aquaculture."  
(Release Pending)  
Recommendations to the Tribal Council of Cochiti de Pueblo  
April 1994
- 94-8 Pierson, Annette M. and Frederick Tombar, III  
"AmeriCorps: A Promise for Indian Country?  
An Assessment of the Potential Impact of the AmeriCorps Program  
A Case Study of the Pine Ridge Reservation."  
April 1994.
- 94-7 Begay, Manley A., Jr., and Wai-Shan Leung  
"One Tribe Beats the Odds:  
The Experience of the Fort McDowell Indian Gaming Center."  
November 1994.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 94-6 Smith, Dean Howard  
"Toward a New Theory of Environmental Society."  
June 1994  
Revised October 1995.
- 94-5 Cornell, Stephen  
"Five Myths, Three Partial Truths, A Robust Finding, and Two Tasks."  
May 1994.
- 94-4 Kurlander, Phyllis  
"Creating an Environment to Attract Investors and Develop New Enterprises on the Fort Mojave Indian Reservation."  
April 1994.
- 94-3 Long, Jonathan W.  
"Building Connections: A Strategy to Integrate Resource Management."  
April 1994.
- 94-2 Wilhardt, Liesl  
"The Repatriation Project of the Oglala Sioux Nation  
A Report to the Repatriation Committee."  
May 1994.
- 94-1 Adams, Alyce and Martin Marciniak  
"The Impact of the American Health Security Act on Native Americans: A Report to the Grand Traverse Band of Ottawa and Chippewa Indians."  
April 1994.
- 93-8 Wakeling, Stewart  
"Developing Restitution as an Alternative Sanction for the Tuba City Family Court."  
May 1993.
- 93-7 Cornell, Stephen and Joseph P. Kalt.  
"Where Does Economic Development Really Come From? Constitutional Rule Among the Modern Sioux and Apache."  
April 1993.
- 93-6 Latus, Justin.  
"The Ft. Mojave Indian Tribe: Options for Improved Health."  
April 1993.
- 93-5 Caliguire, Daria and Kenneth Grant.  
"A Foundation for Economic Development for the Hualapai Nation: Building an Enterprise Board."  
April 1993.
- 93-4 Craig, Jeneva A. and John W. Reid.  
"Human Resource Management Reform at the White Mountain Apache Tribe."  
April 1993.
- 93-3 Siemann, Dan.  
"Overcoming Conflicts with the Endangered Species Act: Building Tribal Endangered Species Management Capacity  
A Report to the White Mountain Apache Tribe."  
April 1993.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 93-2 Cornell, Stephen and Joseph P. Kalt.  
"Culture as Explanation in Racial and Ethnic Inequality: American Indians, Reservation Poverty, and Collective Action."  
April 1993.
- 93-1 Cornell, Stephen.  
"Accountability, Legitimacy, and the Foundations of Native Self-Governance."  
January 1993.
- 92-5 Lupe, Ronnie.  
"The Challenges of Leadership and Self-Government: A Perspective From the White Mountain Apaches (Speech)."  
October 1992.
- 92-4 Cornell, Stephen and Marta Cecilia Gil-Swedberg.  
"Sociohistorical Factors in American Indian Economic Development: A Comparison of Three Apache Cases."  
September 1992.
- 92-3 Haupt, Barbara.  
"Buying Back the Land: Land Acquisition as a Means to Achieving Tribal Goals on the Puyallup Reservation."  
April 1992.
- 92-2 Taylor, Jonathan B.  
"Negotiating a Vision: Principles of Comprehensive Resource Planning and a Planning Process for the White Mountain Apache Tribe."  
April 1992.
- 92-1\* Cornell, Stephen and Joseph P. Kalt.  
"Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations."  
March 1992.
- 91-4\* Krepps, Matthew B.  
"Can Tribes Manage Their Own Resources? A Study of American Indian Forestry and the 638 Program."  
November 1991.
- 91-3 Begay, Manley A., Jr.  
"Designing Native American Management and Leadership Training: Past Efforts, Present Endeavors, and Future Options."  
November 1991.
- 91-2\* Nissenbaum, Paul and Paul Shadle.  
"Evaluating Land Use Proposals: A Comprehensive System for the Puyallup Tribe of Indians."  
April 1991.
- 91-1 Cornell, Stephen and Joseph P. Kalt.  
"Where's the Glue? Institutional Bases of American Indian Economic Development."  
February 1991.
- 90-2\* Cameron, Michael W.  
"A Prototypical Economic Development Corporation for Native American Tribes."  
April 1990.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 90-1 Jorgensen, Miriam.  
"Development Finance at the Standing Rock Sioux Indian Reservation: Assessing a Proposal for Economic Rejuvenation."  
February 1990.
- 89-12 Cornell, Stephen and Joseph P. Kalt.  
"Culture and Institutions as Public Goods: American Indian Economic Development as a Problem of Collective Action."  
May 1989.
- 89-11\* Cordeiro, Eduardo E.  
"The Economics of Bingo: Factors Influencing the Success of Bingo Operations on American Indian Reservations."  
March 1989.
- 89-10 Cooper, Sarah.  
"Tourism Development for American Indians in Arizona: The Potential for State Involvement  
A Report to the Native American Tourism Center..  
April 1989.
- 89-9 Tail, Jim Jr.  
"Navajo Forest Products Industries: Establishing an Economic Development Corporation  
A Report to the Navajo Forest Products Industries..  
April 1989.
- 89-8 Barerra, Richard.  
"Constitutional Reform for the San Carlos Apache Tribe  
A Report to the Apache Tribe of San Carlos, Arizona..  
May 1989.
- 89-7 Koehler, Marc.  
"When Things Go Wrong: Disciplinary Policies for Tribal Departments  
A Report to the Hualapai Indian Tribe of Arizona..  
May 1989.
- 89-6\* Skari, Andrea.  
"The Tribal Judiciary: A Primer for Policy Development  
A Report to the following tribes: Pascua Yaqui, Gila River, Hopi, Navajo, White Mountain Apache, San Carlos Apache, and Tohono O'odham."  
April 1989.
- 89-5 Cornell, Stephen and Joseph P. Kalt.  
"Pathways from Poverty: Development and Institution-Building on American Indian Reservations."  
May 1989.
- 89-4 Pearson, Timothy J.  
"Governmental Policies Promoting Management of Wildlife and Wildlife-Based Recreation on American Indian Reservations  
A Report to the following tribes: Crow, Flathead, Hualapai, Northern Cheyenne, Rosebud Sioux, San Carlos Apache, White Mountain Apache, Yakima..  
April 1989.
- 89-3 Smith, Gordon R.  
"Are Indians Getting a Good Deal? A Study of Bureau of Indian Affairs Forest Management."  
April 1989.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 89-2\* Hargreaves, Margaret Barnwell and Hedy Nai-Lin Chang.  
"Evaluating the Impact of Federal Welfare Reform Legislation in Indian Country: A Case Study of the Rosebud Sioux Reservation  
A Report to The Council of Energy Resource Tribes.."  
April 1989.
- 89-1 Cornell, Stephen.  
"Tourism and Economic Development: Considerations for Tribal Policy and Planning."  
October 1989.
- 88-14 Cameron, Michael W.  
"Goals, Institutions and the BIA: Problems with Federal Indian Policy  
A Report to the United States Senate Special Committee on Investigations.."  
October 1988.
- 88-13 Cornell, Stephen and Joseph P. Kalt.  
"Public Choice, Culture, and American Indian Economic Development."  
July 1988.
- 88-12 Purkey, Andrew.  
"The Crow Tribal Government and Economic Development  
A Report to the Crow Tribe of Montana.."  
May 1988.
- 88-11 Hall, Jan Erik.  
"Apache Cattle: The Reservation as Marketplace, a Sale Yard Feasibility Study  
A Report to the San Carlos Apache Tribe.."  
May 1988.
- 88-10 Gitlin, Martin W.  
"Completing the White Mountain Apache Tribal Museum and Culture Center  
A Report to the White Mountain Apache Tribe.."  
May 1988.
- 88-9 Festa, David H. and James R. St. George.  
"Evaluation of Reservation-Based Loan Programs  
A Report to First Nations Financial Project.."  
May 1988.
- 88-8 Diamant, Adam.  
"Economic Development: The Rosebud Sioux Indian Tribe  
A Report to the Rosebud Sioux Tribe.."  
May 1988.
- 88-7 Dewes, W., A. Laird, A. Martinez, C. O'Hara.  
"Managing Organizational Change  
A Report to the Crow Tribe of Montana.."  
May 1988.
- 88-6 Cecil, Kelly L.  
"Encouraging Entrepreneurship on the San Carlos Apache Reservation  
A Report to the San Carlos Apache Tribe."  
May 1988.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

- 88-5 Monrad, Marie D.  
"Native American Tribal Trust Funds: Expanding the Options for Tribal Control  
A Report to First Nations Financial Project.."  
April 1988.
- 88-4 Miller, Margo S.  
"Tribal Responses to Federal Land Consolidation Policy  
A Report to First Nations Financial Project.."  
April 1988.
- 88-3 Goldstein, Edward S.  
"A Strategic Plan for the White Mountain Apache Culture Center and Historic Site at Fort Apache  
A Report to the White Mountain Apache Tribe.."  
April 1988.
- 88-2 Real Bird, Richard, Chairman, Crow Tribe of Montana.  
"In Search of Peace and Prosperity: The Crow Tribal Struggle for Economic Sovereignty  
An Address to Harvard University."  
April 1988.
- 88-1 Ludwig, Ann and James Schowalter.  
"Financing American Indian Economic Development: An Analysis and Organizational Structure for  
S.721 -- The Indian Development Finance Corporation Act  
A Report to the Senate Select Committee on Indian Affairs.."  
April 1988.
- 87-6 Cornell, Stephen.  
"Indian Reservation Economic Development: Some Preliminary Hypotheses."  
October 1987.
- 87-5 Nelson, Harry W.  
"Analysis of Loan Performance in the Bureau of Indian Affairs' Direct and Guaranteed Loan Programs  
A Report to the Bureau of Indian Affairs.."  
May 1987.
- 87-4 Nead, Kim and Denise Toussaint.  
"Developing a Management Plan for Crow Tribal Wildlife Resources  
A Report to the Crow Tribe of Montana.."  
May 1987.
- 87-3 Cornell, Stephen and Joseph P. Kalt.  
"The Redefinition of Property Rights in American Indian Reservations: A Comparative Analysis of  
Native American Economic Development."  
May 1987.
- 87-2 Goldstein, Edward S.  
"An Analysis of the Proposed Yellowtail Afterbay Dam Hydroelectricity Plant on the Bighorn River in  
Montana  
A Report to the Crow Tribe of Montana.."  
May 1987.
- 87-1 Cornell, Stephen.  
"American Indians, American Dreams, and the Meaning of Success."  
May 1987.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development.

**THE HARVARD PROJECT ON  
AMERICAN INDIAN ECONOMIC DEVELOPMENT**

**Teaching Cases**

- C-8      Dean Howard Smith and Jon Ozmun.  
          Apache Manufacturing Company.  
          A Teaching Case Study in Tribal Management.  
          July 1996.
- C-7      Jonathan Taylor.  
          Mending the Sacred Hoop of the Lakota Nation:  
          The Chief Big Foot Memorial Rides [*Si Tanka Wokiksuye Okolakiciye*].  
          A Teaching Case Study in Tribal Management for Oglala Lakota College.  
          July 1996.
- C-7T     Jonathan Taylor.  
          A Teaching Supplement to  
          "Mending the Sacred Hoop of the Lakota Nation:  
          The Chief Big Foot Memorial Rides"  
          [Discussion Questions].  
          A Teaching Case Study in Tribal Management for Oglala Lakota College.  
          July 1996.
- C-6      Jonathan Taylor.  
          Oglala Sioux License Plates:  
          A Tribal Manager Tries to Assert Tribal Sovereignty.  
          A Teaching Case Study in Tribal Management for Oglala Lakota College.  
          July 1996.
- C-6T     Jonathan Taylor.  
          A Teaching Supplement to  
          "Oglala Sioux License Plates:  
          A Tribal Manager Tries to Assert Tribal Sovereignty"  
          [Discussion Questions].  
          A Teaching Case Study in Tribal Management for Oglala Lakota College.  
          July 1996.
- C-5      Dean Howard Smith and Jon Ozmun.  
          Fort Belknap's Community Development Plan.  
          Part A: The Idea That Would Not Go Away.  
          Part B: The Process.  
          A Teaching Case Study in Tribal Management.  
          May 1994.
- C-4      Miriam Jorgensen and Karl Eschbach.  
          KILI Radio: The Voice of the Lakota Nation.  
          A Teaching Case Study in Tribal Management for Oglala Lakota College.  
          June 1991.

- C-4T Miriam Jorgensen and Karl Eschbach.  
A Teaching Supplement to "KILI Radio: The Voice of the Lakota Nation."  
June 1991.
- C-3 Miriam Jorgensen.  
Nebraska Sioux Lean Beef, Part B.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-3T Miriam Jorgensen.  
A Teaching Supplement to "Nebraska Sioux Lean Beef, Part B".  
August 1990.
- C-2 Miriam Jorgensen.  
Nebraska Sioux Lean Beef, Part A.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-2T Miriam Jorgensen.  
A Teaching Supplement to "Nebraska Sioux Lean Beef, Part A."  
August 1990.
- C-1 Miriam Jorgensen.  
Cedar Pass Lodge  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-1T Miriam Jorgensen.  
Cedar Pass Lodge  
A Teaching Supplement.  
August 1990.

**HARVARD PROJECT  
ON AMERICAN INDIAN ECONOMIC DEVELOPMENT  
(HPAIED)**

Telephone: (617) 495-1480

Fax: (617) 496-3900

Project Report Series

*ORDERING INFORMATION*

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone \_\_\_\_\_

<u>Report Number</u>	<u>Title</u>	<u>Quantity</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Number of Reports \_\_\_\_\_

*Please make payments payable to  
Harvard University in U.S. dollars drawn  
on a U.S. bank.*

Mail to:  
**HARVARD PROJECT ON AMERICAN INDIAN  
 ECONOMIC DEVELOPMENT PUBLICATIONS**  
 Harvard University  
 John F. Kennedy School of Government  
 79 John F. Kennedy Street  
 Cambridge, MA 02138

Copying/Postage/Handling Expenses @ \$7.50 ea.

Total Cost : \$ \_\_\_\_\_

**Malcolm Wiener Center for Social Policy  
John F. Kennedy School of Government  
Harvard University**

**Strategic Analysis:  
A Practical Tool for Building Indian Nations**

**by**

**Cornell, Stephen**

***PRS98-10***

**Harvard Project on  
American Indian Economic Development**

**April 1998**

**The views expressed in this paper are those of the author(s) and do not necessarily reflect those of past and present sponsors of the Harvard Project on American Indian Economic Development, the Malcolm Wiener Center for Social Policy, the John F. Kennedy School of Government, or Harvard University. Reports to tribes in this series are currently supported by the Christian A. Johnson Endeavor Foundation. The Harvard Project is directed by Professors Stephen Cornell (Department of Sociology, University of California, San Diego) and Joseph P. Kalt (John F. Kennedy School of Government, Harvard University). For further information and reproduction permission, contact the Project's Executive Director, Manley Begay, at (617) 495-1338.**

# Strategic Analysis for Economic Development in Native Communities

This instrument is designed to serve as an analytical tool for use by Indian nations, Indian-owned or -operated corporations or companies, Indian entrepreneurs, and other Native entities seeking to promote economic development in Native communities. It is not intended as a substitute for formal market analyses or feasibility studies or for a comprehensive strategic planning initiative. It is instead a relatively quick, self-administered, intermediate step designed to assist Indian entities in thinking through their situations and their options, and in improving the quality of their economic decisions.

This analysis cannot give you all the answers you need. Its purpose is to help you identify strengths and weaknesses as well as areas of opportunity and areas of concern.

- The analysis has six sections:
- I. Strategic Vision
  - II. Priorities and Concerns
  - III. External Environment
  - IV. Internal Environment
  - V. Assets
  - VI. Project Analysis

These may be completed independently of each other with the exception that the final section on Project Analysis depends to some extent on information in preceding sections.

Economic development may occur in many ways, from enhanced subsistence activities to retail development to manufacturing or service industry. It may take many forms, from tribally-owned enterprises to independent household or individual entrepreneurship to joint ventures with non-Indian operators. It may involve traditional activities or entirely new projects. This analysis makes no assumptions about what forms development should take. It does assume that economic development on Indian lands should be designed to meet the goals of the communities directly involved and should occur under Indian auspices.

# I. Strategic Vision

American Indian nations face many of the same dilemmas faced by sovereign peoples everywhere. Among other things, sovereign peoples have to decide what kind of society they are trying to build for themselves and for those who come after them. Although any strategic analysis ultimately has to answer some very concrete questions — what circumstances do we have to deal with, what resources do we have to work with, and what should we do? — it has to begin with the question of goals: what is it we are trying to accomplish?

Answer the following questions as best you can:

As you imagine your society twenty-five years from now, what do you hope will be different in the way your people live, work, interact with each other, and interact with the non-Native world around them? Identify at least four items that you hope will be different twenty-five years from now.

---

---

---

---

What in your society today do you hope will last? What do you hope will still be a characteristic of your society? Identify four things that you hope will still be part of the way your people live, work, interact with each other, or interact with non-Native world around them twenty-five years from now.

---

---

---

---

What do you think are the two most important positive changes that have taken place in your society in the last twenty-five years?

---

---

What are the two most important negative changes that have taken place in your society in the last twenty-five years?

---

---

## II. Priorities and Concerns

Strategic vision is a source of broad, long-term guidelines for decision-making and policy. However, the task of achieving that vision involves establishing shorter-term priorities and identifying specific concerns. Knowing your priorities and concerns allows you to figure out which of the various options you have are most likely to achieve your goals.

### A. Priorities

As you consider economic development or business activity, you may have a number of things in mind that you hope to accomplish or to produce. Among the possibilities are these (there may be others):

jobs for tribal members	increasing tribal income
increasing household income	increasing tribal tax revenue
tribal business ownership	member business ownership
provision of goods and services	training and skills development
stimulation of new businesses	reducing dependence
strengthening sovereignty	long-term growth
strengthening indigenous culture	stronger public image

Which of these are most important to you or your community? List your top three priorities (you can include goals not on this list):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

If you are considering a specific project, which, if any, of these goals does it support?

---



---

## B. Concerns

Most business activities have costs of one sort or another. Most also create change in the communities where they take place. These costs and changes sometimes raise concerns for the community or its members. For each of the following, indicate *the level of impact you are willing to accept*:

Indebtedness	Lots	Some	None
Environmental deterioration	Lots	Some	None
Natural resource depletion	Lots	Some	None
Social impacts			
presence of non-Indians	Lots	Some	None
disruption of cultural activities	Lots	Some	None
disruption of social relations	Lots	Some	None
Reductions in sovereignty	Lots	Some	None
Participation in certain economic sectors (specify which sectors, if any are of concern, and how much e.g., gaming, tourism)			
Sector _____	Lots	Some	None
Sector _____	Lots	Some	None
Other concerns _____			

If you are considering a specific project, which, if any, of these concerns does it raise?

Project \_\_\_\_\_ Concerns \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### III. External Environment

The external environment consists of the economic and political/legal conditions under which the nation or entrepreneur has to operate. These conditions constrain or facilitate self-determined economic and business activity, making some activities impossible, making others more or less likely to succeed. Evaluating the external environment is a crucial part of strategic decision-making.

#### A. Political/Legal Conditions

##### DEGREE OF "DE FACTO" SOVEREIGNTY

Substantial research in the United States and around the world indicates that development controlled by outsiders seldom succeeds. Therefore, a critical question has to do with who actually controls many of the major decisions affecting the life of the community. "De facto" sovereignty simply means sovereignty in practice. The appropriate question is: regardless of what the law says, who *really* makes the decisions in tribal or community affairs?

In your community, who *really* calls the shots when it comes to (circle one for each line):

Land use within Native lands	Tribe	Feds	State	Other _____
Use of other natural resources (e.g., water, wildlife, subsurface)	Tribe	Feds	State	Other _____
Economic development strategy	Tribe	Feds	State	Other _____
Whether to start a tribal business	Tribe	Feds	State	Other _____
What tribal business to start	Tribe	Feds	State	Other _____
Use of tribal funds	Tribe	Feds	State	Other _____
Contracts between the tribe and non-Indian vendors or joint venture partners	Tribe	Feds	State	Other _____
Administration of social programs	Tribe	Feds	State	Other _____
Distribution of housing	Tribe	Feds	State	Other _____

If, in most cases, you circled "Tribe," then de facto sovereignty is high. If you didn't, de facto sovereignty is low. Considering what you circled, and realizing that this may oversimplify a complex situation, how would you describe de facto sovereignty in your community (circle one)?

High      Medium      Low

**REGULATORY ISSUES**

What regulatory advantages, if any, does your community have (for example, is the community free of certain state or federal taxes, environmental regulations, or other legal constraints that non-Native communities experience)?

---



---



---

**INTERGOVERNMENTAL RELATIONS**

Intergovernmental relations are complex and may be better in some activities than in others. From a strategic point of view, the appropriate question has to do with whether tribal initiatives are likely to encounter support, opposition, or indifference from other governments.

At the risk of oversimplifying, how would you describe relations between the tribe or community and the federal government (circle one)?

Confrontational      Cooperative      Non-existent

How would you describe relations between the tribe or community and the state government (circle one)?

Confrontational      Cooperative      Non-existent

**B. Economic Conditions**

**MARKETS**

Markets are for specific products or services. It makes sense to ask questions about the state of the market for a particular product or service. If you know what product or service you wish to offer, you may answer the following questions with that in mind. If you don't have a particular product or service in mind, answering these questions can still give you an overview of your market situation.

To the best of your ability, describe each of the following markets (circle "yes" or "no" or fill in the blanks):

The internal market (the community itself)

Significant in size	Yes	No	Specific needs _____
Accessible	Yes	No	_____
Has buying power	Yes	No	_____



## SECTORS

Before deciding to commit to a particular business activity, you probably will want to complete some kind of more detailed market analysis. A useful preliminary step, however, is to review what you already know or can easily find out about the sector (for example, tourism, timber, food processing, retailing, arts and crafts, etc.) that you are considering going into.

What sector(s) of the economy are you considering entering?

---



---

What is the current condition of that sector(s): growing, stagnant, or declining?

Sector \_\_\_\_\_ Condition \_\_\_\_\_

Sector \_\_\_\_\_ Condition \_\_\_\_\_

Sector \_\_\_\_\_ Condition \_\_\_\_\_

What is competition currently like in that sector(s): heavy (in which case it may be difficult to keep costs low enough to compete), or light (in which case there may be an opportunity for another player)?

Sector \_\_\_\_\_ Competition \_\_\_\_\_

Sector \_\_\_\_\_ Competition \_\_\_\_\_

Sector \_\_\_\_\_ Competition \_\_\_\_\_

If you do not know the current condition of the sector(s), how might you find out?

---

## IV. Internal Environment

One of the crucial factors in economic development is the internal environment created by the governing institutions, politics, and culture of the nation or community. These form the environment in which potential investors — including tribal members — decide whether or not to bet their money, time, energy, or ideas on the future of the community. If that environment is unstable, highly politicized, or corrupt, investors will look elsewhere for opportunities. In particular, regardless of how much capital, education, or natural resources are available to you, without sound governing institutions, few businesses will last. Therefore, understanding the internal environment in which business has to operate is a key component of any strategic analysis.

### A. Governing Institutions

For businesses to succeed and for lasting economic development to take root, governments have to provide certain things. Among these are:

- A stable institutional environment
- Separation of politics from business operations
- Effective and fair dispute resolution
- An administration that can get things done

### STABILITY

When we talk about "investors" we mean not only those with dollars but anyone with energy, time, or ideas that they might be persuaded to bet on the future of the community. Few investors are willing to invest in unstable situations. Instability in governing institutions has undermined economic development in many countries around the world.

Do you have a tribal constitution that specifies how tribal government is organized and operates (circle one)?

Yes    No

If you do not operate under a written tribal constitution, what is the basis of tribal government (e.g., traditional government, corporate charter, etc.)

---

Other things equal, longer terms of office for tribal presidents and council members provide more stability in government than shorter terms do. What is the term of office for your chair or president (check one)?

Two years \_\_\_\_\_ Four years \_\_\_\_\_ Other (specify) \_\_\_\_\_

What is the term of office for members of your tribal council (check one)?

Two years \_\_\_\_\_ Four years \_\_\_\_\_ Other (specify) \_\_\_\_\_

Other things equal, staggered terms of office for council members lead to more stability than terms that all expire at the same time. Do you have staggered terms of office for council members?

Yes No

Where tribal presidents or councils control all appointment to tribal government jobs, there tends to be less stability (when the administration changes, more jobs change). Where at least some jobs are protected from turnover with each new administration, there tends to be more stability. Can a new president or chair in your government replace anybody in the administration if he or she wants to?

Yes No

### SEPARATION OF POLITICS FROM BUSINESS OPERATIONS

Systematic research indicates that those businesses that are insulated somehow from political interference are four times as likely to be profitable as those where tribal governments play a significant role in day-to-day business operations.

Do the tribal president, chair, or members of the tribal council play a significant role in the day-to-day operations of tribally-owned businesses in your community?

Yes No

Can the managers of tribally-owned businesses make most hiring, firing, payroll, purchasing, marketing, and other day-to-day business decisions without checking with the tribal council or tribal president?

Yes No

Does the manager of your tribally-owned business report to a board of directors or to the tribal council / president (for each business indicate board or council/president)?

Business #1 \_\_\_\_\_

Business #2 \_\_\_\_\_

Business #3 \_\_\_\_\_

If the manager reports to a board of directors, how many members of that board of directors are also either members of the tribal council or the tribal president?

Business #1 all of the board \_\_\_\_  
 half the board \_\_\_\_  
 only 1-2 \_\_\_\_  
 none \_\_\_\_

Business #2 all of the board \_\_\_\_  
 half the board \_\_\_\_  
 only 1-2 \_\_\_\_  
 none \_\_\_\_

Business #3 all of the board \_\_\_\_  
 half the board \_\_\_\_

only 1-2 \_\_\_\_  
 none \_\_\_\_

Do your tribally-owned enterprises have their own charters that specify how they are to operate and what their relationship to the tribe is?

Yes No

Are there *effective* cultural constraints that prevent the president or council members from introducing tribal politics into business operations?

Yes No

Generally speaking, would you say that political interference is or is not a significant problem in your tribally-owned enterprises (circle one)?

Is a significant problem                      Is not a significant problem

If you are the manager of a tribally-owned business, how much of a role would you say local political issues play in your decisions (check one)?

The primary role                      \_\_\_\_\_

A major role                              \_\_\_\_\_

Some role                                      \_\_\_\_\_

Not much of a role                      \_\_\_\_\_

No role at all                              \_\_\_\_\_

If you are a manager or a member of the board of a village corporation (Alaska), what role would you say village politics plays in your business decisions (check one)?

The primary role                      \_\_\_\_\_

A major role                              \_\_\_\_\_

Some role                                      \_\_\_\_\_

Not much of a role                      \_\_\_\_\_

No role at all                              \_\_\_\_\_

If you are an entrepreneur running your own business, how much would you say you have to worry — as a business person — about tribal politics (check one)?

Worry about it a lot                      \_\_\_\_\_

Worry about it a little                      \_\_\_\_\_

Don't worry about it                      \_\_\_\_\_

**DISPUTE RESOLUTION**

Fair and effective dispute resolution is a critical component of lasting economic development and business success. It is important that those working for or with the tribe or its enterprises, or those operating businesses with tribal resources or on tribal lands, believe that they will be fairly treated in disputes with others, including disputes with the tribe or its leadership.

If you have a tribal court, is that court controlled by the tribal council or is it an independent body?

Council controlled                      Independent

Are tribal judges elected by the people or appointed by the council or president?

Elected                                      Appointed

If judges are appointed by the council or the president, can they also be removed by the council or the president?

Yes    No

Are judges' terms of office the same length as the terms of council members and the president or chair, or are they different in length?

Same as council/chair                      Different from council/chair

If you do not have a separate tribal court, do you use other means of adjudicating disputes among tribal members or between member-owned businesses and the tribe (check all that apply)?

- Board of ethics \_\_\_\_\_
- Traditional dispute resolution \_\_\_\_\_
- State courts \_\_\_\_\_
- Council serves as tribal court \_\_\_\_\_
- Other (specify) \_\_\_\_\_

If you are an entrepreneur running your own business, how confident are you that disputes between you and the tribe or its leadership will be fairly dealt with (check one)?

- Very confident \_\_\_\_\_
- Confident \_\_\_\_\_
- Not very confident \_\_\_\_\_
- Utterly discouraged \_\_\_\_\_

**ADMINISTRATION**

How would you describe morale in the tribal administration (check one)?

High \_\_\_\_\_ Medium \_\_\_\_\_ Low \_\_\_\_\_

When a new president or chair is elected, do most workers in tribal administration worry about being fired?

Yes                      No

If you are an entrepreneur running your own business, how would you describe the tribal administration (check one for each pair):

Helpful \_\_\_\_\_ Unhelpful \_\_\_\_\_

Efficient \_\_\_\_\_ Inefficient \_\_\_\_\_

Easy to deal with \_\_\_\_\_ Difficult to deal with \_\_\_\_\_

or: I have no dealings with the tribal administration \_\_\_\_\_

Are administrative procedures clear and consistent?

Yes                      No

**SUMMARY**

As you go back over your answers to the questions about governing institutions, would you describe the governing institutions in your community as

Stable (circle one)?                      Yes                      No

Fair (circle one)?                      Yes                      No

Effective (circle one)?                      Yes                      No

What, if anything, do you think needs to change if the governing institutions are to be improved?

---



---



---

## B. Politics

Most communities have disagreements about strategic direction, priorities, people, and other topics. There are two major issues from the point of view of economic development and business activity. Do disagreements tend to be about real issues or do they represent long-standing divisions within the community (as, for example, along family lines)? Do disagreements make the government incapable of effective decisions?

How would you describe politics in your Indian or other Native community (check one)?

Lots of conflict, very tense \_\_\_\_\_

Sometimes there's conflict, sometimes not \_\_\_\_\_

There are disagreements, but not a lot of serious conflict \_\_\_\_\_

Everybody agrees about everything! \_\_\_\_\_

If there are major conflicts, would you say that they are the products of recent events or current issues and may change, or that they go back farther than anyone can remember and seem to be rooted in long-standing divisions (check one)?

Products of recent events or current issues, may change \_\_\_\_\_

Go way back, tied to long-standing divisions \_\_\_\_\_

When conflict arises within the community, does the community have effective ways of dealing with that conflict and deciding a course of action, or do politics often bring everything to a halt, immobilizing the tribe (check one)?

We usually deal with conflict effectively \_\_\_\_\_

We are often immobilized by internal conflicts \_\_\_\_\_

## C. Culture

Some people claim that Native cultures are obstacles to economic development. Our research suggests that some Native cultural practices may make some kinds of development more or less difficult. But the more important question is: does the development strategy chosen by the tribe or community fit the culture of the people? If there is a good fit, then (other things equal) the chances of successful development rise. If not, they drop.

The following questions may help you determine what kinds of development strategies fit your cultural situation.

Indian communities where primary allegiance among community members is to the tribe as a whole often are good candidates for large enterprises that require the centralization of resources and effort and that are closely identified with the tribe. Communities where primary allegiance among community members is to a district, band, clan, or other subgroup within the community often are better candidates for smaller-scale, locally-run enterprises or for cottage industry.

Where does primary allegiance lie in your community (check one)?

Tribe \_\_\_\_\_

District \_\_\_\_\_

Clan or other kinship group \_\_\_\_\_

Indian communities in which the culture supports hierarchical relationships in which some people have to tell other people what to do are often good candidates for large enterprises in which there are several levels of authority. In such communities, it is not a problem to have one member of the community (a boss) telling another what to do at work. Communities in which the culture resists hierarchies are often poor candidates for large enterprises that require multiple levels of authority.

Does your culture tolerate hierarchy (bosses telling workers what to do) (circle one)?

Yes                      No

Some Indian communities encourage individual initiative and success, and give high prestige to those individuals who step out of the crowd and build a record of individual achievement, including wealth. Such communities often are good candidates for retail enterprises, which demand high individual commitment to quality of service and market sensitivity, or for individual entrepreneurship more generally. Other Indian cultures are less individualistic, giving more prestige to those who subordinate their own interests to those of the community as a whole. Such communities often are better candidates for tribally-run enterprises.

How would you describe the culture of your community (check one)?

More individualistic \_\_\_\_\_

Somewhere between the two \_\_\_\_\_

Less individualistic \_\_\_\_\_

Some Indian communities encourage relationships with outsiders, find it easy to work with outsiders (including non-Indians), or don't mind having outsiders around. Such communities may be good candidates for tourism, for retail operations that market to non-members, or for operations that involve a mixed member and non-member labor force. Other Indian communities are less tolerant of such relationships, find working with outsiders difficult, or don't like having outsiders around the community in large numbers. Such communities may not be good candidates for these kinds of enterprises, although they may be good candidates for gaming or for resort tourism in which outsiders are concentrated in a single and relatively small geographical area.

How would you describe the culture of your community (check one)?

Insular (we generally don't like working with outsiders  
or having them around) \_\_\_\_\_

Less insular (we really don't mind working with outsiders  
or having them around) \_\_\_\_\_

## V. Assets

By assets we refer to the human, cultural, financial, natural, and other resources that the nation or entrepreneur can contribute to economic development or to specific business activities.

### CAPITAL

What funds, if any, does the tribe, community, or entrepreneur control that can be used for a business start-up?

---



---

What has to happen for those funds to be made available (e.g., council decision, shareholder decision, managerial decision, etc.)?

---



---

What other sources of capital are available or might be available to the tribe or community or to an entrepreneur within the community (e.g., is there a credit association that makes business loans, does the community have a good relationship with a bank, are there federal grant or loan programs that are applicable and that the community might qualify for)?

---



---

Other than the trust status of Native lands, are there other obstacles that may prevent the tribe or community from obtaining otherwise available funds?

---



---

Given your answers to these questions, how would you describe the capital situation?

Accessible capital (in tribe's hands)	High	Med	Low
Loan possibilities	High	Med	Low
Grant possibilities (bear in mind that there are almost <i>no</i> grants to fund for-profit activities)	High	Med	Low

**NATURAL RESOURCES**

What natural resources does the tribe or community control that can be used in development or as the basis of a business?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What has to happen for those resources to be made available (e.g., land use planning board has to decide, clan has to give permission, council has to approve lease, etc.)?

\_\_\_\_\_  
\_\_\_\_\_

**PEOPLE**

What, in general, is the educational level of the community (check one)?

High (a lot of people have some college or professional training) \_\_\_\_\_

Medium (most adults are high school graduates) \_\_\_\_\_

Low (few adults are high school graduates) \_\_\_\_\_

What, in general, is the skill level of the community (check one)?

High (a lot of people have worked in skilled jobs or know skilled crafts) \_\_\_\_\_

Medium (some people have worked in skilled jobs or know skilled crafts) \_\_\_\_\_

Low (few people have worked in skilled jobs or know skilled crafts) \_\_\_\_\_

Are there particular skills that are widespread in the community? If so, what are they?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are there other characteristics, attributes, or qualities that you see in the people of the community or tribe that should be considered a community asset and that might help in economic development or in business activity? If so, what are they?

---

---

---

**CULTURE**

What cultural resources in the community or tribe may be marketable or otherwise useful in economic development (check all that apply)?

- Artistic or craft abilities \_\_\_\_\_
- Knowledge of the land or animals \_\_\_\_\_
- Dense kinship ties and other social relations \_\_\_\_\_
- Other \_\_\_\_\_  
\_\_\_\_\_

**LOCATION**

Are there reasons, other than the natural resources of the area, why your location may be important in economic development (e.g., a pipeline or railroad or important waterway crosses or will have to cross your land).

---

---

## VI. Project Analysis

Also known as a Project Selection Filter, this section helps you evaluate the pros and cons of pursuing particular projects. It may be especially useful if you are considering a range of possible business opportunities. The Project Analysis can give you a preliminary view of how promising each opportunity is, allowing you to reduce the list of options fairly quickly to the two or three most promising candidates. You can then move on to a more detailed feasibility analysis of those.

### A. Enterprise Requirements

For each proposed project, answer the following questions, filling in the blanks or circling the best response:

Initial capital investment required      High    Med    Low    estimate (if you can) \_\_\_\_\_

Continuing capital needs (i.e., are you likely to have to inject additional capital down the road for equipment, expansion, etc.?)      High    Med    Low    estimate (if you can) \_\_\_\_\_

Skills (will this require highly skilled labor, moderately skilled labor, or unskilled labor)?      High    Med    Low    mixed (specify) \_\_\_\_\_

Is that labor supply available?      Yes                      No

Infrastructure needed:  
physical (utilities, roads, etc.)      \_\_\_\_\_  
\_\_\_\_\_

bureaucratic (a support system of personnel)      \_\_\_\_\_  
\_\_\_\_\_

What is the appropriate organizational form (e.g., does this activity require a large organization with lots of bosses? can it be done with household labor? can small units be competitive??)      \_\_\_\_\_  
\_\_\_\_\_

Does it make sense for this enterprise to be owned by the tribe (public sector) or by an individual entrepreneur (private sector)      Public                  Private

System fit (is the fit with other activities in the area good or bad?)      Good                  Bad

If bad, why?      \_\_\_\_\_

**B. The Business Context**

For each proposed project, answer the following questions as best you can:

Where's the market? \_\_\_\_\_  
 \_\_\_\_\_

How big is it? (your best estimate) \_\_\_\_\_  
 \_\_\_\_\_

What's the competition? \_\_\_\_\_  
 \_\_\_\_\_

Given the size of the market, would you say there is lots of competition, some competition, not much competition?      Lots                  Some                  Not much

What's the sector outlook?                  Growing                  Stable                  Declining

**C. Your Assets**

For each project and to the best of your ability, estimate whether the assets you have are adequate *for this project*. Bear in mind that conditions may change over the life of the business (check in appropriate columns).

Assets	Adequate	Inadequate	Likely to Improve	Likely to Deteriorate
Natural resources				
Access to financial capital				
Skills				
Institutional foundation (do your governing institutions protect investments; are they stable; can they get things done?)				

What do you have that gives you *a competitive advantage* over others who are already in the same business or may enter it? (check as many as you think you have)

Experience	_____	Access to market	_____
Skills	_____	Regulatory relief	_____
Labor costs	_____	Tax relief	_____
Access to materials/resources	_____	Culture	_____

#### D. Cultural Considerations

Different kinds of enterprises work better using different kinds of organizational forms. For example, capital-intensive extractive industry (such as mining) tends to require large, centralized organization if it is to be efficient. Service-intensive retail operations, on the other hand, often work best on a smaller scale and with private (as opposed to tribal) ownership. But some of these forms work better in some cultures than in others. Other cultural considerations may include the presence of non-tribal members in positions of authority, the presence of non-tribal members on Native lands, and certain uses of natural resources.

For each project, answer the following questions as best you can.

Does the appropriate organizational form for this enterprise meet the cultural preferences of the community?

Scale (large vs. small)	Yes	No
Authority (centralized vs. decentralized)	Yes	No
Form of ownership (tribe vs. individual/family)	Yes	No
Will it require outsiders in management positions?	Yes	No
If yes, is this acceptable to people in the community?	Yes	No
Will it draw outsiders to the tribe's lands?	Yes	No
If yes, is this acceptable to people in the community?	Yes	No
In the view of the community is this likely to be an acceptable use of natural resources?	Yes	No

## E. Strategic Priorities and Concerns

Which of the priorities you identified in Section II on Priorities and Concerns (see above) does this project support?

---



---



---



---

Which of the concerns you identified in Section II on Priorities and Concerns (see above) does this project raise?

---



---



---



---

## F. Comparing Projects

On the following page is a matrix that brings together the various pieces of the Project Analysis. It is intended to allow you to quickly and simply compare the various projects you are considering in terms of the questions you have answered in this section. The graph suffers from being compressed onto a single page, but it can be used in the following manner.

1. Number the projects you are considering (1, 2, 3...).
2. Enter those numbers in the left-hand column (Project).
3. For each project, under each of the remaining columns enter a check (✓) if the project looks promising in terms of that column heading. Enter an X if the project does not look promising in terms of that column heading. In other words, enter a check (positive) if the project looks good in terms of (for example) skills or system fit or competitive advantage; enter an X (negative) if it does not.
4. Compare projects in terms of their overall profiles and in terms of which issues they raise for you or the community.

**Note:** This method gives equal weight to every consideration. You may wish to weight things differently. Also note that you can expand or reorganize this graph to provide you with more information.

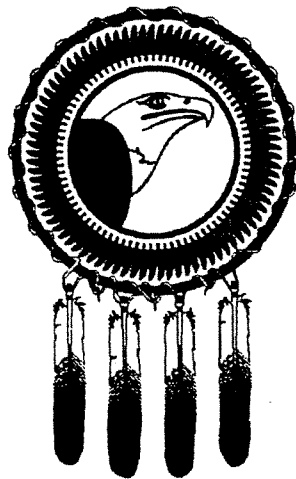
# Project Filter (PSF)

				Project	
				Initial Capital Investment	Enterprise Requirements
				Continuing Capital Needs	
				Skills	
				Infrastructure	
				Organizational Form	
				Ownership	
				System Fit	
				What Market	
				How Big?	
				Competition	
				Sector Outlook	
				Natural Resources	Tribal Assets
				Financial Capital Access	
				Competitive Advantage	
				Institutional Foundation	
				Skills	
				Organizational/Cultural Fit	Cultural Issues
				Outside Management	
				Draws Outsiders?	
				Acceptable Use?	
				Which Priorities?	Strategic Fit
				Which Concerns?	

*THE HARVARD PROJECT*  
*ON*  
*AMERICAN INDIAN ECONOMIC DEVELOPMENT*

JOHN F. KENNEDY SCHOOL OF GOVERNMENT  
HARVARD UNIVERSITY  
CAMBRIDGE, MA 02138  
617-495-1338 FAX 617-496-3900  
[www.ksg.harvard.edu/hpaied](http://www.ksg.harvard.edu/hpaied)

UDALL CENTER FOR STUDIES IN PUBLIC POLICY  
UNIVERSITY OF ARIZONA  
TUCSON, AZ 85719  
520-621-7189 FAX 520-621-9234  
[udallcenter.arizona.edu](http://udallcenter.arizona.edu)



PROJECT REPORTS

TO ORDER REPORTS, USE ATTACHED FORM OR VISIT THE PROJECT'S WEBSITE AT  
[www.ksg.harvard.edu/hpaied](http://www.ksg.harvard.edu/hpaied)





## THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

- 99-4 Flies-Away, Joseph and Carrie Garrow  
"Crow Tribal Courts in the 21<sup>st</sup> Century: Changing Paths – Strengthening the Vision"  
April 1999
- 99-3 Saavedra, Ronald T.  
"Economics, Culture, Identity:  
The Case of the Aquinnah Cultural Center."  
April 1999
- 99-2 Lemont, Eric and Cheryl Powell  
"Crow Constitutional Development:  
Empowering the Crow Nation."  
April 1999
- 99-1 Shapira, Anne  
"Paving the Way:  
Strategies for Tribes to Increase Transportation Funding."  
April 1999
- 98-25 Cornell, Stephen and Joseph Kalt  
"Sovereignty and Nation-Building:  
The Development Challenge in Indian Country Today."  
1998
- 98-24 Cobin, Gina and Leslie Hsu.  
"The Partnership of Traditional Navajo Medicine and Biomedical  
Health Care Practices at the Chinle Comprehensive Care Facility."  
May 1998. *(Release Pending)*
- 98-23 Cameron, Paul  
"Nodin Kaja Nodik Megasee  
(Hear Like an Eagle)  
Hearing Health for White Earth Reservation."  
May 1998. *(Release Pending)*
- 98-22 Bitsoi, LeManuel Lee and Kay Harrison  
"Diné Bi Óhoó aah:  
Examining Navajo Educational Sovereignty for the Twenty-First Century.  
A Report for the Division of Dine Education, The Navajo Nation." *(Release Pending)*  
May 1998.
- 98-21 Sarfaty, Galit Alcalay  
"Assessing the Future of Indigenous Peoples in International Law:  
A Textual Analysis of the U.N. Draft Declaration  
on the Rights of Indigenous Peoples."  
May 1998. *(Release Pending)*



- 98-20 Balkissoon, Indira and Larry Barrow  
"Tribal NEPA and Model TEPA Project: Alaska Component.  
Prepared for the Tulalip Tribes."  
May 1998.
- 98-19 Worley, Charlene  
"Seattle Indian Health Board FY97 Utilization Review Report "  
May 1998. *(Release Pending)*
- 98-18 Gant, Anderine  
"Chicago's Native American Urban Indian Retreat. "  
May 1998. *(Release Pending)*
- 98-17 Bergstrom, Amy and Danielle Lansing  
"Professional Development Needs Assessment for the  
Native American Preparatory School."  
Prepared at the Request of Dr. Gregory Cajete.  
May 1998. *(Release Pending)*
- 98-16 Sheldon, Cameron  
"Building Entrepreneurship and Economic Development for  
the Bishop Indian Reservation: A Proposal to Achieve Growth Through Unity.  
Prepared at the Request of the Bishop Paiute Development Corporation. "  
May 1998. *(Release Pending)*
- 98-15 *Not Applicable for Series*
- 98-14 Proctor, Amanda S.  
"'And a River Runs Through It...'  
An Assessment of Priority Rights in Resource Allocation.  
Prepared for the Chippewas of Nawash First Nation. "  
May 1998. *(Release Pending)*
- 98-13 Chu, Cyril and Ken Haig  
"The Feasibility Study of Commercially Marketing Elk Meat.  
Prepared for the White Mountain Apache Tribe. "  
May 1998.
- 98-12 Paul, Amita  
"Towards a Declaration for the Protection of the Intellectual  
and Cultural Property Rights of Native Peoples:  
An Attempt at a Framework for a Model Tribal Law for  
The Morning Star Institute, Washington, D. C. . "  
May 1998.
- 98-11 Ali, Saleem H.  
"Environmental Planning for a Mining Venture on Native Land  
*A Briefing Paper for the Crow Tribe of Montana.*"  
May 1998.
- 98-10 Cornell, Stephen.  
"Strategic Analysis: A Practical Tool for Building Indian Nations."  
April 1998.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 98-9 Begay, Manley A., Jr., Stephen Cornell and Joseph P. Kalt.  
"Making Research Count in Indian Country:  
The Harvard Project on American Indian Economic Development."  
October 1997.
- 98-8 Filipovich, Karen and Brian Weinberger.  
"Building Effective Land Management Processes."  
April 1998. *(Release Pending)*
- 98-7 Petek, Gabriel and Rachel Teisch  
"An Electricity Restructuring Strategy for the Crow Tribe."  
April 1998
- 98-6 Manzanares, Elsa and David Thaler  
"Toward a Comprehensive Workforce Development System  
for the Oglala Nation."  
April 1998 *(Release Pending)*
- 98-5 Jayaraman, Saru and Myong Leigh  
"Getting Down to Business: Expanding Dine College's Role  
in Navajo Economic Development."  
April 1998
- 98-4 Henson, Eric and Luxman Nathan  
"Tool of Sovereignty: The Crow Commercial Code"  
April 1998
- 98-3 Goldstein, Michael S.  
"Building Support for the Development of the Hualapai Tribal Court"  
April 1998
- 98-2 Nguyen, Mariah Nhu and Derrick H. Robinson  
"The Elder Multicultural Care Project: Feasibility Study."  
Prepared for Bay Area Native American Ministries.  
April 1998 *(Release Pending)*
- 98-1 Kalt, Joseph P.  
"Statement of Professor Joseph P. Kalt  
Before the National Gambling Impact Study Commission,  
March 16, 1998."
- 97-5 O'Brien, Lawrence, Pablo Padillo and Andrew Williams  
"Hualapai Judicial Reform: Developing Alternative Dispute Resolution."  
A Report to the Hualapai Tribe  
June 1997
- 97-4 Calleros, Russell A. and Anna Ling  
"Maximizing the Impact of the Restoration Fund: Policies  
the White Mountain Apache Tribe Can Use  
to Manage the 22-H Fund."  
April 1997

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 97-3 Damji, Feyrouz and Suzanne Kim  
"Strategic Land Acquisition: Implementing Formal Structures,  
Policies and Processes for Sustainable Decision Making."  
The Crow Tribe of Montana."  
April 1997
- 97-2 Aoki, Andrew and Dan Chatman  
"An Economic Development Policy for the Oglala Nation."  
April 1997
- 97-1 Lam, James  
"Evaluating the Impact of Federal Welfare Reform Legislation in Indian Country."  
May 1997.
- 96-7 Ramirez, Armando L and Sue W. Wong  
"A New Direction: Building a Foundation for  
Successful Economic Development on the Three Affiliated Tribes'  
Fort Berthold Reservation."  
April 1996. (Release Pending)
- 96-6 Maturino, Teresa and Elaine Trevino  
"How Can the White Mountain Apache Tribe  
Attract, Produce, and Retain Quality Tribal Managers?"  
April 1996.
- 96-5 Lu, Jean and Larry Witte  
"The Basis of a Nation-to-Nation Relationship:  
A Report to Oglala Sioux Tribe and  
the Senate Committee on Indian Affairs."  
April 1996.
- 96-4 Garcia, Delia.  
"Analyzing the Organizational Structure of the San Carlos Apache  
Tribal Health Department: Asset or Liability?"  
April 1996. (Release Pending)
- 96-3 Hemmer, Daniel.  
"Options for Evaluating Social Costs Resulting From Lands Taken  
From the Standing Rock Sioux Tribe for the Oahe Dam Project."  
April 1996. (Release Pending)
- 96-2 Lee, Andrew J.  
"From Planning to Implementation: Integrated Planning at  
the Yakama Indian Nation."  
April 1996.
- 96-1 Kalt, Joseph P.  
"Statement of Professor Joseph P. Kalt  
Before the United States Senate Committee on Indian Affairs,  
September 17, 1996."
- 95-5 Freeman, Andrea K. and Marc L. Moore  
"Finding True North: Using Compass Points for Guidance."  
A Project Selection Framework for the Northern Cheyenne Tribe of Montana.  
April 1995.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 95-4      Cornell, Stephen and Joseph P. Kalt  
 "Successful Economic Development and Heterogeneity  
 of Government Form on American Indian Reservations."  
 March 1995.
- 95-3      Cornell, Stephen and Joseph P. Kalt  
 "Cultural Evolution and Constitutional Public Choice: Institutional Diversity  
 and Economic Performance on American Indian Reservations."  
 January 1995.
- 95-2      Jorgensen, Miriam  
 "Linking Education and Research for Self-Determined  
 Native American Development: What Can be Done?  
 A Seminar Sponsored by the National Executive Education Program  
 for Native American Leadership."  
 August 15-17, 1994.
- 95-1      Dickinson, Marke and William F. Wiggins  
 "A Single Acre, A Sovereign Effort:  
 A Model for Muckleshoot Land-Use and Economic Development."  
 April 1995.
- 94-12     Emory, Georgia  
 "Easing the Equity Crunch on the Cheyenne River Sioux Reservation."      *(Release Pending)*  
 April 1994.
- 94-11     Ang, Saralyn Minnie Cam  
 "The Oglala Lakota Judiciary:  
 Meeting Nontribal Demands and Tribal Needs."  
 April 1994
- 94-10     Blackford, Loren L.  
 Negotiating a Strategic Vision for the Seneca Nation."      *(Release Pending)*  
 April 1994
- 94-9      Sahay, Puchka  
 "Making Choices About Development Activity:  
 A Feasibility Analysis of Aquaculture."      *(Release Pending)*  
 Recommendations to the Tribal Council of Pueblo de Cochiti.  
 April 1994
- 94-8      Pierson, Annette M. and Frederick Tombar, III  
 "AmeriCorps: A Promise for Indian Country?  
 An Assessment of the Potential Impact of the AmeriCorps Program  
 A Case Study of the Pine Ridge Reservation."  
 April 1994.
- 94-7      Begay, Manley A., Jr., and Wai-Shan Leung  
 "One Tribe Beats the Odds:  
 The Experience of the Fort McDowell Indian Gaming Center."  
 November 1994.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 94-6 Smith, Dean Howard  
"Toward a New Theory of Environmental Society."  
June 1994  
Revised October 1995.
- 94-5 Cornell, Stephen  
"Five Myths, Three Partial Truths, A Robust Finding, and Two Tasks."  
May 1994.
- 94-4 Kurlander, Phyllis  
"Creating an Environment to Attract Investors and Develop New Enterprises on the Fort Mojave Indian Reservation."  
April 1994.
- 94-3 Long, Jonathan W.  
"Building Connections:  
A Strategy to Integrate Resource Management."  
April 1994.
- 94-2 Wilhardt, Liesl  
"The Repatriation Project of the Oglala Sioux Nation  
A Report to the Repatriation Committee."  
May 1994.
- 94-1 Adams, Alyce and Martin Marciniak  
"The Impact of the American Health Security Act on Native Americans:  
A Report to the Grand Traverse Band of Ottawa and Chippewa Indians."  
April 1994.
- 93-8 Wakeling, Stewart  
"Developing Restitution as an Alternative Sanction for the Tuba City Family Court."  
May 1993.
- 93-7 Cornell, Stephen and Joseph P. Kalt.  
"Where Does Economic Development Really Come From?  
Constitutional Rule Among the Modern Sioux and Apache."  
April 1993.
- 93-6 Latus, Justin.  
"The Ft. Mojave Indian Tribe:  
Options for Improved Health."  
April 1993.
- 93-5 Caliguire, Daria and Kenneth Grant.  
"A Foundation for Economic Development  
for the Hualapai Nation: Building an Enterprise Board."  
April 1993.
- 93-4 Craig, Jeneva A. and John W. Reid.  
"Human Resource Management Reform  
at the White Mountain Apache Tribe."  
April 1993.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 93-3 Siemann, Dan.  
"Overcoming Conflicts with the Endangered Species Act: Building Tribal Endangered Species Management Capacity.  
A Report to the White Mountain Apache Tribe."  
April 1993.
- 93-2 Cornell, Stephen and Joseph P. Kalt.  
"Culture as Explanation in Racial and Ethnic Inequality: American Indians, Reservation Poverty, and Collective Action."  
April 1993.
- 93-1 Cornell, Stephen.  
"Accountability, Legitimacy, and the Foundations of Native Self-Governance."  
January 1993.
- 92-5 Lupe, Ronnie.  
"The Challenges of Leadership and Self-Government: A Perspective From the White Mountain Apaches (Speech)."  
October 1992.
- 92-4 Cornell, Stephen and Marta Cecilia Gil-Swedberg.  
"Sociohistorical Factors in American Indian Economic Development: A Comparison of Three Apache Cases."  
September 1992.
- 92-3 Haupt, Barbara.  
"Buying Back the Land: Land Acquisition as a Means to Achieving Tribal Goals on the Puyallup Reservation."  
April 1992.
- 92-2 Taylor, Jonathan B.  
"Negotiating a Vision: Principles of Comprehensive Resource Planning and a Planning Process for the White Mountain Apache Tribe."  
April 1992.
- 92-1\* Cornell, Stephen and Joseph P. Kalt.  
"Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations."  
March 1992.
- 91-4\* Krepps, Matthew B.  
"Can Tribes Manage Their Own Resources? A Study of American Indian Forestry and the 638 Program."  
November 1991.
- 91-3 Begay, Manley A., Jr.  
"Designing Native American Management and Leadership Training: Past Efforts, Present Endeavors, and Future Options."  
November 1991.
- 91-2\* Nissenbaum, Paul and Paul Shadle.  
"Evaluating Land Use Proposals: A Comprehensive System for the Puyallup Tribe of Indians."  
April 1991.
- 91-1 Cornell, Stephen and Joseph P. Kalt.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- "Where's the Glue? Institutional Bases of American Indian Economic Development."  
February 1991.
- 90-2\* Cameron, Michael W.  
"A Prototypical Economic Development Corporation for Native American Tribes."  
April 1990.
- 90-1 Jorgensen, Miriam.  
"Development Finance at the Standing Rock Sioux Indian Reservation: Assessing a Proposal for Economic Rejuvenation."  
February 1990.
- 89-12 Cornell, Stephen and Joseph P. Kalt.  
"Culture and Institutions as Public Goods: American Indian Economic Development as a Problem of Collective Action."  
May 1989.
- 89-11\* Cordeiro, Eduardo E.  
"The Economics of Bingo: Factors Influencing the Success of Bingo Operations on American Indian Reservations."  
March 1989.
- 89-10 Cooper, Sarah.  
"Tourism Development for American Indians in Arizona: The Potential for State Involvement  
A Report to the Native American Tourism Center."  
April 1989.
- 89-9 Tail, Jim Jr.  
"Navajo Forest Products Industries: Establishing an Economic Development Corporation  
A Report to the Navajo Forest Products Industries."  
April 1989.
- 89-8 Barrera, Richard.  
"Constitutional Reform for the San Carlos Apache Tribe  
A Report to the Apache Tribe of San Carlos, Arizona."  
May 1989.
- 89-7 Koehler, Marc.  
"When Things Go Wrong: Disciplinary Policies for Tribal Departments  
A Report to the Hualapai Indian Tribe of Arizona."  
May 1989.
- 89-6\* Skari, Andrea.  
"The Tribal Judiciary: A Primer for Policy Development  
A Report to the following tribes: Pascua Yaqui, Gila River, Hopi, Navajo, White Mountain Apache, San Carlos Apache, and Tohono O'odham."  
April 1989.
- 89-5 Cornell, Stephen and Joseph P. Kalt.  
"Pathways from Poverty: Development and Institution-Building on American Indian Reservations."  
May 1989.
- 89-4 Pearson, Timothy J.  
"Governmental Policies Promoting Management of Wildlife and Wildlife-Based Recreation on American

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- Indian Reservations.  
A Report to the following tribes: Crow, Flathead, Hualapai, Northern Cheyenne, Rosebud Sioux, San Carlos Apache, White Mountain Apache, Yakima."  
April 1989.
- 89-3      Smith, Gordon R.  
"Are Indians Getting a Good Deal? A Study of Bureau of Indian Affairs Forest Management."  
April 1989.
- 89-2\*     Hargreaves, Margaret Barnwell and Hedy Nai-Lin Chang.  
"Evaluating the Impact of Federal Welfare Reform Legislation in Indian Country: A Case Study of the Rosebud Sioux Reservation.  
A Report to The Council of Energy Resource Tribes."  
April 1989.
- 89-1      Cornell, Stephen.  
"Tourism and Economic Development: Considerations for Tribal Policy and Planning."  
October 1989.
- 88-14     Cameron, Michael W.  
"Goals, Institutions and the BIA: Problems with Federal Indian Policy.  
A Report to the United States Senate Special Committee on Investigations."  
October 1988.
- 88-13     Cornell, Stephen and Joseph P. Kalt.  
"Public Choice, Culture, and American Indian Economic Development."  
July 1988.
- 88-12     Purkey, Andrew.  
"The Crow Tribal Government and Economic Development.  
A Report to the Crow Tribe of Montana."  
May 1988.
- 88-11     Hall, Jan Erik.  
"Apache Cattle: The Reservation as Marketplace, a Sale Yard Feasibility Study.  
A Report to the San Carlos Apache Tribe."  
May 1988.
- 88-10     Gitlin, Martin W.  
"Completing the White Mountain Apache Tribal Museum and Culture Center.  
A Report to the White Mountain Apache Tribe."  
May 1988.
- 88-9      Festa, David H. and James R. St. George.  
"Evaluation of Reservation-Based Loan Programs.  
A Report to First Nations Financial Project."  
May 1988.
- 88-8      Diamant, Adam.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- "Economic Development: The Rosebud Sioux Indian Tribe.  
A Report to the Rosebud Sioux Tribe."  
May 1988.
- 88-7 Dewes, W., A. Laird, A. Martinez, C. O'Hara.  
"Managing Organizational Change.  
A Report to the Crow Tribe of Montana."  
May 1988.
- 88-6 Cecil, Kelly L.  
"Encouraging Entrepreneurship on the San Carlos Apache Reservation.  
A Report to the San Carlos Apache Tribe."  
May 1988.
- 88-5 Monrad, Marie D.  
"Native American Tribal Trust Funds: Expanding the Options for Tribal Control.  
A Report to First Nations Financial Project."  
April 1988.
- 88-4 Miller, Margo S.  
"Tribal Responses to Federal Land Consolidation Policy.  
A Report to First Nations Financial Project."  
April 1988.
- 88-3 Goldstein, Edward S.  
"A Strategic Plan for the White Mountain Apache Culture Center and Historic Site at Fort Apache.  
A Report to the White Mountain Apache Tribe."  
April 1988.
- 88-2 Real Bird, Richard, Chairman, Crow Tribe of Montana.  
"In Search of Peace and Prosperity: The Crow Tribal Struggle for Economic Sovereignty.  
An Address to Harvard University."  
April 1988.
- 88-1 Ludwig, Ann and James Schowalter.  
"Financing American Indian Economic Development: An Analysis and Organizational Structure for  
S. 721 -- The Indian Development Finance Corporation Act.  
A Report to the Senate Select Committee on Indian Affairs."  
April 1988.
- 87-6 Cornell, Stephen.  
"Indian Reservation Economic Development: Some Preliminary Hypotheses."  
October 1987.
- 87-5 Nelson, Harry W.  
"Analysis of Loan Performance in the Bureau of Indian Affairs' Direct and Guaranteed Loan Programs.  
A Report to the Bureau of Indian Affairs."  
May 1987.
- 87-4 Nead, Kim and Denise Toussaint.  
"Developing a Management Plan for Crow Tribal Wildlife Resources.  
A Report to the Crow Tribe of Montana."  
May 1987.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)



- 87-3      Cornell, Stephen and Joseph P. Kalt.  
"The Redefinition of Property Rights in American Indian Reservations: A Comparative Analysis of Native American Economic Development."  
May 1987.
- 87-2      Goldstein, Edward S.  
"An Analysis of the Proposed Yellowtail Afterbay Dam Hydroelectricity Plant on the Bighorn River in Montana.  
A Report to the Crow Tribe of Montana."  
May 1987.
- 87-1      Cornell, Stephen.  
"American Indians, American Dreams, and the Meaning of Success."  
May 1987.

\* A report marked by an \* has been included as a chapter in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, edited by Stephen Cornell and Joseph P. Kalt, Directors of the Harvard Project on American Indian Economic Development. (July 14, 1998)





## THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

### Teaching Cases

- C-8 Dean Howard Smith and Jon Ozmun.  
Apache Manufacturing Company.  
A Teaching Case Study in Tribal Management.  
July 1996.
- C-7 Jonathan Taylor.  
Mending the Sacred Hoop of the Lakota Nation:  
The Chief Big Foot Memorial Rides [*Si Tanka Wokiksuye Okolakiciye*].  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
July 1996.
- C-7T Jonathan Taylor.  
A Teaching Supplement to  
"Mending the Sacred Hoop of the Lakota Nation:  
The Chief Big Foot Memorial Rides"  
[Discussion Questions].  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
July 1996.
- C-6 Jonathan Taylor.  
Oglala Sioux License Plates:  
A Tribal Manager Tries to Assert Tribal Sovereignty.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
July 1996.
- C-6T Jonathan Taylor.  
A Teaching Supplement to  
"Oglala Sioux License Plates:  
A Tribal Manager Tries to Assert Tribal Sovereignty"  
[Discussion Questions].  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
July 1996.
- C-5 Dean Howard Smith and Jon Ozmun.  
Fort Belknap's Community Development Plan.  
Part A: The Idea That Would Not Go Away.  
Part B: The Process.  
A Teaching Case Study in Tribal Management.  
May 1994.



- C-4 Miriam Jorgensen and Karl Eschbach.  
KILI Radio: The Voice of the Lakota Nation.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
June 1991.
- C-4T Miriam Jorgensen and Karl Eschbach.  
A Teaching Supplement to "KILI Radio: The Voice of the Lakota Nation."  
June 1991.
- C-3 Miriam Jorgensen.  
Nebraska Sioux Lean Beef, Part B.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-3T Miriam Jorgensen.  
A Teaching Supplement to "Nebraska Sioux Lean Beef, Part B".  
August 1990.
- C-2 Miriam Jorgensen.  
Nebraska Sioux Lean Beef, Part A.  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-2T Miriam Jorgensen.  
A Teaching Supplement to "Nebraska Sioux Lean Beef, Part A."  
August 1990.
- C-1 Miriam Jorgensen.  
Cedar Pass Lodge  
A Teaching Case Study in Tribal Management for Oglala Lakota College.  
August 1990.
- C-1T Miriam Jorgensen.  
Cedar Pass Lodge  
A Teaching Supplement.  
August 1990.





# THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

JOHN F. KENNEDY SCHOOL OF GOVERNMENT  
HARVARD UNIVERSITY  
CAMBRIDGE, MA 02138  
617-495-1338 FAX 617-496-3900  
www.ksg.harvard.edu/hpaied

UDALL CENTER FOR STUDIES IN PUBLIC POLICY  
UNIVERSITY OF ARIZONA  
TUCSON, AZ 85719  
520-621-7189 FAX 520-621-9234  
www.udallcenter.arizona.edu

## Project Report Series

### ORDERING INFORMATION

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone/Email \_\_\_\_\_  
\_\_\_\_\_

<u>Report Number</u>	<u>Title</u>	<u>Quantity</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Number of Reports \_\_\_\_\_

Copying/Postage/Handling Expenses @ \$7.50 each \_\_\_\_\_

Total Cost \$ \_\_\_\_\_

ORDERS PAYABLE IN U.S. DOLLARS TO  
HARVARD UNIVERSITY

Please send your request to

Harvard Project on American Indian  
Economic Development Publications  
John F. Kennedy School of Government  
Harvard University  
79 John F. Kennedy School of Government  
Cambridge, MA 02138

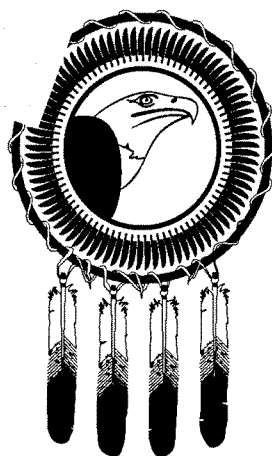


# Malcolm Wiener Center for Social Policy

1 copy  
1:2  
black to white  
COMB BOUND  
DIVIDERS as in ORIGINAL  
17. BLUE paper  
97-2  
Front cover 1:2 BC4 card  
back cover blank BC4 card  
il 1997  
COMB BOUND

*Government Policy for the Oglala Nation*

Dan Chatman



Harvard Project on  
American Indian Economic Development

John F. Kennedy School of Government  
Harvard University

**The views expressed in this paper are those of the author(s) and do not necessarily reflect those of past and present sponsors of the Harvard Project on American Indian Economic Development, the Malcolm Wiener Center for Social Policy, the John F. Kennedy School of Government, or Harvard University. Reports to tribes in this series are currently supported by the Christian A. Johnson Endeavor Foundation. The Harvard Project is directed by Professors Stephen Cornell (Udall Center for Studies in Public Policy, University of Arizona), Joseph P. Kalt (John F. Kennedy School of Government, Harvard University) and Dr. Manley Begay (John F. Kennedy School of Government, Harvard University. For further information and reproduction permission, contact Dr. Begay at (617) 495-1338.**

# TABLE OF CONTENTS

**Preface ..... 2**

**Executive Summary..... 3**

**Cornerstones of Economic Development ..... 5**

**Government and Economic Development ..... 6**

**Myths and Facts ..... 7**

**Real Obstacles..... 8**

**Lakota Political Structure and OST Government ..... 9**

**Recommended Strategy ..... 10**

**Recommended Policy ..... 11**

**Recommended Action Items ..... 12**

**Acknowledgments ..... 13**

**Sources ..... 14**

## PREFACE

In 1936, after a history of warfare and broken treaties, the Indian Reorganization Act imposed a constitution upon the Oglala Nation—just as the United States had imposed upon it the boundaries of the Pine Ridge Reservation. And so, government—the framework that binds citizens together into a civil society—was dictated to the Oglala Lakota from the outside.

These foreign “rules of the game” were supposed to drive economic development at Pine Ridge. Determined to stake out their sovereignty, many Oglala have toiled to make this system work for their people. But it does not work. The most important goals of any governmental system—prosperity, good health, education, and preservation of traditional culture for the people it serves—have never been fully achieved at the Pine Ridge Reservation.

The Oglala Nation is not alone in its plight. Throughout the world, other nations are casting off the last vestiges of colonialism and starting down the long road toward sustained economic development. Eastern European nations are rebounding from years of failed centrally-planned economies. Asian countries are succeeding by adapting economic principles to their cultures, rather than sacrificing their own. Tribal nations in North America are using new ideas and sovereign powers to leverage their way toward sustained growth.

The ultimate goal of a good economic development policy is not merely greater wealth for certain individuals at the expense of others. Instead, leaders believe that economic development can lead to economic self-sufficiency and a stronger sovereignty for their nations. But for a variety of reasons, including corruption, discrimination, and the legacy of institutional/cultural mismatch, many nations continue to struggle.

This handbook was researched through numerous interviews, comparative sources, and presentations to Oglala Sioux Tribe (OST) officials. It is the fourth in an ongoing series of reports commissioned by the OST from the Harvard Project on American Indian Economic Development. Last year, two students from the Harvard Project wrote a report on establishing a nation-to-nation relationship between the OST and the United States of America. To the extent that economic development is a critical part of true sovereignty, this work continues and builds upon that report.

The Oglala people exhibit great hope for a coming renewal of tribal independence, spirituality, and pride. As has been characteristic of the Oglala throughout history, this sense of promise comes from a spirit of self-reliance. The people believe that by pooling resources and making certain systematic changes, they can not only continue to persevere, but become masters of their future. In this spirit, the tribe has invited us, as outside observers, to lend our input and insights for their consideration.

# EXECUTIVE SUMMARY

## **BOOK 2 The state of the Pine Ridge economy**

The Pine Ridge Reservation of the Oglala Sioux Tribe (OST) is in terrible economic shape, as most people living there are already painfully aware. About 90% of Reservation income comes from Federal sources, and approximately this same amount is spent outside the boundaries of the Reservation. Poverty rates are higher than 60%. Anticipated Federal funding reductions will worsen the problem.

## **BOOK 2 The role of OST government in economic development**

To choose an economic policy, government must first determine the answers to basic questions about the purpose of economic development for the people. The strategy should focus on the individual strengths of the place and people—but it must also fulfill certain economic development roles, such as enforcing contracts, building infrastructure, making policy on a consensus basis, and supporting businesses by spending locally. Government is not good at running businesses.

## **BOOK 2 An assessment of economic development at Pine Ridge**

It is not true, though it is believed by some, that there are no available markets on the Reservation, the Oglala Nation lacks resources, the Lakota people are ineffective workers, or that tribal members cannot agree on anything. In fact, strengths include untapped markets, a potentially productive work force, numerous physical and human resources, and a fair amount of consensus on the goals of economic development. But the OST lacks an economic development policy, OST officials are pursuing different non-viable approaches, government-run businesses and large enterprises have all failed, and OST lacks credibility among Reservation residents.

## **BOOK 3 The mismatch between Lakota culture and OST government**

Governmental structure should match a people's culture. This is not the case for the Oglala Nation, whose constitution was imposed upon them by the U.S. in 1936. This mismatch creates problems of instability and a poor business climate, both of which lead to economic underdevelopment. In fact, this structural mismatch is the primary cause of much of the poor performance of government described in Book 2.

### Strategy

OST should adopt a 3-part strategy which is *culturally appropriate* for the Lakota and *achievable* with the staff and resources available to it.

- Foster family/individual entrepreneurship.
- Support district-led community development.
- Build a better business climate.

### Policy

This strategy can be best achieved with a policy including six parts, including significant reform of the structure of government.

- △ Build consensus through credibility.
- △ Privatize OST business development and management.
- △ Develop Reservation infrastructure and public services.
- △ Remove barriers to investment.
- △ Become a source of information and technical assistance.
- △ Reform the governmental structure.

### Action items

These goals require substantive action as soon as possible.

**NOW:** ❖ Convene district level meetings on economic development. ❖ Reallocate travel money towards local spending. ❖ Stop attempting to develop and manage businesses. ❖ Limit plans to own and manage a motel/ restaurant at Pine Ridge. ❖ Allow independent management of the casino.

**BY NOVEMBER 1997:** ❖ Fund local feedback meetings on policy implementation. ❖ Allocate more resources to public information campaigns. ❖ Reallocate resources toward the development of physical infrastructure such as roads and utilities. ❖ Adopt a commercial code. ❖ Write and produce business information materials. ❖ Decentralize selected government activities. ❖ Allocate more resources to district economic development efforts.

**BY THE NEXT ELECTION:** ❖ Build working relationships with district leaders. ❖ Reallocate resources towards worker training programs. ❖ Streamline the permitting and licensing process. ❖ Allow longer-term land leases. ❖ Create technical assistance units. ❖ Implement a training program on roles of OST officials vs. professional civil servants. ❖ Hold a constitutional convention. ❖ Take steps towards establishing an independent judiciary.

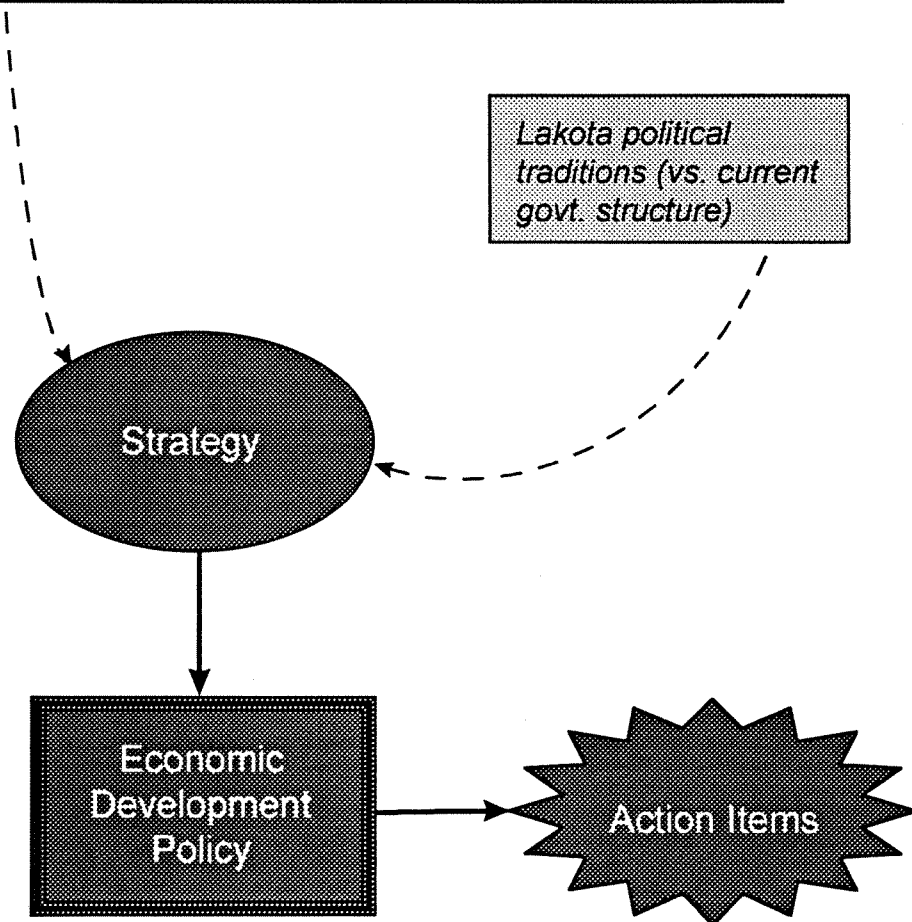
# CORNERSTONES OF ECONOMIC DEVELOPMENT

The key to economic development is choosing a good strategy which relies on:

- choosing appropriate roles for the OST government
- using strengths of the people, families, the culture, and the land
- following Lakota political traditions

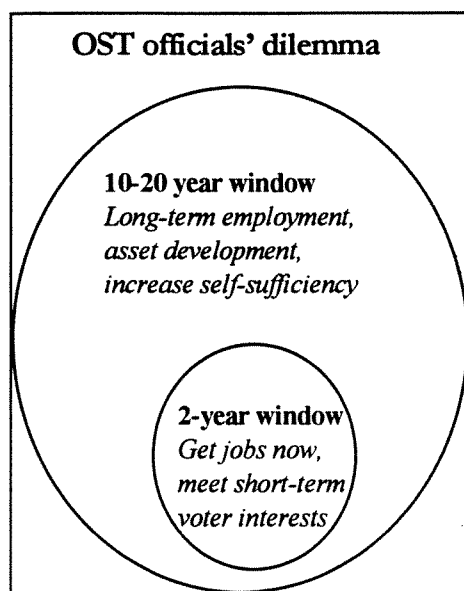
## Assessment of Economic Development at Pine Ridge

1. What OST's role should be (and what it has been)
2. Strengths of the people, land and culture



## GOVERNMENT & ECONOMIC DEVELOPMENT

OST officials have to cope with short-term political pressures as they try to meet long-term development needs. But economic development does not mean “jobs now”—it means **long-term economic self-sufficiency**. Government’s role in this process is best understood as providing those things which are not provided by businesses: infrastructure, information, communication, and contract enforcement.



**Economic development can be defined as *increasing long-term self-sufficiency*.**

### THE ROLE OF GOVERNMENT

- Convene collective efforts
- Communicate and engage with citizens
- Build physical and skill infrastructure
- Enforce contracts
- Support local enterprise

## MYTHS AND FACTS

Before making any recommendations, it was crucial to assess the current state of economic development on Pine Ridge Reservation.

First, we needed to separate the myths from the facts.

*MYTH: "Markets are too distant, too small, or non-existent."*

**FACT:** Adequate markets exist for the expansion of the economy.

*MYTH: "The Lakota are not productive workers."*

**FACT:** Under the right conditions, the Lakota are very productive workers.

*MYTH: "The tribe lacks enough resources for economic development."*

**FACT:** A stronger economy can be built upon current resources.

*MYTH: "We can't agree on what the tribe should do."*

**FACT:** There is some consensus among important economic actors.

## REAL OBSTACLES

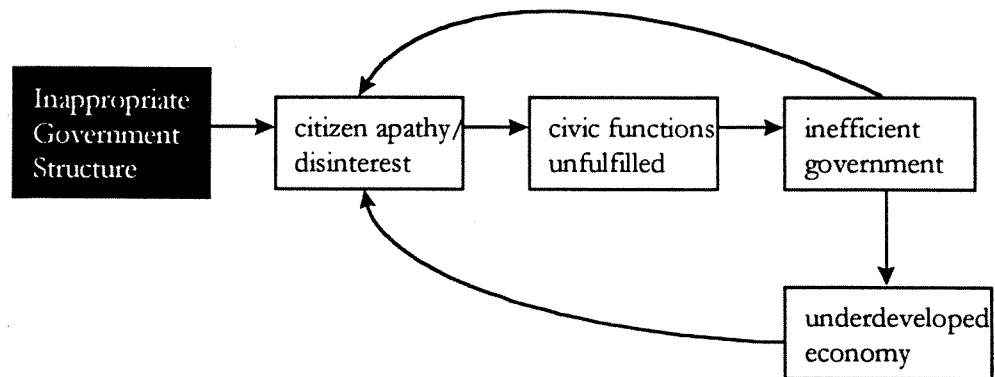
After separating myth from fact, it became easier to answer this question:

**What are the real obstacles to economic development on the Pine Ridge Reservation?**

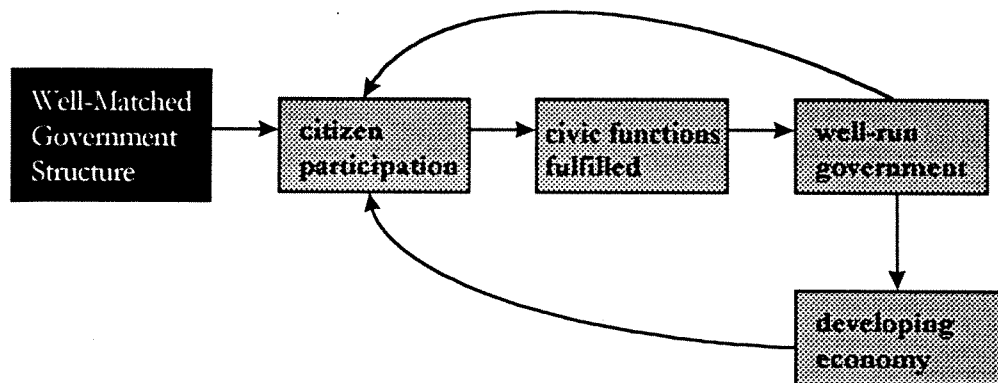
1. OST lacks an economic development strategy.
2. OST officials are trying several non-viable development approaches.
3. Government-run businesses do not work.
4. Pine Ridge Reservation has a poor business climate.
5. OST lacks credibility among its constituents.

# LAKOTA POLITICAL STRUCTURE AND OST GOVERNMENT

Lakota culture is highly individual and decentralized. The constitution imposed upon the Oglala Nation in 1936 is highly centralized. This mismatch is one reason for the underdeveloped economy at Pine Ridge Reservation and the lack of an OST economic development strategy:



By changing the structure of government to reflect Lakota political tradition, the OST can begin to address one of the most important causes of underdevelopment and create a more positive cycle of government influence:



## RECOMMENDED STRATEGY

After considering the role of government, the myths and findings on Pine Ridge, and traditional Lakota culture, we recommend the following 3-part strategy:

- **Foster family/individual entrepreneurship**
  - Culturally appropriate
  - Build independence
  - Create good jobs

- **Support district led community development**
  - Culturally appropriate
  - Focus on micro-enterprise
  - Build independence

- **Build a better business climate**
  - Support long-term growth
  - Employment as focus
  - Remove investment barriers

## RECOMMENDED POLICY

From the three-part strategy comes a national economic development policy for the Oglala Nation.

This six-part policy should guide the next action steps for OST.

- △ Build consensus through credibility
- △ Privatize OST business development and management
- △ Develop reservation infrastructure and public services
- △ Remove barriers to investment
- △ Become a source for information and technical assistance
- △ Reform the governmental structure

POLICY ↓	RECOMMENDED ACTION ITEMS		
	Now	6 Months	12 Months
<b>Build consensus through credibility</b>	<ul style="list-style-type: none"> <li>✓ Convene district-level meetings on economic development</li> <li>✓ Reallocate travel money towards on-reservation spending</li> </ul>	<ul style="list-style-type: none"> <li>✓ Allocate more resources to public information campaigns</li> </ul>	<ul style="list-style-type: none"> <li>✓ Build better working relationships with district leaders</li> </ul>
<b>Privatize OST business development and management</b>	<ul style="list-style-type: none"> <li>✓ Stop attempting to develop and manage businesses</li> <li>✓ Limit plans for a motel/restaurant</li> <li>✓ Allow independent management of the tribal casino</li> </ul>		<ul style="list-style-type: none"> <li>✓ Create independent Tribal Development Corporation</li> </ul>
<b>Develop reservation infrastructure</b>		<ul style="list-style-type: none"> <li>✓ Allocate resources toward physical infrastructure such as roads and utilities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Allocate resources towards skill infrastructure like schools and training</li> </ul>
<b>Remove barriers to investment</b>		<ul style="list-style-type: none"> <li>✓ Adopt a commercial code</li> </ul>	<ul style="list-style-type: none"> <li>✓ Streamline the permitting and licensing process</li> <li>✓ Allow longer-term land leases</li> </ul>
<b>Information and technical assistance</b>		<ul style="list-style-type: none"> <li>✓ Produce business information materials</li> </ul>	<ul style="list-style-type: none"> <li>✓ Create technical assistance units</li> </ul>
<b>Reform the government structure</b>		<ul style="list-style-type: none"> <li>✓ Decentralize selected government activities</li> <li>✓ Allocate more resources to support district efforts at local economic development</li> </ul>	<ul style="list-style-type: none"> <li>✓ Implement training program for elected / appointed officials</li> <li>✓ Convene constitutional convention</li> <li>✓ Begin establishing an independent judiciary</li> </ul>

## ACKNOWLEDGMENTS

This Book is one of three parts of "An Economic Development Policy for the Oglala Nation," a report prepared at the request of the Oglala Sioux Tribe of the Pine Ridge Reservation.

Special thanks go to Mike Her Many Horses, who, in addition to arranging interviews and accommodation during our visits, introduced us to the cultural tradition of the Oglala Lakota and made us feel welcome on the reservation; Tribal President John Yellow Bird Steele, who graciously supported our effort; and Shelley Amiotte, whose logistical assistance was integral to the success of our second visit. George Wilson of the Prairie Wind Casino and Dani Not Help Him of the Lakota Fund offered particularly pertinent advice and feedback.

Thanks also to members of the OST Administration for their input and advice, including Tribal Vice-President Milo Yellowhair, Treasurer Chuck Roberts, and the members of the Economic Development Office: Director Herb Wounded Head II, Charles Pourier, Darrell Twiss, and Liz Kingy.

We relied on Professor Joseph Kalt, Miriam Jorgensen, Stewart Wakeling, Manley Begay, and the members of the Breakfast Club for their input and feedback. In addition, we are indebted to the work done by past student researchers on the Pine Ridge Reservation.

Finally, we could not have completed this report without the willing cooperation of the numerous individuals who agreed to be interviewed, particularly the reservation entrepreneurs. We wish them success.

### **The Authors**

**Andrew Aoki**, of Honolulu, Hawai'i, is a candidate for a Master of Public Policy at the John F. Kennedy School of Government at Harvard University, with a concentration in state and local government policy. He received his J.D. from the University of Michigan Law School in 1995 and an A.B. in Political Science from Stanford University in 1989. He has studied and worked on issues regarding the legal rights, educational opportunities, and cultural traditions of Native Hawaiians.

**Dan Chatman**, of San Jose, California, is also a candidate for a Master of Public Policy at the Kennedy School of Government, concentrating in urban community economic development. He received a B.A. in Individual Studies: The English Language from U.C. Berkeley in 1991, and worked in Botswana between 1991 and 1995 as an English teacher and adult education program coordinator. His professional experience includes vocational development and city government.

**The Harvard Project on American Indian Economic Development** is directed by Stephen Cornell (Department of Sociology, University of California, San Diego) and Joseph P. Kalt (John F. Kennedy School of Government, Harvard University). For the last ten years, the Harvard Project has been carrying out an extended study of the conditions under which self-determined economic development can be successful on Indian reservations. The core research method has been the comparative analysis of development efforts on selected reservations: what works where, and why? A central objective of this research has been to develop information and insights that can be used by tribes themselves as they wrestle with the unique combination of opportunities and obstacles confronting them today.

## SOURCES

- Adamson, Rebecca, Richard Sherman and Larry Swift. 1986. "The Lakota Fund," in *Business Alert*, Vol. 1, No. 4. Falmouth, VA: First Nations Financial Project.
- Amiotte, Shelly. OST Economic Development Office. (Interviews.)
- Anderson, Terry L. 1995. *Sovereign Nations or Reservations?* San Francisco: Pacific Research Institute for Public Policy.
- Benson, Lance. Small business owner. (Interview.)
- Brewer, Arvine & Morris. Small business owner. (Interview.)
- Brewer, Charles. Small business owner. (Interview.)
- Bureau of Economic Analysis*, Department of Commerce. (Internet website.) 1994.
- Cameron, Michael W. 1992. "A Prototypical Economic Development Corporation," in *What Can Tribes Do?*, eds. Steven Cornell and Joseph Kalt. Los Angeles: American Indian Studies Center.
- Carlson, Leonard. 1988. "A Brave Beginning," in *Overcoming Economic Dependency*.
- Constitution and By-Laws of the Oglala Sioux Tribe of the Pine Ridge Reservation of South Dakota*. 1936.
- Cornell, Stephen & Joseph P. Kalt. 1992a. "Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations," in *What Can Tribes Do?*, eds. Cornell & Kalt. Los Angeles: American Indian Studies Center.
- \_\_\_\_\_. 1992b. "Culture and Institutions as Public Goods: American Indian Economic Development as a Problem of Collective Action." In *Property Rights and Indian Economies*, ed. Terry Anderson. Lanham, MD: Rowman & Littlefield.
- \_\_\_\_\_. 1995a. "Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache." *Economic Inquiry* Vol. XXXIII, pp. 402-426.
- \_\_\_\_\_. 1995b. "Successful Economic Development and Heterogeneity of Government Form on Indian Reservations." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Cotter, Dean. Co-Manager, Prairie Wind Casino. (Interview.)
- County Income and Poverty Estimates; 1990 Census Estimates: South Dakota*. 1989.

- De Mallie, Raymond J. 1978. "Pine Ridge Economy: Cultural and Historical Perspectives," in *American Indian Economic Development*, ed. Sam Stanley. Chicago: Aldine.
- Diamant, Adam. 1988. "Economic Development: The Rosebud Sioux Indian Tribe." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Ecoffey, Robert. Superintendent, Bureau of Indian Affairs, Pine Ridge Office. (Interview.)
- Economic Development Administration. 1996. Compendium of tribal information.
- Emery, Steve. Tribal Judge. (Interview.)
- Federal Reserve Bank of Minneapolis. 1996. "Pine Ridge Banking and Community Development Initiative."
- Firethunder, Anna. Small business owner. (Interview.)
- Garnett, Donna. District Councilwoman. (Group interview.)
- Her Many Horses, Mike. Executive Director & Legislative Coordinator, Oglala Sioux Tribe. (Interviews.)
- Herman, Sis. Small business owner. (Interview.)
- Jacobs, Chuck. Treasurer, Oglala Sioux Tribe. (Interview.)
- Kingy, Liz. OST Tourism Development Office. (Interviews.)
- Lakota Fund. 1994. Annual Report 1993-94.
- Lakota Fund. 1995. Program Profile.
- Lu, Jean and Larry Witte. 1996. "The Basis of a Nation-to-Nation Relationship: A Report to the Oglala Sioux Tribe and the Senate Committee on Indian Affairs." Unpublished manuscript at John F. Kennedy School of Government.
- Martin, Phillip (Chief of Mississippi Choctaw). 1988. "Comments On Economic Dependency In Indian Communities," in *Overcoming Economic Dependency*.
- Means, Frank. OST Tourism Development Office. (Interviews.)
- Merrival, Joe. Small business owner. (Interview.)
- Mestaz, Patty. Assistant Director, Tribal Employment Rights Office, Oglala Sioux Tribe. (Interview.)
- Nebraska Public Power District. 1992. "Industrial Facts: Pine Ridge, South Dakota and Pine Ridge Indian Reservation." Columbus, NE: Nebraska Public Power District, Area Development Department.
- Not Help Him, Dani. Coordinator, The Lakota Fund. (Interviews.)

- Oglala Lakota College, leadership survey. 1994.
- Oglala Sioux Tribe. 1983. *Land of Red Cloud: Home of the Oglala Lakota*. South Dakota: WBS, Inc.
- \_\_\_\_\_. 1994. *Economic Development Plan*.
- \_\_\_\_\_. 1995. 1995/96 Contracts and Grants.
- \_\_\_\_\_. 1996. *Economic Development Planning Grant: Oglala Sioux Tribe Annual OEDP Report and Program Projection 1996 (draft)*.
- \_\_\_\_\_. 1996. Oglala Lakota Nation, Pine Ridge Reservation Roads Need. OST Transportation Department.
- \_\_\_\_\_. 1996. *Protocol for Revenue Bond Financing and Program Requirements*.
- \_\_\_\_\_. 1997. Miscellaneous tourism development materials.
- Parzen, Julia A. & Michael H. Kieschnick. *Credit Where It's Due: Development Banking for Communities*. Philadelphia: Temple University Press.
- Plume, Pinky. OST Council member, Vice-Chair, Economic Development Committee. Small business owner. (Interview.)
- Pourier, Charles. OST Economic Development Office. (Interview.)
- Sachs, Jeffrey. 1997. Unpublished lecture on political economy of growth.
- Sharp, Walter. Manager, Sioux Nation Shopping Center. (Interview.)
- Sherman, Gerald. 1988. "A Study of Traditional and Informal Sector Micro-Enterprise Activity and Its Impact on the Pine Ridge Indian Reservation Economy." Washington, DC: Aspen Institute for Humanistic Studies.
- Sherraden, Michael A. 1992. *Assets and the Poor: A New Welfare Policy*.
- Steele, John. President, Oglala Sioux Tribe. (Interviews.)
- The World Bank. *From Plan to Market: World Development Report, 1996*. 1996. New York, New York: Oxford University Press.
- Twiss, Darrell. OST Economic Development Office. (Interview.)
- Two Bulls, Susan. District Council Staff. (Group interview.)
- Two Eagle, Faith. District Councilwoman. (Group interview.)
- U.S. Department of the Interior, Bureau of Indian Affairs. "Indian Service Population and Labor Estimates," January 1989.
- Vinje, David J. 1988. "Economic Development On Reservations In The Twentieth Century," in *Overcoming Economic Dependency*.
- Walker, James R. 1982. *Lakota Society*. Ed. Raymond J. DeMallie. Lincoln: University of Nebraska Press.

White Woman, Harvey. OST Council member. Chairman, Economic Development Committee. (Interview.)

Wilson, George. Manager, Prairie Wind Casino. (Interviews.)

Wounded Head II, Herb G. Director, Economic Development Office. (Interviews.)

Yellow Cloud, Todd. District Council Staff. (Group interview.)

Yellow Hair, Milo. Vice President, Oglala Sioux Tribe. (Interview.)



# TABLE OF CONTENTS

<b>Table of Contents .....</b>	<b>1</b>
<b>Executive Summary.....</b>	<b>2</b>
<b>The Role of OST Government in Economic Development.....</b>	<b>3</b>
Overview.....	3
The purpose and goals of economic development.....	3
Visionary long-term goals vs. short-term political reality .....	4
Government roles in economic development.....	5
Playing to local strengths.....	6
<b>Economic Development at Pine Ridge: Myths and Findings.....</b>	<b>7</b>
MYTH: "Markets are too distant, too small, or non-existent.".....	10
MYTH: "The Lakota are not productive workers.".....	12
MYTH: "The tribe lacks enough resources for economic development.".....	14
MYTH: "We can't agree on what the tribe should do.".....	16
1. OST lacks an economic development strategy. ....	18
2. OST officials are trying several non-viable development approaches. ....	20
3. Government-run business will not succeed. ....	22
4. Pine Ridge has an unwelcoming business climate. ....	24
5. The OST lacks credibility among its constituents.....	26
<b>Endnotes.....</b>	<b>27</b>
<b>Appendix 1: <i>Lessons From Other Nations: Eastern Europe and Latin America</i>....</b>	<b>28</b>
<b>Appendix 2: <i>Problems With a Current Strategy: Casino and Tourism</i> .....</b>	<b>29</b>
<b>Appendix 3: <i>Increasing the Level of Trust in the State</i> .....</b>	<b>31</b>
<b>Acknowledgments.....</b>	<b>32</b>
<b>Sources .....</b>	<b>33</b>

# EXECUTIVE SUMMARY

## The role of OST government in economic development

Before evaluating its economic development effort, government must first determine what outcomes are desired, and what its proper role is.

The purpose of economic development is to achieve economic self-sufficiency, while preserving tribal sovereignty and traditional culture. Officials of the Oglala Sioux Tribe government (OST) recognize this, but visionary long-term goals conflict with short-term political reality. Because of this, OST has tended to choose goals for development which might produce an immediate return in jobs or money flowing onto the reservation. This is a strategy doomed to failure.

There is a better way to choose an economic development strategy. Government's appropriate role is *not* owning or running businesses; it is building infrastructure, providing neutral contract enforcement, building consensus, communicating with citizens and businesses, and supporting local enterprise by spending locally.

## Economic development at Pine Ridge: myths and findings

Assessing the state of economic development at Pine Ridge means objectively understanding the strengths and weaknesses of the reservation economy, and the OST's efforts to improve that economy.

### Myths about economic failure at Pine Ridge

*MYTH: "Markets are too distant, too small, or non-existent."*

FACT: Adequate markets exist for the expansion of the economy.

*MYTH: "The Lakota are not productive workers."*

FACT: Under the right conditions, Lakota are very productive workers.

*MYTH: "The tribe lacks enough resources for economic development."*

FACT: A stronger economy can be built upon current resources.

*MYTH: "We can't agree on what the tribe should do."*

FACT: There is some consensus among important economic actors.

### The real obstacles for economic development

OST faces a number of real obstacles in its development efforts, including:

1. OST lacks an economic development strategy.
2. OST officials are trying several non-viable development approaches.
3. Government-run business will not succeed.
4. Pine Ridge has an unwelcoming business climate.
5. The OST lacks credibility among its constituents.

# THE ROLE OF OST GOVERNMENT IN ECONOMIC DEVELOPMENT

## Overview

In this section, we attempt to answer these questions from the point of view of the Oglala people:<sup>1</sup>

- What is the purpose of “economic development” and what are possible development goals?
- How should OST officials deal with the tension between short-term political pressures and long-term development needs?
- What is the role of government in a free market economy?
- What are local strengths and local concerns to keep in mind when choosing an economic development focus?

## The purpose and goals of economic development

### Purpose of economic development

“Economic development” means different things to different people. To some, it means lowering the unemployment rate or increasing average income. To others, it means something more general, such as improving the “quality of life” for people on the reservation. Many Oglalas concerned about improving material conditions for their people also place a strong emphasis on preserving cultural traditions.

Along with these understandings of “economic development” come concerns with maintaining and improving feelings of self-esteem and self-worth of tribal members, and using the land base in a culturally sensitive way.<sup>2</sup>

**Economic development can be defined as *increasing long-term self-sufficiency.***

A broader understanding of “economic development” that considers all the definitions above is *increasing long-term self-sufficiency* of people and families on the reservation. By “self-sufficiency” we mean the ability for individuals and families to thrive on their own labor and capital acquisition without relying on external sources of support.

Some people worry that focusing on measures such as income or employment may tend to break down traditional institutions which provide essential spiritual and emotional sustenance for the Oglalas, such as traditional religious practices and the existence of strong *tiospaye* (band) networks. This concern is warranted and should be kept in mind when choosing an economic development strategy. (See Book 3, “Government and Lakota Culture in Economic Development.”)

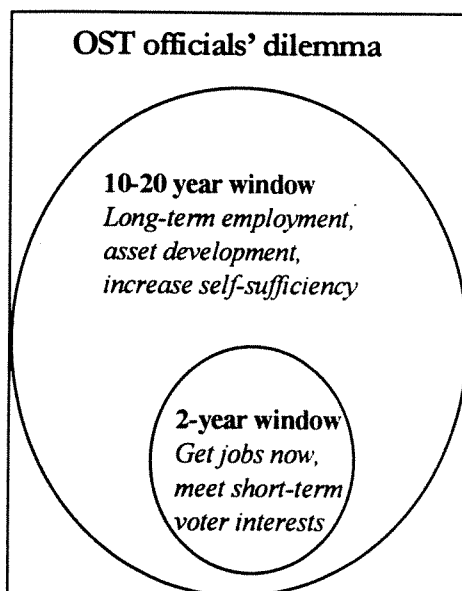
## Goals of economic development

To meet the purpose of increasing long-term self-sufficiency, a “first-cut analysis” might identify a number of economic development goals including:

- attracting financial institutions to the reservation,
- providing technical assistance to small business owners/managers,
- attracting outside business investors through marketing campaigns;
- running a loan guarantee program to help businesses get capital,
- enacting commercial codes to improve the business climate,
- creating an independent judiciary to increase the likelihood of long-term business investment,
- focusing on adult workforce development to increase employability of reservation residents.

The OST can’t possibly do all of these things at once. In all likelihood, no nation can. It might strategically choose those it thinks will create the most jobs in the short-run—*but this would be a mistake*. While employment is a central concern, especially given “welfare reform,” the concern with creating employment immediately should *not* dominate the choice of how to spend resources.

## Visionary long-term goals vs. short-term political reality



The problem of economic development from the perspective of Council members and Executive Officers—all of whom are elected to two-year terms—is readily apparent. They are aware of the need for long-term economic development goals. But they are faced with a political reality which requires them to look for immediate returns, in order to increase their slim chances of winning re-election<sup>3</sup> and serving their constituents again with the expertise they have painstakingly gained.

This tension has often led to a non-sustainable strategy focusing on increasing employment and capital *now* without really attempting to solve the underlying problems on the reservation.

How can OST officials gain support for visionary long-term policies in a brief two-year window? In Book 3 we identify immediate short-term actions in recognition of the OST officials' dilemma. Many people on the reservation we talked to believe that long-term self-sufficiency is crucial.

## Government roles in economic development

One important criterion for choosing a strategy depends on the general role of government in the process of economic development. What is democratically-elected government usually good at doing to help economic development? In other words, what *appropriate* role does government have to play?

Elected government officials typically gain office because of their understanding of the needs of their constituents—not usually for their knowledge of business, scientific skills, or other traits associated with people in the private sector. Thus, a central government is not typically a source of business management or investment expertise. But even when elected officials or appointed civil servants do possess such skills, the nature of a democratic government runs counter to the day-to-day decision making requirements of businesses, which cannot both operate by majority vote and stay afloat in a competitive market.

Businesses directly run by governments rarely succeed. Usually, they fail. They are much more likely to fail when the government is not a source of business expertise, or when the government is influenced by interest groups. But usually, government-owned businesses are unsuccessful because they are not independently managed.

On the other hand, it is clear that government has other appropriate, essential, and sometimes forgotten roles to play in economic development. Usually only the government can engage in such “public good” activities as:

- Bringing groups or people with different interests to one table, to cooperatively work in ways which increase overall social welfare.
- Communicating with the public and engaging citizens in decision-making in order to better identify and meet their needs.
- Building physical and skill infrastructure—such as roads, utilities, and education—which typically won’t be provided by the private sector and which are crucial for economic development.
- Enforcing rules of personal and business conduct, as embodied in business codes, civil and criminal law, an independent judiciary, and a professional police force.
- Supporting local enterprise by spending locally.

Residents and businesses rely on government to play these roles. When government does so consistently, businesses and individuals are more likely to thrive in and contribute to an economy.

### THE ROLE OF GOVERNMENT

- Convene collective efforts
- Communicate and engage with citizens
- Build physical and skill infrastructure
- Enforce contracts
- Support local enterprise

## Playing to local strengths

In addition to taking into account appropriate roles for government, the process of determining the best economic development strategy to follow depends in large part on the available budget, available staff time, and staff personnel skills. The best strategy will also depend on the existing organizational structure—the structure of the government as a whole, as well as the jurisdictions, strengths and weaknesses of particular executive agencies and council committees. Political constraints, as noted previously, also should be taken into consideration when choosing a strategy.

We look into the strengths and weaknesses of Pine Ridge in the next section, “*Economic Development at Pine Ridge: Myths and Findings*.” There we introduce our fieldwork results and begin to sketch a picture of the OST governmental structure, misconceptions about economic development, and the real obstacles to economic development which must be addressed when determining national economic development policy for the Oglala Nation.

# ECONOMIC DEVELOPMENT AT PINE RIDGE: MYTHS AND FINDINGS

## Overview

For years, Native Americans have had to struggle to dispel the racist myth that economic progress was beyond their reach. Some U.S. officials believed that the cultures and traditions of Indian tribes were incompatible with growth in a market economy. This fostered a Federal policy of “trust” dependency on the U.S. government, which led to weak tribal sovereignty. Over time, tribes have proven that they can develop economically in ways that are sensitive to their own values, and begin to gain back their sovereignty.

The citizens of the Oglala Nation are well-informed about past and present economic development efforts, and we have relied heavily on information provided by them. After many conversations and other research on our part, some common misconceptions about economic development became apparent. We rely on residents of Pine Ridge inside and outside government who, by virtue of their experience and interest, can help better explain past and current trends in economic development efforts by OST. Finally, we identify five primary obstacles to a successful economic development effort, and describe these in some detail.

## The state of the Pine Ridge Reservation economy

The Pine Ridge Reservation is in terrible economic shape, as most people on the reservation are already painfully aware. Despite recent increases in Federal funding, the reservation economy continues to experience a huge outflow of income and the drain of its most needed human resources. Approximately 90% of reservation income comes from Federal sources, and approximately this same amount is spent off the reservation. Shannon County, contained entirely within the boundaries of the reservation, was the poorest in the U.S. in 1989, with 63% of individuals below the poverty line.<sup>4</sup> In 1994, the average per capita income in Shannon County was \$8,000, last in the state.<sup>5</sup> Total unemployment in 1989 was estimated at 71%, though it was probably higher.<sup>6</sup>

Projected reductions in Federal transfer payments threaten to make these conditions even worse. Funding for transfer payments such as Aid to Families with Dependent Children accounted for 43% of all income in 1994;<sup>7</sup> these payments will decline over the next several years due to welfare reform legislation. Welfare-to-work requirements may force many of the approximately 17,000 residents to leave the area, since less than a hundred mostly small-to-medium sized businesses currently operate on the reservation. This in turn is likely to increase the out-migration of skilled workers.

## **Myths about economic failure at Pine Ridge**

Misconceptions about the causes of economic underdevelopment on the Pine Ridge Reservation obscure the real problems. These beliefs are not shared by all Oglalas, but they are held by a proportion of residents and outsiders. We offer here some different interpretations of what is happening on the Pine Ridge Reservation. Starting on page 10, we provide more detail.

**MYTH: “Markets are too distant, too small, or non-existent.”**

**FACT: Adequate markets exist for the expansion of the economy.**

- Each year, millions of dollars leave the reservation to purchase goods and services which could be locally provided.
- There is off-reservation demand for Lakota arts and crafts, tourism, and natural resources.

**MYTH: “The Lakota are not productive workers.”**

**FACT: Under the right conditions, the Lakota are very productive workers.**

- Family businesses have developed reliable work staffs.
- With comprehensive assistance, entrepreneurs have translated energy and creativity into commercial success.
- Culturally appropriate worker management and corporate structure has made the workforce at Prairie Wind Casino very productive.

**MYTH: “The tribe lacks enough resources for economic development.”**

**FACT: A stronger economy can be built upon current resources.**

- The reservation contains unique historical and cultural resources.
- Many Oglalas are willing to utilize their tourism-related and natural resources in a culturally appropriate manner.
- A large labor pool needs to work and will probably work at competitive wages, if work conditions are right.
- The Oglala Lakota College, the Lakota Fund, and individual tribal members have valuable intellectual and technical skills.

**MYTH: “We can’t agree on what the tribe should do.”**

**FACT: There is some consensus among important economic actors.**

- Many individuals agree on goals of economic development.
- Key people support reforms such as longer terms of office.
- Most individuals recognize the need for better access to capital.

## The real obstacles to economic development

The problem is *not* a lack of markets or resources or trainable workers, and the problem is deeper than “too much disagreement.” What are the *real* problems stopping economic development?

### 1. OST lacks an economic development strategy.

- Different political actors pursue their own strategies that work against each other, not towards common goals.
- The OST intends to move away from central economic planning, but has not made the commitment to decentralize.
- Projects that have been started are often thrown out or radically changed when new officials are elected.

### 2. OST officials are trying several non-viable development approaches.

- OST is often trying to do too much with too few resources.
- Attracting businesses with incentives is a flawed tactic.
- The casino-led tourism strategy has many problems.

### 3. Government-run business will not succeed.

- OST has a long history of failed tribally-run business ventures.
- Central governments usually cannot make good business decisions.
- Other tribes that have experienced relative success with this strategy are culturally and/or structurally different from the Lakota.

### 4. Pine Ridge has an unwelcoming business climate.

- OST has a reputation for incompetence and political interference.
- Barriers to investment include lack of business codes, poor infrastructure (roads, sewer systems, etc.) and lack of capital.
- The judicial system is viewed as unreliable and politically motivated.
- Little good business information exists to inform potential investors.

### 5. The OST lacks credibility among its constituents.

- OST has a reputation for corruption, inactivity, and being “out of touch” with common people.
- People increasingly look to district governments for leadership.
- OST does not keep its citizens engaged in a mutual process of defining its roles, activities, and future plans.

**MYTH: "Markets are too distant, too small, or non-existent."**

**FACT:**

**Pine Ridge Reservation consists of a small population living in a relatively large area far from metropolitan centers.**

**This isolation makes some believe that economic growth will never be possible due to "lack of viable markets."**

**But adequate markets do exist.**

**On-reservation markets**

Entrepreneurs, business owners, and managers say that Pine Ridge could be an excellent place to do business. All are aware that tribal members do most of their shopping off-reservation, and that this lost business represents a huge amount of lost income for them.

In fact, a 1988 report estimated that more than half of resident income leaves the reservation within 72 hours of arrival, and that \$74 million of reservation income yearly is spent off-reservation.<sup>8</sup> But the daily mass exodus to border towns for items such as groceries and durable goods and services such as banking, and insurance, could be reduced, and some of those funds captured, if more businesses were developed on the reservation.

The reservation businesses that do exist take advantage of shorter distances and more personal service to the local population. This can be easily observed at establishments such as Big Bat's Texaco, Pinky's, eating places, convenience stores and catering businesses.

Two of the business owners that we spoke to—a caterer and a quilt maker—report that they have a hard time keeping up with current demand. Without the capacity to hire more staff or finance better equipment, they are forced to refuse business. For certain services, even with the small incomes on the reservation, the internal market is large enough to support small businesses. For some businesses, there is even room for expansion.

Of course, there is a limit to the number of businesses that the on-reservation market can support on its own. But there is clearly room for growth.

**90% of reservation income goes to off-reservation businesses.**

## Off-reservation markets

There is also off-reservation demand for resources within the reservation.

The OST Tourism Department has begun to identify how to attract more tourists to Pine Ridge Reservation by working with local districts on tourism visioning plans. The reservation is near the Black Hills and Mount Rushmore, both of which are extremely popular tourist destinations. The Crazy Horse Scenic Byway and the Wounded Knee Historical Site could draw tourists from this market onto the reservation to spend money on unique handicrafts and attractions, with a good advertising plan.

The Prairie Wind Casino attracts about two-thirds of its patronage from the state of Nebraska.<sup>9</sup> While this does not suggest more casinos should be built, it is evidence that outsiders will enter and spend money on the reservation if there is a product which they demand.

Finally, computer telecommunications and mail order business has significantly reduced the importance of distance in certain markets. In particular, Lakota artisans and craftspeople have had work appear in many catalogs, and the people of the White Clay district have begun to market their crafts on the Internet.

Able entrepreneurs that want to meet this demand face overwhelming obstacles, and potential business investors who might meet market demand are discouraged by a hostile business climate. Without change, more businesses have been forced into the reservation's growing "gray market" of unofficial businesses ventures, causing economic inefficiency. **Appendix 1** of this book contains further information on the drawbacks of unofficial economies.

### ON-RESERVATION DEMAND

- *Affordable groceries*
- *Banking services*
- *Self-service laundromats*
- *Insurance*
- *Hardware and household items*
- *Automotive services*

### OFF-RESERVATION DEMAND

- *Historical sites*
- *Lakota arts and crafts*
- *Environmental/ Scenic experiences*

***The issue is not a lack of demand, but the lack of efforts to capitalize on existing demand.***

**MYTH: "The Lakota are not productive workers."**

**FACT:**

**The failure of industrial businesses is often blamed on poor worker productivity.**

**But individual entrepreneurs are able to succeed, relying on their own creativity and depending on family networks.**

**With transitional assistance, and work environments more consistent with Lakota culture, even workers in U.S.-style business environments can be productive.**

**Small businesses & family networks**

Many small businesses, such as Angel's convenience store in Kyle and Rosemary's Catering in Pine Ridge Village, use extended family ties to recruit and retain workers. Hiring family members or family friends increases worker trustworthiness and the quality of communication. Lakota small businesses that rely on family members are characteristically flexible, working together to achieve business goals. The importance of families in traditional culture is no doubt an important reason for the relative successes of such small businesses.

**Entrepreneurship and comprehensive assistance**

Poor Lakota work habits are often blamed for the failure of large-scale businesses on Pine Ridge. Workers often did not show up on time, or were absent frequently. Some of this problem can be attributed to ignorance of culturally-appropriate management practices. Worker training and transition-to-work assistance can also play a role.

The Lakota Fund has shown how transitional assistance can help people help themselves to become more economically independent. The Lakota Fund stresses accountability and individual determination in meeting mainstream lending expectations. But it also provides business classes, basic life skill training, addiction treatment and personal counseling.<sup>10</sup>

Several loan recipients volunteered the information that being held accountable

was helpful to their future efforts. This is a lesson which has bearing on worker development generally, not just for individuals owning and running their own enterprises.

**Culturally appropriate management and corporate structure**

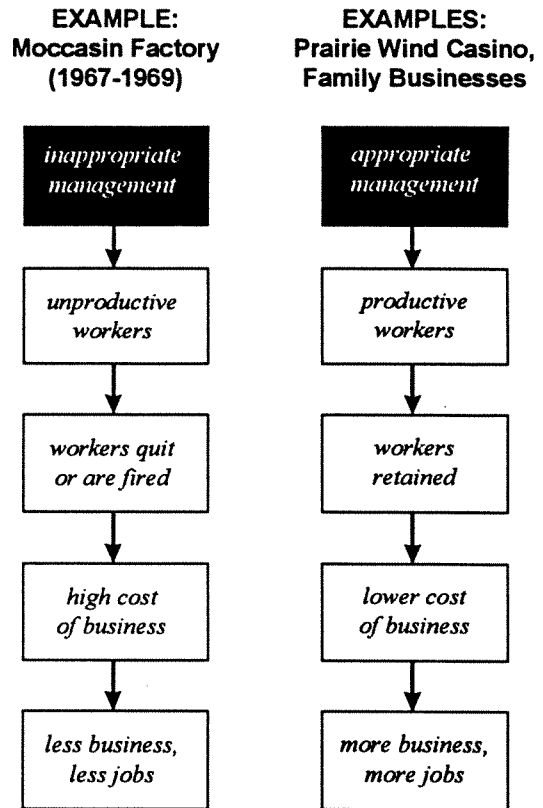
Few people in North America have had the interest, expertise, or opportunity to manage Native American workers. Some managers with little understanding of Lakota ways have used U.S. management styles with the Lakota, and interpret poor performance as the result of poor work habits, which is certainly partially true.

But when cultural factors such as the importance of family, independence, and traditional practices are considered, the Lakota can be effective workers. The well-run service environment at Big Bat's Texaco is proof that, after weathering initial turnover, a responsible workforce can be formed in a small business setting.

The new management of the Prairie Wind Casino has put together a solid workforce of approximately eighty workers, in part by taking into consideration Lakota traditions. Part of getting the most productivity out of Lakota workers is understanding and respecting cultural practices. As a Lakota himself, the current manager understands the importance of the Sun Dance, powwows, and sweat lodge. Accordingly, time off is given to workers to participate in these ceremonies.

The current manager has also created a employee-staffed personnel committee which screens applicants for open jobs and manages the first step in the worker grievance procedure. This innovation avoids the reliance on hierarchy which appears to have doomed other large

businesses at Pine Ridge, while allowing for worker "ownership" of management. When the corporate structure is more culturally appropriate, the longevity of the business is sustained, which benefits both employees and the economy:



- WORKER PRODUCTIVITY FINDINGS**
- *Individual entrepreneurs and family-run businesses are naturally successful environments for Lakota workers.*
  - *In large businesses, a culturally-appropriate management style and structure is effective.*
  - *Worker training and transitional assistance will be important in raising chances for worker success.*

**MYTH: "The tribe lacks enough resources for economic development."**

**FACT:**

**To many, Pine Ridge Reservation seems relatively barren and devoid of natural resources.**

**This has led to the claim that economic development here is an impossible task.**

**But substantial physical, financial, intellectual, and spiritual resources exist within the Oglala Nation.**

**Some resources are lacking...**

Over the years, as treaties were broken and the reservation was reduced in size, many of the most precious resources of the Oglala have been taken out of the hands of the Nation. The Black Hills were stolen and exploited by prospectors, and the Sacred Hoop was broken at Wounded Knee. Meanwhile, the Federal funding which was supposed to provide redress for these wrongs is steadily dwindling.

**But enough key resources exist**

Nevertheless, the OST and its people have real, concrete resources for economic development. And it has access to resources other than those which it directly controls.

Throughout the year, OST makes decisions about the use of Federal funds. These funds are a crucial resource for tribal development and, wisely spent, can be the spark for economic development.

Much has been said about the abundant natural and tourism-related resources on the reservation. Natural resources include vacant land, wildlife, and minerals. Proximity to such sites as Mount Rushmore, Badlands National Park, and other scenic areas as well as the potential for camping and hunting activities form the potential basis for a tribal tourist industry. Communities in some districts have shown a willingness to utilize these resources in a culturally appropriate way.

The historical and cultural resources of the Lakota are unique in the world. To the extent that is appropriate, these resources can be shared with people from other

cultures for economic gain. Outsiders have capitalized on these resources by making movies, documentaries and books about Lakota people—evidence of the outside world’s interest in Lakota history and culture. The reservation economy has seen little benefit from this exportation of their cultural heritage.

Another critical resource is a large labor pool that is (or soon will be) searching for work. Workers can and will move off the reservation freely, and lack of jobs may force a pattern of out-migration. But as the OST steps up its efforts to develop worker skills, support small businesses and create a climate in which businesses can invest and grow, the people themselves must prove that they are the Oglala Nation’s greatest resource.

There is a great river of talent on the reservation ready to irrigate an economic development effort, if it can only be channeled. This talent pool includes numerous Oglala *entrepreneurs*, with growing business experience; the *Lakota Fund*, with expertise including lending, worker training, personal development training, housing, and business relations; the *Oglala Lakota College*, which graduates a number of skilled people, provides a research center for reservation life, and is a good example of a successfully decentralized institution; many *individual scholars and workers* who have sought success elsewhere and are now returning to the reservation; *district government leaders*, who have expertise in local matters and also have the communication channels to be successful; and *tribal elders and spiritual leaders*, who can provide much-needed wisdom and guidance to many endeavors.

TRIBAL MEMBER RESOURCES OF THE OGLALA NATION	
• <i>Entrepreneurs and small business owners</i>	<i>business experience</i>
• <i>Lakota Fund</i>	<i>lending, personal development training, housing, business relations</i>
• <i>Oglala Lakota College</i>	<i>skills training, research, administration expertise</i>
• <i>Individual scholars and workers</i>	<i>off-reservation business and government experience</i>
• <i>District govt. leaders</i>	<i>understanding of local conditions</i>
• <i>Tribal elders &amp; spiritual leaders</i>	<i>wisdom &amp; guidance</i>

**The resources for economic development exist. The challenge is putting these pieces together in the right way.**

**MYTH: "We can't agree on what the tribe should do."**

**FACT:**

**Many of the Lakota whom we met were very independent minded.**

**This is a character strength, but it sometimes makes people believe that no one agrees with each other.**

**There is plenty of philosophical consensus among the Oglalas and some agreement on important economic development issues.**

When tribal members focus on differences and disagreements, very little gets accomplished. Instead, much energy and time is spent on disagreeing. Sometimes, one individual we spoke to said he disagreed with another individual, even though it turned out that they had very similar ideas. The problem here may be a lack of communication between members of different agencies, sectors, or factions.

In addition to business managers, small business owners, and entrepreneurs, we spoke to staff at many of the key political and economic agencies on the reservation, including the Tribal Employment Rights Office, the OST Economic Development Office, the OST Office of Tourism Development, the OST Council, the Council's Economic Development Committee, the OST Executive Office of the President, OST District Councils, the BIA, and the Lakota Fund. In these conversations we found much agreement on economic development *goals* and *action items*.

The conflict which beset the reservation soon after it was formed has persisted. The cultural tendency among Lakota towards individualism now runs unchecked, because there is so little civic engagement to give rise to cooperative effort. Perhaps this is why so many people assume that nobody agrees with them. It can be the OST's role to be consensus builder. But it will take time and patience.

***Spiritual unity has been growing on Pine Ridge since the conflict-ridden years of Wounded Knee II.***

***The next step is to forge agreement on economic development action steps.***

## **Consensus on economic development goals**

Practically all of the people who shared their opinions expressed some general philosophical agreement in principle on the purpose or goals of economic development. This agreement is a basis for further cooperation. Many of these points are indicative of the strong beliefs that played a part in stabilizing the Pine Ridge Reservation after Wounded Knee II in 1973. Most Lakota leaders and citizens agree:

- Economic development policies, whether U.S. or tribal, have not worked and should be changed.
- There must be more long-term planning for economic development.
- While the U.S. is responsible for the historical plight of the Lakota, future success will come mainly from the efforts of the Lakota people.
- If the Oglala look within themselves and their Nation, they *will* find the resources and strength to develop themselves.
- Spiritual and cultural traditions are a source of strength, and should be fostered and protected.
- Economic development can occur while cultural heritage is preserved.

## **Consensus on economic development action items**

Agreement on the general goals of economic development can bring people together to discuss the eternal question: what should we do? Already, many tribal leaders agree on certain economic development issues which should give rise to direct action. Lack of communication and suspicion of motives may be preventing action on these important ideas:

**Businesses should be run by business people, not by government:** Almost every government official and non-governmental expert or business person agrees that government-run businesses have failed and are likely to continue to fail. We heard this in personal interviews, and read it in many government economic development plans. Yet some continue to pursue a strategy of tribally-managed businesses.

**Longer terms of office are needed:** "Two years is not enough to accomplish anything." As one might expect, many politicians made this claim. But what may not be known is that many tribal members who are not associated with government agree that longer terms are necessary.

**A bank is desperately needed on the reservation:** Many businesses carry a huge costs because lack of adequate banking facilities, acting as de-facto check cashing services and spending large amounts of time in transit to and from off-reservation banks. These business owners see an immediate need for banking services. Many were surprised to hear that tribal council members and government agencies are trying to address this need.

## **1. OST lacks an economic development strategy.**

***Different political actors pursue their own strategies that work against each other, not towards common goals.***

***The OST intends to move away from central economic planning, but has not made the commitment to decentralize.***

***Projects that have been started are often thrown out or radically changed when new officials are elected.***

The first step in determining the value of an economic development strategy is to determine what the strategy is. When the strategy is not clear, it is difficult for people to rally behind the cause. Outside agencies that are willing to provide assistance need to know what OST's strategy is before they can help. Many resources will be wasted or remain unused until a coherent strategy is adopted.

### **Different people... different strategies**

Many people have had the opportunity to serve in the OST government in some capacity. Those who are not currently holding elective office may fill an appointed position or a civil service job until the next election. The result is that many people with authority in OST have some experience with economic development. Some people use whatever authority they have in a process of endless speculation and energy toward landing the next "big fish." Instead of a unified strategy using resources to pursue common objectives, an individual hopes his own strategy will be the successful one. Someone may think tourism is the key and will use his connections to pursue a motel. Another may think attracting a large retail store will help the economy. Others bet agriculture can be sustainable. Some pursue improved infrastructure.

Some or all of these tactics may be good ideas for the whole tribe, but because no one has the resources to ensure success, valuable time and energy is wasted. Also, because plans are not coordinated, OST often does redundant work, or worse, works in one department to the detriment of another.

## Written strategic plans

In theory, OST has methods for developing an economic development strategy, and has attempted to put a coherent plan in writing on many occasions. Unfortunately, while these strategies may be substantively sound, they are rarely agreed upon in practice.

For example, a 1994 Economic Development Plan written after an economic summit was impressive for its completeness, with suggested timetables for implementation.<sup>11</sup> Among the most notable goals were the development of independent management, fostering of entrepreneurial private development, and development of districts and community infrastructure. Yet few seem to be aware of the details of the plan and little has been done to implement it. Some claimed that these plans were written by a few people mainly to meet Federal requirements that a plan exist on paper.

## Lack of continuity in stated goals

A coherent strategy must also be durable over time. In most nations with free elections, economic plans are altered when new leaders gain office. But in many cases, a professional civil service tends to prevent radical changes in policy. New leaders try to build on successes and learn from failures.

Economic development plans at OST lack this element of continuity. Instead, plans change drastically in new administrations. Instead of building on good projects, success stories of political rivals are torn down. When leadership changes, there is often a wholesale change of personnel in offices such as the economic development office. This practice greatly hinders the development of long term plans needed for economic development.

***Because plans are not coordinated, OST often does redundant work, or worse, works in one area to the detriment of another***

## **ECONOMIC DEVELOPMENT STRATEGY AT PINE RIDGE LACKS...**

- *Coherence—no one can say what the strategy is.*
- *Commitment—no one follows the strategies in practice.*
- *Continuity—strategies change after every election.*

## **2. OST officials are trying several non-viable development approaches.**

***OST is often trying to do too much with too few resources, as a natural response to an overwhelming problem.***

***Some officials like the idea of attracting large businesses with incentives, but this is a flawed tactic.***

***The current casino-led tourism strategy is problematic, and may fail because of political interference.***

OST does not have a coherent economic strategy. Instead, a “do everything” policy is the response of key officials to the overwhelming difficulty of the problem. Other officials tend to focus on specific tactics. But even these particular tactics are unlikely to produce long term economic growth for the tribe.

### **The “do everything” strategy**

Building a list of goals that would benefit the tribe and then pursuing all of them really is not a strategy at all. At the time this study was conducted, the OST Economic Development Office, with around six staff, was working on the following:

- build the basis for district cooperation in tourism development,
- finance a tribally-owned motel/restaurant,
- plan an economic summit involving numerous outside agencies including the Federal Reserve,
- plan to bring financial institutions onto the reservation,
- investigate and develop a lumber partnership with the Oneida Nation,
- write a grant proposal for tourism funding.

These are just some of the assigned tasks and don't include others which individual staff members take upon themselves. Each one of these goals requires a certain amount of time to plan, build relationships, and make decisions. Each requires a certain expertise and commitment for success. And the Economic Development

Office has a more coherent vision than other OST offices.

In attempting to do all of these projects at once without direction as to which are priority items, not even a few will fully succeed. The same kind of do-everything strategy is seen in the Council and the Executive Office of the President.

**The “bring in a business” strategy**

OST officials are fond attempting to use incentives, such as subsidies or access to attractive capital sources through Federal programs, to get an outside business to set up in the reservation to provide goods, services, and jobs to tribal members.

Good businesses make decisions based on the bottom line. When governments distort the bottom line by giving businesses incentives like tax breaks, free land, or free buildings, businesses may locate to that area. This may create new jobs. But the government adopting this strategy may be the loser in the long run.

First, the kinds of businesses that are attracted by these incentives are often poorly-run and would not survive without incentives. Sometimes a government commitment is made to these businesses and then incentives must increase to keep the business afloat. This “corporate welfare” can be a huge burden on the tribe. Or incentives can be promised for a limited time. But some firms see this as an opportunity to make a quick profit until the incentives are removed.

For good businesses, skilled workforce, good infrastructure, and access to markets are all much more important than subsidies.

STRATEGIES THAT DON'T WORK	
<i>Do Everything at Once</i>	<ul style="list-style-type: none"> <li>* poor use of resources</li> <li>* goals aren't achieved</li> <li>* does not build expertise</li> </ul>
<i>Business Subsidies and Incentives</i>	<ul style="list-style-type: none"> <li>* attracts uneconomical businesses</li> <li>* costs often outweigh benefits</li> </ul>
<i>Running a Tribal Business</i>	<ul style="list-style-type: none"> <li>* see next page</li> </ul>

**The “run-a-business” strategy**

The idea of finding business for the OST to own and manage seems to be the most popular tactic among OST officials, for understandable reasons. It is also probably the worst of all the tactics we have identified. This issue is discussed in detail in the next section.

**The “casino-led” strategy**

If there is a common current strategy for the OST, it is a plan to build a tourist industry on the back of casino revenues. We believe this strategy has some positive aspects and is well-intentioned, but is flawed in a number of ways. In **Appendix 2** at the end of this book, we discuss the strategy in detail as a case study.

### **3. Government-run business will not succeed.**

***OST has a long history of failed tribally-run business ventures.***

***Central governments usually cannot make good business decisions.***

***Other tribes that have experienced relative success with this strategy are culturally different from the Lakota.***

#### **Evidence from the past**

According to tribal records, “without one exception, tribal owned manufacturing ventures on the Pine Ridge Reservation have failed, often leaving the tribe with only debt and empty buildings.”<sup>12</sup>

Failures include a fishhook snelling operation, a moccasin factory, a plastics plant, a meat processing plant, an archery manufacturing operation, and an electronics assembly plant.

Two businesses currently controlled by the tribe—Cedar Pass Lodge and the Prairie Wind Casino—are experiencing some success, but their chances of future success decrease with more OST involvement. One positive feature of Cedar Pass Lodge is an independent management group. However, independent management alone does not assure success of tribally run businesses, as is evidenced by legal problems with the previous managers of the casino.

The casino presents a special circumstance where Federal law requires a certain amount of tribal government involvement. However, even this venture could benefit from greater separation from OST.

Despite a history of failure, OST is still focusing much of its staff energy toward new tribal business ventures.

#### **Why tribal-run businesses don't work**

The failure of tribal businesses is not due to some lack of skill, desire, or good intentions of OST. Rather, government-run businesses throughout the world are inclined to fail because of the limitations of governmental institutions.

**Market and risk assessment.** Access to certain kinds of authority, such as zoning variances, government land, and legislative flexibility, makes starting businesses seem simpler for governments than private actors. However, such businesses tend to be highly uneconomical and ultimately fail in the free market.

The government is often unable to sufficiently assess business risks. Because private actors risk their own money and reputations, they are more careful about choosing profitable businesses, innovating when necessary, and running efficient operations to cut costs. And governments don't have the kinds of expertise that business people do.

**Decision making.** Without truly independent management, tribal enterprises become much less likely to do well. Government is representative of group interests, and the process of disagreement and deliberation causes costly delays in decision making. Crucial business decisions that deal with customer service, personnel issues, or pricing must be made quickly in a process that is flexible and apt to change.

Also, the need for compromise to accommodate different special interests leads to bad business decisions. Unlike businesses, which focus on one goal—maximizing profits—government has many goals such as equality of services, fairness of decisions, and addressing public opinion.

**Relative success of other tribes**

Some tribes across the nation have found relative success with running tribally owned enterprises. Notable are the Mashantucket Pequot (Foxwoods Casino), the White Mountain Apache (ski resort and mining), and the Oneida Nation. The Oneida experience is so convincing that the

OST has sought their assistance in establishing new businesses.

But the tribes that have succeeded are different culturally and/or institutionally from the Oglala Nation. Some have traditions that support hierarchical structures, and some are smaller, making accountability easier. The traditions of the Lakota, on the other hand, are of strong independence and resistance to imposed authority; and the Oglala Sioux are quite large in numbers compared to other tribes. The Lakota were traditionally organized on the individual and family level, banding together as a greater tribe only for major hunts, spiritual gatherings, or war.

<b>PROFITABILITY OF TRIBAL ENTERPRISES IN 18 TRIBES: INDEPENDENT VS. COUNCIL-CONTROLLED MANAGEMENT<sup>13</sup></b>		
	<i>Independent</i>	<i>Council-controlled</i>
<i>Profitable</i>	34	20
<i>Not profitable</i>	5	14
<i>Odds of profitability</i>	6.8 to 1	1.4 to 1

**The tribes that have successfully run tribal-businesses are different culturally and/or institutionally from the Oglala Nation.**

#### 4. Pine Ridge has an unwelcoming business climate.

WHAT BUSINESSES NEED, AND WHAT THEY FIND ON PINE RIDGE		
	<i>Need</i>	<i>Find</i>
<i>Legal Structure</i>	<ul style="list-style-type: none"> <li>✓ Commercial codes</li> <li>✓ Police-backed laws</li> <li>✓ Fair court system</li> </ul>	<ul style="list-style-type: none"> <li>* No commercial codes</li> <li>* Unreliable, unresponsive police force</li> <li>* Politicized courts and judges</li> </ul>
<i>Infrastructure</i>	<ul style="list-style-type: none"> <li>✓ Transportation access to suppliers and customers</li> <li>✓ Reliable utilities</li> </ul>	<ul style="list-style-type: none"> <li>* Crumbling roads</li> <li>* Public services are neglected</li> </ul>
<i>Government Role</i>	<ul style="list-style-type: none"> <li>✓ Clear and consistent rules and procedures</li> <li>✓ Single point of contact</li> <li>✓ Freedom from unnecessary interference</li> </ul>	<ul style="list-style-type: none"> <li>* Confusing licensing procedures</li> <li>* Many officials with overlapping authority</li> <li>* Political judgments can end business</li> </ul>
<i>Financial</i>	<ul style="list-style-type: none"> <li>✓ Access to start-up capital</li> <li>✓ Long term financing opportunities</li> </ul>	<ul style="list-style-type: none"> <li>* No banking institutions</li> <li>* Short land leases</li> </ul>
<i>Attitude and Assistance</i>	<ul style="list-style-type: none"> <li>✓ Feeling of support</li> <li>✓ Government cooperation</li> <li>✓ Nearby business services</li> </ul>	<ul style="list-style-type: none"> <li>* Environment of suspicion</li> <li>* Business is "on its own"</li> <li>* Few or no services</li> </ul>

#### What businesses need to operate

“Business climate” is a general term used to denote all of the factors that affect the feasibility and profitability of businesses in a certain location. We have focused on factors in five major categories:

**Legal structure.** In order to assess risk and conduct transactions, laws that enforce contracts, define criminal activity, and set commercial guidelines are fundamental to business survival. These laws have force because of fair and objective “third-party” enforcement—generally by a police force and independent judiciary.

**Infrastructure.** Publicly-provided services make it possible for businesses to serve customers at competitive prices. A good transportation system can handle increases in consumer traffic, assist employees, and attract business suppliers. Businesses can’t afford to build roads; governments benefit from doing so.

**Government role.** Clear and consistent rules and procedures ease the regulation burden, as does having a single, consistent contact to deal with businesses. And freedom from political interference makes running a business more attractive.

**Financial.** Businesses need access to capital to get started and to expand. For this reason, long-term leases are preferred to allow for collateralizing of loans.

**Attitude and Assistance.** Businesses look for government support and cooperation. They also need other businesses to supply them with the business goods and services they consume in producing *their* goods or services: catering, accountancy, cleaning services, lawyers, and so on.

## **Business reality on the reservation**

**Legal structure.** With no building, business, or other commercial codes at Pine Ridge, there are no clear rules of business. Even if these codes are passed, there is no assurance that they will be enforced.

Judges are politically appointed and have difficulty being independent because of the threat of removal. This results in the perception that businesses and citizens cannot get fair trials.

**Infrastructure.** The inadequacy of infrastructure on the reservation has direct impacts on businesses. Convenience store owners mentioned that only one wholesaler was willing to deliver goods, at a high markup, due in part to bad roads.

**Government Role.** We observed Council members and Economic Development Office staff dealing with different financial institutions, and numerous politicians and officials dealing with businesses including large retailers, artists, ranchers, and many other business interests. Businesses that get interested in Pine Ridge eventually discover that the person they were dealing with is only one player in a large web of rules and political gamesmanship. At any time during the process of permitting a business, officials may delay the process.

### **BUSINESS STORIES FROM PINE RIDGE**

- *A businessman mentioned that police would not assist him in legally collecting on a debt, and in fact, punished him for attempting to do so.*
- *Two store owners complained that they have to discipline shoplifters themselves; police officers often fail to respond to calls or file reports.*
- *A small business owner is doing well, but can't expand her business until an adequate sewer system is installed.*
- *A businesswoman built sidewalks for her community after years of waiting for government action.*

**Financial.** Start-up capital for new business creation is scarce on Pine Ridge. Many businesses got started because of a streak of luck or tragedy. One business owner obtained a federal small business loan because of a disabling event. Another converted an insurance payment after a personal tragedy into a convenience store operation.

The Lakota Fund provides small loans for businesses, but it is only one source. The nearest banks are off-reservation, and many are wary of loans to Pine Ridge residents.

**Attitude and assistance.** While suspicion of investors is based in historic fact, it discourages the establishment of good businesses that can help the economy.

Stores are burdened by providing credit and check cashing services that a bank would be better able to do. Lack of insurance, communication, and transportation services has driven many craft businesses off the reservation.

***A "better business climate" includes all those things that government can do to improve conditions for ordinary citizens: better roads and schools, fairer courts, less government interference, and more cooperation.***

## 5. The OST lacks credibility among its constituents

### The public image of OST

We looked at the image of OST from many perspectives.

Most residents and eligible voters pay little attention to the actions of the central government. A recent study by the Oglala Lakota College confirms that most people see their district government heads as their primary leaders.<sup>14</sup>

Business people also felt that the main challenge was not to work with OST, but to find ways to succeed despite government demands. They believe that government neglects its role, or when it tries to do something, it takes too long. Many businesses search for ways to avoid dealing with government.

Many people believe that government workers travel too much. All the conferences that people attend seem to have no visible effects on the reservation. Some businesses resent that government workers would rather give their business to restaurants and services off-reservation

Ironically, many people in OST feel most of their work time is spent serving individual constituents. For example, many people including the tribal president are busy dealing with individuals about issues such as propane service or government checks. All of this effort does not seem to be improving anyone's chance of reelection. In the meantime, the general public image of OST continues to deteriorate.

### Causes of OST's poor public image

The art of governing is in many ways a balance between giving people what they need and giving people what they want.

OST has some good ideas of what the tribe needs in terms of new law and public services. But there is no clear connection between what OST does and people's daily lives. Part of this is OST's failure to communicate its intentions and reasons for action. However, a concerted effort was made to educate the public on the current project to improve the water works. The result has been a better connection by the public between government action and improved service.

OST is also failing to acknowledge and act on the people's preferences. Being out of touch with constituents leads to actions that further alienate the government and destroy political support.

Culture may explain some of this problem. Given the traditional Lakota focus of the *tiyospaye*, it is not surprising that districts appear more relevant to the average individual.

This finding is especially important given the positive relationship between government credibility and economic development found throughout the world (see Appendix 3).

**A recent study by the Oglala Lakota College confirms that most people see their district government heads as their primary leaders.**

## ENDNOTES

---

1. This section is based on a presentation, and feedback from the presentation, given to the Economic Development Committee and other OST officials in January 1997.
2. Concerns about land use are voiced by many reservation residents (not typically central tribal government officials or staff) who say they prefer no mining or land exploitation to occur on the reservation, despite the presence of potentially lucrative mineral resources such as zeolite. This is a matter of some controversy.
3. Turnover on the Pine Ridge Reservation is astonishingly high for both Executive Officers and Council members. For example, only one president has ever served two terms consecutively. Roughly one-half to two-thirds of Central Tribal Council members are voted out of office in a typical election year.
4. *County Income and Poverty Estimates*; 1990 Census Estimates: South Dakota 1989.
5. Bureau of Economic Analysis, 1994.
6. U.S. Department of the Interior, Bureau of Indian Affairs, "Indian Service Population and Labor Estimates," January 1989.
7. Bureau of Economic Analysis, Department of Commerce, 1994.
8. Sherman, 1988.
9. Wilson, George (interview).
10. Lakota Fund materials, 1996.
11. Oglala Sioux Tribe, 1994.
12. Steele 1996a.
13. Cornell & Kalt 1992a, Table 4.
14. Oglala Lakota College, leadership survey, 1994.

# APPENDIX 1

## Lessons from other nations: Eastern Europe and Latin America

Individuals informally selling services and crafts without the official status of a business, or trading and bartering to get the things that they need, are said to be operating in the “gray market.” The growth of unofficial business on Pine Ridge is not without its costs.

The following is an excerpt from a report written for the World Bank entitled *From Plan to Market: World Development Report 1996*, p. 27. (See Sources.)

### The growth and costs of unofficial economies

Transition has brought marked growth in countries’ unofficial economies. Many commercial and even many productive activities go underground to evade high and volatile taxes, circumvent restrictive and often unpredictably changing government controls, and employ workers flexibly and cheaply. Estimates based on electricity consumption suggest that, between 1989 and 1994, the share of unofficial activity in the economy grew, on average, from 18 to 22 percent in a sample of Central and Eastern European countries and from 12 to 37 percent in a sample of Newly Independent States. Surveys in Ukraine confirm a very large unofficial economy.

Unofficial economies tend to be large where political controls have weakened, economic liberalization is lagging, and burdensome regulations and high taxes make the formal environment hostile towards the newly developing private sector. Where the informal economy has grown significantly, it has cushioned the output decline and provided an outlet for entrepreneurial talent. But it is mostly a “survival” economy that focuses on short-term objectives, invests little, and loots state assets. Firms waste time and money in their efforts to get around controls and taxes. These efficiency losses, and the difficulty of conducting certain transactions unofficially, limit its growth. Informalization also lowers government revenues and encourages capital flight. And by its very nature it breeds corruption and undermines the credibility of formal market and government institutions. Thus, a growing informal economy is no substitute for a formal, open private sector, but in fact eventually impedes its development

In Latin America, where informalization has been most extensive (Bolivia, Peru), growth has been slowest. Measures that have helped in Latin America to bring the informal sector back into the economic mainstream are likely to work in the transition economies as well. These include a sharp reduction of regulatory constraints and a more professional government administration.

## APPENDIX 2

### Problems with a current strategy: casino and tourism

The tribe has a moderately successful government-run casino. One current policy that seems to have some credibility is to use profits from that business to invest in government-run tourism projects. Tourism development has great potential, but OST needs a less problematic strategy.

#### The Rationale

- Other tribes use casinos to lead their development strategies.
- The casino has been somewhat successful at bringing in money from off-reservation, and it is the most steady business source of tribal revenue.
- In 1995, tourists spent \$498.8 million in South Dakota.

#### Action steps taken

- Most casino profits are funneled to OST government.
- Formation of a committee on tourism comprised of district leaders and lead by a team from the economic development office.
- Plans for toll booths along a proposed scenic "Crazy Horse Trail."
- Dialogue with people of Wounded Knee district regarding a historic site; also incorporating a dispute resolution system.
- Plans for a tribally-run motel/restaurant

#### Problems with this strategy

##### 1. *Success of the U.S. gaming industry is not likely to last in the long-run*

- As the gaming industry grows, high competition will increase payout ratios, greatly decreasing profits.
- Some tribes are feeling a backlash from neighboring states which are resentful of Indian success. States are taking steps to limit the gaming industry.

##### 2. *Government taking casino profits jeopardizes its success*

- Decisions for using at least half of profits should be in the hands of management to make the best decisions about investment and business growth.
- Government decisions are unlikely to be business-wise. This will limit the casino's ability to expand, create jobs, and build job skills.

3. *Although involving districts is a good idea, central government is assuming too much of a commanding role*

- Districts feel as though they are being told what to do by OST rather than being supported in their efforts to develop district business.
- OST is not assuming an appropriate role such as: supplying information resources; bringing in experts on tourism development; encouraging new ideas; providing marketing for the entire reservation (although OST *is* creating a brochure); forming business connections with districts; or improving reservation infrastructure such as roads and utilities so that tourists can more easily access businesses.

4. *Tourism needs OST coordination, consistency, and commitment. These are not present*

- Economic development staff working on this area feel abandoned and unsupported. Other OST leaders discredit their efforts.
- For example, confusion and unclear commitment has led to failure to pay a tourism consultant for services rendered.

5. *Toll booths on roads are likely to decrease tourism*

- The proposed “Crazy Horse Trail” is currently free, but few travel on it (about 100-150 per day at peak times). The road has neither the reputation nor amenities to warrant charging a fee. The likely outcome is that far fewer people will travel on the road and people will start to avoid the reservation.
- A better idea would be to set up information booths welcoming visitors and directing them to various cafes, lodges, campsites, historic sites, scenic sites, and craftspeople—in short, directing tourists to where they can spend their money on the reservation.

6. *Tribal members may see tourism as culturally inappropriate*

- Tourism always brings a risk of cultural exploitation or defamation. OST has been quite careful to be aware of concerns, but it has not always communicated its intent to the public. Many still worry that tourism will hurt the Oglalas’ way of life.

## ACKNOWLEDGMENTS

This Book is one of three parts of "An Economic Development Policy for the Oglala Nation," a report prepared at the request of the Oglala Sioux Tribe of the Pine Ridge Reservation.

Special thanks go to Mike Her Many Horses, who, in addition to arranging interviews and accommodation during our visits, introduced us to the cultural tradition of the Oglala Lakota and made us feel welcome on the reservation; Tribal President John Yellow Bird Steele, who graciously supported our effort; and Shelley Amiotte, whose logistical assistance was integral to the success of our second visit. George Wilson of the Prairie Wind Casino and Dani Not Help Him of the Lakota Fund offered particularly pertinent advice and feedback.

Thanks also to members of the OST Administration for their input and advice, including Tribal Vice-President Milo Yellowhair, Treasurer Chuck Roberts, and the members of the Economic Development Office: Director Herb Wounded Head II, Charles Pourier, Darrell Twiss, and Liz Kingy.

We relied on Professor Joseph Kalt, Miriam Jorgensen, Stewart Wakeling, Manley Begay, and the members of the Breakfast Club for their input and feedback. In addition, we are indebted to the work done by past student researchers on the Pine Ridge Reservation.

Finally, we could not have completed this report without the willing cooperation of the numerous individuals who agreed to be interviewed, particularly the reservation entrepreneurs. We wish them success.

### The Authors

**Andrew Aoki**, of Honolulu, Hawai'i, is a candidate for a Master of Public Policy at the John F. Kennedy School of Government at Harvard University, with a concentration in state and local government policy. He received his J.D. from the University of Michigan Law School in 1995 and an A.B. in Political Science from Stanford University in 1989. He has studied and worked on issues regarding the legal rights, educational opportunities, and cultural traditions of Native Hawaiians.

**Dan Chatman**, of San Jose, California, is also a candidate for a Master of Public Policy at the Kennedy School of Government, concentrating in urban community economic development. He received a B.A. in Individual Studies: The English Language from U.C. Berkeley in 1991, and worked in Botswana between 1991 and 1995 as an English teacher and adult education program coordinator. His professional experience includes vocational development and city government.

**The Harvard Project on American Indian Economic Development** is directed by Stephen Cornell (Department of Sociology, University of California, San Diego) and Joseph P. Kalt (John F. Kennedy School of Government, Harvard University). For the last ten years, the Harvard Project has been carrying out an extended study of the conditions under which self-determined economic development can be successful on Indian reservations. The core research method has been the comparative analysis of development efforts on selected reservations: what works where, and why? A central objective of this research has been to develop information and insights that can be used by tribes themselves as they wrestle with the unique combination of opportunities and obstacles confronting them today.

## SOURCES

- Adamson, Rebecca, Richard Sherman and Larry Swift. 1986. "The Lakota Fund," in *Business Alert*, Vol. 1, No. 4. Falmouth, VA: First Nations Financial Project.
- Amiotte, Shelly. OST Economic Development Office. (Interviews.)
- Anderson, Terry L. 1995. *Sovereign Nations or Reservations?* San Francisco: Pacific Research Institute for Public Policy.
- Benson, Lance. Small business owner. (Interview.)
- Brewer, Arvine & Morris. Small business owner. (Interview.)
- Brewer, Charles. Small business owner. (Interview.)
- Bureau of Economic Analysis*, Department of Commerce. (Internet website.) 1994.
- Cameron, Michael W. 1992. "A Prototypical Economic Development Corporation," in *What Can Tribes Do?*, eds. Steven Cornell and Joseph Kalt. Los Angeles: American Indian Studies Center.
- Carlson, Leonard. 1988. "A Brave Beginning," in *Overcoming Economic Dependency*.
- Constitution and By-Laws of the Oglala Sioux Tribe of the Pine Ridge Reservation of South Dakota*. 1936.
- Cornell, Stephen & Joseph P. Kalt. 1992a. "Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations," in *What Can Tribes Do?*, eds. Cornell & Kalt. Los Angeles: American Indian Studies Center.
- \_\_\_\_\_. 1992b. "Culture and Institutions as Public Goods: American Indian Economic Development as a Problem of Collective Action." In *Property Rights and Indian Economies*, ed. Terry Anderson. Lanham, MD: Rowman & Littlefield.
- \_\_\_\_\_. 1995a. "Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache." *Economic Inquiry* Vol. XXXIII, pp. 402-426.
- \_\_\_\_\_. 1995b. "Successful Economic Development and Heterogeneity of Government Form on Indian Reservations." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Cotter, Dean. Co-Manager, Prairie Wind Casino. (Interview.)
- County Income and Poverty Estimates*; 1990 Census Estimates: South Dakota. 1989.

- De Mallie, Raymond J. 1978. "Pine Ridge Economy: Cultural and Historical Perspectives," in *American Indian Economic Development*, ed. Sam Stanley. Chicago: Aldine.
- Diamant, Adam. 1988. "Economic Development: The Rosebud Sioux Indian Tribe." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Ecoffey, Robert. Superintendent, Bureau of Indian Affairs, Pine Ridge Office. (Interview.)
- Economic Development Administration. 1996. Compendium of tribal information.
- Emery, Steve. Tribal Judge. (Interview.)
- Federal Reserve Bank of Minneapolis. 1996. "Pine Ridge Banking and Community Development Initiative."
- Firethunder, Anna. Small business owner. (Interview.)
- Garnett, Donna. District Councilwoman. (Group interview.)
- Her Many Horses, Mike. Executive Director & Legislative Coordinator, Oglala Sioux Tribe. (Interviews.)
- Herman, Sis. Small business owner. (Interview.)
- Jacobs, Chuck. Treasurer, Oglala Sioux Tribe. (Interview.)
- Kingy, Liz. OST Tourism Development Office. (Interviews.)
- Lakota Fund. 1994. Annual Report 1993-94.
- Lakota Fund. 1995. Program Profile.
- Lu, Jean and Larry Witte. 1996. "The Basis of a Nation-to-Nation Relationship: A Report to the Oglala Sioux Tribe and the Senate Committee on Indian Affairs." Unpublished manuscript at John F. Kennedy School of Government.
- Martin, Phillip (Chief of Mississippi Choctaw). 1988. "Comments On Economic Dependency In Indian Communities," in *Overcoming Economic Dependency*.
- Means, Frank. OST Tourism Development Office. (Interviews.)
- Merrival, Joe. Small business owner. (Interview.)
- Mestaz, Patty. Assistant Director, Tribal Employment Rights Office, Oglala Sioux Tribe. (Interview.)
- Nebraska Public Power District. 1992. "Industrial Facts: Pine Ridge, South Dakota and Pine Ridge Indian Reservation." Columbus, NE: Nebraska Public Power District, Area Development Department.
- Not Help Him, Dani. Coordinator, The Lakota Fund. (Interviews.)

- Oglala Lakota College, leadership survey. 1994.
- Oglala Sioux Tribe. 1983. *Land of Red Cloud: Home of the Oglala Lakota*. South Dakota: WBS, Inc.
- \_\_\_\_\_. 1994. *Economic Development Plan*.
- \_\_\_\_\_. 1995. 1995/96 Contracts and Grants.
- \_\_\_\_\_. 1996. *Economic Development Planning Grant: Oglala Sioux Tribe Annual OEDP Report and Program Projection 1996 (draft)*.
- \_\_\_\_\_. 1996. Oglala Lakota Nation, Pine Ridge Reservation Roads Need. OST Transportation Department.
- \_\_\_\_\_. 1996. *Protocol for Revenue Bond Financing and Program Requirements*.
- \_\_\_\_\_. 1997. Miscellaneous tourism development materials.
- Parzen, Julia A. & Michael H. Kieschnick. *Credit Where It's Due: Development Banking for Communities*. Philadelphia: Temple University Press.
- Plume, Pinky. OST Council member, Vice-Chair, Economic Development Committee. Small business owner. (Interview.)
- Pourier, Charles. OST Economic Development Office. (Interview.)
- Sachs, Jeffrey. 1997. Unpublished lecture on political economy of growth.
- Sharp, Walter. Manager, Sioux Nation Shopping Center. (Interview.)
- Sherman, Gerald. 1988. "A Study of Traditional and Informal Sector Micro-Enterprise Activity and Its Impact on the Pine Ridge Indian Reservation Economy." Washington, DC: Aspen Institute for Humanistic Studies.
- Sherraden, Michael A. 1992. *Assets and the Poor: A New Welfare Policy*.
- Steele, John. President, Oglala Sioux Tribe. (Interviews.)
- The World Bank. *From Plan to Market: World Development Report, 1996*. 1996. New York, New York: Oxford University Press.
- Twiss, Darrell. OST Economic Development Office. (Interview.)
- Two Bulls, Susan. District Council Staff. (Group interview.)
- Two Eagle, Faith. District Councilwoman. (Group interview.)
- U.S. Department of the Interior, Bureau of Indian Affairs. "Indian Service Population and Labor Estimates," January 1989.
- Vinje, David J. 1988. "Economic Development On Reservations In The Twentieth Century," in *Overcoming Economic Dependency*.

Walker, James R. 1982. *Lakota Society*. Ed. Raymond J. DeMallie.  
Lincoln: University of Nebraska Press.

White Woman, Harvey. OST Council member. Chairman, Economic  
Development Committee. (Interview.)

Wilson, George. Manager, Prairie Wind Casino. (Interviews.)

Wounded Head II, Herb G. Director, Economic Development Office.  
(Interviews.)

Yellow Cloud, Todd. District Council Staff. (Group interview.)

Yellow Hair, Milo. Vice President, Oglala Sioux Tribe. (Interview.)



# TABLE OF CONTENTS

<b>Table of Contents</b> .....	<b>1</b>
<b>Executive Summary</b> .....	<b>2</b>
<b>Government and Lakota Culture in Economic Development</b> .....	<b>3</b>
Overview.....	3
The history of the Oglala Sioux political structure .....	3
Imposed government structure vs. traditional political order .....	4
How can governmental reform happen? .....	4
Government effects on stability and accountability .....	5
Government protection of business interests .....	6
<b>Recommendations</b> .....	<b>7</b>
Overview.....	7
A coherent strategy for economic development .....	8
A national economic development policy.....	9
Long-term policy goals and short-term action items .....	10
1. Build consensus through credibility.....	11
2. Privatize business development and management .....	13
3. Develop reservation infrastructure and public services .....	15
4. Remove obstacles to investment.....	16
5. Become a source of information and technical assistance .....	18
6. Reform the governmental structure .....	20
<b>Endnotes</b> .....	<b>23</b>
<b>Appendix 1: <i>Lessons From Other Nations: The Flathead Reservation</i></b> .....	<b>24</b>
<b>Appendix 2: <i>Lessons From Other Nations: China</i></b> .....	<b>26</b>
<b>Appendix 3: <i>Establishing A Tribal Business Development Corporation</i></b> .....	<b>28</b>
<b>Acknowledgments</b> .....	<b>44</b>
<b>Sources</b> .....	<b>45</b>

# EXECUTIVE SUMMARY

## Government and Lakota culture in economic development

Traditional Lakota political traditions and OST government do not match. The IRA-imposed constitution causes instability and economic underdevelopment. The government must reform its own structure to protect business interests, create employment, and begin to play a role in economic development.

## Strategy, goals and action items

### A coherent strategy for economic development

- Foster family/individual entrepreneurship.
- Support district-led community development.
- Build a better business climate.

### A national economic development policy

- Build consensus through credibility.
- Privatize OST business development and management.
- Develop reservation infrastructure and public services.
- Remove barriers to investment.
- Become a source of information and technical assistance.
- Reform the governmental structure.

### Action items

**NOW:** ❖ Convene citizen meetings on economic development. ❖ Reallocate travel money towards on-reservation spending. ❖ Stop attempting to develop and manage businesses. ❖ Limit or stop plans to own and manage a motel/restaurant. ❖ Allow independent management of the casino.

**BY NOVEMBER:** ❖ Create a public information campaign. ❖ Reallocate resources towards physical infrastructure development. ❖ Adopt a commercial code. ❖ Produce business information materials. ❖ Decentralize selected government activities. ❖ Allocate more resources to district economic development efforts.

**BY THE ELECTION:** ❖ Build better working relationships with district leaders. ❖ Reallocate resources towards worker training programs. ❖ Streamline the permitting and licensing process. ❖ Allow longer-term land leases. ❖ Create technical assistance units. ❖ Implement a training program on roles of elected/appointed officials vs. professional civil servants. ❖ Hold a constitutional convention. ❖ Take steps towards establishing an independent judiciary.

# GOVERNMENT AND LAKOTA CULTURE IN ECONOMIC DEVELOPMENT

## Overview

Traditional Lakota culture and the government which was imposed on the Oglala Nation in 1936 are at odds with each other. We describe this mismatch, its effects on government stability and accountability, and its effects on the protection of business interests. Reforming the government structure can lead to a more representative government, better conditions for business, and greater chances for economic development.

## The history of the Oglala Sioux political structure

Lakota culture before the advent of the white man was highly decentralized and individualistic.<sup>1</sup> *Tiyospaye* (bands), not the Oglala tribe, were the largest political units. Band authority was invested in a cadre of leaders (*itancan*) for whom respect was based on ability, charisma, and personal and familial relationships. The *wicasa yatapika* ("men they praise") were councillors and judges, whose pronouncements had no formal authority but whose wisdom was respected and who were a crucial part of contract enforcement and dispute resolution. Marshals (*akicita*) were responsible for meting out punishment and enforcing council proclamations.

After the Fort Laramie Treaty of 1868, through a cycle of white influence begun in murder and betrayal and ending in political domination, the Oglala became increasingly less involved in civic affairs. Efforts at political organization were thwarted by reservation agents and superintendents afraid of Oglala political power. By the time of the 1936 constitution, mixed-blood and traditional groups among the Oglala were in opposition, and civic participation had significantly declined.

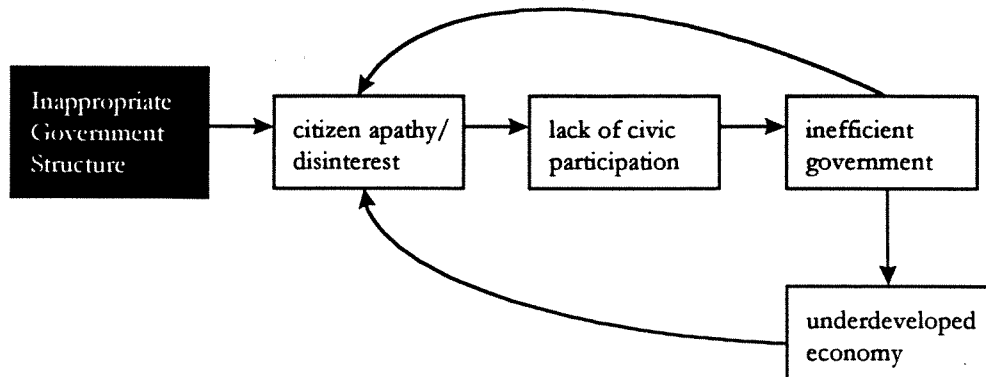
The OST governmental structure was established in 1936 by a constitution based on an Indian Reorganization Act (IRA) model. The constitution was voted in by a relatively slim majority under conditions of incomplete information, with little discussion or input, and with poor voting turnout. It established voting districts based not on *tiyospaye* but on farm districts, and created a highly centralized government with authority over a number of formerly independent *tiyospaye*.

Meanwhile, the cultural norms which gave rise to the traditional political order persisted in the social organization of the Oglala. They continue to heavily influence Oglala society today, with little parallel in the structure of government.

**Traditional Lakota political structure has no parallel in the modern OST government.**

## Imposed government structure vs. traditional political order

If governmental structure is alien to the people, they will be much less likely to vote, run for office, apply for government jobs, or pay attention to the performance of representatives. These failures of civic participation can result in a government which is unrepresentative, inefficient, incompetent, and/or corrupt. Such government cannot play a role in economic development. This series of events results in a cycle of declining civic participation and underdevelopment:



Native American nations with governmental structures matched to their cultural political traditions are more economically developed than others.<sup>2</sup> The political traditions of the relatively successful Apache nations match the IRA-style constitution.<sup>3</sup> Other nations have changed their constitutions. The prosperous Cochiti Pueblo of New Mexico have a government based on a hierarchical, church-based traditional political structure. The Lower Brule Sioux have a parliamentary government contributing to their development success. The Flathead Tribes of Montana are another example (see Appendix 1).

OST governmental structure has a centralized bureaucracy and a president elected at-large instead of chosen by council members. These features are probably culturally inappropriate. They should be changed through a process of consensus-building in order to attain the 2/3 vote and 30% voter turnout necessary for constitutional amendment (see p. 20, "6. Reform the government structure.")

## How can governmental reform happen?

Governmental reform must come from OST officials themselves. Yet they may be the ones least likely to benefit from it. Like Mikhail Gorbachev of the former Soviet Union, and F.W. de Klerk of the Republic of South Africa, OST officials face heroic and daunting challenges in attempting to change the system. But change it must, or economic development will continue to be stifled by a system never suited for the Oglala people.

For interested readers, the following pages detail other structural changes which are needed for economic development. These changes are equally important.

## Government effects on stability and accountability

Government structure has important effects on government stability and accountability. Government stability and accountability, in turn, affect the professional competence of the civil service and the perceived legitimacy of policy decisions. Professional competence and perceived government legitimacy have direct impacts on economic development.

### **CASE STUDY: BALANCING STABILITY AND ACCOUNTABILITY**

*OST Executive Officers and Council members are elected to two-year terms. This provides accountability: voters can elect a new member when unhappy with the performance of a current one. But it sacrifices stability:*

- *New elected officials are unlikely to achieve competency during the course of their terms, and their effectiveness will be limited.*
- *The two-year term is not long enough for representatives to establish legitimacy to the voting public.*
- *Thus they are unlikely to be re-elected, and Council expertise suffers.*

*In contrast, the Flathead Reservation in Montana, governed by a coalition of tribes, has a parliamentary system with four-year staggered terms.<sup>4</sup> Voters are active at the ballot boxes, yet council expertise has time to develop. Accountability and stability are in balance here.*

### **Stability and competency**

Government structure affects its own stability. For example, if the way that Council members are elected is similar to the way that leaders are identified by Lakota people, political actors are more likely to be seen as legitimate. If so, they are more likely to be re-elected. When leaders are re-elected, expertise can develop and government may become more competent.

Without stability in government, businesses are hesitant to make significant investments. This causes a lack of the financial and physical capital needed to drive the economy. High turnover in government also means that governmental expertise cannot be developed. This makes it difficult for government to play an economic development role.

### **Accountability and legitimacy**

Accountability is government responsiveness to the people's preferences. If the members of a government are elected in an at-large vote (as opposed to a vote by district), they may be less likely to take into account local-level concerns, and more likely to take into account the issues common to everyone. If the people in a particular district are concerned about local issues, they may perceive the government as illegitimate.

Without the confidence of voters, turnover is higher, affecting stability. And economic

development decisions are less likely to be good decisions when decision makers are not held accountable. This is because unaccountable representatives are less likely to consider the overall public welfare and more likely to seek gains for themselves or for their families.

## **Government protection of business interests**

An important part of economic development is gaining the confidence of business owners, new entrepreneurs, citizens thinking about starting a business, and other potential investors. To do this the government must depend on an independent judiciary, a professional police force, and a professional licensing and permitting department.

### **Lack of enforcement by judicial and police systems**

The OST government established a weak judicial system consisting of one chief and three associate judges who are appointed to four year terms by the Council, subject to Council recall. In the recent past the Council has effectively overturned judicial decisions by recalling judges and appointing new ones to make decisions which the Council can agree with. This sends a message to businesses and potential business investors that their interests may not be protected under the law, since the law depends on the Council's political interpretation.

Several small business owners noted that they are unable to get the tribal court to pass or enforce judgments on individuals who have written bad checks, vandalized properties, or stolen goods. Judges know their jobs depend on making politically correct decisions, and hesitate to issue sentence when relatives can complain to the Council.

The police department at Pine Ridge also fails to enforce laws meant to protect businesses. Business owners have spoken of police refusing to arrest lawbreakers or to cooperate with the re-acquisition of stolen or unpaid-for goods.

The judicial and police systems may be acting in the "best interest" of certain individuals by refusing to prosecute or enforce laws which would punish them. But this scares off potential investors, discourages existing business owners from expanding, and probably drives skilled business people away from the reservation to places where they can make a profit.

There is clearly a need for an independent judiciary free from political pressures. The police department has many problems, but it too needs more independence, focused on professionalization and the reform of its own structure.

### **A political, non-objective business licensing and permitting process**

Getting a business license on Pine Ridge is a difficult process. It can be held up by a Council member who is trying to protect a relative or exercise his power. There is a need for a business license and permitting department staffed by civil servants who can make professional licensing and permitting decisions and cannot be fired by Council members without due cause. And there is no well-observed grievance procedure requiring due cause for dismissal and enforcing employees' duty to perform their jobs according to objective criteria.

# RECOMMENDATIONS

## Overview

In this section we introduce a three-part strategy for economic development focusing on strengths of the Oglala Nation and the people of the Pine Ridge Reservation. The strategy depends in large part on governmental reform, as outlined in the previous section.

We suggest a national economic development policy: a set of six long-term goals to meet the strategy. In the pages which follow, we provide a detailed description of recommended short-term action items to begin implementing policy goals.

## A coherent strategy for economic development

The Oglala Sioux Tribe should aim for a three-pronged strategy which is *culturally appropriate* for the Lakota society, and *achievable* with the staff and resources available to OST government:

- I. Foster family/individual entrepreneurship.
- II. Support district-led community development.
- III. Build a better business climate.

### I. Foster family/individual entrepreneurship.

Oglala society on the Pine Ridge Reservation today has a strong focus on the family as the primary unit of organization, even before the *tiospaye*. Because so many individuals are able to successfully draw upon their families and extended families to lend them support in their business dealings, it makes sense to play to this strength.

In the field of poverty alleviation in the U.S., there is a new focus on individual asset development to provide people with what they need to bring themselves out of poverty.<sup>5</sup> The micro-enterprise approach practiced by the Lakota Fund is important in beginning to achieve this.<sup>6</sup>

### II. Support district-led community development.

The districts are sources of political legitimacy. They are small enough to ensure the right amount of accountability and oversight.<sup>7</sup> District expertise is not likely to be as great as that at the central government level, but district representatives know and understand the needs of the people, the strengths and weaknesses of the local labor market and business sector, and the potential market opportunities or niches available at the local level.

This part of the strategy takes into account another traditional Lakota characteristic: individual identification with the band-level (as opposed to tribal-level) political unit.<sup>8</sup> (See **Appendix 2** for an international example of this strategy at work.)

### III. Build a better business climate.

This is the broadest element of the strategy, as all of the policies we recommend in the next section work toward it. A better business climate is crucial to bringing in outside resources upon which the small economy of the reservation must increasingly depend, given the ever-diminishing flow of Federal funds onto the reservation.

The following page recommends a national economic development policy which OST should adopt in order to pursue this strategy.

## A national economic development policy

This culturally appropriate, achievable economic development strategy—*fostering individual and family entrepreneurship, supporting district-led community development, and building a better business climate*—can be met through a focus on six national economic development policy goals:

1. **Build consensus through credibility.**
2. **Privatize OST business development and management.**
3. **Develop reservation infrastructure and public services.**
4. **Remove barriers to investment.**
5. **Become a source for information and technical assistance.**
6. **Reform the governmental structure.**

In the short term, the OST should begin to *build consensus through credibility* in order to begin the work on building a better business climate. To begin the shift away from the current focus on finding businesses to run, the OST should *privatize OST business development and management*. The OST should continue to *develop reservation infrastructure and public services* in order to both increase short-term employment in the face of welfare reform, and begin to provide entrepreneurs and investors with the bases of development they need in order to make running a business a viable possibility.

In the near future, the Executive Officers and the Council should begin to *remove barriers to investment* to make it easier for local entrepreneurs, owners of existing businesses, and potential investors to follow through on existing market opportunities. Also in the next eighteen months, the government should retool itself and begin to *become a clearinghouse for information and technical assistance* which will provide entrepreneurs and district governments with the start-up information and skills they need to increase their chances of success.

Possibly the most important and difficult goal is to *reform the governmental structure*, focusing on decentralization and constitutional change to end six decades of governmental mismatch.

By concentrating on the short-term action items listed on the facing page, the OST can begin to work towards these policy goals. Following each action items is an estimate of its time frame: now, in the next six months, or by the next election (in the next twelve months). Some of the recommended actions are modest initiatives, while others involve substantial programmatic reform. Many of the recommended actions work towards more than one policy goal, although they have been grouped by policy goal.

## Long-term policy goals and short-term action items

### 1. Build consensus through credibility.

- ① Convene district-level meetings on economic development. (*Now*)
- ② Reallocate travel money towards on-reservation spending. (*Now*)
- ③ Allocate more resources to public information campaigns. (*6 mos.*)
- ④ Build better working relationships with district leaders. (*12 mos.*)

### 2. Privatize OST business development and management.

- ① Stop attempting to develop and manage businesses. (*Now*)
- ② Limit all plans to manage a motel/restaurant at Pine Ridge. (*Now*)
- ③ Allow independent management of the Prairie Wind Casino. (*Now*)
- ④ Create an independent Tribal Development Corporation. (*12 mos.*)

### 3. Develop reservation infrastructure and public services.

- ① Reallocate resources toward the development of physical infrastructure such as roads and utilities. (*6 mos.*)
- ② Reallocate resources towards the development of skill infrastructure like schools and worker training programs. (*12 mos.*)

### 4. Remove barriers to investment.

- ① Adopt a commercial code. (*6 mos.*)
- ② Streamline the permitting and licensing process. (*12 mos.*)
- ③ Allow longer-term land leases. (*12 mos.*)

### 5. Become a source of information and technical assistance.

- ① Write and produce business information materials. (*6 mos.*)
- ② Create technical assistance units. (*12 mos.*)

### 6. Reform the government structure.

- ① Decentralize selected government activities. (*6 mos.*)
- ② Allocate more resources to support district-level economic development efforts. (*6 mos.*)
- ③ Implement a training program on roles of elected/appointed officials vs. professional civil servants. (*12 mos.*)
- ④ Convene a constitutional convention. (*12 mos.*)
- ⑤ Take steps towards establishing an independent judiciary. (*12 mos.*)

## 1. Build consensus through credibility.

### NOW

#### ① CONVENE A SERIES OF DISTRICT-LEVEL ECONOMIC DEVELOPMENT MEETINGS TO DETERMINE COMMON GOALS AND NEEDS.

- *Create a feeling of inclusion and ownership.*
- *Use the ideas in this report as a starting point.*
- *Form specific meeting goals utilizing participant input.*
- *Invite important tribal members that aren't in government, and respected non-tribal members.*
- *Create plans of action after the series is complete and ensure actions can be carried out before next election.*

#### ② REALLOCATE TRAVEL MONEY TOWARDS ON-RESERVATION SPENDING.

- *Hold meetings and other events in different towns on the reservation.*
- *Pay local entrepreneurs for catering and meeting hall services.*
- *Reallocate savings to district-level economic development activities.*

① The OST is the institution in the best position to bring together people from all walks of Oglala life. It should convene a series of economic policy meetings, inviting *any reservation resident who is interested*—including business owners and managers, District leaders, the director and staff from the Lakota Fund, the Lakota College, and trusted outside consultants.

The end product of this series should be an action plan with multiple roles and responsibilities *which there is some measure of consensus on*, keeping in mind the recommendations in this report.

The Lakota traditionally operate through consensus.<sup>9</sup> This is hard to achieve with so many people, but it is the only way to make sure government has support.

Not only the citizens of the Pine Ridge Reservation, but also businesses, investors, staff at Federal and state agencies, are skeptical about the ability and motives of central tribal government.

Some criticisms are unfair, but they will continue until the current OST government, and governments to come, succeed in overcoming this distrust.

Government credibility is related to successful economic development:

- Business investments may become more likely.
- Citizens will be more likely to participate and government will better represent the public interest.
- The government will be more able to attract professional public servants, increasing the likelihood of successful development.

② Although some travel spending is warranted, it is a drain on tribal resources which benefits few and spends resources off-reservation. It is seen as a symbol of OST wastefulness. Catering services exist locally, and there are local meeting halls available. Instead of supporting the Howard Johnson in Rapid City, the OST should try to support its own economy. The money and time that it saves could be devoted towards other goals recommended in this report.

## BY NOVEMBER

### ③ ALLOCATE MORE RESOURCES TO PUBLIC INFORMATION CAMPAIGNS

- *Reallocate funds and one or two staff for this purpose.*
- *Create a newsletter using a creative process which stimulates cross-district communication and participation.*
- *Explain major legislative initiatives, ongoing departmental projects, and changes in services to citizens, with more distribution of informational materials.*

## BY THE ELECTION

### ④ BUILD BETTER WORKING RELATIONSHIPS WITH DISTRICT LEADERS

- *Delegate certain activities to the districts, (see Goal 6) and work with district leaders to assist them with this change.*
- *Support the current tourism planning structure with encouragement and assistance.*
- *Create more opportunities like the tourism committee for OST to work cooperatively with district leaders.*

③ Informational campaigns are often geared towards a one-way dialogue between the government and its citizens. But newsletters can include contributions from anyone, not just government officials, and act as a forum for discussion, debate and creative ideas.

The OST used to have a newsletter, and still has the expertise to produce one. A newsletter should focus on sharing news from district community functions with everyone, to stimulate the spread of creative ideas and assist with the process of supporting district-level community development. An editor and a couple of reporters (OST elected officials, preferably) could canvass the reservation for human interest stories and news which aren't reported on KILI, including items of Lakota cultural interest.

④ The opportunities for interaction between central tribal government Council members and district council members are limited.

By developing closer linkages between themselves and district leaders, central tribal government leaders can enhance their own images, but more importantly can be closer to local political interests which drive elections and are responsible now for so much Council and Executive Officer turnover.

## 2. Privatize business development and management.

### NOW

#### ① STOP ATTEMPTING TO DEVELOP AND MANAGE TRIBALLY-OWNED BUSINESSES

- *Separate politics from day-to-day business management on Pine Ridge.*
- *Focus on the development of private businesses.*
- *Use OST staff time and energy for more productive purposes.*

#### ② LIMIT PLANS TO MANAGE A MOTEL/ RESTAURANT AT PINE RIDGE

- *In the absence of an independent body to manage this enterprise, the OST should stop these plans.*
- *Resources can be used more productively.*

#### ③ ALLOW INDEPENDENT MANAGEMENT OF THE TRIBALLY-OWNED CASINO

- *A portion of the profits accruing to the casino (say, 50%) should be used for reinvestment in the casino to increase its earning power for the Nation.*
- *If left alone, the casino management system can be a model for other private businesses established on the reservation.*

③ The Council has traditionally micro-managed the casino, attempting to intervene in personnel decisions. The current management of the casino is business-savvy and attuned to Lakota workers and culture. The Nation has much gain from the long-term success of the Casino, but this will depend on the OST government ceasing its intervention.

It does not usually make sense for governments to take on business risk. Unlike business owners and managers, government officials don't depend on the success or failure of a tribally-owned business for their jobs, nor do they receive the profits of their labors.

① Past attempts at management of a tribally owned business have not succeeded. Political interests typically disrupted management of the enterprises.

Day-to-day business decision making requires independent managers whose incentives are based on the performance of the business.<sup>10</sup> At Pine Ridge, no independent Tribal Development Corporation exists to create this. The Council will feel obligated (as it always has) to intervene in personnel decisions, profit re-investment, and other important business activities. Comparative research suggests that under such conditions, tribally owned businesses are a bad idea.<sup>11</sup>

② By a number of important criteria, business projects such as a motel do not draw upon existing strengths on the reservation (see table on next page). Such projects should be privatized—run by private sector managers, subject to fair employment practices, zoning ordinances, and other legal restrictions.

④ Some tribes allow their businesses to be managed under independent Economic or Tribal Development Corporations. The Oneida and the Lower Brule Sioux tribes provide two successful examples of this, and it appears generally true that independent management entities increase the likelihood of business success.

The Council can begin the process by committing tribal resources and setting up a Corporation in form with partial funding before the next election. (Refer to **Appendix 3** for an account of how to set up a Tribal Development Corporation.)

### BY THE ELECTION

④ **CREATE AN INDEPENDENT TRIBAL DEVELOPMENT CORPORATION**

- *Authorize the formation of an independent Business Development Council appointed by a committee of knowledgeable civil servants and individuals unconnected with government*
- *Commit tribal resources and set up the Corporation in form with partial funding before the next election.*
- *See Appendix 3 for more details.*

The OST can increase employment by engaging in other activities to facilitate business enterprise and by spending funds on infrastructure projects. OST should follow the appropriate role of government described in Books 1 and 2. Resources should be devoted to these needs and not to business activities. Such needs include roads, skills infrastructure (schools and the Lakota College), technical assistance to existing businesses, loans, and public programs such as tourism development.

DECIDING WHICH PROJECTS TO PURSUE						
CRITERIA	DEVELOPMENT PROJECT TYPE					
	motel hotel	factory	roads project	loan fund	tourism project	
government resources available?		x	x	✓	x	✓
foundation resources potentially available?		x	x	x	✓	✓
management expertise available in government?		x	x	✓	x	✓
management expertise available on reservation?		✓	x	✓	✓	✓
oversight possible (corruption unlikely)?		x	x	✓	x	✓
possible to implement with available resources?		✓	✓	✓	x	✓
demonstrates credibility to business environment?		-	-	✓	✓	-
demonstrates credibility to Federal environment?		x	x	✓	✓	✓
part of a long-term development strategy?		-	-	✓	✓	✓

### 3. Develop reservation infrastructure and public services.

OST should evaluate government activities with this question: "Are we creating tools and resources for business development with this activity?" If not, OST should probably use resources for something else.

For example, the tribe is considering running a funeral parlor. This may meet a market demand, but the tribe cannot run a company as efficiently as the private sector could. And, more importantly, the tribe is not "creating tools and resources for business development." Instead, it is using staff time, personnel skills, and funds towards an activity with small impact.

On the other hand, the tribe could use the same staff resources to improve sewer utilities and sidewalks. A well-developed infrastructure makes the development of many businesses (not just the funeral parlor) more viable.

Infrastructure projects should be based on a consensus, focusing particularly on finding out what businesses need and can't be expected to provide for themselves. And projects should be equally spread throughout the reservation to be fair.

#### BY THE ELECTION

##### ② REALLOCATE RESOURCES TOWARDS SKILLS INFRASTRUCTURE DEVELOPMENT

- *Consult with the Lakota Fund, existing businesses, and outside resources.*
- *Consider partnerships with other agencies for childcare, job training, and school improvement.*
- *Find strategies to bring Lakota talent back to the reservation.*

#### BY NOVEMBER

##### ① REALLOCATE RESOURCES TOWARDS PHYSICAL INFRASTRUCTURE DEVELOPMENT

- *Evaluate and prioritize infrastructure needs according to citizen and business demand: sewage, energy, roads, communications.*
- *Select important, realistic, and publicly visible projects for immediate investment.*

① Developing physical infrastructure directly improves the business climate by making a long-term investment on the reservation with positive impacts on residents and existing businesses. And it creates jobs, which will be important with the advent of "welfare reform."

However, there are dangers here. Worker training programs will be necessary to make any large-scale infrastructure project depending on local workers successful. The OST will have to rely heavily on external technical assistance to create a worker training program (see below).

② The importance of an educated workforce cannot be overstated. Lacking job experience, many Lakota are not prepared to fill new jobs provided by the private sector. This is a long-term investment that the OST must make.

According to the Lakota Fund, child care is a serious obstacle to employment, especially for women. Further areas to improve are schools of all levels and finally, job training.

Though Oglalas have acquired advanced degrees, many of them appear to have left the reservation. Any individual with social mobility will locate on the basis of convenience, comfort, quality of local services, quality of local schools, and so on. Thus, human capital is directly related to the provision of physical and skill infrastructure.

## 4. Remove obstacles to investment.

### BY NOVEMBER

#### ① ADOPT A COMMERCIAL CODE

- *Understand the purpose and long-term benefits of a commercial code.*
- *Pass one of the accepted model codes already designed for the Oglala Nation.*
- *Take steps to ensure the enforcement of the code.*

The perception and appearance of a good business climate are, in the long run, dependent on good business conditions. Businesses make decisions on where to locate and invest based on a number of criteria (see Book 2, "Findings"). The action items which follow attempt to give guidance to OST Council and Executive Officers in positively affecting these criteria so that businesses run both by outside and inside investors are more likely to decide to invest or expand on the Pine Ridge Reservation.

In the past, the OST has been very wary of external investors, due in part to the reservation's bad experiences with companies which benefited from tribal subsidies and then left when they dried up. These businesses left behind a feeling among reservation residents that they had been cheated of their resources and funds. These fears are justified, but not solved by current protectionist practices. Instead, the following recommended actions should satisfy both the tribe's need to protect its resources and its people, and the need for businesses to protect their interests.

---

① A commercial code sets parameters on the enforceability of contracts and the process of commercial transactions. Assuming it is backed by a reliable justice system, a code will provide the "rules of the game" for business. Several attempts at passing a comprehensive business code have failed. The current government is to be commended for attempting to gain a measure of consensus on the most recent attempt to pass business codes.

## BY THE ELECTION

### ② STREAMLINE THE PERMITTING AND LICENSING PROCESS

- *Create a professional permitting and licensing department staffed by civil servants, which also provides information for businesses (see Goal 5, below).*
- *Adopt policies to eliminate unnecessary politicization or delay.*
- *Record the steps of the process for the convenience of prospective businesses and entrepreneurs.*

### ③ ALLOW LONGER-TERM LAND LEASES

- *Discuss a land use code to determine the reasonable environmental and cultural restrictions on the use of land.*
- *With a land use code for security, extend the time period for business land leases.*

③ With 5-year leases it is difficult or impossible to obtain a permanent loan on new construction, which is typically amortized over twenty to thirty years. This is a key component of creating an investment-friendly environment on the reservation, because without such financing, many enterprises are not affordable. Most external investors do not even begin to consider locating in a place with such short leases.

Culture, environmental protection, and protecting sovereignty create an important need to regulate the use of land. This is best done through land use regulation and reliable enforcement systems. Short-term leasing prevents all businesses, both good and bad keepers of land, from ever appearing on the reservation.

② Small business informants say that the business licensing process is politicized and extremely bureaucratic. On Indian Reservations and in cities throughout the United States, these kinds of barriers are being removed to enhance competitiveness with other regions.

The permitting and licensing process should be *codified by the Council and administered by an independent department* over which the Council has no direct jurisdiction. This will ensure that business decisions cannot be influenced by political pressures, but that important protections against business exploitation are provided.

The permitting and licensing department could also be a source of business information in attractive, easy-to-understand formats so as to encourage businesses to come to the government department and ask for assistance (see Goal 5). A business-helping strategy, rather than a business-blocking one, is the best role for such an office.

The Council, of course, must continue to be the skeptical protector of the public interest, but it should not play a role in micromanaging the bureaucratic procedure of permitting and licensing, once it has determined what that procedure should be. (Indeed, it is more properly the Executive Officers' responsibility to ensure that the procedures are followed.)

## 5. Become a source of information and technical assistance.

Government's role in providing information and technical assistance to businesses, particularly small businesses, has been recognized by governments the world over. The U.S. operates several departments devoted to small business, including the Small Business Administration, which provides technical assistance and information.

Encouraging new and ongoing small business activity through technical assistance, such as the assistance currently provided to loan recipients by the Lakota Fund, may be one of the most culturally appropriate and most successful economic development interventions.

District governments and independent community initiatives will need technical assistance with budgets, grant writing, and other areas in which central government staff have acquired expertise.

Business investors need up-to-date and accurate demographic and statistical information to inform their decision-making and accurately evaluate the potential for successful investment. The OST government should provide this information and begin to build relationships with such investors both to encourage informed investment and to find out what investors are looking for. This can provide input to help refine the goals of the economic development policy.

---

### BY NOVEMBER

#### ① WRITE AND PRODUCE BUSINESS INFORMATION MATERIALS

- *Collect business facts: demographic information, licensing procedures, tax laws, government resources, a list of existing businesses, and so on.*
- *Allocate resources towards producing accessible, professional publicity materials.*
- *Distribute materials through business organizations and upon request.*

① A role for central government in economic development is producing and distributing business information materials.

For example, the Tribal Employment Rights Office has worked to inform outside investors that there is not really an extra tax on contractors on Pine Ridge to fund its activities. In fact, Pine Ridge is exempt from the state tax on contractors and so the cumulative tax rate is actually the same.

This small piece of information can help create many opportunities for Lakota workers. Yet TERO currently makes the rest of its information for contractors available in the form of a text-dense document ½" thick. More attractive and accessible materials need to be created to make it easier for businesses to find what they want, and to send a message that business is desired on the reservation.

## BY THE ELECTION

### ② CREATE TECHNICAL ASSISTANCE UNITS

- *Consult with the Lakota Fund, existing businesses, and outside resources.*
- *Consider creation of a technical assistance office to collect information, maintain relationships with business experts, and connect district governments and Lakota entrepreneurs with the right people.*
- *Develop "culturally appropriate management" materials and contract with tribal member consultants to provide such services to potential investors for a modest fee.*

② The existence of the OST government's economic development funds should be more widely publicized, and the funds should be made more accessible to district leaders. Technical assistance from central government staff is needed here to help make sure the funds are well-used by the districts.

The White Clay District has used some of the \$20,000 in economic development monies allocated to it to begin an Internet site to sell crafts more widely, and is starting a crafts cooperative. By spreading the news of White Clay's efforts so that other districts can learn from its experience, the central government can play an important role in facilitating economic development.

OST can also improve the business climate by providing information about the availability of subsidies for child care and training programs at TERO, to encourage moving from welfare to work.

Another important technical advancement is the use of culturally appropriate management techniques. Current management of the Prairie Wind Casino should have a number of important insights worth sharing with potential businesses, whether they come from on- or off-reservation.

## 6. Reform the governmental structure.

It is extremely difficult to figure out how to make a permanent change in the way government goes about its business. In the late eighties, for example, the length of the presidential and council terms was lengthened to four years, but the ordinance was revoked the next year. So a legislative change is not sufficient to ensure permanent structural change.

Permanent structural changes that turn out to be temporary can cause more harm than good. They communicate an unintended message to the residents, to businesses, and to potential investors: "We don't keep our promises."

So how can the OST Council and Executive Office of the President make some good promises which they are sure will stick?

Perhaps the reason why the four-year term limit did not last was that there was little real support for it in the larger political environment. This may have been precisely because the Council made a decision without consulting public opinion and was perceived as attempting to take more power.

One very important consideration is to ensure that there is a *mutual* process of education engaging government staff, ordinary citizens, and other interested parties who are part of the political process. Otherwise even constitutional change, which requires 2/3 voter approval, could be temporary. This goes back to the first policy goal: using consensus to build credibility.

The OST, then, will need to wisely choose those political reforms which make sense and can be thought of as a mutually

binding contract that all people in the Pine Ridge Reservation community will respect. One way to facilitate this is to try to make any new governmental structure in the self-interest of government actors and voters.

Decentralizing certain government activities may be an example of such a reform, because it may benefit all the people involved. Central tribal government officials are overburdened and need less work. Citizens ascribe greater amounts of legitimacy to district level officials. And district governments want greater autonomy.

Though decentralization seems attractive, the management of such a change could be accomplished very poorly. For example, the government of the United States has "block-granted" entitlement funds recently. Some states will have a very difficult time coping with the changes without the expertise to administer work programs.

OST should keep in mind the limitations of the districts, and provide technical assistance and oversight procedures as much as possible.

Finally, as described in the first section of this Book, constitutional amendment is probably needed. We revisit the theme of government structure's effect on economic development in recommending actions towards permanent reform on the pages which follow.

## BY NOVEMBER

### ① DECENTRALIZE SELECTED GOVERNMENT ACTIVITIES

- *The Executive Office of the President should decide which of the activities it currently administers to delegate to the district governments.*
- *Get district government cooperation (remember that there must be something in it for them).*
- *Set a timetable for transfer of authority.*
- *Inform the public of any changes in who they should contact about certain public services.*

### ② ALLOCATE MORE RESOURCES TO SUPPORT DISTRICT-LEVEL ECONOMIC DEVELOPMENT EFFORTS

- *Acknowledge and encourage the success of the activities already ongoing.*
- *Allocate more money for District development.*
- *Make sure Districts are aware of the amounts and purpose of the funds*
- *Do not interfere with District decisions...*
- *...But provide technical assistance regarding use of the funds.*

① Allocating more financial and staff resources to the districts is a worthwhile experiment to undertake before the next election. This decentralization could include activities ranging from propane distribution to economic development activities, such as those funded by the recent allocation authorized by the Economic Development Committee.

*Decentralization is necessary in order to find staff time to meet the other goals and action items in this report.*

② The Executive Office of the President could use staff who currently spent much of their time on these day-to-day activities to set up and staff a technical assistance department to help district council members with added tasks and responsibilities. In the long run, such an effort would free up staff time resources for other important tasks, although such a benefit might not immediately occur during a period of transition.

## BEFORE THE ELECTION

### ③ IMPLEMENT A TRAINING PROGRAM ON ROLES OF ELECTED/APPOINTED OFFICIALS VS. PROFESSIONAL CIVIL SERVANTS.

- *Consult with trusted outside resources.*
- *Adopt Robert's Rules of Order or a similar structure for conducting OST business.*
- *Plan a curriculum and training schedule.*

### ④ CONVENE A CONSTITUTIONAL CONVENTION.

- *Consult with as many people as possible (including trusted people from outside the tribe).*
- *Consider agenda items such as: longer terms of office; staggered terms; legislative appointment of executive; changing judicial selection; etc.*
- *Plan to convene before April 1998.*

### ⑤ TAKE STEPS TOWARD ESTABLISHING AN INDEPENDENT JUDICIARY.

- *Consult with criminal justice experts about professionalism in the police force.*
- *Consider an intertribal appeals court where an Oglala judge cannot rule on Oglala cases.*
- *Depoliticize the judicial selection process by making it more difficult to remove judges from office.*

③ OST officers have had difficulty understanding the various tasks and responsibilities associated with the executive, judicial, and legislative roles. These roles were loosely defined by the constitution imposed decades ago. Pending constitutional reform, the short-term solution is to more fully understand and fulfill these roles. There is evidence that this kind of checks-and-balances structure is adequate for the Sioux; the government of the Lower Brule Sioux manages to fulfill these roles well and economic development is proceeding apace there.<sup>12</sup>

④ The Oglala Nation has the power to free itself from the system imposed upon it, but it will take hard work, including plenty of communication and consensus building. Meaningful constitutional reform is the kind of change that can transform nations—witness the dramatic change in certain Eastern European nations such as the Czech Republic.

While constitutional reform is a difficult task, it may have the most critical impact on improving future economic development.

⑤ A “hand-tying” modification of the governmental structure would make it impossible for elected officials to respond to requests by interfering with police and judicial decisions. This is the beginning of the journey down the long road to true judicial and police independence from political concerns.

If the Oglala Nation is to adopt a policy of supporting private business development, as we are recommending, an independent judiciary is indispensable for creating confidence in tribal and non-tribal investors. The OST Executive Director is already working on this issue.

## ENDNOTES

---

1. DeMallie 1978, p. 261.
2. Cornell & Kalt 1995b, 1992a.
3. Cornell & Kalt 1992a, p. 19.
4. Cornell & Kalt, 1992a.
5. Sherraden 1992.
6. Sherman 1988.
7. Lakota College survey, 1994.
8. As we pointed out earlier, the districts do not approximate the geographical boundaries associated with the traditional bands or tiospayes, but they are the closest approximation available corresponding to this traditional size unit.
9. "...the Sioux emphasized consensus verging on unanimity as the primary decision rule for policymaking..." (Cornell & Kalt 1995a p. 420, in reference to Goodwin 1942.)
10. Book 2, "Real obstacles to economic development."
11. Cornell & Kalt 1992a.
12. Economic Development Administration 1996, p. 559.

# APPENDIX 1

The following is excerpted from Stephen Cornell and Joseph Kalt, *Successful Economic Development and Heterogeneity of Government Form on American Indian Reservations*. (See Sources.)

## Lessons from other nations: the Flathead Reservation

The Confederated Salish and the Kootenai Tribes of the Flathead Reservation in western Montana is among the most economically successful American Indian reservations in the current era of self-determination. In recent years, Flathead has seen substantial growth in the small business sector of services and retail sales related to agriculture and tourism. Individual tribal members and firms run by tribal members also participate in logging, construction, and farming.

This tribe's economic development policy is similar (though not identical) to the one we are recommending for the Oglala Nation.

### A few differences

After generations of intermarriage and a history of "allotment," tribal members are a minority on the Flathead Reservation. The civic culture of Flathead appears to be relatively far removed from its pre-reservation roots when compared to most other reservations, including the Oglala Nation. But improved economic conditions have been accompanied by a resurgence of civic and religious traditionalism.

### Many similarities

Like the Pine Ridge Reservation, Flathead has an adequate (but not spectacular) resource base. The population lives in primarily rural areas. The tribal government has owned and operated a number of enterprises in recent years, including an electronics assembly facility and a sawmill. These efforts, however, have consistently been unsuccessful. Until recent changes, the Flathead had a difficult time forming and implementing an economic development strategy. Many of the problems they faced were similar to those identified at Pine Ridge. The key for the Flathead was governmental reform.

	FLATHEAD	ALL TRIBES
Reservation Indian Population, 1990	7,667	437,800
Indian Unemployment, 1990	17%	45%
Change in Unemployment 1979-1990	Down 11%	Up 14%
Indian Per Capita Income, 1990	\$6,428	\$4,478
Change in Income 1977-1989	Up 16%	Down 1%
Indian Median Household Income, 1990	\$14,898	\$12,459
Indian Family Poverty Rate, 1990	32%	47%

## **The Flathead government guides its tribal development**

The Flathead Reservation is made up of three tribes who were forced to live in the same area by the U.S. government. The Confederated Tribes amended its 1935 IRA constitution and are now organized under a sophisticated parliamentary democracy. In the late-1970s a major reform effort led by a group of tribal members brought reforms promoting separations and limitations of power.

Flathead government is run by a three-branch parliamentary system with an independent judiciary. The key governing and lawmaking body is the ten-member Tribal Council. Members are elected at-large and serve staggered four-year terms. In 1981, the tribe instituted primary elections to encourage majority coalescence around elected representatives.

The chief executive of the Flathead government is the tribal chairman who is selected in parliamentary fashion by the Tribal Council (rather than through direct election by the citizens). The Chairman serves two-year terms and acts as the spokesperson for the Council. A tribal executive director reports to the chairman and oversees eight divisions covering approximately 40 programs. This executive branch is subject to a civil service system that governs appointment, advancement, compensation, and dismissal among professionals within the Flathead government.

The Flathead government is known for its well-developed and independent judicial system. The Tribal Council does not appoint or remove tribal judges. To eliminate political tampering in judicial affairs, the Flathead participate in an intertribal "supreme" court. This is a cooperative effort of a number of Montana and Wyoming tribes who staff the court with judges. The court promotes fairness by providing that a judge may not sit on a case from his/her own tribe. Particularly in an economy founded in large part on private businesses, a stable and non-political court system that can fairly adjudicate and enforce contracts is critical.

Prior to 1984, the executive bureaucratic functions of the Tribe were organized under a committee system reporting directly to council members. A key change for the tribe was the creation of an executive director reporting to the tribal chairman which provided insulation from the key tribal politicians. The result of separation of power at Flathead is a notably professional and non-rent-seeking government. This has led to economic development.

The weak parliamentary chief executive, lacking the independent political power base of direct election and serving at the behest of the elected council is appropriate for Flathead, considering that three tribes occupy the reservation. The parliamentary system that disperses power across factions creates a government that is more legitimate to a society with divided identities. It is possible that a similar form of government would be appropriate for the Oglalas given the lack of hierarchy and strong centralized decision making in their traditional culture.

## APPENDIX 2

### Lessons from other nations: China

OST has plans to run businesses on a large scale. However, in traditional Lakota culture, the important units were the family and the *tiyospaye*. These traditions can be successfully incorporated into an economic development strategy. A good living example of this comes from China—the largest developing nation in the world. Success has come resulted from Chinese efforts to allow villages more leeway to develop their own enterprises. Of course, this model for a communist regime is not perfectly applicable to the Oglala Nation and its district governments, but the Chinese experience does illustrate the benefits which can be earned through government decentralization.

The following is an excerpt from a report written for the World Bank entitled *From Plan to Market: World Development Report 1996*, p. 51 (see Sources).

### China's township and village enterprises

One important configuration of industrial enterprise in China is the township and village enterprise (TVE), owned by local governments and citizens. These mainly produce consumer goods for domestic and international markets. TVEs are generally of two types. The first, owned by the local government, acts like a holding company, reinvesting profits in existing or new ventures as well as in local infrastructure. The second, more recently developed type is much closer to private enterprise in that most are effectively controlled if not formally owned by an individual. Still, they too maintain close fiscal ties to the local government.

The growth and performance of TVEs have been extraordinary. Their share in gross domestic product rose from 13 percent in 1985 to 31 percent in 1994. Output has grown by about 25 percent a year since the mid-1980s; TVEs now account for a third of total industrial growth in China. The nonstate share of industrial output in China climbed from 22 percent in 1978 to a startling 66 percent in 1995. TVEs have created 95 million jobs in the past fifteen years. Capital-labor ratios in collective industry in China are only 25 percent of those in the state sector. Yet labor productivity (output per capita) is close to 80 percent of the level in state enterprises—and rising at more than 10 percent a year. Total factor productivity in TVEs is higher than in the state sector and is growing at 5 percent a year, more than twice the rate in state enterprises.

Some factors that explain this remarkable growth include:

- *Kinship and implicit property rights.* Strong kinship links among rural Chinese villagers encourage responsibility in entrepreneurs. Incentives facing TVEs are more like those in private firms in that the residual profits accrue to a limited group: a traditionally stable local community and, in particular, its government and TVE managers.

- *Decentralization plus financial discipline.* The 1984 decentralization of fiscal power in China allowed subnational governments to retain locally generated revenues, creating powerful incentives for the development of local industry. Under this system, a non-performing TVE becomes an unaffordable drain on a limited local budget. In the end persistent money-losers are closed and the work force is shifted to more profitable lines.
- *Competition.* Studies also show intense competition for investment (including foreign investment) among communities with TVEs. Success in attracting investment is affected by reputation and local economic performance.

Aspects of the TVE phenomenon are specific to China, but the experience holds important lessons for other transition economies: the importance of liberal entry, competition, hard budget constraints, and appropriate fiscal incentives for local governments.

## APPENDIX 3

### Establishing a tribal business development corporation

This lengthy appendix is copied in entirety. It is a chapter by Michael W. Cameron, entitled “A Prototypical Economic Development Corporation for American Indian Tribes.” It appears in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development* by Stephen Cornell and Joseph Kalt (see Sources).

## ACKNOWLEDGMENTS

This Book is one of three parts of "An Economic Development Policy for the Oglala Nation," a report prepared at the request of the Oglala Sioux Tribe of the Pine Ridge Reservation.

Special thanks go to Mike Her Many Horses, who, in addition to arranging interviews and accommodation during our visits, introduced us to the cultural tradition of the Oglala Lakota and made us feel welcome on the reservation; Tribal President John Yellow Bird Steele, who graciously supported our effort; and Shelley Amiotte, whose logistical assistance was integral to the success of our second visit. George Wilson of the Prairie Wind Casino and Dani Not Help Him of the Lakota Fund offered particularly pertinent advice and feedback.

Thanks also to members of the OST Administration for their input and advice, including Tribal Vice-President Milo Yellowhair, Treasurer Chuck Roberts, and the members of the Economic Development Office: Director Herb Wounded Head II, Charles Pourier, Darrell Twiss, and Liz Kingy.

We relied on Professor Joseph Kalt, Miriam Jorgensen, Stewart Wakeling, Manley Begay, and the members of the Breakfast Club for their input and feedback. In addition, we are indebted to the work done by past student researchers on the Pine Ridge Reservation.

Finally, we could not have completed this report without the willing cooperation of the numerous individuals who agreed to be interviewed, particularly the reservation entrepreneurs. We wish them success.

### The Authors

**Andrew Aoki**, of Honolulu, Hawai'i, is a candidate for a Master of Public Policy at the John F. Kennedy School of Government at Harvard University, with a concentration in state and local government policy. He received his J.D. from the University of Michigan Law School in 1995 and an A.B. in Political Science from Stanford University in 1989. He has studied and worked on issues regarding the legal rights, educational opportunities, and cultural traditions of Native Hawaiians.

**Dan Chatman**, of San Jose, California, is also a candidate for a Master of Public Policy at the Kennedy School of Government, concentrating in urban community economic development. He received a B.A. in Individual Studies: The English Language from U.C. Berkeley in 1991, and worked in Botswana between 1991 and 1995 as an English teacher and adult education program coordinator. His professional experience includes vocational development and city government.

**The Harvard Project on American Indian Economic Development** is directed by Stephen Cornell (Department of Sociology, University of California, San Diego) and Joseph P. Kalt (John F. Kennedy School of Government, Harvard University). For the last ten years, the Harvard Project has been carrying out an extended study of the conditions under which self-determined economic development can be successful on Indian reservations. The core research method has been the comparative analysis of development efforts on selected reservations: what works where, and why? A central objective of this research has been to develop information and insights that can be used by tribes themselves as they wrestle with the unique combination of opportunities and obstacles confronting them today.

## SOURCES

- Adamson, Rebecca, Richard Sherman and Larry Swift. 1986. "The Lakota Fund," in *Business Alert*, Vol. 1, No. 4. Falmouth, VA: First Nations Financial Project.
- Amiotte, Shelly. OST Economic Development Office. (Interviews.)
- Anderson, Terry L. 1995. *Sovereign Nations or Reservations?* San Francisco: Pacific Research Institute for Public Policy.
- Benson, Lance. Small business owner. (Interview.)
- Brewer, Arvine & Morris. Small business owner. (Interview.)
- Brewer, Charles. Small business owner. (Interview.)
- Bureau of Economic Analysis*, Department of Commerce. (Internet website.) 1994.
- Cameron, Michael W. 1992. "A Prototypical Economic Development Corporation," in *What Can Tribes Do?*, eds. Steven Cornell and Joseph Kalt. Los Angeles: American Indian Studies Center.
- Carlson, Leonard. 1988. "A Brave Beginning," in *Overcoming Economic Dependency*.
- Constitution and By-Laws of the Oglala Sioux Tribe of the Pine Ridge Reservation of South Dakota*. 1936.
- Cornell, Stephen & Joseph P. Kalt. 1992a. "Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations," in *What Can Tribes Do?*, eds. Cornell & Kalt. Los Angeles: American Indian Studies Center.
- \_\_\_\_\_. 1992b. "Culture and Institutions as Public Goods: American Indian Economic Development as a Problem of Collective Action." In *Property Rights and Indian Economies*, ed. Terry Anderson. Lanham, MD: Rowman & Littlefield.
- \_\_\_\_\_. 1995a. "Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache." *Economic Inquiry* Vol. XXXIII, pp. 402-426.
- \_\_\_\_\_. 1995b. "Successful Economic Development and Heterogeneity of Government Form on Indian Reservations." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Cotter, Dean. Co-Manager, Prairie Wind Casino. (Interview.)
- County Income and Poverty Estimates*; 1990 Census Estimates: South Dakota. 1989.

- De Mallie, Raymond J. 1978. "Pine Ridge Economy: Cultural and Historical Perspectives," in *American Indian Economic Development*, ed. Sam Stanley. Chicago: Aldine.
- Diamant, Adam. 1988. "Economic Development: The Rosebud Sioux Indian Tribe." Cambridge, MA: Harvard Project on American Indian Economic Development.
- Ecoffey, Robert. Superintendent, Bureau of Indian Affairs, Pine Ridge Office. (Interview.)
- Economic Development Administration. 1996. Compendium of tribal information.
- Emery, Steve. Tribal Judge. (Interview.)
- Federal Reserve Bank of Minneapolis. 1996. "Pine Ridge Banking and Community Development Initiative."
- Firethunder, Anna. Small business owner. (Interview.)
- Garnett, Donna. District Councilwoman. (Group interview.)
- Her Many Horses, Mike. Executive Director & Legislative Coordinator, Oglala Sioux Tribe. (Interviews.)
- Herman, Sis. Small business owner. (Interview.)
- Jacobs, Chuck. Treasurer, Oglala Sioux Tribe. (Interview.)
- Kingy, Liz. OST Tourism Development Office. (Interviews.)
- Lakota Fund. 1994. Annual Report 1993-94.
- Lakota Fund. 1995. Program Profile.
- Lu, Jean and Larry Witte. 1996. "The Basis of a Nation-to-Nation Relationship: A Report to the Oglala Sioux Tribe and the Senate Committee on Indian Affairs." Unpublished manuscript at John F. Kennedy School of Government.
- Martin, Phillip (Chief of Mississippi Choctaw). 1988. "Comments On Economic Dependency In Indian Communities," in *Overcoming Economic Dependency*.
- Means, Frank. OST Tourism Development Office. (Interviews.)
- Merrival, Joe. Small business owner. (Interview.)
- Mestaz, Patty. Assistant Director, Tribal Employment Rights Office, Oglala Sioux Tribe. (Interview.)
- Nebraska Public Power District. 1992. "Industrial Facts: Pine Ridge, South Dakota and Pine Ridge Indian Reservation." Columbus, NE: Nebraska Public Power District, Area Development Department.
- Not Help Him, Dani. Coordinator, The Lakota Fund. (Interviews.)

- Oglala Lakota College, leadership survey. 1994.
- Oglala Sioux Tribe. 1983. *Land of Red Cloud: Home of the Oglala Lakota*. South Dakota: WBS, Inc.
- \_\_\_\_\_. 1994. *Economic Development Plan*.
- \_\_\_\_\_. 1995. 1995/96 Contracts and Grants.
- \_\_\_\_\_. 1996. *Economic Development Planning Grant: Oglala Sioux Tribe Annual OEDP Report and Program Projection 1996 (draft)*.
- \_\_\_\_\_. 1996. Oglala Lakota Nation, Pine Ridge Reservation Roads Need. OST Transportation Department.
- \_\_\_\_\_. 1996. *Protocol for Revenue Bond Financing and Program Requirements*.
- \_\_\_\_\_. 1997. Miscellaneous tourism development materials.
- Parzen, Julia A. & Michael H. Kieschnick. *Credit Where It's Due: Development Banking for Communities*. Philadelphia: Temple University Press.
- Plume, Pinky. OST Council member, Vice-Chair, Economic Development Committee. Small business owner. (Interview.)
- Pourier, Charles. OST Economic Development Office. (Interview.)
- Sachs, Jeffrey. 1997. Unpublished lecture on political economy of growth.
- Sharp, Walter. Manager, Sioux Nation Shopping Center. (Interview.)
- Sherman, Gerald. 1988. "A Study of Traditional and Informal Sector Micro-Enterprise Activity and Its Impact on the Pine Ridge Indian Reservation Economy." Washington, DC: Aspen Institute for Humanistic Studies.
- Sherraden, Michael A. 1992. *Assets and the Poor: A New Welfare Policy*.
- Steele, John. President, Oglala Sioux Tribe. (Interviews.)
- The World Bank. *From Plan to Market: World Development Report, 1996*. 1996. New York, New York: Oxford University Press.
- Twiss, Darrell. OST Economic Development Office. (Interview.)
- Two Bulls, Susan. District Council Staff. (Group interview.)
- Two Eagle, Faith. District Councilwoman. (Group interview.)
- U.S. Department of the Interior, Bureau of Indian Affairs. "Indian Service Population and Labor Estimates," January 1989.
- Vinje, David J. 1988. "Economic Development On Reservations In The Twentieth Century," in *Overcoming Economic Dependency*.
- Walker, James R. 1982. *Lakota Society*. Ed. Raymond J. DeMallie. Lincoln: University of Nebraska Press.

White Woman, Harvey. OST Council member. Chairman, Economic Development Committee. (Interview.)

Wilson, George. Manager, Prairie Wind Casino. (Interviews.)

Wounded Head II, Herb G. Director, Economic Development Office. (Interviews.)

Yellow Cloud, Todd. District Council Staff. (Group interview.)

Yellow Hair, Milo. Vice President, Oglala Sioux Tribe. (Interview.)