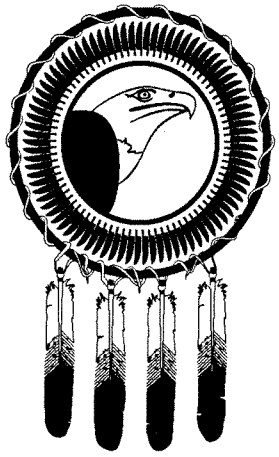
Malcolm Wiener Center for Social Policy

Five Myths, Three Partial Truths, A Robust Finding, and Two Tasks

by

Stephen Cornell

PRS94-5



Harvard Project on
American Indian Economic Development

John F. Kennedy School of Government
Harvard University

"Five Myths, Three Partial Truths, A Robust Finding, and Two Tasks"

by

Stephen Cornell[1]

I would like to thank the U.S. Department of Housing and Urban Development for making this possible, and Tom Janson and Christina Dorphuber of Price Waterhouse and Steve Stallings of the National Center for American Indian Enterprise Development for bringing us together and for giving me the opportunity to speak to you.

If this talk had a shorter title, it would probably be "A Mish-Mash," but that didn't sound very good to me, so I went with the longer title you see up here. I was invited to talk about whatever I wished, and I decided to use this as an opportunity to pull together a number of things I've been thinking about recently having to do with economic development on Indian reservations. My thinking on these things has been stimulated largely by the research that Joe Kalt and I and our students have been involved in through the Harvard Project on American Indian Economic Development, and by a number of conversations and observations in tribal offices and other places in Indian country. The order of the title is the order in which I plan to cover these points.

Five Myths

To begin with, five things you sometimes hear in Indian country, or from people who talk about the Indian situation, that seem to me to be myths. They all have to do, one way or another, with Indian reservation economic development.

---

1. Associate Professor of Sociology at the University of California, San Diego, Co-Director of the Harvard Project on American Indian Economic Development, and Co-Director of the National Executive Education Program for Native American Leadership. This paper is the text of a talk given by Professor Cornell at the Native American / Alaskan Native Economic Development Conference, San Diego, California, April 19, 1994. The conference was sponsored by the U.S. Department of Housing and Urban Development, and presented by Price Waterhouse and the National Center for American Indian Enterprise Development.

Myth No. 1: If you want to be sovereign, first you have to build a successful economy. This is an old saw in Indian country. You don't hear it as much now as you used to, but there was a time when this was the prevailing wisdom at the Bureau of Indian Affairs — or at least, I gather, it's what was said to tribes — and among some academic and industrial analysts as well. The basic idea was that if you wanted to be politically sovereign, to achieve real self-determination, first you had to build a viable economy. Economic success, so went the claim, was the key to true sovereignty.

This sort of reasoning tended to put political and governmental issues on hold. Get your economic house in order, it suggested, and then we can talk about power and how to organize it. It also led to some further, suspect implications: given that your need is to build your economy before you can be really sovereign, let *us* build your economy for you, since we, presumably, know what we're doing, and you don't. We'll make the decisions, we'll design the programs, we'll call the shots, and once the economy is off the ground, you can take over political control and be sovereigns.

As we all know, that didn't work so well. Economies that are built by other people, by outsiders, who make decisions somewhere else, according to *their* designs, never really get built at all. They don't go much of anywhere, partly because those folks — the outsiders — never pay the costs of their mistakes. You pay the costs. As a result, the outsiders have little incentive to get it right. They can blunder around forever while you absorb the punishment.

Our research says that the starting point of this line of reasoning is mistaken. It's backwards. Sovereignty doesn't follow economic development; it's the other way around. Economic development follows sovereignty. Sovereign peoples are better at development than non-sovereign ones. The reason is fairly simple. Once you're the decision-maker, then decisions and results get connected. You pay the costs of your mistakes and reap the benefits of your successes, and as a result your decisions tend to improve. You've got a

reason to do better, and you end up designing an economy that is more likely to work, and that speaks to the needs of your peoples. In other words, if you want to build a viable, sustainable economy, sovereignty is critical.

The research bears this out. In our research, the tribes we see that are economically successful — that have broken away from the pack and are moving toward sustainable, productive economies — are tribes that have asserted their own control over the development process. From the Flatheads in Montana to Cochiti Pueblo in New Mexico to the Mississippi Choctaws to the Warm Springs Reservation in Oregon, the successful tribes we see are very much in the driver's seat on development. They have moved the Bureau of Indian Affairs and other outsiders from a management role into a resource role, turning to them when the resources of the Bureau and others are useful and appropriate, but making the tough decisions themselves: acting, in other words, like sovereigns.

Myth No. 2: Tribal culture is an obstacle to development. We've heard this for years, from the BIA to former Secretary of the Interior James Watt to various experts on economic development. But the evidence says otherwise.

What do we mean by tribal culture? We mean the shared beliefs and practices of the people: among other things, their ideas about who they are and about how things ought to work.

One of the most successful tribes we've worked with is also one of the more culturally conservative of the New Mexico Pueblos. This Pueblo happens to run one of the more successful development corporations in Indian country; they provide jobs to nearly all tribal members who want jobs; they manage to be both conservative of their own traditions and innovative in their development strategies. In fact, their traditions are not an obstacle to success but a key to it. It is the power of their own cultural beliefs and practices, for example, that prevents tribal leaders from taking advantage of their positions to advance their own interests at the cost of the group, and that provides the stability that makes the

Pueblo a likely place for both tribal members and outsiders to invest their energy, their ideas, their money, their time.

This is not to say that all cultural characteristics are equally supportive of development. A workforce that leaves work for two months of fishing will have trouble being competitive — although one development strategy in this situation may be to look for activities that are complementarily seasonal. The point is that traditional tribal culture is not inherently counterproductive. What culture does is to present you with a set of considerations that need to be taken into account in various ways in strategic thinking, in organization-building, and in the selection of development projects. Essentially, culture provides a set of tools for development. This appears most powerfully in our research as something we call cultural match: the fact that governing institutions in Indian country tend to be much more effective and much more productive when they match or fit with indigenous cultural forms and understandings. Those cultural forms and understandings turn out to provide important guidelines for institution-building.[2]

The point that tribal or non-western culture is not necessarily an obstacle to development is supported by research not only in Indian country but elsewhere in the world. The most obvious example is Japan, which has used certain of its own cultural practices — some of which are very different from those we typically associate with western industrial development — as foundational building blocks of economic growth. Indonesia is an intensely nationalistic and culturally diverse society (and also culturally very different from the western model) that has become one of the emerging economic powers of Asia.

---

2. For some discussion, see Stephen Cornell and Joseph P. Kalt, "Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations," in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development,* ed. Stephen Cornell and Joseph P. Kalt (Los Angeles: American Indian Studies Center, UCLA, 1992); for an extended illustration of the point, see Cornell and Kalt, "Where Does Economic Development Really Come From? Constitutional Rule Among the Modern Sioux and Apache," Faculty Research Working Paper Series, John F. Kennedy School of Government, Harvard University, 1993.

So tribal culture need not be an insurmountable obstacle. In many cases it can be a source of strength.

Myth No. 3: Natural resources are the key to economic development. The evidence says this isn't so. A lot of that evidence comes from elsewhere in the world. Bolivia, Zaire, and Zambia, for example — all resource-rich — are among the poorest nations in the world today. Zaire, which is blessed with a huge and diverse natural resource endowment, is one of the world's certified economic disasters, victim of a predatory government that has squandered the country's resources in order to hugely enrich itself. The result has been a continuing calamity for the people of Zaire. On the other hand, we have countries with little in the way of significant natural resources — Japan, Singapore, the Netherlands, Costa Rica — which have become major players in regional or world economies.

Indian country offers similar lessons. Consider the Crows and the Mississippi Choctaws. The Crows have as extensive a natural resource endowment as any Indian nation; the Choctaws have virtually nothing. But it is the resource-poor Choctaws who have put together an impressive record of development, with low unemployment, decent per capital incomes, and a powerful voice in regional affairs.

In economic development, good natural resources certainly help. Better to have them than not. But they are hardly a guarantee.

Myth No. 4: The future of reservation economic development lies in gaming. The gaming story is impressive. Gaming has lifted a number of tribes right out of dependency and into the economic big time. Where it has worked, it has worked wonders, freeing tribes from dependency on the federal government, funding schools, health clinics, roads, law enforcement, and an assortment of other community and social programs, and providing seed money for other enterprises. But the idea that gaming is the

key to the development future also has led to some unfortunate ventures. Some tribes have put considerable money into gaming enterprises that drew few customers. On one reservation we visited the only people playing the tribal slot machines were tribal members. That's hardly the way to bring dollars onto the reservation.

The fact is that gaming, while an unmatched money-maker for some tribes, is a limited option for others. Limited how? In two ways. First, by location and competition. A study of reservation gaming carried out by one of our students a couple of years ago found what any economist would predict: location and competition are the keys to gaming success.[3] The critical questions are: how big and how accessible is the market, and how much competition is there for the gambling dollar? Some reservations are too far from significant markets to build a future on gaming.

Second, the option is limited because the gaming window is likely to be a narrow one. Either the states and the feds eventually will close it — we all know there's plenty of opposition to Indian gaming out there — and tribes will lose the option entirely, or the door will be opened to other operators, and the market will become saturated. A number of tribes realize this. The Grand Traverse Band of Ottawa and Chippewa Indians, for example, who have a very successful gaming operation, have built their development strategy around this assumption. They figure it's only a matter of time before non-Indian operators enter the market and cut into their gaming profits. Their strategy is to capitalize on the time they have, using gaming dollars to build a non-gaming reservation economy that can survive and support their people when the glory days of gaming are gone.

While the opportunity lasts, gaming is a potent option for some tribes. But for many it's not much of an option at all.

---

3. See Eduardo E. Cordeiro, "The Economics of Bingo: Factors Influencing the Success of Bingo Operations on American Indian Reservations," in Cornell and Kalt, eds., *What Can Tribes Do?* (see previous note).

Myth No. 5: The future of reservation economic development lies in federal funding. We still encounter tribes whose idea of economic development is a tribal planner sitting in an office writing proposals for federal funds. I'm not saying such proposals are a bad idea. We should be grateful that the federal money has been there; it's all that has kept some tribes going. A lot of reservation people depend on those funds for necessary services and income, and such funds can provide critical money for development. But that's not where the future of reservation economic development lies.

Why? First, because the federal pipeline is not going to get a lot more generous in the near future. You have to rely on your own political analysis and intuition, but it seems to me that the need for capital in Indian country and the supply of capital the federal government has to offer are moving in opposite directions. I doubt we'll see much change in that situation any time soon. As a consequence, tribes will have to rely more and more on their ability to raise capital elsewhere — essentially, in private markets and with private investors.

Second, looking to the feds means putting the development agenda in federal hands instead of tribal hands. We've seen this before. Some years ago we had the EDA motel syndrome. EDA was funding motels, so tribes built motels. The motels didn't always make a lot of sense, and one result was that a lot of them went belly up.

Obviously federal dollars are likely to remain important for a long time. The point is that federal grants, such as they are, should be *supporting* tribal initiatives, not driving them. That's what self-determination means. The future of reservation economic development lies not in pursuing federal grants but in tribal councils who put in place the sorts of institutional and organizational structures that can sustain development, who know how to think about development strategically — that is, whose development decisions are driven not by federal funding decisions nor by whim, but by specified tribal goals and carefully considered means — and who can turn to the planner and say, "we think it makes

sense to pursue the following kinds of businesses on this reservation. Help us figure out how to get it going."

Three Partial Truths

There are a lot of partial truths out there. The point about partial truths is not that they are partly false, but that they capture only part of the truth. They leave something important out of the picture. I want to mention three of them.

Partial Truth No. 1: "What we need is a real good leader."

We were talking with some people on one reservation not too long ago who were complaining about how there was no economic development to speak of on that reservation. They were talking about what the problems were, and this is what one of them said, "What we need is a real good leader."

You often hear that, or something like it. The big problem holding back development, in this view, is leadership.

I call that a partial truth because there is a lot of truth in it. Good leadership is an important piece of the development puzzle. But it also tends to cover up some other truths. Just looking for a good leader can distract you from the task of building the sort of institutional environment that can support good leadership — and survive bad leadership.

All societies, at one time or another, make mistakes in the selection of their leaders. The very fact that we worry about finding good leaders is an indication that it is not easy to do. We sometimes get poor ones. One of the tasks of nation-building is constructing institutions — systems of governance and formal rules and procedures — that can protect you from your mistakes. Enduring effects on development come not so much from choosing the right leader as from having in place a governing system that works — that protects the tribal estate from opportunistic or self-serving individuals, that keeps politics

out of the economic affairs of the community, a system in which disputes are fairly dealt with, in which procedures are professionally followed, a system that can gain the respect of the people not just for individual leaders but for the institutions themselves, and that can get the job done. Such a system becomes a tool that can enhance the potential impact of a good leader, and reduce the impact of a bad one.

Indian nations in the past often had good leaders. But they also had institutions — rules of behavior and established ways of doing things — that commanded the respect of the people and of leaders themselves. When things went wrong, the institutions provided ways of dealing with the situation.

And incidentally, the reservation where we heard about the need for a real good leader is a reservation with two-year terms for its tribal presidents. It has reelected only one in the last forty years. With that many people trying, at least some of them have to be good. Yet the economic situation remains terrible. Perhaps it's time for some institution-building there.

Partial Truth No. 2. The problem in development is the lack of capital. This is another thing we hear quite often: the reason there's so little economic development in Indian country is that there's not enough capital available. If only there were more funds, things would start to move. This is part of what gets people looking to the federal government for the development future.

Again, there's some truth in this statement. A lot of you doubtless have tried to find capital for any number of projects, and you know how difficult it is. Capital is a tough nut to crack in any situation, but in Indian country it sometimes seems impossible. But going back to our discussion yesterday:[4] what are you trying to do when you pursue capital? You're trying to persuade someone to bet on the tribal future. What is the best

---

4. The author and Manley Begay of the Harvard Project on American Indian Economic Development had led a conference workshop the previous day on the role of governing institutions in reservation economic development.

way to do that? The best thing to do is to provide an investment environment that is stable, in which claims are fairly adjudicated, in which investment and contracts won't be hostage to politics, in which the economic gamble the investor takes doesn't look politically foolhardy. Then people are more likely to invest.

Yes, access to capital is a problem, and lobbying for more capital for Indian country is important. But there is a lot of money out there that could come to Indian country under the right conditions. The point is to create an institutional environment that persuades investors — who have the luxury of making choices on where they invest — to take a gamble on the tribal future. Tribes that have their political act together are likely to be better at that than those who don't. In other words, capital is likely to follow the institutions that promise it a better chance to do its job.

Partial Truth No. 3: The importance of the multiplier. The multiplier is the number of times a dollar gets spent on a reservation before it leaves. The idea is that once a dollar arrives, it ought to stay around a while, being used by a series of persons to purchase goods and services *within* the reservation economy. Eventually that dollar will leave, but where there's a high multiplier, it will have supported a lot of people and activities before it does.

Concern with the multiplier has had some good effects. Among other things, it has encouraged a focus on reservation retail sectors, which are notoriously slim. But I call this a partial truth because it hides a more important economic point. The primary objective should be not to increase the multiplier but to increase the flow of income onto the reservation, to raise the absolute number of dollars being spent on the reservation — by consumers buying goods, by employers paying people, by investors injecting funds, and so on.

Getting the dollars is more important than where they're spent. If I am a tribal member and I spend almost all of my money off the reservation, this is not a problem *as*

long as someone else is spending money on the reservation. What matters is not so much the multiplier as the income flow. The point is to have income of some sort, from some source, flowing in to reservation families and enterprises. If they then use that money to support other families and enterprises on the reservation, so much the better, but without significant flows coming in, there will be very few dollars to pass around.

What I'm arguing here is that the multiplier, in and of itself, is a poor indicator of economic health. Indeed, a low multiplier may not mean anything. If (to take a hypothetical but plausible example) everyone has a good job on the reservation but they all spend their money off the reservation, does this make the reservation economy less healthy? No, but the multiplier will be close to zero. On the other hand, we might have a reservation situation in which everyone is poor, the jobs are few, low-paying, and not very attractive, and welfare payments are high, but there's a retail sector of some sort and people tend to meet many of their needs by buying from each other, either through that retail sector or through informal arrangements. In this situation we would have a high multiplier but an unhealthy economy — unhealthy in the sense that it cannot provide its people with a decent standard of living. And the reason is that no *new* dollars are flowing in: the problem is the flow of money onto the reservation, not the number of times it turns over once it's there.

Mississippi Choctaw provides a good instance of something close to my first hypothetical example. By just about any standard, the Mississippi Choctaw economy is a pretty healthy one. Just about everyone is working and the jobs are not bad. But most people do most of their shopping off the reservation, which has a low multiplier. Should they be concerned with changing that? Not necessarily. In fact, they've done pretty well without worrying about it.

This is not to say that a reservation shouldn't have a high multiplier. Other things equal (they seldom are), a high one is better than a low one. But development shouldn't focus on that, because it may distract you from the kind of analysis that says, "this project may not increase the multiplier, but it might produce a lot of jobs and income."

The other danger of focusing too much on the multiplier is that it may promote an import-substitution strategy in a situation where such a strategy makes little sense. Too much concern with the multiplier encourages economic strategists to try to reproduce on the reservation all the goods and services that are available off the reservation. That can have numerous advantages, particularly in areas where the distances are great and transportation is difficult. But it may be that some of those goods and services can be produced and made available more efficiently elsewhere. In such cases, either the tribe would have to subsidize their production in order to compete with non-reservation providers, or it would have to rely on tribal members' willingness to pay a premium for convenience and self-sufficiency. Either one may make sense to the tribe under certain conditions, but they underline the critical point: import-substitution, which tends to increase the multiplier, is not an *inherently* best strategy. It may make a lot of sense under some conditions, but under others, it may not be the best way to meet the needs of tribal members or the best way to build a viable, lasting economy.

A Robust Finding

Academics call a finding "robust" when they think it is especially well-supported, when the data produce an especially solid case. Some pretty robust findings are emerging from the research the Harvard Project has been doing, and I want to focus on one of them.

I said at the start of this talk, in response to Myth No. 1, that sovereignty is the key to economic development, not the other way around. But here I want to underline something. There are two aspects to sovereignty. One is rights and powers. Indian nations enjoy certain rights and powers, first by virtue of their inherent sovereignty, and second as a result of extended negotiations and interactions with the United States which have led to various specifications of the substance of their sovereignty.

But there is another side of sovereignty, and that is the ability to *exercise* those rights and powers effectively. Our research strongly indicates that sovereignty without the ability to exercise it effectively is a poor basis for economic development.

We work with one tribe that is among the wealthiest tribes in the country in terms of natural resources. They're loaded. But the reservation economy is a shambles. Unemployment is sky high. There are almost no viable enterprises — tribally-owned or otherwise — on the reservation. The tribe is substantially dependent on federal money to keep many of its activities going. Social problems — alcohol and suicide and other things — are matters of great concern in the reservation community. The political struggles within the tribe recurrently teeter on the edge of violence. It's a difficult situation, and has been for a long time.

But this is a sovereign Indian nation. It has a long history of battling in the courts to affirm its sovereignty. It has won a number of those battles, including some with important implications for everyone in Indian country. It has won the power — long promised but seldom delivered — to control of its own destiny. Again, it is a sovereign nation. It's resource-rich. It's people-rich. But it is hopelessly poor.

So what's the problem?

The problem is the inability of this tribe to *exercise* its power effectively. Its constitution provides a system of government in which it is extremely difficult to get anything done. Its governmental system encourages recurrent factional battles that sap the energies of the tribe's leaders and distract them from the real tasks of government. The instability in tribal government means that massive personnel changes occur overnight following the changes in administration, few good records are kept, skilled people get hired and soon throw up their hands and quit, it's difficult to keep track of the money, tribal plans change from one day to the next, leases made by the last administration are cancelled by the next, enterprises fail thanks to governmental interference, and so on.

This is hardly a promising environment for economic development. Outside investors won't invest — they don't like the risks such an environment creates. Equally important, *inside* investors — tribal members who might not have a lot of money but who do have ideas or energy or skills — won't invest either. Why should they invest when the environment is one of uncertainty, political favoritism, and instability? And as a result, the tribe gets a miniscule return on its huge resources, and its people continue to live in poverty.

There are many nations across the world — in Africa, Central and South America, Eastern Europe — that have sovereignty, that have the formal power to control their own lives and affairs, to a much greater degree than Indian nations do. But a lot of them have not found the way to *exercise* that sovereignty effectively. As a result, not only are they, in many cases, extraordinarily poor, but they are not taken seriously in the councils of the world. Not only am I unlikely to invest my money or my energy in the economy of a country with a government that is unstable, riddled with conflict, that operates at the whim of its leaders, in which my investment — of time or money or energy — is not protected, in which contracts are subject to impulsive revision, and so on, but why should I even *negotiate* with such a government? If it cannot put its own political and economic house in order, why should I take it seriously as a partner, or as an antagonist?

What really matters is not only rights and powers but the ability to put those rights and powers to work in effective, productive ways. And that involves constructing governing institutions that are capable of establishing some stability in government, that can win the support of the people for long-term strategies and for the institutions themselves, and that can get the job done. It also involves learning practical development tools — the financial and organizational nuts and bolts that much of this conference has been about.

Two Tasks

Finally, two tasks. First, on the reservations. We need to encourage people to rethink what economic development is all about. We often hear of development as "getting something going." We hear people say that tribal government "needs to get something going here." This usually means getting some businesses going. But development is more than that. Economic development is about creating productive communities. Productive of what? Of the things people want, from jobs and income to good health and self-esteem and the freedom and ability to be themselves, as individuals and as a nation or a people.

If you begin to think of development not simply as starting businesses, but as creating productive communities, then you begin to think comprehensively. You begin to think in terms of how communities work, of how they govern themselves, of how they effectively assert control of their futures, of what it takes to sustain not just jobs but good living and a healthy human environment. Then you begin to resuscitate and rebuild community relationships, invent more effective governing structures, and develop long-term strategies for economic revitalization. So one of the tasks, I think, is to encourage some rethinking — on reservations themselves — of what development is about.

Second: off the reservations. We've got to get *other* people to rethink what Indian economic development is all about, too. Yesterday Mark Schmitt[5] gave us a fascinating account of the impact that the Sycuan tribe has had with its gaming operations, not only on their own economic situation but on the surrounding non-Indian economy as well. Sycuan demonstrates an important point: economic success is a source of power. Around the country, some Indian nations are becoming major players in local and regional economies, and gaining significant political power in the process.

---

5. Mr. Schmitt, of the accounting and consulting firm McGladrey and Pullen, reported to the conference the results of the firm's study of the Sycuan tribe's gaming operation in San Diego County and its positive impact on both Sycuan and regional economies.

The most abundant evidence of this fact comes from gaming tribes, and not just Sycuan. There are a growing number of systematic studies available — from the upper Midwest, from California, from elsewhere — detailing the economic impacts that gaming has had in various regions, not only on Indian communities but on non-Indian ones: creating jobs, increasing tourism, providing new business to non-Indian vendors, expanding sales by local retailers, getting people off state welfare rolls, increased state income and sales tax receipts, and so on. This doesn't begin to include the major investments some gaming tribes are making with their profits.

Of course gaming is an easy activity to point to. The money involved is sometimes immense, it makes a big splash, and as a result it gets most of the attention — that's why these studies are being done. But what about other activities through which tribes contribute to the economies of non-Indian communities? The primary purpose of reservation economic development is to enhance the welfare of Indian nations, but it remains the case that tribes with successful economies — whether gaming is involved or not — typically become net contributors to the larger economies around them. The Choctaws in Mississippi have built a highly diversified economy and in the process have become one of the biggest employers of non-Indians in their region. They're employing non-Indians not because they don't employ Choctaws, but because there aren't enough Choctaws to fill the jobs they've created. They're importing labor. That puts them in a position of power. Non-Indians now look to the Choctaws for their economic future.

Up in Montana, the Salish and Kootenai Tribes of the Flathead Reservation have turned their own economic success, built largely on agriculture, tourism, and an active retail sector, into political power. They're a major economic and political force in the Flathead Valley. Their community college — Salish-Kootenai College — is now attracting not only their own young people but non-Indian kids as well.

One of the most striking cases is the White Mountain Apache Tribe in Arizona. The Sunrise Ski Resort on the Apache Reservation has become the mainstay of the regional

winter recreation industry. Not only does Sunrise provide jobs and income to the tribe, but it brings people and dollars into the non-reservation economy. The winter season in off-reservation towns like Pinetop and Snowflake, filled with motels and restaurants and shops, now depends, in part, on the skiers who come to Sunrise, that is, on the success of the White Mountain Apache Tribe.

Part of what makes this so important is the fact that Indian economic development depends -- I've argued -- on tribal sovereignty. Tribes that have and can exercise sovereignty are the ones most likely to be successful developers. That means they're also the ones most likely to contribute not only to their own economic well-being but to the non-reservation economy as well. The continued success of Sunrise depends on Apache sovereignty, and on how they exercise that sovereignty.

What that means in turn is that Apache sovereignty is a key to the economy on which non-Indians also depend. And this leads, as I said in a talk a couple of months ago, to a nice play on an old phrase. They used to say, "what's good for business is good for America." That's not always true, but it may well be the case that *what's good for Indian nations is good for the United States* -- or certainly for those parts of the U.S. close to Indian nations. And what's good for Indian nations is political sovereignty and the capability of exercising that sovereignty effectively. That means tribal sovereignty is good for America. America needs to know that.

That's the second task. We need more studies like the one Mark Schimitt summarized for us at lunch yesterday, and we need them not just on gaming but on the White Mountain Apaches and the Salish and Kootenai and the Mississippi Choctaws and the other tribes around the country whose assertions of sovereignty and whose economic development are having an impact beyond their own borders. And then we need to make the results to those studies known. It's part of the task of protecting the sovereignty that Indian nations have fought long and hard to keep.

So the task before us is to get the word out. At the federal level, we have to persuade the government, the courts, the public, that the best way to overcome reservation poverty is to support tribal sovereignty. The best way to perpetuate reservation poverty is to undermine tribal sovereignty. The research shows it; we need to communicate it.

At the state level, we need to make the case that successful tribes, whether in gaming or skiing or timber or manufacturing or agriculture or tourism, can make important contributions to local, regional, and state economies. The research shows it; we need to communicate it.

At the tribal level, we need to build the kinds of governing institutions that alone are capable of exercising tribal sovereignty effectively, and of sustaining long-term, *self-determined* economic development. The research shows this step is critical; now we've got to do it.

Thank you very much.