Economic Development in Indian Country: What are the Questions?

Frank Pommersheim
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Introduction

Poverty in Indian country, particularly in South Dakota, continues to be substantial. Several reservation counties, such as Shannon County on the Pine Ridge Reservation, Buffalo County on the Crow Creek Reservation, Ziebach County on the Cheyenne River Reservation, and Todd County on the Rosebud Reservation, are among the poorest in the United States.1 The per-capita incomes for the eight largest tribes in South Dakota vary from $2,166 to $2,801 and are all well below the national poverty standard.2 The percentage of these tribal populations in poverty status ranges from 28.6 percent to 54.9 percent.3 The number of individuals in these populations receiving some form of welfare assistance is exceptionally high.4 Staggering unemployment is the norm, averaging 44 percent on Indian reservations within the state.5

The specific causes of this poverty remain somewhat elusive, yet these figures speak unflinchingly of the need for economic development on the reservation. This observation is commonplace. Unfortunately, however, the content to the “answer” of economic development has not been, and is not, self-evident. Too often in the past, the question of what economic development is needed in Indian country has yielded very specific “answers,” such as the massive leasing of tribal natural resources, capital intensive manufacturing, or large-scale agribusiness ventures. These

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1. More specifically, the poorest county in the United States is Shannon County, the second poorest is Buffalo County, the fifth poorest is Ziebach County, and the eighth poorest is Todd County. BUREAU OF THE CENSUS, U.S. DEP’T OF COMMERCE, PRD #9 CAPITAL, 1979 COUNTY PER CAPITA INCOME FIGURES RELEASED BY CENSUS BUREAU FROM THE 1980 CENSUS 2 (1983).


3. Id.


“answers,” as a rule, were developed with little concern or understanding for the nature of the difficult and subtle issues involved. As a result, neither large-scale nor small ventures have yielded substantial economic growth or a deeper sense of cultural meaning.

The core of the development dilemma therefore points to the necessity of rigorously framing and analyzing the underlying questions. The issue of development must be seen as the incremental process of devising approximate answers to the “right” questions. There are no specific answers because the nature of being and culture requires individuals and groups to make the best possible choices under circumstances involving some constraint and indeterminacy. This article seeks to elucidate some of the contours of the “right” questions by examining the context, goals, and strategies of development and the deeper concerns of culture and meaning.

What Is the Context of Development?

In most scholarly writing on economic development in Indian country, broad generalizations are made with little sensitivity or attention given to tribes’ past experiences, except in noting their general lack of success. Most tribes are clearly underdeveloped by almost any definition, and the usual ways suggested to overcome underdevelopment are agricultural development, community economic development, and escape from the shackles of the “colonizer-oppressor.” Such standard approaches place the issue of economic development in a tidy framework that misapprehends

6. “Underdeveloped” is most often used in the economic sense and is equated with extensive poverty and low productivity. “Development,” on the other hand, is most often defined as a process whereby an economy’s real national income increases over a long period of time. More apt, perhaps, is the formulation of economist John Kenneth Galbraith that development is providing people a release from the acculturation of poverty and providing them with some opportunity for upward mobility. Also note Professor Galbraith’s own cautionary observation that one of the most compelling errors in social perception is the mistake in “believing that the advanced industrial countries, socialist and capitalist, are a guide and model for economic and social development of the new countries of the world.” Galbraith, Ideology and Agriculture, Harper’s Magazine, Feb. 1985, at 15.


the reality they seek to address. This initial misunderstanding of
the economic situation fatally distorts any future development pro-
ject, often in a manner that directly leads to failure. These stan-
dard approaches are only beneficial when they are employed with
a proper understanding of the particular tribal and reservation
context in which they are to apply.

The emphasis on tribal context is rooted in policy analysis con-
cepts. The development problem is too often treated as a material
entity, part of "a well structured world of unambiguous objec-
tives, mutually exclusive choice, authoritative decision making and
willing decision endurers."\(^\text{10}\) Actually, there is a more intractable
reality that "involves a staggering variety of people and organiza-
tions, all pulling, pushing and otherwise interacting with each other
in pursuit of their various interests."\(^\text{11}\) The first task, then, is to
turn this "mess" into a problem about which something construc-
tive can be done. This is not easy, but it is a fundamental necessity.

It may be possible to untangle such "messes" by focusing on
the tribal context of the people, their interactions, and the in-
stitutional settings in which these interactions take place. Con-
siderable emphasis is placed on the various entities, including, for
example, political groups, families, and community organizations
that mediate these interactions. Development efforts do not pro-
ceed with a clean slate. This on-going social reality permeates the
design of any development effort because development policies
"are not designed but redesigned as modifications of existing
policies which in turn provide foundations for policies that will
follow."\(^\text{12}\)

The assessment of past experience is therefore one element of
focus. We cannot learn from past experiences, both successes and
failures, until they are diagnosed and understood. This diagnosis
is not always readily apparent. What went wrong with past develop-
ment efforts? On the Rosebud Sioux Reservation, for example,
what actually caused the demise of Rosebud Electronics, Lakota
Products, the Sicangu Arts and Crafts Cooperative, and the per-
sistent failures of the Rosebud Sioux Tribal Ranch? Were there
failures of program design, capital resources, management exper-
tise, marketing, and/or employee motivation? What about the
forces of political devisiveness, social upheaval, and unfavorable

11. Id.
12. Id. at 12.
macroeconomic forces? Successes need the same scrutiny. Why did something go right? In much of Indian country, available data from the past is extremely limited, but such retrospective efforts that are undertaken will be quite useful. These initial forays may be primitive methodologically, but the close examination of what evidence there is may yield valuable insights.

The past not only informs the social reality that influences the making of development policy, but it also affects individuals. Past experience with development projects often shapes personal commitment. For example, any reservation-based employment training project in South Dakota must consider that many eligible individuals will have been through three or four similar programs within the previous six or seven years, such as the federal Comprehensive Employment and Training Act (CETA),\textsuperscript{13} Bureau of Indian Affairs (BIA) Employment Assistance,\textsuperscript{14} Community Action Program (C.A.P.) Employment Training,\textsuperscript{15} and South Dakota State Vocational and Technical Training.\textsuperscript{16} As the ever-increasing unemployment rates on reservations confirm, these projects have all failed because they provided good skills training but no permanent employment or, as in the case of CETA, temporary jobs with no training. The end result is the same. When the program is over, including the individual stipend or subsidy involved, the individual is still unemployed. Such experience often withers both personal enthusiasm and the work ethic. These problems must be taken into account. They are not insurmountable, but if ignored invite the likelihood of future project failures.

Raking the coals of the past is central to any competent problem analysis. "The goal is to extract from past experience some enlightening perspectives from which to redesign [rural] development. By better understanding past experience, we hope better to profit from its successes and better to avoid its mistakes."\textsuperscript{17} Retrospection alone, however, is perilous; it does not carry us forward with sufficient vision. It needs the complement of a conceptual framework for evaluating the likely long-term consequences

\textsuperscript{17} B. JOHNSTON & W. CLARK, supra note 10, at 30.
of present actions, often referred to by business managers as "assessing the futurity." Of the small number of initially successful development projects, too many eventually fail because this conceptual analysis is missing. Many good projects end because they cannot be sustained. Their resources, including human and financial capital, are not properly integrated into the development equation and are often exhausted without possibility of replacement or renewal. "The assessment of futurities is an exercise in identifying option generating and option foreclosing actions, in articulating major tradeoffs and complementarities, and generally, in appreciating some of the long term implications inherent in policy choice." 18 It is a process which seeks to thrust the lessons of the past into the future.

A strategic analysis for development also requires a method of weighing the nature and quality of present conditions for economic development in the tribal context. Such investigation and evaluation need not be cumbersome, longitudinal research. There are very real limits on the usefulness of any analysis beyond which there is only impotence and needless abstraction. The analysis must be, in economic parlance, "optimal," arraying time and resources in their most productive fashion given the nature of existing constraints. The goal is fruitful action, not extreme analytic nicety. Therefore, the most erudite or precise approach is not necessarily the best.

A reliable guideline here is simplicity. "In place of spurious pretense of comprehensive authority, we have found that analysis benefits from being 'as ruthlessly parsimonious and economical as possible while still retaining responsiveness to the management objectives and actions appropriate to the problem'." 19 The experts serve the analysis and not vice versa. The end product is a set of reliable questions whose answers form an agenda for action:

We focus first on the most intensely felt needs of the policy endurers: What is wrong with the present situation? What specific evils are most in need of mitigation? What aspects of past policies require correction? We next turn to the specific actions or interventions which policy makers and implementors believe to be potentially feasible and desirable: What actually

18. *Id.* at 31.
19. *Id.* at 31-32.
might be done? What resources are available? What political coalitions are needed and possible? Finally, we proceed to mobilize the small subset of expert knowledge or experience which is necessary to establish relationships between the implementors’ action and the endurers’ needs. To be sure, things are left out of such an analysis. Optimal prescriptions are not even aspired to; the modest hope is to find something merely better; with luck and cunning, the exercise has been known to produce insights and progress. 20

The goal is not to eliminate uncertainty but to more successfully contain and accommodate it. “In practiced terms, this means using the best analysis and knowledge that we can muster to help policy makers to see a little further ahead, to comprehend a few more interactions, and to avoid some of the truly disastrous and irreversible mistakes to which development is prone.” 21 The goal is to minimize error and to maximize successful adaptation; to move forward to reduce the ravages of poverty and stasis.

**What Are the Goals of Development?**

The goals of development often appear self-evident, even facile. Development means economic growth, more jobs, a better standard of living. Yet the empirical results, particularly from the developing nations, are dismaying. Economic growth in certain segments of a society may actually further depress the income of the poorest class. Economic growth, ironically, may eliminate jobs for the poor. Untrammeled economic growth often increases, rather than decreases, income disparities. 22 Significant economic growth, particularly in the rural areas, often simply does not occur. 23 In many developing countries, these national experiences have been quite painful. As a result, there has been a substantial revision of development policy.

The most consistent articulation of this rethinking emphasizes four objectives: (1) self-sustaining, cumulative economic growth; (2) expanding employment; (3) reducing poverty; and (4) slowing population growth. These objectives are often dislodged in practice by competing interests with more political clout, or by powerful macroeconomic forces that are too pervasive and too powerful.

20. *Id.* at 32.
21. *Id.* at 35.
for localized projects to overcome. Therefore, in many cases, these four goals are unrealized. Nevertheless, they suggest a rich benchmark for measuring comparable efforts in Indian country.

The development literature about Indian country is not extensive. The most comprehensive economic development manual flatly asserts that "tribes have found it difficult deciding where to start and how to proceed in developing their economies. They have no appropriate economic development theories or practical guides that tribal leaders have found helpful."24 The authors conclude that tribes can wait no longer for private initiative to play the pivotal role in reservation economic development. Tribal leadership must take the initiative. It must institute central economic planning at the tribal level which spells out a logical sequence of direct interventions designed to stimulate and support income and job generating activities on the reservation. Tribes must manage and nurture growth on their own reservations, by combining public sector and private sector involvement.25

Who Is the Beneficiary of Development?

A central issue is who is to be the prime beneficiary of reservation economic activity—the tribe or individual tribal members? This question has important implications. In most instances, especially in South Dakota, tribal governments themselves are greatly impoverished. They have no independent revenues except from minor tribal ventures and, in the case of the Rosebud Sioux Tribe, the Oglala Sioux Tribe, and the Cheyenne River Sioux Tribe, a joint sales tax administered and shared with the state.26 These

24. S. HABERFELD, R. POSNER, L. LEE & B. DEVAN, supra note 8, at 1-1.
25. Id. at 1-2.
26. These state tax agreements represent a cooperative effort by the tribes and the state to administer, collect, and share sales tax revenues rather than to impose separate sales taxes and raise the difficult legal questions of their applicability to Indians and non-Indians, and the administrative complexity of collection and accounting. In the case of the Rosebud Sioux Tribe, the agreement calls for 75 percent of the revenue to be provided to the tribe and 25 percent to the state. In the case of the Oglala Sioux Tribe, the agreement calls for 83 percent of the revenue to be provided to the tribe and 17 percent to the state. In the case of the Cheyenne River Sioux Tribe, the agreement calls for a 50-50 split. These different figures are based on estimates of the percentage of commercial trade volume engaged in by each segment of the population. The state also charges 1 percent for administrative costs. For the period July 1983 to June 1984, these agreements yielded $404,662 in revenue for the Rosebud Sioux Tribe, $238,817 in revenue for the Oglala Sioux Tribe, and $398,672 in revenue for the Cheyenne River Sioux Tribe. Interview with Don Lewis, Acting Director, University of South Dakota Research Bureau (Jan. 10, 1985).
revenues are only a small part of the tribes' budget funds, which are almost totally derived from federal grant monies and Bureau of Indian Affairs allocations. These funds are "soft" because they rest on largely discretionary decisions made by Congress and the federal bureaucracy and are therefore almost totally unreviewable. The tribes are also greatly restricted in how this money may be spent. As a result, the tribes possess little disposable income and an even smaller say over how it is disbursed. Therefore, many argue that development must focus on the tribes. They further argue that as the tribes develop new revenue, they will be able to invest this income in other employment and income-generating ventures on the reservation. Given that no South Dakota tribe has any broad taxing schemes in place, increased employment alone will not do much to increase tribal revenues.

Supporters of this appraisal often add that economic development must focus on the tribe because the tribe, despite its penurious state, is the primary and perhaps the sole entity capable of generating substantial income-producing activity on the reservation. The tribe controls so many of the development variables that it must be the principal agent or catalyst in the development process. It also greatly shapes the institutional settings and structural prerequisites that are necessary for development to take root.

Others contend that the tribe itself hinders any meaningful advance, and therefore development must occur outside its direct purview or influence. Tribal impediments to progress include jurisdictional uncertainty, tribal government instability and interference, underdeveloped support institutions, and an ethos of venality. Private and traditional efforts must therefore predominate. Yet clearly, with rare exceptions, the tribe cannot be completely shut out of the development process.

It is instructive to sort out the tribe's possible roles. These roles are essentially threefold: (1) the tribe as the principal actor in development efforts; (2) the tribe as catalyst or supporter of private efforts; and (3) the tribe as the regulator and monitor of a positive

27. For example, the 1983 budget of the Rosebud Sioux Tribe provides for a total budget in excess of $4 million with less than $700,000 in nonfederal revenue. Interview with Charles White Pipe, Treasurer, Rosebud Sioux Tribe (Nov. 15, 1984).

28. All BIA and other federal agency funding must be spent in strict accordance with applicable federal regulations. Under no circumstances may such monies be deposited in a tribe's unrestricted account or general fund. Id.

development environment. These roles are not necessarily mutually exclusive, but they do represent discrete lines of inquiry. What are some of the major requirements for development to occur? They include social and physical infrastructure, economic institutions, productive or trainable labor, reliable and enforceable “rules of the game,” and access to capital. Two of these, infrastructure and the “rules of the game,” are completely within the areas of tribal authority and responsibility. The others are less so and often constitute the heart of private endeavor.

At a minimum, any meaningful development attempt must have tribal support to provide the physical infrastructure such as roads, water, and energy supplies. This is not a serious problem on the reservations in South Dakota. The question of administrative infrastructure is more troublesome. Most tribes do not possess either the personnel or the institutional expertise to discharge complex administrative functions that accompany technically complicated development projects. They also often lack the legal apparatus necessary to decide and to enforce complex commercial transactions. This lack is often exacerbated by jurisdictional uncertainty over what the tribes’ actual powers are. Administrative deficiency is a delicate problem, but one that must be faced. Tribes must honestly confront their present shortcomings and develop accordingly, most likely in small, incremental fashion.

Although it is easy to make sweeping pronouncements about what tribal governments must do to aid development, it is largely ineffective and pointless to do so. Blanket pronouncements have been made, but most are arrogant and utopian:

Tribal business entities cannot be anything other than profit oriented organizations designed to further tribal economic goals. . . . Tribal codes must be revised to assure tribal courts jurisdiction over claims of non-member persons and entities, to assure competent professionalism in adjudication of commercial claims and to provide a range of remedies appropriate for enactment of judgments obtained in tribal courts, including means of appeal, garnishment, attachment, foreclosure sale, and the like.31

30. Tribal courts in South Dakota have almost no established civil law governing complex commercial transactions or disputes. As a result, there is little experience or established tribal precedent in this area.
31. Ickes, supra note 7, at 516.
Such imperatives are very costly and require substantial institution building, personnel training, and political commitment. To think that such a transformation, although urged by an expert, is possible within less than a decade or two, belies any understanding of the nature of tribal history, culture, and politics. Tribes must undertake what they are capable of, not the utopia of many experts. The experience of developing countries is instructive.

A long standing complaint in developing countries has been the relative ease of getting "good" policy advice, but the subsequent difficulties in implementing the recommended policies. Separating policy analysis in this way from policy implementation is simply wrong. Policy analysis must evaluate the capacity to implement and manage the policy on a daily basis.32

Outside expertise has a role, but only when it has both feet planted firmly on the ground, seeing that development must begin from where the tribes currently are. The expert must be committed to the hard slog to make things work without recourse to incantation.

When the tribe becomes involved in development projects, other considerations arise besides the normal ones of raising capital, gaining managerial expertise, and establishing sustainability. Bedeviling issues often predominate, such as political considerations in hiring, maximizing employment opportunities, and dealing with the inadequate segregation of governmental and proprietary functions. Tribes are under terrific pressure to alleviate unemployment; as a result, there is often emphasis on maximizing employment without sufficient concern for profitability and sustainability. This pressure is often intensified because development projects present one of the few opportunities for political patronage and compliance with the cultural pattern of hiring members of one's extended family (or tiyospaye). Dealing with these forces mandates a careful analysis of tribal-run development efforts. Such problems are not grounds for writing off tribal projects as unworkable from the start, but these issues, when they apply, must be adequately addressed to ensure success. For example, it is by no means impossible to design tribal development projects that seek to achieve optimal employment levels that accord with economic principles of profitability and sustainability.33

33. "Optimal" is used here in the economic sense that means to allow for the most efficient use of resources, including labor, in order to achieve the profit necessary to sus-
It is also possible, as many tribes have done, to adopt hiring and selection criteria that minimize harmful nepotism.

Many tribal governments, particularly in South Dakota, have only recently, that is, within the last fifteen years, become directly involved in economic development. Therefore, they often lack experience in distinguishing their governmental from their proprietary functions. The blurring of this distinction often causes the tribe, acting in its governmental capacity, to intervene directly in and even legislatively terminate a particular project without understanding that the business venture is proprietary and must be regulated independent of direct control by the governing body. For those tribes that function with constitutions and corporate charters adopted pursuant to the Indian Reorganization Act, a more exacting use and understanding of the function of these documents and processes would be extremely beneficial.

The tribe itself is the primary entity that determines the environment for development on the reservation. In this respect, the tribe must strive to reduce uncertainty about the laws that business ventures will encounter in tribal court and to guarantee insulation from direct political interference. This is true for both tribally and nontribally controlled efforts. Tribes are also in a position to develop, as a matter of public policy, a program of incentives that would secure the willingness of indigenous and outside entities to engage in development efforts on the reservation. This could include technical assistance, tax advantages, abundant labor, a nonunionized workplace, and the opportunity to serve and advance the aspirations of Native Americans. Note, however, that with the exception of the first and last items, the incentive package is identical to the aggressively and successfully marketed package of the state of South Dakota.

Development is, ultimately, competition over scarce resources, and tribes must carefully analyze where their competitive edge might lie.

The role of the tribe in development is, finally, a question of public policy. The tribe must identify the role it regards as most fruitful in furthering development objectives and that accords with its current resources and capabilities. The discussion above sug-

gests the range of options and a framework for evaluating their feasibility in a particular context. Everyone reaches for the moon, but it is a deeper, more restrained wisdom that settles on attainable but worthwhile goals.

What Is the Dialectic of Goals?

Having considered the possible roles of tribal government in the development process, the overriding question remains: what are the specific objectives of development on the reservation? These objectives are most singularly identified in the word “jobs.” This is not surprising given the devastating unemployment that exists on many reservations. Yet such a narrow and often unexamined focus is nearsighted. Reducing rampant unemployment must be a cornerstone concern, but ironically a blind commitment to jobs alone will not significantly alter unemployment rates, especially in the long run. Attacking unemployment takes more than jobs.

Other underlying elements, such as the sustainability of the venture, the wage and skill structure of the new jobs, and the nature of the unemployed population, must be examined in order to gauge the true impact of any proposed project. The CETA program is a textbook example. It purported to be a comprehensive employment training program designed to train individuals already in the workforce to upgrade their skills and enhance employability. This assumed that there were jobs available and that the only thing many individuals needed was training. Yet on most reservations, particularly in South Dakota, this was not and is not the case. Jobs do not exist on the reservation and “training” people makes no real sense unless there is a component in the program that creates jobs. Job training per se cannot significantly reduce unemployment on the reservation.

The creation of new employment opportunities requires new economic endeavor and growth. These economic endeavors, however, must be sustainable; that is, they must reasonably address economic opportunity in such a way that they fulfill continuing needs and are completely and permanently integrated into the economy. For example, a company is willing to locate on the reservation because it has a contract with the tribe to build forty houses and to employ qualified local people. What is the likelihood that the company will stay on the reservation after it completes the contract? Is there enough construction activity on or near the reservation so that the company can be competitive and continue to perform its services? If not, the opportunity will be a one-shot
deal, not to be rejected or scorned, but not to be confused with true economic development.

The creation of jobs also raises questions about the wage and skill levels of the new jobs. Is the skill requirement, whether entry level or advanced, within the reach of an appropriate number of the unemployed? Is the proposed wage and wage structure sufficient incentive to attract enough qualified workers? In economic terms, what do the supply and demand curves and resulting equilibrium wage look like?

In order to create or to attract economic activity on the reservation, it is necessary to have an idea of the characteristics of the unemployed. It is not sufficient to know only that there are a lot of them. What are their characteristics in terms of sex, age, education, job experience, job skills, and work history? What are the employment opportunities that are best suited for this particular group or any subgroup of individuals? What are the cultural attitudes, if any, that might affect receptivity or adaptability to particular kinds of employment? As a general rule, there is very little particularized information that describes these characteristics among the unemployed on the reservation. Such research, undertaken by the tribes or the community colleges on the reservation, would greatly enhance the chance of attracting development projects and enhancing their chances for success. The tribe would be in a better position to identify opportunities that best match the potential work force; the better the "match" the more likely the success.

Development literature from the Third World places great emphasis on these issues. Development must involve substantial economic growth and a steadily increasing number of jobs. The issue of jobs, particularly in the rural countryside, is, however, more easily focused on traditional agricultural pursuits and other off-farm employment. There is also concern about the often complex interrelationship between economic growth, employment, and the alleviation of poverty. Both economic growth and employment can yield skewed results that ultimately have very little impact on eradicating poverty. 36 This is so because the benefits of development, even where tightly structured, are often captured by local elites, 37 or are not equitably distributed, or are otherwise

misallocated. As a result, employment opportunities go to those who are already marginally employed or to those who are in favor with the local power structure. The poorest of the poor, mostly women and other discriminated-against minorities, are ignored.

These factors point to the necessity of reviewing the nature and incidence of poverty on the reservation, not in terms of raw numbers, which are readily available, but in terms of sex, blood quantum, and rural or town residence. Such a review will ensure that development efforts do not leave out significant segments of the population. These choices are not easy to make, and they raise questions of great moral and pragmatic difficulty: who should be helped and why? The answers are not always certain, but the imperative to confront these disturbing questions is unavoidable.

The final element drawn from the Third World comparison is population. Such discussions are often fraught with racial and cultural biases. Experts who proclaim the necessity of sharp reversals in personal, cultural, and philosophical beliefs are both insensitive and ethnocentric. In the reservation context, population questions are seldom asked; the most relevant would seem to be what level of development will sustain current and future generations in accordance with their material and cultural needs?

The braid of development has many strands: the rich interweave of sustainable economic growth, increased numbers of jobs, the alleviation of poverty, and concern for population suggests an innovative design that only the tribes and Indian people can refine and complete.

What Is the Strategy of Development?

The capstone issue is, of course, what is the most effective means or strategy to achieve the goals of development once these goals are clearly articulated and understood? It is not enough to assume that laudable goals automatically lead to successful implementation. The rigorous formulation of goals is a necessary but not sufficient condition for development to occur. There is no single, magic strategy to pull the silver lining from the black clouds. Nevertheless, there are some broad questions to examine in order to devise the best possible strategy under a given set of particularized conditions and constraints.

Effective development presupposes and requires efficient organization capable of performing the core tasks of choosing, allocating, motivating, and linking all aspects of analysis and planning. The most accurate view of the process comes from the field of policy analysis, which holds that
effective organization does not spring full blown from the brows of policy makers or analysts. Rather, it is an organic entity, growing and developing over time. The development of organization involves the obvious growth in infrastructure and administrative skills, plus a less evident change in cultural values and expectations. The result is a complex, dynamic system of linkages which is only partially understood at any given time by the people it unites in programs of social action.\textsuperscript{38}

This overarching claim requires close analysis to determine its effective application within the development equation. The number of important variables that might be extracted from such an equation is quite large. This analysis chooses the following as most important: organization of the poor, attractiveness of benefits, harmony of objectives, and simplicity of means.\textsuperscript{39}

Development schemes have traditionally been imposed on the poor, and the results have been negligible. There is no single creed of how to work with the poor, but there are some salient reminders of what not to do. The poor are not idly waiting to be organized. They are already organized, however imperfectly. No ideology about a top-down or a bottom-up approach is particularly helpful. The key lies in greater sensitivity to the ongoing social realities in which the poor operate.

Efforts to organize the rural poor are in reality efforts to reorganize, to create new patterns of linkage different from the old ones that already bind them. Effective policies for reorganization begin with a recognition of what the existing linkages are, and how they affect the well being of the poor.\textsuperscript{40}

This observation is almost self-evident but is seldom followed in practice, particularly in the reservation setting. The ties of the poor are primarily personal and to family, \textit{tiyospaye}, and community; the poor are often only very obliquely attached to the formal structure of the tribe itself. These ties are the source of aid, protection, support, and reciprocity and are quite different from contemporary organizations where the primary bond is based on commonly held interests in specific goals. As noted in discussing the developing world, interest group organization “involves different

\textsuperscript{38} Id. at 160-61.
\textsuperscript{39} Id. at 173-82.
\textsuperscript{40} Id. at 166.
kinds of action, for different purposes, by people in different relationships with each other, from the kinds of action, purpose, and relationship enshrined in traditional cooperative society." The poor are also too often characterized as "The People," although they actually have different and competing social and economic interests and personal loyalties. A primary task of the planner is to design local organizations that link rural people with one another and with the larger social system, and to design support organizations to help them in their problem-solving efforts.

The goal of organization is clear: to secure the necessary involvement and participation of the poor. The final question then becomes under what circumstances will there be the most productive participation? The most viable approach integrates three crucial variables: attractiveness of benefits, harmony of objectives, and simplicity of means. This integration depends on viewing the poor and unemployed as investors. Time, energy, and freedom from certain obligations are the resources the poor possess. The poor must be understood as rational decision makers. They invest their participation when they believe it will secure them valuable benefits not otherwise available at comparable cost, time, and risk.

In Indian country, the most deeply felt need is that of employment. There is little doubt about it, yet it should never be assumed in advance, and it must be identified anew in each situation. This need must become the basis for concerted action. In the employment area, the attractiveness of the jobs in terms of salary, skill level, permanency, working conditions, and meaningfulness will all strongly color the amount and quality of local participation. It is also important to emphasize that the perception of the attractiveness of a job opportunity is not from an objective-in view, but from a more subjective (but not irrational) inside-out view. For example, the attractiveness of accepting some part-time employment is often overcome by the perception that such participation will result in the automatic loss of other benefits such as welfare, Social Security, or Supplemental Security Income (SSI) payments. Where this is true, either the law or the approach must be changed. The organizational goal must be to minimize the perception of risk and to maximize the perception of tangible rewards.

41. Id.
42. Id. at 168-69.
43. Id. at 172.
44. For a description, see supra text under "What is the Dialectic of Goals?"
45. 42 U.S.C §§ 1381-1394 (1982).
The concept of the harmony of objectives is deceptively simple. This is especially true on the reservation. Jobs are the primary objective, and there would not seem to be any potentially conflicting objectives. Yet in any condition of scarcity, the decision to do one thing means a decision not to do another thing. For example, what kind of job opportunities should be pursued and should they be pursued at the expense of human services programs designed to treat health and social issues? In addition, there is potential conflict in the design and application of selection criteria for employment, unless they are fair and are equitably administered. What are the selection criteria to be, especially when the jobs do not have great skill requirements—age, sex, degree of poverty, blood quantum, residence? First come, first served? Lottery? Without equity and harmony in this area, the best designed project could end in wrangling and bitter strife among the most needy.

The third element involves the simplicity of means. This simplicity focuses on the nature of the rules, structure, and decision making within the organization. It requires program designers to use a combination of techniques that match effectively with the size, communality, and other requirements of a particular local situation. The organizational structure must have the best possible fit to existing social contours. The "fit" is more a matter of art than of science, more craft than computer. Simplicity is not always easy to attain, but it is a vital component of any successful strategy. Far too many worthwhile projects have been crushed under the weight of extensive but probably unnecessary bureaucratic paperwork and regulatory record-keeping.

Strategy must be a function of goals and circumstances—a problem-solving plan that grows organically from the people and their aspirations, their resources and limitations. No methodology or superstructure should be imported whole. A broad range of organizational structures are available to tribes, groups, and individuals, including the appropriate legal structures ranging from joint ventures to nonprofit cooperatives. The key to choosing the proper structure is to creatively merge any generalized approach into a specific tribal context.

A necessary element of any such strategy, beyond immediate goals such as generating income and employment, is the exten-

46. See Giago, "Notes From Indian County," Lakota Times, Nov. 21, 1984, at 2, col. 2.
47. B. JOHNSTON & W. CLARK, supra note 10, at 182.
sion of individual and group capacity, thereby reducing dependency and advancing autonomy and self-determination. For example, in order to increase tribal management and technical capabilities, tribes should not lease tribal natural resources or accept sweeping personal services contracts that do not permit the tribe to actively participate in the venture.

On most reservations, access to information about the diverse development strategies devised and implemented by indigenous people around the world is simply not available. As a result, a deep sense of isolation often exists. The development effort might therefore aim to increase the international exchange of development ideas and strategies, both new and old. For example, what are the rural people of Tanzania and the small businessmen of Taiwan doing to improve their situation, and how might these efforts relate to Indian country? What are the communal, culturally intact Hutterite communities of South Dakota doing? This kind of project would not be expensive and could be easily undertaken by community colleges or other educational institutions on the reservations.

Strategy is the final step in the development process, not the entire process. The focus here is on developing strategy once the material prerequisites for development have been achieved and the analysis of tribal conditions and goals is completed. Strategy is both an end and a beginning. Attempts to change what things are done must be accompanied by changes in how things are done.

There is also a final cautionary note. In pursuing economic development, one might conclude that development efforts are to replace or supersede what has been variously described as consumption (as opposed to production) human services, or social welfare programs. This is not the case. These programs, which include various health, nutrition, and social services activities, are a valuable, necessary complement to development efforts. They provide some jobs but, more important, they seek to advance the well-being of individuals. By improving the health and nutrition standards of tribal members, these programs increase the individual's ability to participate in the development process.

One of the most pernicious effects of poverty is that it debilitates some individuals physically and psychologically to such a degree that they are effectively foreclosed from participating in develop-

49. B. JOHNSTON & W. CLARK, supra note 10, at 155.
ment efforts when they occur. Human services programs are a vital adjunct to economic development in limiting this debilitation and in ensuring that everyone has the opportunity to participate. Given the endemic shortage of resources, financial and otherwise, the challenge is to strike a fertile balance between the mutually supportive and reinforcing efforts that involve both consumption and production programs.

Development, Culture, and Meaning: The Deeper Questions

No discussion in this area is complete without a review of the deeper questions about the nature of exchange and the moral foundation of development and economic activity. Economic activity in Indian country is often characterized as a “must” with little attention paid to the implications for personal and cultural meaning, that aspect of life captured by the saying that “man does not live by bread alone.”

Development activity is almost always completely premised on the assumed value of economic growth, increased income, and the cash nexus. Increased income augments purchasing power and the ability to get the material things one needs for one’s self and one’s family. This adds to the material well-being of both the individual and the community. Yet this kind of commodity exchange is not inevitable or exclusive, notwithstanding the overriding presumption to the contrary. It is this very presumption that disturbs many people in Indian country because it seems to mean a further walk down that non-Indian road that leads to assimilation and “civilization.” In other words, to many Indians, it is to cultural ruin.

Traditional Western ideas of economic transfer recognize the possibility of creating some kind of bond in the exchange. Commodity exchange creates the most meager of connections. Traditional societies throughout the world have seen exchange in a much broader context. It is a context in which things are not bought and sold but are given as gifts according to special rules for exchange.50 Bestowing these gifts not only creates economic bonds, it creates bonds of a psychological, social, and spiritual nature.

If we take the synthetic power of gifts, which establish and maintain the bonds of affection between friends, lovers, and comrades, and if we add to these a circulation wider than a binary

give-and-take, we shall soon derive society, or at least those societies — family, guild, fraternity, sorority, band, community — that cohere through faithfulness and gratitude. While gifts are marked by motion and momentum at the level of the individual, gift exchange at the level of the group offers equilibrium and coherence, a kind of anarchist stability. We can also say, to put the point conversely, that in a group that derives its cohesion from a circulation of gifts the conversion of gifts to commodities will have the effect of fragmenting the group, or even destroying it.\footnote{51. L. HYDE, THE GIFT 74-75 (1983).}

This system, or the remnants thereof, is cause to reflect on the nature of exchange implicit in economic development theories.

Many tribal groups circulate a large portion of their material wealth as gifts. Tribesmen are typically enjoined from buying and selling food, for example; even though there may be a strong sense of "mine and thine", food is always given as a gift and the transaction is governed by the ethics of gift exchange, not those of barter or cash purchase. Not surprisingly, people live differently who treat a portion of their wealth as a gift. To begin with, unlike the sale of a commodity, the giving of a gift tends to establish a relationship between the parties involved. Furthermore, when gifts circulate within a group, their commerce leaves a series of interconnected relationships in its wake, and a kind of decentralized cohesion emerges.\footnote{52. Id. at xiv.}

This perception of exchange is relevant in Indian country, at least on the reservations in South Dakota. All important events are characterized by the sharing of food, such as the traditional ceremonies, wakes, namings, and powwows, and even the visit of an Indian Law class to tribal court.\footnote{53. In the fall of 1984, I took my Indian Law class to visit the Rosebud Sioux Tribal Court. The court staff provided a special meal for the class at the courthouse. The vice-president of the tribe welcomed the class and said a traditional prayer over the meal. Many of the students found this an unexpected and powerful experience.}

This kind of exchange is further amplified by the traditional Lakota "give-away," which celebrates or commemorates births, marriages, graduations, namings, and deaths by the distribution of gifts such as horses, quilts, blankets, pots and pans, footlockers, and cigarettes to all present. The give-away creates bonds that
are traceable to both exterior and invisible economies of the community and spirit.

The give-away reflects a desire for cooperation and sharing to permeate the economic sphere. Although it may not achieve this goal completely on the reservation, its practice is more than mere nostalgia. It illustrates a profound ambivalence about the economic development ethos that values production and acquisition. There is something to be said for both materialistic and intangible economic systems. There is no easy answer to this dilemma for planners, but it is important to acknowledge the possibility of economic development that takes gift-giving or some variation of it as its model.

Such a development model must encounter the harsh realities of poverty and dependence, but the exchange of complementary efforts should enhance the chances for cross-fertilization and success in economic progress. Development may proceed along other than a monocultural path. So little is known about what actually works in the development field that a well-conceived plan that draws on the best of the old and the new, the indigenous and the imported, offers the best hope for advancement and accomplishment.

Development discussions are often couched in technical jargon from the fields of politics, economics, and technology that seems detached from the day-to-day lives of the people who are to be benefited. Development emphasizes economic growth and income enhancement as worthy means to defeat poverty. If life were that simple, it could be left at that. Unfortunately, individual and social life is not that tidy. Economic questions are inextricably entwined with social and moral questions. The organization of economic life in any society inevitably touches on the fundamental issue of cultural meaning. How does the pursuit of development affect communities and individuals at this level of meaning?

Much of this discussion is hidden in ideology. In the Third World, there is the ubiquitous clash between socialism and capitalism and their respective economic and political claims. In Indian country, the clash is less pronounced. Although there is no clear ideological opposition to the dominant theme of capitalist development, an undertow of opposition and resistance is present all the same. It is therefore instructive to examine some issues

54. P. BERGER, supra note 22, at 246-47.
that development raises beyond the question of improving economic performance.

Development means substantial change and, as a general matter, that change can be continuous or discontinuous with an individual's personal and social past. Part of this change is institutional, but any change of such magnitude finally takes root in the individual at the level of consciousness and meaning. There is no doubt that capitalist development pushes individuality, the profit motive, and the accumulation of wealth. In contrast, traditional Lakota values involve the importance of the group, noneconomic bonds, and the sharing of wealth. This formulation is a typology that suggests the kind of tension that issues of development raise in Indian country. This is not meant to suggest a fixed reality but rather the end points of a continuum on which individuals and communities are arrayed at different points all along the continuum. It is not a simple question of one or the other, but rather many shades and blends of both. This is the complex reality that development must confront.

There is, as always, no easy answer to this problem, but there are some signposts for guidance. Development work must concern itself with a "calculus of meaning" that realizes "all material development is, in the end, futile unless it serves to enhance the meanings by which human beings live. This is why it is so important to be careful about riding roughshod over traditional values and institutions." The calculus of meaning finds a necessary complement in the notion of "cognitive respect," which involves "a recognition that no outsider, including the outsider who possesses power, is in a position to 'know better' when it comes to the finalities of other people's lives." Economic planning and development can only be successful if there is an authentic commitment to understand history, culture, and individuals and communities at the grass-roots level.

Such an investment in time and dedication is generally not part of the development cost/benefit analysis, and it is also beyond what is provided by most experts and lending institutions. This shortcoming is rarely identified in the literature, which seldom concerns itself with deficits in the community of experts. Development involves reexamination and self-scrutiny by all participants in the development process, including those who do not engage

55. Id. at 244.
56. Id. at 247-48.
regularly in professional soul-searching and who do not have to suffer the adverse consequences of their failure to do so.

The burdens of development may seem impossible to surmount, but they are not. Development *is* the paramount world issue in the latter part of the twentieth century, and this is no less true in Indian country. The questions of development often refer to complex historical, institutional, and cultural forces, but the *answers* lie with people.

Ultimately, development is about neither numbers nor solutions; rather it is about people. Our bias for hope derives from our inclination to see people not only as the ends of development programs but also as the means for these programs' effective implementation. . . . [P]eople viewed as problem solving agents capable of acquiring increased competence and confidence, constitute a uniquely abundant and self-renewing resource. The very real prospect of exploiting this unique resource more broadly and effectively is among the most cogent and underrated justifications for hope.57

In economic development planning, we must be guided, not by claims of theoretical perfection, but by a deep commitment to do the best we can in actual tribal situations. This is a commitment that is wisely tempered by compassion and humility.
