



FRAMING THE DISCUSSION

Several years ago, a tribal citizen-entrepreneur relocated her fledgling off-reservation company back home to her rural tribal community, eager to provide jobs and internships to her fellow citizens where such opportunities were typically hard to come by. Overcoming a lack of ready-made manufacturing space and poor roads that made it difficult to transport her products to other markets, her company quickly grew, employing several tribal citizens, mentoring tribal youth through business internships, and fulfilling supply contracts with other Native-owned businesses and Tribal Nations across the country. However, despite her company's track record, competitive prices, and persistent outreach, local Tribal Nations refused to do business with her, instead going outside their reservations to contract with non-Native vendors for the products they needed for their casino and hotel operations.

Many readers of this toolkit likely have witnessed or heard similar stories involving your or other Tribal Nations. Stories of squandered opportunities to foster tribal commerce and long-term economic growth due to any number of reasons – lack of foresight, poor institutional readiness, **turfism**, social distrust, **political factionalism**, or some other unhealthy dynamic. Such stories are commonly found among shortsighted, incomplete, and ineffective approaches to tribal economy building. These approaches inevitably fail to achieve Tribal Nations' dreams of vibrant economies and flourishing communities because they typically:

- (1) cling to the false notion, fueled by federal policies, that it is the tribal government's job *alone* to build and sustain a tribal economy²;
- (2) ignore, minimize, or suppress the many important economic contributions tribal citizens can and should make; and/or
- (3) fail to recognize and revitalize traditional tribal values and institutions that focused on local commerce³ and the *interdependence* of the nation's economic activities as the lifeblood of a thriving, resilient economy.

These approaches affirm that if Tribal Nations are to rebuild thriving, resilient economies, they must do so from the *bottom up* and the *inside out*. They must expand and *interconnect* the various economic activities taking place *within* and around their communities to create an economic whole "greater than the sum of its parts."⁴ They must regenerate vibrant systems of community-based commerce that once sustained their ancestors

"We need to create an entrepreneurial ecosystem – a commercial class. Tribal leaders need to act as messengers and help instill a 'Buy Native' ethic and mindset with family and community members."

– Penny Gage, Managing Director, Launch Alaska¹

and their ways of life, systems that depend on the many valued contributions of community members. Simply put, they must once again fully embrace a time-tested and enduring Indigenous economic principle: *integration*.

Tribal Nations' push to diversify their economic activities into new sectors (alternative energy, utilities, industrial hemp, specialized healthcare, etc.) is a step in the integration direction, but it is only a first step. They must build formal strategies into their strategic plans and institutional ecosystems that structure and drive integration between and among tribal government, tribal departments, tribal enterprises, citizen-owned small businesses, community development and non-profit organizations, and local consumers. For example, a growing number of Tribal Nations are deploying "vertical integration"⁵ strategies mandating that the enterprises they own do business with one another, while some are working to create "**economies of scope**"⁶ featuring commercial hubs in which tribal enterprises and citizen-owned businesses are co-located, creating easy access for local consumers to the various goods and services they need and desire.

To maximize the benefits of such integration and the tribal commerce it fosters, Tribal Nations must commit to, among other things: (1) systematically breaking down the tribal **silos** that have long fragmented their economy-building efforts⁷, and (2) methodically cultivating a robust mix of locally needed citizen-owned small businesses that exponentially grow commercial activity and increase the "**multiplier effect**" by retaining and recirculating dollars much longer in tribal communities, which is vital to fostering individual and communal prosperity over the long run.⁸

TRIBAL SNAPSHOTS



MEADOW LAKE TRIBAL COUNCIL (MLTC)

MLTC is an intertribal council composed of nine First Nations in Saskatchewan, Canada.¹ Formed in 1986 to pool its member nations' resources to develop joint business ventures, MLTC's purpose is to "stimulate economic growth" in its communities and "encourage an entrepreneurial spirit among our people."² Early on, MLTC crafted a 20-year development plan centered on "sharing the benefits of economic development, developing 'on-reserve' or community employment, and achieving First Nation self-sufficiency and self-reliance,"³ with income and employment equality for its people compared to the rest of the region as a key marker of progress.⁴ To advance its plan, MLTC devised its "anchor business" strategy in which the Council launched enterprises in forestry, tourism, energy, and food sovereignty. Those enterprises then prioritized doing business with smaller, "satellite" businesses established by its member nations and their citizens, thereby "bringing long-lasting economic activities and benefits."⁵ To do this, MLTC trained citizens from its member nations to start small businesses to service its enterprises, and launched an incubation center to support business start-ups as well as an equity contribution program to help finance them.⁶ In forestry, for example, MLTC encouraged citizen-entrepreneurs to start businesses to provide its lumber enterprise with goods and services such as catering, log hauling, and chainsaw repair.⁷ This integrated approach has paid dividends, from increasing local jobs to keeping more dollars circulating longer within MLTC communities, maximizing their impact. Over its first five years, MLTC helped launch more than 60 citizen-owned businesses.⁸ Meanwhile, over its first decade, employment and income growth among its people far outpaced the regional population at-large.⁹ Today, MLTC operates an array of successful businesses, with a "significant portion of the money" it spends "staying within our communities."¹⁰ MLTC's enterprises follow an "Indigenous-first" procurement policy prioritizing First Nation- and First Nation citizen-owned businesses, and MLTC has adopted a "non-compete" policy that gives its member nations first crack at any new business opportunities.¹¹

LEARNING LINK: <http://www.ncai.org/resources/econtoolkit/INTEGRATION>

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YAKAMA NATION

In the early 2000s, Yakama Nation relied solely on outside utility companies to provide power to tribal government, tribal businesses, and reservation residents – a situation that produced "no value" for the Yakama people.¹ Yakama had little say in where and how power was delivered, tribal members had to pay excessive rates for electricity, and few tribal members had ever been employed by the utility companies.² Those companies also did not spend a dime of their revenues on the reservation.³ Seeking to "control more of [our] destiny," the Nation established Yakama Power (YP) to provide "better service and benefits" to its people, with an emphasis on expanding tribal jurisdiction, providing electricity to the entire reservation, and creating high-paying jobs for tribal members.⁴ Understanding it would take YP several years to train its highly-skilled tribal workforce and turn a profit, the Tribal Council took a patient approach, ensuring the company's sustainability through grants, loans, settlement agreements, and power purchases.⁵ Serving 132 customers when it launched in 2006, today YP provides electricity to 4,000 customers. Of YP's 29 employees, 25 are Native (including 19 Yakama members), and it features two all-Native line crews.⁶ YP also embraces a buy-from-your-own approach, using the Tribal Transportation Program and other tribal subcontractors for construction jobs, and purchasing fuel from Yakama's gas stations and lumber from Yakama Forest Products.⁷ Enacting Yakama values, YP is environmentally conscious, using a non-toxic transformer oil, deploying coated wires to preserve trees that provide critical shade for fish, and installing extended cross-arms on power poles to create safe perches for hawks.⁸ It also produces an average monthly cost savings of \$25 per customer, helping YP post one of the lowest bill non-payment rates around.⁹ YP has become the reservation's second-largest utility, and through continued "exponential" growth is on track to achieving its goal of becoming Yakama's sole power provider.¹⁰

LEARNING LINK: <http://www.ncai.org/resources/econtoolkit/INTEGRATION>

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ASK YOURSELF

1. How are tribal governmental silos inhibiting our economic growth? How can we break them down to foster economic integration?
2. Do our nation's political, departmental, enterprise, and community leaders work together to advance our economy-building priorities? What formal mechanisms can we implement to ensure they do so?
3. What tribal laws and policies must our nation develop to implement the economic integration strategies we have prioritized? Do we have the institutional and human capacity to enforce them?⁹
4. What types of businesses will work on tribal lands? Which are appropriate to be run by our nation? Which by its citizens?¹⁰ For the latter, how can we grow those businesses in a targeted fashion by supporting them at all stages of their life cycle?
5. Does our nation's current regulatory environment encourage or discourage local commerce and private sector growth? Does our nation formally prioritize purchasing goods and services from our own people, and if so, is that policy working? Why/why not?
6. How is our nation working with and supporting local community development and non-profit organizations to enhance our economy-building efforts? What should we do to strengthen this key component of a thriving economy?¹¹
7. What are we teaching our people about how the interdependent nature of our traditional economy enabled it to flourish? Do they understand that doing business with our own is a time-tested cultural value?

POLICY TIPS

1. Create/enforce a **procurement policy** requiring tribal government and enterprises to do business with qualified, certified citizen-owned businesses first and other Native-owned businesses second; assist citizen-entrepreneurs to become certified tribal vendors.¹²
2. Establish tribal "non-compete and/or anti-monopoly" policies that prevent tribal government from undermining or unfairly competing with citizen-owned small businesses on tribal lands.¹³
3. Launch a permanent "Buy Native/Buy Local" campaign to encourage community members to patronize citizen-owned businesses and educate them about the financial, social, and cultural benefits they provide, notably reducing their cost of living.¹⁴
4. Develop/expand your nation's "477" Plan to integrate its workforce development, economic, and related efforts into a cohesive approach for targeted tribal workforce pipeline development for economy building.¹⁵
5. Establish a formal process requiring all key governmental entities and community partners meet regularly to assess your nation's current state of economic integration and develop solutions to strengthen it; include small business owners in this process.¹⁶
6. Create a dedicated "integration coordinator" staff position to: (1) drive, monitor, and refine your nation's formal economic integration strategies; and (2) coordinate with its data office (see Policy Tip #4 on page 29) to track key progress measurables like small business start-ups and the multiplier effect.