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Tribes' Economic Plans Stifled by Policy

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The region where the city of Detroit now rests used to be, centuries ago, a major trading market for the Anishinaabes and Haudenosaunee peoples and others. A permanent community of Indian people from all around lived in the vicinity and traded off the marketplace, while most Indians who traded there would travel to the markets periodically from their homelands.

There are places like this all over North America, such as Chaco Canyon in New Mexico.

The markets changed as French, English and Spanish traders appeared. In Detroit, it appears that the French and English built forts and took control of the market, but the market remained. Indian people adapted to the new market conditions and, in the Great Lakes and elsewhere, the Europeans and Indians forged a fur trade that, for a time, dominated the economic landscape.

But the Indian presence in a regional market all but ended after the treaty and reservation system took hold. In many instances, Indians could not leave their reservation lands. In Michigan, if an Indian family left its allotment to travel to a market, the land wouldn't belong to the family anymore when they returned due to fraud and theft by white land speculators. In the Dakota Territory, the United States army built a fence around the reservation to keep Indians in and whites out. All over, economic and political discrimination all but destroyed Indian participation in regional markets.

Charles Wilkinson coined the term "measured separatism" to describe aspects of this policy. In general, both Indian tribes and the United States pursued measured separation during the treaty and reservation era of the mid-18th century. Indians wanted to be left alone and the United States wanted to avoid bloody conflict between Indian people and white settlers and speculators. In theory, measured separatism would serve Indians well because they needed a space in which to protect themselves from being overwhelmed by non-Indians.

Of course, measured separatism was a goal and not a reality. American Indian policy shifted to assimilation almost as soon as the ink on Indian treaties dried. Various means of assimilating Indian people - allotment, boarding schools, law and order codes, urban relocation, termination, forced fee patents, and many, many others - came and went over the course of a century. Interestingly, it appears that while American policy was successful at "assimilating" or "civilizing" Indian people, often destroying Indian cultures, it did almost nothing whatsoever to restore Indian participation (and assimilation) into the American economy.

Now tribal self-determination is American Indian policy. The notion of measured separateness can become a legal and political reality in many parts of Indian country, with Indian communities deciding for themselves how and when to pursue separatism or openness. Self-determination opens many doors for Indian communities to enter a political, social, and economic world many of these communities have not seen in centuries. The primary document of American Indian policy that governs tribal sovereignty remains the Indian Reorganization Act, which expressly gives Indian tribes the option to organize into political units and economic units. And, at least since the 1970s, Congressional policy has supported tribal economic development as a means of raising tribal governmental revenue. Some Indian tribes have gone far from home to realize this federal policy. A few Alaskan native corporations taking advantage of the Small Business Administration's Business Development Program have generated hundreds of millions of dollars by winning and performing Defense Department, Homeland Security, and other federal contracts. Some Indian tribes have made millions at home by exploiting a market for on-reservation casino gaming created by state law and the Indian Gaming Regulatory Act. In recent years, tribes that do not enjoy a non-Indian gaming market have attempted to tap into gaming markets far from their current homelands, without much success.

A backlash is developing against these new tribal economies and business opportunities. Suddenly, American commentators that would otherwise promote economic growth across state and national boundary lines want tribal businesses to stay home. But simple economics teaches us that a business cannot grow and develop if its market is limited to a small area.

Even the tribes' trustees, the same entity that once encouraged tribes to start tribal businesses, is putting the breaks on when it comes to the off-reservation market. The Department of Interior has made a unilateral decision that it will not approve applications for off-reservation Indian gaming except in extremely narrow circumstances. Of note, Interior has concluded that Indian gaming operations will not assist Indian communities unless they help to reduce the on-reservation unemployment rate. And, Interior added, if Indians left their reservation to pursue opportunities in the off-reservation market, it would somehow erode reservation life. The old Indian trading centers belie this assertion, as does the fundamental Constitutional right to pursue a livelihood. This rationale for denying tribal access to the off-reservation market is little more than a resurrection of the worst aspects of both measured separatism and assimilation. In the context of international trade, we would call these rules protectionism.

Tribal economies once encompassed whole regions of North America. Measured separatism, for all its short-term advantages, more or less put an end to broad geographic tribal economic activity. It has taken many years for tribal economies to reconstitute themselves and still many tribes are just barely getting off the ground. Sadly, just as some tribes are enjoying the fruits of an off-reservation market, it appears that the efforts of other tribes to participate in a global economy will be opposed, and perhaps thwarted, by American Indian policy.

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