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# The Native Americans' Struggle for Economic Self-Sufficiency

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The Columbian Quincentenary, 1992, is being observed by both First Americans and more recent settlers as a year of reflection and self-assessment. How have the First or Native Americans, so-called American Indians, fared through five centuries of culture contact? Some insights into the ongoing struggles of Native Americans to retain their cultural viability and integrity can be gleaned in an unlikely source, through a critical analysis of organized gambling in Native American communities.

Many tribes throughout the United States have contemplated high stakes gaming, including the Mashpee Wampanoags, who were approached by private investors wanting to begin gaming operations in that Cape Cod community. Another tribe, the Pequots successfully fought for the right to enter the gaming business, and recently opened a multi-million dollar gambling casino on tribal property in Ledyard, Connecticut.

Although the Mashpee Wampanoags chose not to join the bingo bandwagon, debates over gaming in their and other Native American communities speak to profound dilemmas facing Native Americans. Although highly diverse as a group, Native Americans share a common legacy as the

poorest ethnic minority in the nation, even amidst vast potential stores of wealth. Approximately one-third of reservation-based tribes live on resource-rich lands, mainly in the Southwest and Northwest, some with abundant minerals, timber, or other natural resources. In fact, several tribes created the Council of Energy Resource Tribes (CERT), modelled on OPEC, to collectively develop strategies for marketing tribal resources, mainly oil, natural gas and coal.

The majority of Native Americans, however, are resource-poor, inhabiting lands of little value, some virtually uninhabitable in the remote reaches of the Dakotas, Montana, and Arizona. Like the Mashpee Wampanoags, who in 1977 lost their bid for formal tribal recognition by the United States government and own collectively only about fifty-five acres, about two thirds of tribes are resource-poor, with few material assets to sustain their people. Like their counterparts throughout the Third World, Native Americans experience staggering rates of unemployment, disease, infant mortality, and diminished life expectancy, the highest rate of any ethnic community in the nation.

## Reagan's "New Federalism" Economic Policies

The Federal Government has devised many strategies to solve Indian economic woes, from the New Deal Indian Reorganization Act of 1934 to the Indian



Choctaw children at the annual Powwow, Tuskahoma, OK.

relocation and termination policies of the 1950s. All of these policy proposals have had to reconcile two often contradictory aims: preserving tribal cultural integrity and self-determination while working to bring Native Americans into the economic mainstream of American life.

In 1983 Ronald Reagan unveiled a policy initiative to promote tribal development and self-determination, reduce bureaucratic waste and excessive federal regulation in Indian administration, and reduce federal costs of administering tribal programs. A major impetus for Reagan's initiative was the Indian Self-Determination and Education Assistance Act of 1975 (PL93-638), by which tribes were encouraged to take over Bureau of Indian Affairs (BIA)-run programs, including health services and hospitals, jobs training, and resource management.

The federal government argued that by dealing with Indians on a government-to-government basis, providing block grant seed money for private sector business initia-

tives, and reducing bureaucratic meddling in tribal decision-making (i.e., turning over many BIA functions to tribes), tribes could begin to develop truly self-sustainable economies, thereby alleviating the extreme poverty and cultural and social malaise endemic to Native American communities.

A series of "Social and Economic Development Strategies" (SEDS) were proposed to bring self-sufficiency and economic autonomy to tribal communities, while reducing federal expenses and "excessive federal control" of tribal decision-making. Policies implemented entitled tribes to apply for federally-funded block grants under Title XX to finance housing, employment training, and other services previously administered through the BIA.

Results of these "new Federalism" initiatives for tribal self-sufficiency have been mixed, prompting some to call Reagan's policies nothing more than "sophisticated termination" while others called them "termination by accountants." One undisputed effect has been

to drastically downsize federal budget expenditures to Native Americans, which were reduced by twenty-two percent in one year, from \$3.4 billion in 1982 to \$2.7 billion in the 1983 budget. Essential tribal programs including health-related Community Health Representatives, CETA programs, "mutual help" home construction monies, and BIA-funded education entitlements have all been targets of Reagan/Bush-era budget cutting measures.

### Indian Responses to 'New Federalism'

Tribal development initiatives in the Choctaw Nation of Oklahoma during the "new Federalism" era reveal the ambiguities of these self-determination/self-sufficiency efforts, and the contradictions Native Americans face as they work toward tribal self-sufficiency, cultural integrity and freedom from bureaucratic abuses.

Beginning in 1985 the Choctaws implemented "new Federalism" policies in earnest when they took over operation of the 52-bed Talihina Indian Hospital, renamed the Choctaw Nation Indian Hospital, and three outlying clinics, which together employed over two hundred people. The Choctaws were the first tribe to act on their newly-acquired right under provisions of the 1975 Indian Self-Determination Act to contract what were formerly BIA-run services in the area of full hospital administration. Hospital take-over was the tribe's first step to increase tribal employment, improve the quality of contracted services,

and free the tribe from BIA control of its economic affairs.

Perhaps the boldest, and potentially most controversial tribal undertaking was in 1987, when The Choctaw Indian Bingo Palace opened at Durant, Oklahoma, creating about 140 additional jobs and promising to be a significant tribal revenue-producer. In its second year of



**Annual Powwow, Circle Dancers in traditional dress, Tuskahoma, OK.**

operations the bingo concession netted more than one million dollars in profits and the tribe expects to earn \$12 million annually when it takes over full ownership after seven years. Bingo concession profits subsidize health-related services not funded by Indian Health Service appropriations, including specialized medications for diabetes and arthritis, funds drastically curtailed during the Reagan years. Revenues have also been used to construct Community Centers throughout the Choctaw Nation, and for higher education scholarship programs, elderly nutrition programs, and emergency assistance programs.

The Choctaw tribe continued to undertake additional development projects, and in 1989 the tribe obtained a \$249,000 BIA Indian Business Development Grant to sub-contract

chemical finishing operations from Texas Instruments Company under Defense Department contracts. The tribe also began courting Boeing, General Dynamics, and other companies to entice them to site industrial development enterprises in the Choctaw Nation. In 1988 the tribe gained added managerial leverage when it

established the Choctaw Nations Tax commission and passed a Sales Tax Act, which would permit the tribe to collect tax revenues on its various business operations, a right denied since the Curtis Act termination legislation was passed in 1898. These aggressive tribal efforts brought more than three hundred jobs to Choctaws during the 1980s, and by 1990 the tribe employed more than seven hundred people. Choctaws currently have taken over contracting of all BIA services, although about sixty-five percent of operating funds, still come from the federal government.

Choctaw efforts to increase tribal revenues have been laudable, but at what cost? Placing the tribe's development strategy into national and international contexts reveals that Choctaws continue to be

subject to exploitation and dependency, veiled in self-determination rhetoric, which compromise fundamental moral, ethical and economic considerations in favor of narrowly economic goals. Three significant problem areas emerge in a closer examination of tribal development strategies and remain as persistent obstacles to full tribal autonomy, self-sufficiency, and cultural viability.

First, the very nature and implications of private sector investment in Native American communities in general and the Choctaw Nation in particular place weaker tribal entities at the mercy of formidable development interests who may sacrifice human, environmental, and social well-being in favor of corporate profits. Tribal communities, including the Choctaw Nation, now compete for multinational corporate investment (MNC) dollars with foreign locations too unstable to remain as sites of substantial MNC investment; and Choctaw workers have replaced cheap, readily available, unskilled foreign workers in the MNC formula for corporate profit-making.

Texas Instruments was just such an investor when it contracted with the tribe to run a branch of its chemical finishing operations in 1989. Forced to close its El Salvadorian chemical facility in 1985, then the largest chemical plant in Central America, due to the war torn country's on-going civil unrest, TI chose southeastern Oklahoma because it offered many advantages at greatly reduced costs.

Choctaws, like their Salvadorean counterparts, were a relatively cheap, docile and readily-available labor force willing to perform routine jobs using often dangerous chemicals in a setting free of the volatility of a nation embedded in civil war turmoil.

Native American communities seeking valuable investment dollars which translate into jobs and income for their citizens, are ripe for such domestic corporate entrepreneurial investments. Hidden in these enterprises, however, are heavy costs in both personnel and tribal resources. Like foreign laborers and illegal aliens, Native American workers are willing to perform hazardous, distasteful jobs American-born white laborers often refuse, jobs which endanger human health and compromise the well-being of workers. Currently Native American communities are being courted by hazardous waste disposal companies to site hazardous waste dumps on tribal land, a venture most communities categorically reject in the face of Love Canal, but which spell potential financial wealth for impoverished Native American communities.

A second area of heavy tribal investment in the Choctaw Nation, again with an ambiguous history and potentially-volatile future, is high stakes gambling. Since 1980 dozens of tribes have invested in high stakes bingo operations, which offer the lure of substantial revenues with minimal costs for capital outlays or technological expertise. Further, since bingo concessions on tribal lands lie outside of state jurisdictions, tribes are not restricted in their capacity to sponsor such gambling operations. Currently about one-third of tribes have entered the high stakes gambling business, in part an outgrowth of the development-for-self-sufficiency initiatives of the Reagan/Bush-era's "new Federalism" policies, a particularly attractive option for resource-poor tribes.

Debates over high stakes bingo and other gaming operations on tribal land, at times acrimonious and even violent, have pitted more conservative traditional factions opposed to gaming against secular tribal

members who favor such enterprises. Factional disputes among Canadian and New York state Mohawks led to violence which left two dead and brought intervention by the Canadian mounted and local police forces.

Not only does gaming precipitate intra-tribal factional disputes, but tribes must also confront states which may not endorse tribally-run high stakes gaming operations that compete with their state-run operations. Although recent Supreme Court rulings have protected tribal rights to sponsor gaming, this right is by no means secure, and its reversal would deny tribes much-needed revenues.



A third by-product of Choctaw development has been that unemployment remains a pressing unresolved problem, perhaps a symptom of "new Federalism's" fundamental contradictions, based on a free market economic model that views tribal entities rather like corporations competing with states for federal and private investment dollars to implement development and cultural visions or needs. Unemployment, at astronomical levels throughout Native American communities, including the Choctaw Nations, has increased steadily during the "new Federalism" era. "In 1981, at the height of one of the most severe recessions in U. S. history, the unemployment on the Rosebud Reservation in South Dakota stood at fifty percent. In 1986, after what has been described as the longest and strongest economic recovery this country has ever experienced, the unemployment

rate at Rosebud was eighty-six percent, an increase of seventy-two percent in five years." Choctaw Nation unemployment currently estimated at thirty-seven percent, has risen steadily since the early 1980s; while elsewhere Native American unemployment is a shocking eighty to ninety percent.

These development schemes persistently ignore the most abundant tribal resource, tribal members themselves, who remain unemployed and often unemployable due to lack of marketable skills. Those businesses attracted to reservations and rural Indian communities are often not labor intensive but capital intensive; and where labor is needed it is unskilled, as in virtually all the Choctaw tribal development initiatives undertaken during the *new Federalism* era.

Where dollars are being made in tribal projects, as in the bingo jackpots, few jobs are created, and even fewer skills are being cultivated. What in effect has occurred is that tribally-sponsored private sector investment initiatives now maintain the tribal welfare state the federal government has abrogated to them. Tribal earnings now replace federal dollars lost during the 1980s to provide day care and head start programs, home weatherization programs, dental and health benefits, and food commodities for local Indians.

Current federal initiatives may signal yet another attempt, disguised as private sector development for self-sufficiency, to abrogate the sacred trust relationship between the federal government and tribal peoples. If indeed the "new Federalism" is a disguised policy to abrogate long-standing tribal trust obligations, as some tribal spokespeople fear, then tribal viability is indeed in jeopardy. As we assess the status of Native Americans in the Columbian Quincentennial Year, we continue to debate what is and should be their rightful place in our community. How to reconcile tribal and cultural self-determination with full economic assimilation into the mainstream of American life remains elusive for Native Americans and their allies. ■