## American Indian Self-Governance: The Only Policy That Has Ever Worked

#### Statement to The Commission on Native Children

#### Prof. Joseph P. Kalt

The Harvard Project on American Indian Economic Development John F. Kennedy School of Government Harvard University



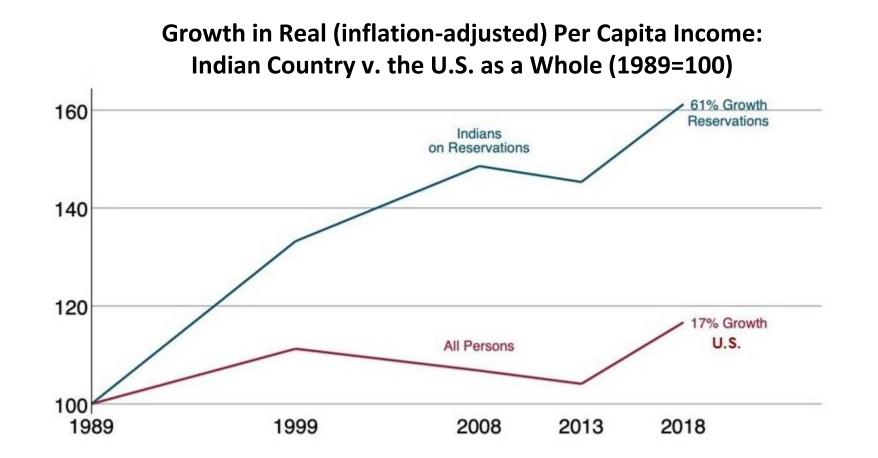
December 15, 2022

### Some Background on the Impacts of Federal Self-Determination Policy

- > There's a thirty-year economic boom going on in Indian Country
- Since 1989, Indian incomes on reservations have grown 3½ times faster than in the U.S. as a whole
- Reservation poverty has been cut almost in half
- More and more tribes are becoming the economic and municipal service engines of their regions (see Appendix)



#### The Economic Boom in Indian Country: Income



ACS 5-year averages are plotted at their middle years (2008, 2013, 2018). (FRED 2022; Taylor and Kalt 2005; Census 2010, 2015, 2020a)



## The Economic Boom in Indian Country: Poverty

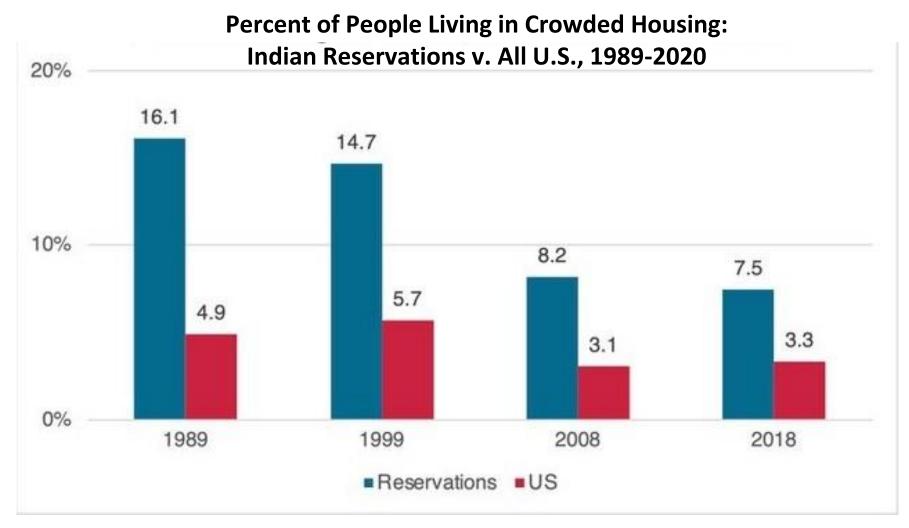
Families with Children Living in Poverty Indian Country v. the U.S. as a Whole

	1969	1979	1989	1999	2008	2018
Total U.S.	10.8	12.6	15.5	13.8	15.7	13.6
Caucasian Alone	7.9	9.2	11.8	10.9	13.0	11.5
African American Alone	32.3	33.5	35.4	28.9	29.6	25.0
American Indian / Alaska Native Alone	33.3	23.7	27.0	23.4	31.5	24.2
AIAN Alone on Reservations	57.0	43.0	47.3	35.7	32.2	27.0

Decennial Censuses 1970, 1980, 1990, and 2000. ACS 5-year averages for 2010 and 2020 are noted in their middle years (2008, 2018).



#### The Economic Boom in Indian Country: Housing





Decennial U.S. Census 1990 & 2000; ACS five-year centered average 20-08 & 2018.)

#### Why the Strong Economic Growth?

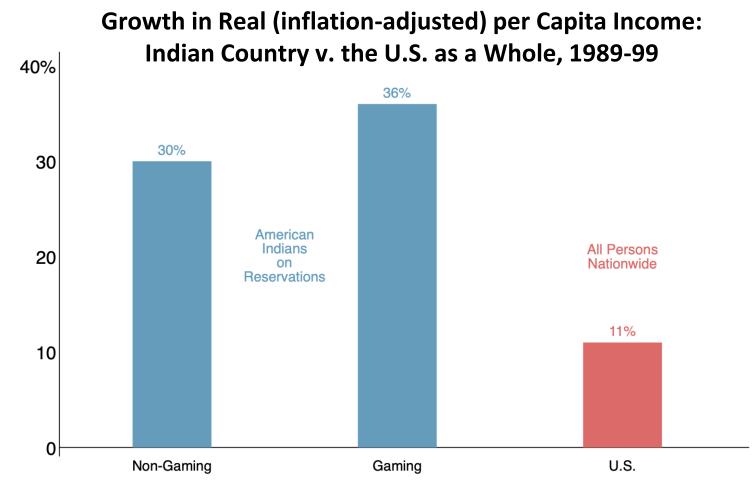
It's not even close to being all about gaming

It's not even close to being about federal spending

The Economic Boom in Indian Country Is All About Self-Determination through Self-Government



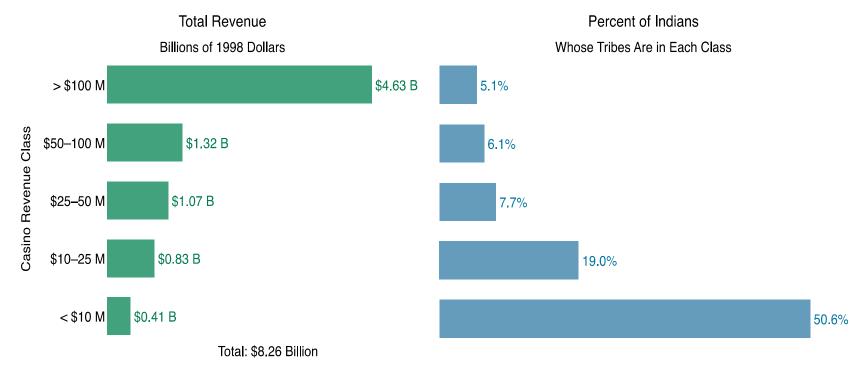
# Gaming <u>and</u> Non-Gaming Economies Grew Rapidly in the 1990s





#### Gaming Industry Success Is Concentrated in a Small Number of Small Tribes

#### Distribution of Indian Gaming Revenues and Associated Tribal Populations, 1998





### There's Much More than Gaming Underlying the Tribal Economic Boom

- Hotels, restaurants, golf courses, fishing and hunting, event centers, spas, bowling alleys, and museums diversify the tourism sector
- Tribal government clinics and services earn revenue from outside tribal economies
- Timber and forest products companies, ski resorts, oil production companies, mines, distilleries, convenience stores, housing, manufacturing companies, farms, fish processing plants, and more pre- and post-date casinos



#### **Tribes Are Increasingly Fiscally Independent**

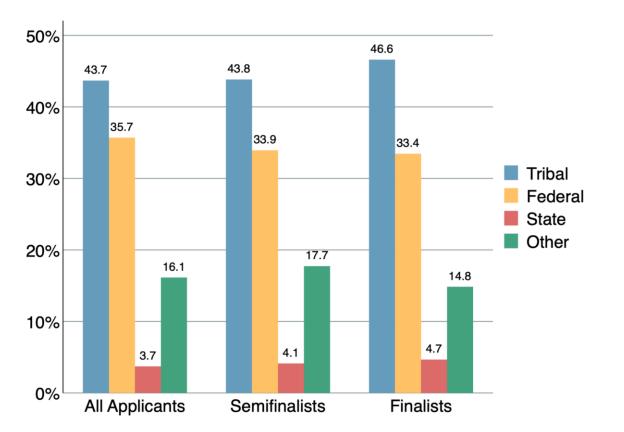
\$2B State Grants & Contracts 4% 1.5 18% Federal Grants & Contracts Tribal Taxes, Leases, 1.0 38% Stumpage, & Other **Tribal Revenue from** Self-Government .5 **Distributions from** 40% **Owned Enterprises** 0 2019

Twenty-Three Tribes in Washington Prior to the Pandemic



#### Successful Tribal Government Programs Are Predominantly Tribe-Funded

Funding Sources for a Sample of 925 High-Performing Programs of 215 Tribes



In 2019, 35 U.S. states got more than 35% of their general revenue from the federal government



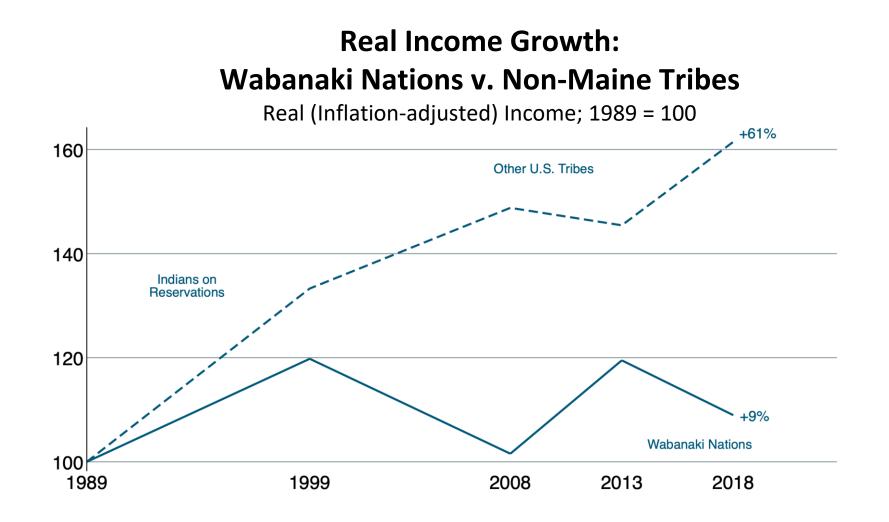
Honoring Nations, Harvard Project on American Indian Economic Development

#### The Wabanaki Nations of Maine: A Nasty Federal Litmus Test

- The federal Maine Indian Claims Settlement Act (MICSA) blocks tribal self-governance in Maine
- Outside of Maine, since 1989 tribal incomes have grown almost
  7 times faster than those in Maine
- Maine's Wabanaki Nations Are Far Underperforming Their Peers in the Lower 48 States



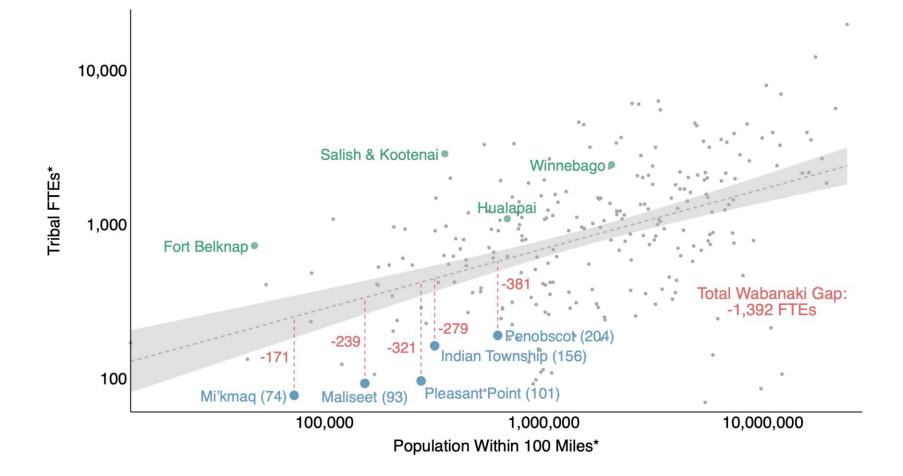
#### The Wabanakis Have Not Been Able to Keep Up





Decennial U.S. Census 1990 & 2000; ACS five-year centered average 20-08 & 2018.)

#### The Wabanaki Nations Far Underperform Their Peers





#### Why Have the Wabanakis Fallen So Far Behind?

It's not Maine's economy

> It's not something inherent in the Wabanaki Nations

The Only Factor That Explains Why All Four Wabanaki Nations Are Such Underperformers Is... Denial of Rights to Self-Government



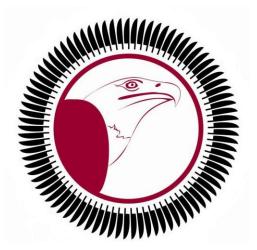
## **Policy Recommendations**

- The federal policy of tribal Self-Governance <u>works</u>. Expand it!
- Eliminate constraints on tribal governments' powers to tax
  - End race-based distinctions
  - Tribal primacy in tribal territory
- Clarify and strengthen tribal jurisdiction
  - End race-based distinctions
  - Tribal primacy in tribal territory
- Funding: Meet treaty & trust obligations
- Funding: Prioritize strengthening of tribes' local governing capacities (courts, etc.)
- Funding: Bring federally-supported infrastructure up to parity with the states
- Funding: Support human "infrastructure" to achieve parity with support to states



### **Thank You**

For more information, visit <u>www.hpaied.org</u>



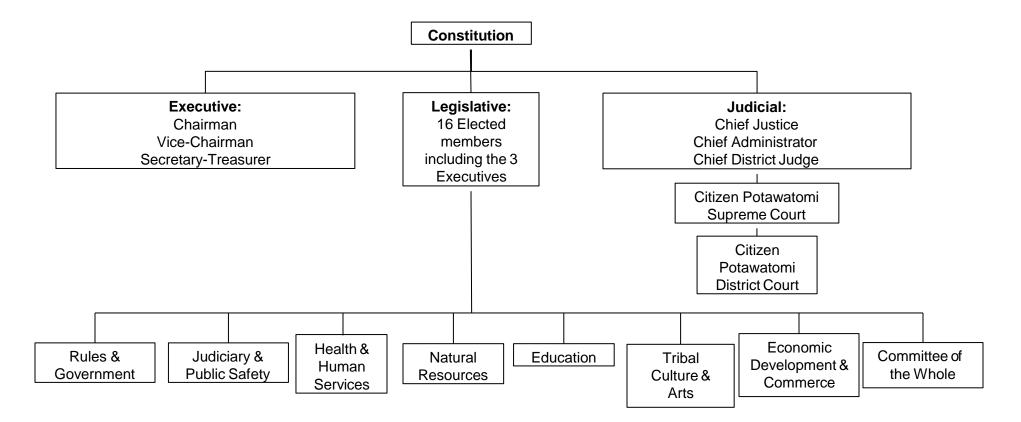
Kalt, JP, AB Medford, JB Taylor (2022) "Economic and Social Impacts of Restrictions on the Applicability of Federal Indian Policies to the Wabanaki Nations in Maine."

Appendix

## What Does a Fully Developed Tribal Government Look Like? The Case of the Citizen Potawatomi Nation



#### The Citizen Potawatomi Nation Government



#### The Citizen Potawatomi Nation Legislative Branch

Rules & Government	Judiciary & Public Safety	Health & Human Services	Natural Resources	Education	Tribal Culture & Arts	Economic Development & Commerce	Committee Of the Whole
District Affairs	Police	Elders	Agriculture	Employment & Training (E&T)	Heritage Festival	Tribal Enterprises	Tax Commission
Tribal Roles	Emergency & Safety	Housing		Scholarships    Child Development    Higher Education    Job Pride	Gathering of Nations Cultural Heritage Center	Banking Industry	Annual Budgets
Elections	Civil & Criminal	Health Facilities				Technology	Legislative Committee on Enrollment
Redistricting &	Code Enforcement	Licensing & Inspections	Utilities			Insurance	
Apportionment			Tele Communications Wildlife		Language	Batch Plant	
Citizens Communications	Tags				Ceremony NAGPRA	Community Development Corporation (CDC)	
	Indian Child Welfare (ICW) Family Preservation						
			Facilities		Arts		
			Roads		Games & Sports		
			Construction				
		Veterans	Realty				

## Select Laws and Regulations Enacted by the Citizen Potawatomi Nation Government

- Election Code
- Civil Code
- Criminal Code
- Tax Code
- Traffic Code
- Housing Code
- Education Code
- Commercial Code
- Land Use Code
- Environmental Protection Code
- Disaster Management Plan
- Alcohol and Tobacco Regulations
- Gaming and Boxing Regulations
- Labor and Employment Code
- Juvenile and Child Welfare Code
- Domestic Violence and Prevention of Domestic Abuse Code

#### CONSTITUTION

OF THE

#### CITIZEN POTAWATOMI NATION

To promote the general welfare of the Citizen Potawatomi Nation and its members by exercising to the fullest extent the inherent powers of self-government vested in the Tribe since time immemorial and any additional powers of selfgovernment vested in the Tribe by Federal or state law.

To secure the powers, benefits, rights, and privileges as provided by any laws of the United States now or hereafter enacted for the benefit of Indians or other citizens of the United States.

#### Legal, Health, & Social Services Provided by the Citizen Potawatomi Nation

- Emergency Services
- Law Enforcement & Public Safety
- CPN Vehicle Registration Agency
- Environmental Health, Water Treatment, & Sanitation Services
- Domestic Violence Prevention & Assistance
- Child Development & Care Services
- Fire Lodge Children & Family Services
- Emergency Home Repair Loan Program
- Health Clinics, Medical Care, & Public Health Services

- Provision of Transportation Services & Meal Delivery
- Diabetes Initiative Program
- Dental Services
- Health Aid Services
- Healthy Heart Initiative
- Wellness Center
- Elder Care
- Women, Infant, & Children Program
- CPN Health Aid Program
- Housing Authority

#### Career & Financial Services Provided by the Citizen Potawatomi Nation

- Job Placement Services
- Career Counseling
- Resume Writing, Interview Tips, & Other Employment Related Services
- Commercial Loan Program
- Business Development Services
- Financial Education & Credit Counseling
- Asset Builders Matched Saving Program
- Down Payment and Housing Closing Cost Assistance
- Native Business Opportunity & Workforce Development Center
- Real Estate Services & Land Use Planning
- Zoning & Land Use Regulation & Permitting
- Education Services
- Tribal Scholarship Program
- Student Housing Support
- Free Transportation for Students, Job Seekers, & Workers

#### Cultural Services Provided by the Citizen Potawatomi Nation

- CPN Veterans Organization & Veteran Outreach Program
- Cultural Education Program
- Library & Research Archives
- Citizenship/Tribal Roles Program & Genealogical Research
- Potawatomi Language Learning Program
- Events Planning
- News Coverage
- CPN Cultural Heritage Center
- Eagle Aviary
- Tribal Historical Research
- Tribal Festivals
- Maintaining Potawatomi Spiritual Traditions
- Recording Traditional Potawatomi Wisdom
- Maintaining Potawatomi Stories