THE APPLIED THEORY OF FIRST NATIONS ECONOMIC DEVELOPMENT

A Critique

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Introduction

Founded by Professors Stephen Cornell and Joseph P. Kalt at Harvard University in 1987, The Harvard Project on American Indian Economic Development (The Harvard Project) aims to understand and foster the conditions under which sustained, self-determined, social and economic development may be achieved among American Indian nations. The project has become something of a benchmark for current discussion of First Nations economic development. However, as a result of my research and fieldwork with the Nuxalk Nation in Bella Coola, British Columbia, Canada during 2003–5, I have strong reservations about its terms of reference and underlying ideology. The Harvard model embraces western style economics, underpinned by an individualistic orientation and acceptance of authority based on self-interest. Cornell and Kalt tend to use uncritically concepts such as markets, enterprises, and Westernized notions of economic development (their writings are littered with words such as ‘progress’ and ‘productivity’ [Cornell & Kalt, 30]); they lament the lack of economic success of those tribes whose cultures do not easily welcome the business model. Instead of such exclusion, we should be examining the cultural specificity of our own assumptions, together with the motivations for our engagement with, and expectations of, aboriginal peoples.

The Theory

The causes of indigenous problems, Cornell and Kalt remind us, are extensive and well-known. (See Figure 1.) While Cornell and Kalt have found these problems to be forces which undermine economic development in “Indian Country” (Cornell & Kalt, 6), they remind us that each tribe has its own set of factors particular to their situation: “These explanations are not necessarily wrong. Most of them are right somewhere or other in Indian Country. But some are far more important than others, and some are either insignificant, misleading, or mistaken” (Cornell & Kalt, 6). Therefore, as a guide to federal policymaking the list is ineffectual, since it offers no clear departure point that would facilitate a focused effort at improving the situation. Instead of a building block approach grounded in First Nations traditional economies, Cornell and Kalt propose working ‘backwards’ from the requirements of capitalistic economic activity: “[a] more useful approach is to identify the key ingredients of successful economic development, determine

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which of these ingredients are most important, and identify which ones tribes actually can do something about” (ibid.). This approach, they say, lets the tribes focus their energies in an area where they can have the greatest impact, showing them “how, in effect, they can ‘reload the dice’ so as to increase the chances of success in the development gamble” (ibid.).

Cornell and Kalt are surprised that the ‘commonsensical’ (i.e., universal — an ethnocentric presumption) elements of economic development are not the crucial factors when it comes to First Nations: “Just having resources is not the key — nor even necessarily a key — to getting a reservation economy off the ground” (Cornell & Kalt 2, 4). They conclude that the following three ‘key ingredients’ to are crucial to First Nations’ economic success: sovereignty, effective institutions, and cultural match. I will address each of these in turn, and argue that Cornell and Kalt’s analysis both presumes the supremacy of the western capitalistic ideology, and glosses over the complexities of actual situations.

‘Sovereignty Matters’

When tribes make their own decisions about what approaches to take and what resources to develop, they consistently outperform non-tribal decision-makers. The effective exercise of sovereignty is manifested in many ways, from tribal control over resource management and tribally designed economic development strategies to tribal administration of health care and other social services (Harvard Project).

“Sovereignty and self-rule” is Kalt’s prescription in his 2001 article (Kalt, 5), and he finds in successful social and economic Indian programs a commonality of “the ‘just do it’ approach, capable institutions of self-government, and the implicit and explicit incorporation of tribe-specific cultural values and techniques” (Kalt, 6). He advocates some practical steps, such as that the federal government make block grants so that tribal leaders are responsible to their own people for how they spend the money, rather than to federal authorities who rule from

FIGURE 1 Causes of Indigenous Problems

- Tribes and individuals lack access to financial capital.
- Tribes and individuals lack human capital (education, skills, and technical expertise) and the means to develop it.
- Reservations lack effective planning.
- Reservations are subject to too much planning and not enough action.
- Reservations are poor in natural resources.
- Reservations have natural resources, but lack sufficient control over them.
- Reservations are disadvantaged by their distance from markets and the high costs of transportation.
- Tribes cannot persuade investors to locate on reservations because of intense competition from non-Indian communities.
- Federal and state policies are counterproductive and/or discriminatory.
- The Bureau of Indian Affairs is inept, corrupt, and/or uninterested in reservation development.
- Non-Indian outsiders control or confound tribal decision-making.
- Tribes have unworkable and/or externally imposed systems of government.
- Tribal politicians and bureaucrats are inept or corrupt.
- On-reservation factionalism destroys stability in tribal decisions.
- The instability of tribal government keeps outsiders from investing.
- Reservation savings rates are low.
- Entrepreneurial skills and experience are scarce.
- Non-Indian management techniques won’t work on the reservation.
- Non-Indian management techniques will work, but are absent.
- Tribal cultures get in the way.
- The long-term effects of racism have undermined tribal self-confidence.
- Alcoholism and other social problems are destroying tribes’ human capital (Harvard Project).
a distance and are impressed by check-lists and preconceived ideas (Kalt, 8). He also stresses the importance of institutional infrastructure (Kalt, 8), which includes the separation of political powers and a sound, uncorrupted judicial system (Kalt, 8–9).

However, for Professor Menno Boldt of the University of Lethbridge, ‘sovereignty’ is a concept which requires a more radical critique. Indian ‘sovereignty’ is a notion which has been developed only out of defence and reaction: “From an Indian perspective ‘sovereignty’ is an inappropriate concept. It did not emerge as a ‘thesis’ from Indian culture; rather, it emerged as an ‘antithesis’ to Canadian claims of sovereignty over Indians” (Boldt, 134). This mimetic creation is an example of what Professor Francesca Merlan, of the Australian National University, calls ‘social technology’. She argues that the concept of sovereignty has been taken up by Indigenous peoples in reaction to colonizers’ claims on their territory, “as if it were only working to reveal something found and rescued, something old, without necessarily introducing transformation as part of its process” (Merlan, 237).

Working against even this constructed sense of sovereignty has been the artificial environment of the reserve system, which has removed even this artificial notion of self-determination from the economic arena: “The lengthy experience of individual and collective economic dependence has profoundly influenced the Indians’ cultural adaptation to their world. Instead of adapting their traditional cultures to an industrializing world, Indian communities have been forced to adapt their cultures to a dependent form of surviving and living” (Boldt, 173). This ‘welfare dependency’ is a familiar theme in the literature of Aboriginal Economic Development, as it is in Bella Coola among the Nuxalk. It is at the forefront of the minds of Nuxalk who are determined to change the status quo and gain independence from the system of ‘hand-outs’. However, they also acknowledge that many people are now acculturated to this dependency. Because of this, entrepreneurship is not an easily accepted or well understood concept. A recurring theme among many Nuxalk is that they do not think their people have ‘what it takes’ or the right ‘emotional make-up’ to be an entrepreneur. In the first instance, people do not have the skills or the experience with business systems to run them efficiently. In the second, ‘traditionalists’ are anti-development and have a cultural bias against many forms of economic entrepreneurship.

As well as working against the development of economic entrepreneurship, the reserve system has brought with it the familiar package of social problems: “Economic dependence has caused social malfunction in Indian societies. Privation is part of the cause, but the main problem is that lack of productive employment has undermined traditional role and status relationships, especially for male members, most of whom have lost their important role of food provider for the family or kin group” (Boldt, 223). Boldt concludes that the reserve system is fundamentally inimical to Indian economic development, both in terms of employment — “if job creation is premised on on-reserve economic development, the majority of reserves will never be more than ghettos of unemployment” (Boldt, 232) — and in terms of competing with non-Indian economic enterprise — “the reserve system was created to clear Indians out of the way of Canadian economic development” (Boldt, 231).

‘Institutions Matter’

Harvard Project research consistently finds that assertions of sovereignty must be backed by capable institutions of governance for development to take hold. Stable political institutions and policies, fair and independent mechanisms for dispute resolution, a separation of politics from day-to-day business management, a capable bureaucracy and a strategic orientation are institutional attributes that help tribes create an environment conducive to economic development (Harvard Project).

There are competing political structures within the Nuxalk, as in other First Nations societies, set up and maintained by the federal government as a major barrier to community action. As Boldt says, “Indians are confronted with a political, economic, and social environment beyond their powers to change or escape” (Boldt, 196). Historically, government control was certainly the objective; as Boldt reminds us, “the reserve system was created to clear Indians out of the way of Canadian economic development” (Boldt, 231). It is still the objective today, although the means are more covert: beneath all the economic plans and feasibility studies there lurks the spectre that First Nations independ-
ence would mean a loss of governmental control. Control is maintained by the governance structures which are decreed by federal government. As Boldt says of the amendment to the Indian Act (1951) that created the ‘Chief and Council’ system of governance, “This amendment was not motivated by any ideal of democracy, but rather a desire to gain greater control over Indians by removing all remnants of their traditional system of leadership” (Boldt, 120). Boldt goes on to say that in contrast to the democratic basis of Canadian governmental structure, “the political and bureaucratic structures on Indian reserves have evolved according to the DIAND’s (Department of Indian Affairs and Northern Development) rigid, oppressive, authoritarian colonial design for controlling Indians” (Boldt, 128). In Bella Coola, this situation was well described by a Nuxalk informant in 1997: “The Councils are only elected to look after the program of the government or the DIA. They’re only there because the government wanted them there. They were scared of the Hereditary Chiefs…. Like the old days, no matter where you go you always depended on the Chiefs. But the elected Council is always changing every two years” (Hipwell, 214).

Despite the pretence of control that is offered to Band Councils, the only roles allowed for First Nations people in these imposed governmental and economic institutions are imitative, artificial or trivial. As York observes of the Shamattawa Cree of Northern Manitoba, “economic development, education, housing, programs to fight alcohol abuse — all depend on budget approvals from the department’s offices in Ottawa or the regions.... Like the elected councils at most other Indian reserves across Canada, [they] are left without much effective power. Their main job is the administration of monthly welfare cheques” (York, 6). This fact is echoed in Bella Coola by Peter Siwallace, the Nuxalk Band Manager, who admits, “We don’t really have any control over any of the services we offer. We simply are given a list of services from the government to manage along with the money” (personal communication).

In addition, this governance structure has fostered the growth of an elite class on reserve and the stratification of a once-egalitarian society, perpetuated by the larger families who have the greater constituency. ‘You only need to look in the phone book to know who is in the Band Office,’ was something I heard on more than one occasion. As a result, they are able to maintain their position as a ‘ruling class’ at each election. As Boldt shows, the repercussions of this artificially fostered stratification on the social fabric of First Nations communities have been extremely deleterious (Boldt, 117–66).

Again, Merlan’s notion of ‘mimesis’ is relevant here. Merlan argues that contemporary relationships between Aborigines and the Australian state are ‘mimetic’ rather than ‘coercive’ in character (Merlan, viii), meaning that instead of the state maintaining its authority by force (as it had done in the earlier days of colonization), that authority is now maintained by a requirement and an agreement that Aborigines reflect back to the State what the State wants the indigenous person to be and act like. Aborigines are caught up in an elaborate ritual of imitation. Consequently, Merlan says, “in the imitative relationship, questions of representation are important” (Merlan, ibid.). Either explicitly or more often implicitly, Aborigines are encouraged to behave according to a concept of Aboriginality or ‘Otherness’ imposed on them by the authority which uses as ‘bait’ land, money, prestige, etc. Merlan says:

...the mimetic character of the intercultural relationship between Aborigines and the nation state needs to be seen as part of a social technology of imitation, continuous with other forms of Western invention in its tending toward reproducing the world as knowable, boundable, and manageable (Merlan, xi).

This mimetic process is not unique to Aboriginal Australia; in Bella Coola, these representations are well established in terms of governance and economic management. Nuxalk informants talk on the one hand about environmental responsibility and guardianship, spirituality and communality, and on the other hand about entrepreneurial activity and economic sustainability. The Nuxalk Nation Council is an obvious example of a contemporary mimetic representation in First Nations governance — mimetic, rather than organic and arising out of the culture. Even the Hereditary Chief system has been modified to accord with federal government demands (e.g., in the appointment of a ‘Head’ Hereditary Chief). The resulting behaviour reflects what Merlan calls the “intercultural” condition of the modern world, where indigenous and non-indigenous interact,
reflect, borrow from, imitate, parody or subvert each other (Merlan, 229–40). In fact, an anthropologist who studied with the Nuxalk in 1922 and 1924, T. F. McIlwraith, notes that a form of mimesis was then already well established in the Nuxalk people, when he writes to his supervisor that “the only blot on the landscape” are the squalid conditions of the reserve where the Nuxalk are “trying to copy in a blind way the habits of the ‘superior’ race” (Barker & Cole, 2003: 52). These values are taken up within Nuxalk culture through a complex, subtle process of ‘mimesis’.

Thus, First Nations people play out the fantasies and needs of the ruling hegemony. The only thing offered to them is a contradictory set of imitative demands; the result, in Bella Coola for example, is that different groups imitate a different western concept as their social technology. On the one hand, the traditionalists follow what it means to be an indigenous person; on the other hand, the Band Council members are more geared towards discussing the possibility of economic enterprise. Furthermore, each group speaks its appropriate discourse: the traditionalists lobby in the international arena for their rights to nationhood, sovereignty, and to be guardians of their own lands, while the ‘modernists’ lobby nationally in Ottawa for funding opportunities.

Nuxalk society is thus divided, both vertically and horizontally, into a complex matrix of competing views. Because of this ‘multivocality’ of the Nuxalk community, I wonder if it is possible to find the ‘cultural match’ insisted upon by Cornell and Kalt, between the institutions of self-government and those of economic development.

‘Culture Matters’

Successful tribal economies stand on the shoulders of culturally appropriate institutions of self-government that enjoy legitimacy among tribal citizens. Given a diversity of Native cultures and circumstances, tribes are challenged to equip themselves with institutions (e.g., constitutions, economic systems, etc.) that fit their unique societies (Harvard Project).

Culture emerges from the writings of Cornell and Kalt as the most important factor for economic development, and the most difficult to satisfy. They acknowledge that culture and its role in development is not easily quantified, nor can it be universally applied to aboriginal communities; it is very complex and situation-dependent. They note the difficulties which any culture has in adaptation, so they ask for “capable government and nongovernmental social institutions” (Cornell & Kalt, 43) which can resolve all conflict, and supply “adequate” and “appropriate” (Cornell & Kalt, 45) development. In their view, the fundamental challenge in matching economic models with First Nations communities lies in reconciling two differing systems of social organization, and engineering a “cultural match” (Cornell & Kalt, 2, 12) between each First Nations institution of governance and economic development. Cornell and Kalt insist that “unless there is a fit between the culture of the community and the structure and powers of its governing institutions, those institutions may be seen as illegitimate, their ability to regulate and organize the development process will be undermined, and development will be blocked” (Cornell & Kalt, 8).

However, Cornell and Kalt overlook (or choose to ignore) this crucial aspect of First Nations’ culture: the ‘individual’ does not have the centrality for many First Nations that it does for Westerners, or for capitalist theory. For example, in the Nuxalk culture of Bella Coola, British Columbia, where I am both working in the community and continuing my field research on economic development of First Nations peoples, the family unit is the basic social unit, and individuality exists only in the context of kinship obligations. As Professor Tuhiaui Smith, a Maori educationalist, puts it:

The individual, as the basic social unit from which other social organizations and social relations form, is another system of ideas which needs to be understood as part of the West’s cultural archive. Western philosophies and religions place the individual as the basic building block of society. The transition from feudal to capitalist modes of production simply emphasized the role of the individual (Smith, 49).

Cornell and Kalt also insist that recognition of authority is required if strong leadership — another identified ingredient in economic success — is to be achieved. Focusing on leadership, Cornell and Kalt argue that sovereignty alone is not a key to economic success; tribes need good managers. The ideal, they say, is a “strong chief
The idea of a "strong chief executive" is not culturally appropriate for the Nuxalk Nation — nor, I suspect, for many other First Nations Canadians with similar historical ways of life and consequent social organization. Local Bella Coola historian Cliff Kopas puts it this way:

A chief was shown great respect, had extensive privileges within the tribe but had no great authority. If he decided to go to war, his subjects were not obliged to follow him and, if they did, no penalty was meted out if they decided at any time, even in the heat of battle, to leave him and go home. This resulted in lack of leadership in war and lack of anything but the most primary of planning in their expeditions (Kopas, 172).

Traditional First Nations societies (particularly hunter-gatherers) are essentially opposed to the very conditions of industrial development: the accumulation of wealth, growth and Westernized notions of "progress". Acceptability of these ideals, intrinsic to westernized economic success, does not dovetail with First Nations ways of life. Furthermore, the myopic view of the world that a society must take in order that these conditions take hold (acceptance of the use of natural resources for economic gain, the resulting environmental degradation and stratification of society, to name a few), is not congruent with their cultures.

Cornell and Kalt's "cultural match" sounds easy to achieve, yet the forces against a valid match, as I have described, are complex and pervasive. The creation and implementation of governmental legislation, which re-creates and circumscribes the very terms of "culture" itself, is what Cornell and Kalt therefore prescribe. However, this prescription is an example of what Merlan calls a "mimetic creation". While Merlan describes the mimetic demands of the Australian government on Aborigines in the process of their land claims, she may well be describing what Cornell and Kalt are calling for in aboriginal economic development, that it:

...[be] given a fresh form of existence, and indeed considerable material realization, through the invention of the legislation and an associated, complex bureaucratic-administrative machinery. It is also widely assumed that this machinery should be indigenized, run insofar as possible by Aboriginal people, and on organizational bases that some hope may also be seen as indigenous, or at least contrasting distinctively with the way other, non-indigenous institutions are run. It is an important and widely shared assumption that this process be seen as one of reclaiming, giving land-tenure legitimacy in a new context, finding and rescuing from devaluation something already there (Merlan, 235).

Merlan refers to the theoretical work of Bourdieu, and his notion of the objectivizing moment of cultural maintenance, "in which some aspects of present and past life are crystallized as "cultural"" (Merlan, 226). She explains how this objectivization results in a complex feedback loop of representations, often mimetic, which "come to play a material role in the shaping of Aborigines' lives. Aboriginal people, of course, participate in these processes in various ways" (Merlan, 226). The same is true among North America's First Nations. The very terms of cultural identity — the land, the law — are offered to them as part of the "trick" of cultural match. Lamenting the economical failure of certain Sioux reserves, Cornell and Kalt draw the lesson: "The trick is to invent governments that are capable of operating effectively in the contemporary world, but that also match people's ideas — traditional or not — about what is appropriate and fair" (Cornell & Kalt 2, 24).
Multivocality Matters

First Nations people are enmeshed in forces which create cultural mis-matches, and which actually work to encourage ‘ineffective’ business institutional development. Many of these forces are cultural, arising out of their egalitarian society which allows for, and possibly even encourages, ‘multivocality’—a concept alien to the Harvard Project. For example, from the beginning of my fieldwork, through my preliminary email contact with two Nuxalk men—one a traditionalist and the other not—I was made aware of at least two differing views on economic development of the Nuxalk. Once I began my fieldwork in the Bella Coola Valley, this knowledge rapidly expanded, encompassing the ‘vocalities’ of the people. I now realize there are many differing views in the community with regard to how economic development should proceed, and this has led to my use of the term ‘multivocality’.

Some of this multi-vocality is an unwelcome, recent imposition. Many voices speak at First Nations, as well as from within their communities. For example, the Canadian federal government speaks to First Nations in at least two voices: one voice is for the traditional hereditary government and deals with land claims, while another voice is for their own Band Council government system (largely an administration for distributing money). In addition, historically the government has used different voices (or rhetorics), speaking now of assimilation, now of equality and tolerance, now of fiscal stringency (Boldt, 115). Of course, the hidden agenda remains the same: “the ‘national interest’ imperative” (ibid.). It is therefore not surprising that on the reserve there are many examples of conflicting values. Even without focusing on efforts at economic development, it is clear that the intervention of the federal government has created an ongoing clash of value systems and continues to support this division through various mechanisms. A result of this intervention in Nuxalk society is that community relations between the modernists and the traditionalists are often divisive and destructive.

The practical result of all these conflictual ideological demands and role models is paralysis, both psychic and social—what Elsass, a Danish Professor of Health Psychology, calls a “schizophrenic situation” (Elsass, 230). How can anyone reconcile environmental guardianship with a resource-based, profit-driven, westernized notion of economic development that does little more than pay lip service to the idea of ‘sustainable economic development’? How can anyone create a cultural match between a hegemonic society which reveres individual success, and one which values community and equality? First Nations people are being repeatedly told to be dichotomous (economically profit-driven but in an ‘egalitarian, environmentally conscious’ way), until they come to reflect what they are being told, in all its contradictoriness. Furthermore, because their numbers are small and resources are few, many First Nations peoples have neither the time nor the energy to ponder the images they are being encouraged to adopt, in order to sort or rank them in a pro-active way. The exception is the international arena, where the Nuxalk, for example, have been outspoken and active in campaigning to save their forests, stop fish farming, etc. However, even this international success is seen in a different light back in Nuxalk territory; some Nuxalk as well as non-Nuxalk see these ‘successes’ as barriers to their economic development. This is a practical example of the multivocality of their culture. It is also a practical example of the result of the ‘schizophrenic demands’ placed upon the Nation by various outside interests.

Conclusion

I have not been able to find in Cornell and Kalt’s writings any allowance or response to tribal ‘multivocality’ in their advocacy of ‘cultural match’. On the contrary, the tribes which they regard as economically successful are ones that have “a centralized government operating under a single chief executive and a one-house legislature without an independent judiciary” (Cornell & Kalt, 18). These tribes, they say, have a better ‘fit’ for economic success; the cultural match is easier to accomplish because this hierarchy is similar to the dominant hegemony—that is, ‘uni-vocal’ and hierarchical. Indeed, Cornell and Kalt identify less economically successful tribes as those which “may include decentralized authority or identity, regional or clan-based government, or political power founded on religious belief” (ibid.). They conclude that these tribes which have “greater difficulty” in governance need “constitutional reform” as the “appropriate first step toward sustainable economic development” (ibid.).
Why do Cornell and Kalt resist the fact that some cultures are egalitarian and ‘multivocal’? Why do they, along with the dominant hegemony, presume that univocality is a reasonable request, even when their own culture fails to achieve it? As Elsass observes, “To demand unity of other peoples is unwarranted when our own society and institutions are split into multiple factions” (Elsass, 231). Cornell and Kalt’s Harvard Project is one more univocal formula, imposed from without and encouraging yet more mimesis and fracturing First Nations society. What Cornell and Kalt are participating in is further proliferation of the social mimesis that Merlan finds so deplorable. Their version of ‘cultural match’ amounts to a demand that First Nations develop “machinery [that is] indigenized, run insofar as possible by Aboriginal people, and on organizational bases that some hope may also be seen as indigenous, or at least contrasting distinctively with the way other, non-indigenous institutions are run” (Merlan, 235). The ‘culture’ in Cornell and Kalt’s ‘cultural match’ is nothing more than politically correct rhetoric glossing over very real, perhaps intractable, issues.

Even Boldt admits “the bottom line ... that Canada will not redesign its industrial society to make room for the traditional ways of Indian life.” (Boldt, 196). Like Cornell and Kalt, he acknowledges that “the challenge of living and surviving as Indians is to reformulate the ancient customs and traditions without compromising the enduring truths” (Boldt, 198). But, unlike Cornell and Kalt (and their ‘trick’), he argues that any solution must involve a system of economic development based on community rather than on the western individualistic model: “The first step in [First Nations’] quest for self-government should not be to take over the existing colonial political and bureaucratic institutional structures, but to engage their people in planning and developing political and administrative structures and norms consistent with traditional philosophies and principles, i.e., structures that will empower the people…” (Boldt, 141).

Rupert Ross presents the challenge:

How does the general unwillingness of white society to acknowledge that North American Indians have different values and institutions that have not lost their relevance and application despite five hundred years of cultural and technological advances, bear upon the affairs with the First Nations peoples? The answer is clear: as long as the governments and the agencies of this country fail to recognize that many original peoples of this country still cling to their different values and institutions, and so long as they insist that the original peoples abandon their ancestral heritage and embrace European culture, so long will penalties be unconsciously imposed upon the Natives and injustices and injuries be committed. And so long as the government and the officials of this country continue to act as if the original peoples are the only ones in need of instruction and improvement, so long will suspicion and distrust persist (Ross, ix).

Until institutions are able to disengage, genuinely ask the simple question, “How can we help?” and be willing to accept and act on the answer in the spirit of a partnership of equals, they will never be more than meddlers in the affairs of First Nations, driven by an unspoken, unacknowledged agenda of continued control. As I see it, that crucial step back will be our only step forward.

WORKS CITED


