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# POLICY MATTERS

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## **CULTURALLY INFORMED STRATEGIES FOR POVERTY REDUCTION IN INDIAN COUNTRY**

Building on Success

By Terry L. Cross  
National Indian Child Welfare Association

Policy Levers to Reduce Poverty and Build Prosperity  
in the Upper Midwest and Pacific Northwest

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## INTRODUCTION

Public policy matters in people's lives. That is the guiding principle of *PolicyMatters*, a new series of issue papers underwritten by the Northwest Area Foundation.

As we launch *PolicyMatters* in 2009–2010, the Foundation is celebrating its 75th year of service to the Northwest area: Washington, Oregon, Montana, Idaho, North Dakota, South Dakota, Minnesota, and Iowa. We seek a future for this region in which those who have been impoverished and marginalized, whether in urban, rural, or American Indian reservation communities, share in real opportunity and lasting prosperity. We work toward that future by making grants and mission-related investments. But we are also committed to sharing knowledge of what works, convening conversations about the region's progress, and advocating for change. In that spirit, *PolicyMatters* is intended to spark reflection, discussion and innovation.

Why focus on policy? Because policy decisions shape the flow of the people's resources through government expenditures, with profound consequences in our communities. Public policy touches on issues as diverse as asset accumulation, early childhood and K–12 education, college access, housing, immigration, workforce development, tax and budget policy, and retirement security. In all of these areas and many more, the people's resources are flowing in patterns shaped not by some invisible hand, but by decisions made by human beings. A critical question is: Whose perspectives inform those decisions? Our Foundation cannot achieve its mission if the proven and promising organizations we work with – or low-income people themselves – are absent from the policy debates of our time.

*PolicyMatters*, therefore, will lift up voices from the field. We hope these perspectives will be useful to practitioners, advocates and decision-makers as they work toward policies to reduce poverty and build sustainable prosperity. Motivating us in this and all our endeavors is a vision for the future of the Northwest area:

- We see a region known for its highly skilled, well-educated population, its living-wage jobs, and its healthy, vibrant communities.
- We see a region characterized by thriving local economies within thriving natural ecosystems.
- We see a region whose strong public institutions, business community, and nonprofit sector collaborate to address pressing needs and help build pathways to prosperity for all residents.
- We see a region whose people are organized and empowered to lift their voices and actively shape the civic, social, political and economic life of their communities.
- Ultimately, we see a region whose rich culture of engagement and opportunity makes it a prized place to visit, to invest, and to live, and where all residents have a fair chance to live free of poverty.

Innovative public policies are essential if that vision is to become a reality. Let us know whether you find *PolicyMatters* helpful in spurring the development of such policies. But more importantly, make sure your voice is heard in what we hope will be a vibrant, ongoing public conversation about the future of our region and our nation.



**Kevin Walker**  
*President and CEO*

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# CULTURALLY INFORMED STRATEGIES FOR POVERTY REDUCTION IN INDIAN COUNTRY:

## Building on Success

By Terry L. Cross  
National Indian Child Welfare Association

### INTRODUCTION

This paper addresses one of the most challenging aspects of philanthropy in Indian Country, namely reduction of poverty among American Indian communities. Poverty negatively impacts a broad spectrum of issues. For example, from a child welfare perspective, poverty has been shown in several studies to be highly correlated with child maltreatment, high rates of out-of-home care, and negative mental health and juvenile justice outcomes. Past attempts to deal with poverty have taken many forms and much has been learned from the experiences. The following discussion places the work of poverty reduction in both a larger economic and community-development context and a cultural context, which strongly influence program-specific strategies and potential outcomes.

Specifically, this paper reviews the most prominent models in the current literature on American Indian economic development and summarizes two of the leading theoretical models in the country for understanding the current state of tribal economic development. These are briefly contrasted with the historic approach. The report then summarizes the Relational Worldview model of organizational development and examines a culturally based theory of change developed by the author. Next, the paper articulates several culturally bound and sometimes conflicting assumptions and values that must be considered in any strategy for poverty reduction in American Indian/Alaska Native culture. Thirdly, the report discusses the implications for action and makes several recommendations. Finally, several recent or existing projects are listed.

The author contends that the picture for the future of poverty reduction in Indian Country is not as negative as the stereotypes suggest. The intent of the paper is to be strengths based, culturally congruent, and action-oriented. It suggests strategies for both grantmaking and non-grantmaking activities and draws heavily on culturally based resources.

### CONCEPTUAL OVERVIEW AND LITERATURE REVIEW

What is “development” and what does it have to do with poverty reduction? For the purposes of this paper, the author addresses economic, community and organizational development broadly as key strategies for poverty reduction. The discussion begins with economic development. Economic development, as discussed here, is not just the development of businesses. It includes development in every aspect of the environment: health care, social services and family. It is how a household/family unit looks at managing its income and assets. It is the public sector, the private sector, the formal sector and the informal sector. An economic system is defined as a collection of laws, institutions and activities designed to allocate resources to meet needs based on the controlling values and beliefs of a particular society. The development of economic opportunity for an Indian nation or for its youth must be based

on the idea that economic functioning is in every aspect of the world around us. We must take a macro approach to understanding this functioning and then take actions that fit our context.

The following discussion provides a synopsis of two views of Native economic development from two highly respected organizations and two different worldviews. The conclusions are strikingly similar. This is presented to familiarize the reader with economic development theory as it applies to American Indian/Alaska Native communities and to communicate what the author has learned to guide his conclusions. The two world models presented were selected on the basis of a broad literature search as representing the best and the clearest current work on tribal economic development. This discussion is followed by a summary of the Relational Worldview model for organizational and community development developed by the author for the National Indian Child Welfare Association.

## THE NATIONS BUILDING MODEL: HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

The Harvard Project on American Indian Economic Development, which began in 1987, conducted a study of successes of economic development on Indian reservations. In their book, *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, Cornell and Kalt acknowledge that economic development is tough everywhere but that it is compounded on reservations. They introduce the concept of self-determined economic development and discuss that there are many factors that affect development but only a few factors that tribes can do something about. They propose a model in which economic development success depends on the balance between development factors and changing those factors that can be changed. The most important of these is sovereignty (the power to govern: to control or regulate decision-making, resources, planning, assets, business relationship, etc.).

### KEY DEVELOPMENT INGREDIENTS

#### *External Opportunity*

- Political sovereignty
- Market opportunity
- Access to financial capital
- Distance from markets

#### *Internal Assets*

- Natural resources
- Human capital
- Institutions of governance
- Culture

#### *Development Strategy*

- Overall economic system (individual, tribal, outside, government)
- Choice of development

- In this model, weakness in one area does not mean doom in another.
- The factors are often interdependent, e.g., access to capital may be dependent on institutions of governance.
- Tribes can do something about only a few of these factors (i.e., tribes can't change distance from markets, natural resources, etc., but can change human capital through social and education programs or importing labor).

The following table outlines the development factors identified in the Nations Building Model and indicates the degree to which tribes can control each factor.

DEVELOPMENT FACTORS	DEGREE OF CONTROL		
	LOW	MODERATE	HIGH
<b>External Opportunity</b>			
Political sovereignty		X	
Market opportunity	X		
Access to financial capital		X	
Distance from markets	X		
<b>Internal Assets</b>			
Natural resources	X		
Human capital		X	
Institutions of governance			X
Culture		X	
<b>Development Strategy</b>			
Economic system (individual, tribal, outside, government)			X
Choice of development			X

Three most important factors, in the opinion of the Nations Building Model, are:

- De facto sovereignty: genuine decision-making control over the running of tribal affairs and the use of tribal resources.
- Effective institutions of self-governance.
- Development strategy that fits the culture and makes sense given the assets in the situation and makes sense to the people.

### ROLE OF SOVEREIGNTY

- Communities don't tend to change without the responsibility for change.
- Consequences should be closer to decision-makers.
- Outside solutions have never worked.

An economy in which control of assets is centralized and in the hands of another government has little chance for development. Control of assets, decision-making and governance of business relationships are the most fundamental building blocks of economic development. The most important finding in the Harvard project was that in American Indian/Alaska Native communities, the greater the level of sovereignty, the more likely the success of economic development activities.

### ROLE OF INSTITUTIONS

Institutions are the implementation of sovereignty. They provide the mechanisms for acting jointly in business and other relationships, i.e., constitution, laws, charter, rules, regulations, courts. Tribes are economies in transition. Until 30 years ago, every tribe had a centralized economy controlled by the federal government. Institutions supporting economic activities have only been recently developed.

For successful development, tribes must:

- Mobilize and sustain support for institutions.
  - > Do the people see the government, laws, courts, business regulations, etc., as legitimate?
- Efficiently carry out strategic development choices (integrity).
  - > Formalized decision rules and procedures.
  - > Professional financial, personnel and records systems.
- Provide a political environment where investors feel secure.
- Compete with other communities (to offer economic returns that are greater than or equal to the competition. In part this is about the amount of oversight, regulation, taxation, etc.).

The degree to which tribes have developed effective institutions supporting economic development has a direct relationship with the success of efforts to develop the economy. Infrastructure and institutional development are, however, dependent on sovereignty and thus, control over assets. The Harvard project found as well that even with limited institutions, some tribes are able to implement effective strategies.

## ROLE OF STRATEGIES

Each tribe, regardless of the strengths or weaknesses of the development factors that surround planning, must try to come up with effective strategies. Development strategy is dependent on the economic system of the reservation. Five types are described by the Harvard project:

- Federal control (e.g., BIA foresters managing tribal timber harvests).
- Tribal enterprise (e.g., resort hotel, casino, factory, truck stop).
- Private enterprise with tribal member ownership (e.g., small business, services, micro, merchants).
- Private enterprise with nontribal member control/ownership (e.g., chain stores, data processing, manufacturing).
- Mixed (combinations of the above).

Federal control stands out clearly as a growth-inhibiting system. Each of the others can, in the right circumstances and with some luck, succeed in enhancing the local economy. The Harvard project found that the success of any strategy depended on the choice of activity, with greater success resulting from activities that were based on existing assets and were guided by the cultural values of the community.

## THE HARVARD CONCLUSION

Three things stand out as the primary ingredients to successful tribal economic development: sovereignty, institutional strength and strategies that fit the culture and circumstance of the tribe.

Strong assertions of sovereignty supported by tribal government policies and institutions capable of backing up that sovereignty provide the foundation for economic development. “Available evidence clearly demonstrates that tribal sovereignty is a necessary prerequisite of reservation economic development” (Cornell and Kalt).

Institutions that support the implementation of that sovereignty must be adequate. That is, they must be effective in solving the problems of managing sovereign societies and specifically economic relationships. Institutions must also be appropriate. They have to fit the culture and have the confidence of the people being governed.

Development strategies take place in the context of an economic system that must have at its base a development policy that guides what type of economy is to take shape and ensures that that economy fits with the culture of the community. Only then can activities be chosen that fit the tribal community.

Any policy or action of outside partners should: support and enhance sovereignty; provide technical assistance to empower and enhance the institutions that actualize sovereignty; and, finally, participate as investors, lenders, consumers, vendors, contractors, educators, etc., in the chosen development strategy.

Miriam Jorgensen's book, *Rebuilding Native Nations: Strategies for Governance and Development*, describes the follow-up work from the Harvard Project, taken on by the Native Nations Institute for Leadership, Management, and Policy at the University of Arizona. Cornell and Kalt are updated and joined by several other authors who broaden and deepen the model described above. This book provides the framework for many of the recommendations provided later in this paper.

## AUTHOR OBSERVATION

The author is a child welfare professional who has engaged community development activities to help American Indian and Alaska Native communities develop responses to child abuse and neglect for the past 27 years. The principles and factors identified by the Harvard Project for economic development are virtually the same as those associated with successful implementation of child protection and related systems and services. Sovereignty, dependable institutions and culturally matched strategies (services) are the key factors that underlie positive outcomes for children and families in the communities we observe. The fact that poverty and child maltreatment are highly correlated have roots much deeper than household income.

## FIRST NATIONS DEVELOPMENT INSTITUTE NATIVE AMERICAN DEVELOPMENT MODEL: 16 ELEMENTS OF DEVELOPMENT

First Nations Development Institute is an economic development organization with almost 30 years of experience working with tribes and Native peoples to change the economic environment of reservations to one that builds on local resources, recognizes Native knowledge and culture, and supports development from within.

First Nations has developed a model for development based in Native culture because the Western models do not adequately describe or measure development in indigenous cultures. This approach is not unique to Native Americans. In fact, First Nation's work builds on international development efforts in underdeveloped nations. In developing nations, as in American Indian communities, the economic measures used in the industrialized world do not fit and do not paint an adequate picture of economics as a quality of life or environmental issue.

Similar to the Harvard project, First Nations has found that to be effective, development must involve the tribe's social-cultural form and institutions. These forms and institutions are found in:

1. Traditional leadership roles.
2. Indigenous knowledge systems.
3. Traditional etiology.
4. Traditional communication systems.
5. Tribal institutions and organizations.

First Nations has identified five principles by which it operates in its development activities:

1. Within each Native community there are household income-generating activities, self-help efforts, and other untapped and idle resources that can be mobilized for successful economic development.
2. An empowered Native economy can develop “win-win” partnerships with the surrounding economies, leverage resources, build strong networks for Native development, and enhance existing markets and develop new markets based on community knowledge of what people need.
3. Organizational or group activities, modified to generate revenues, can decrease dependency on federal funds and increase the capacity for planning, initiating, managing and marketing development activities.
4. A diversified local economy decreases the flow of money out of the community, which promotes local recirculation of money and enhances continued development.
5. Economic development must start with people. It is about leadership, vision and the right to a dignified livelihood for all people.

## BASIC ASSUMPTIONS

- Development goes far beyond economics to focus on the development of people and all aspects of human existence, striving for the balance that is required for health, quality of life and spiritual stability.
- Development comes from within. It cannot be done *to* people or *for* people but only *by* people.

The “Elements” model reflects that all of us have a role in development: individuals, families, projects, tribes and national organizations. It recognizes that all aspects of development exist within the larger ecology and global environment. These aspects of the model provide a context for 16 elements of development. These 16 elements are arranged around a circle, which symbolizes balance.

Four of the key elements serve to organize and structure the other 12 into four major quadrants. Control of assets, kinship, personal efficacy and spirituality form the defining four elements and are arranged on two axes of the circle representing major significant relationships among the elements supporting development.

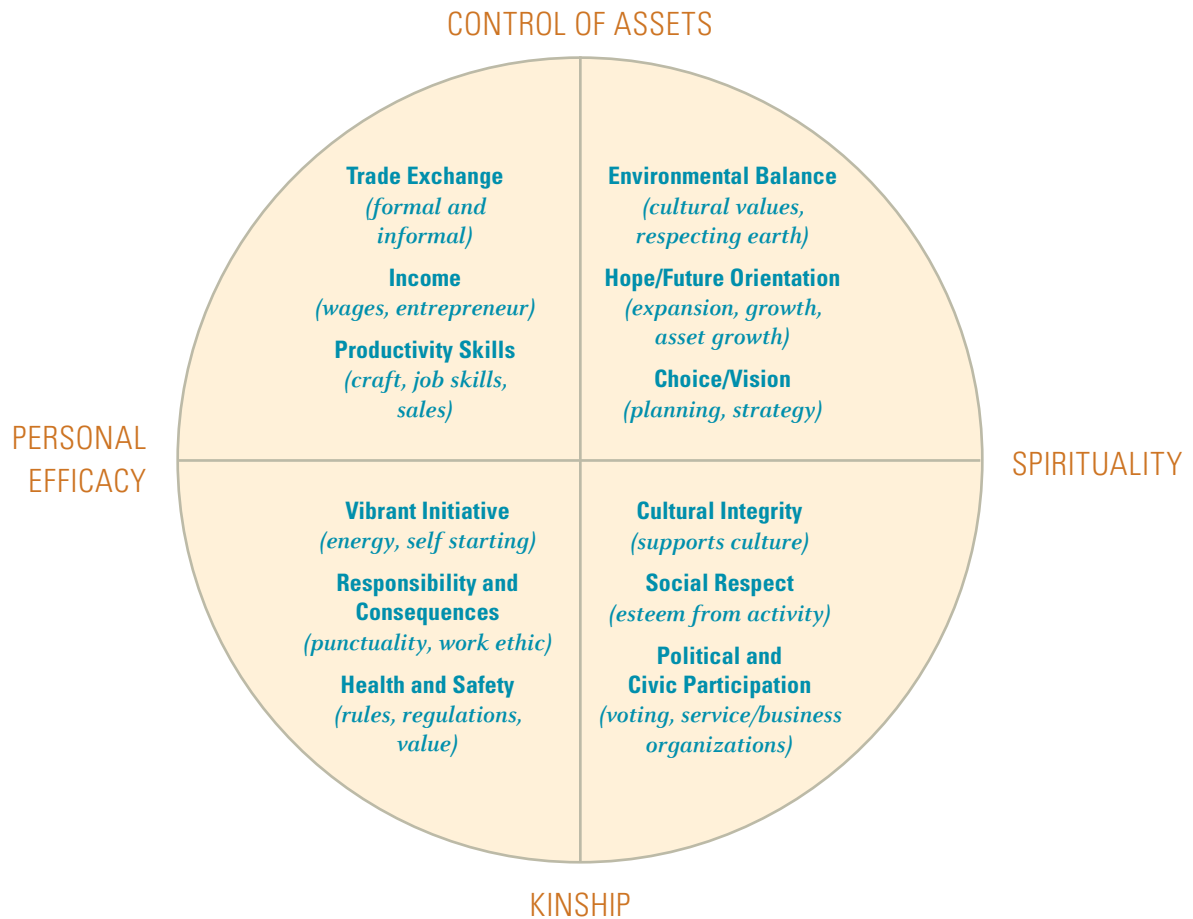
***Control of Assets:*** The control of assets is a form of sovereignty; without this control, long-term development cannot occur. Control may be individual – as in land ownership or having an education or job skill, or it might be community-controlled – as in tribal resources, rights or institutions.

***Kinship:*** Kinship is the traditional and historic means of distribution of goods, services and capital. Capital takes the form of relationships. Exchange is in the form of barter. Accumulation of material goods is discouraged and redistribution of wealth through the extended family encouraged. Local needs are met with local resources.

***Personal Efficacy:*** People who have confidence in their own ability and whose individual achievements are valued for their benefit to the family are the human capital. Personal efficacy is indicated by good problem-solving skills, high self-esteem, a positive outlook and a “can do” attitude.

***Spirituality:*** Spirituality in this context means a sense of vision and a sense of meaning in the context of community. It also means the presence of a basic value system and inner-directedness.

These four elements frame quadrants that contain the other 12 elements.



These 16 elements provide a model for development that can be measured based on culturally meaningful criteria. Success in economic development is marked by progress and enhancement in each of the elements as well as the elements themselves being in balance with the individual, project, tribe, culture and environment.

### FIRST NATIONS DEVELOPMENT INSTITUTE CONCLUSIONS

Like the Harvard model, the First Nations model views sovereignty (control of assets) as a prerequisite for effective development. First Nations emphasizes the role of institutions beginning with the family. In this cultural worldview, kinship structure provides much of the basis for economic activity. Relationships have value (i.e., social capital). By focusing on kinship, their model views economic development from a personal or grassroots approach. Responsibility, health and safety, social respect, and political and civic activity are central to viable development. Similar to the Harvard model, First Nations emphasizes that strategies must fit the culture. Further, they emphasize that economic activity must bring esteem to the participant. Unlike the Harvard model, the First Nations model is based on values of personal efficacy and spirituality. The human qualities of vision, hope, initiative and integrity are an essential part of the model. Finally, as in the Harvard model, a lack in any one of the factors does not spell doom for development. Strengths in one area can compensate for weakness in another.

The First Nations model fills in an important gap left by the Harvard model. It strongly addresses the issue of human capital, addressing the role that families and individuals play in actualizing development through personal capacity and responsibility. Most importantly, this model begins to articulate key cultural factors regarding perceptions of value, illustrating that the ability to express culture, help family and serve community are better economic indicators of prosperity than accumulation of wealth or tangible assets.

## OTHER SOURCES

While this paper summarizes only two models, the author was informed by a wide range of literature. One author who was very helpful was Dean Howard Smith. Smith's work on applying the "cycles of growth" theory to Indian economies and his articulation of cultural compatibility issues are also some of the most informative work available. Smith, like authors of the Harvard and First Nations models, agrees that sovereignty, effective institutions and strategies that fit the culture are essential. Smith makes the additional point that economic strategies must tap and feed the cycles of growth that began in Indian Country about 20 years ago. His long-term orientation is worth heeding.

In his article on tribal economic development, Smith argues that for most reservations, imports far exceed exports. Despite the wages of government and other jobs, there may be little if any retail or services sector and thus most things (and services) have to be imported. He also contends that even modest changes in this situation can greatly influence positive development. Long-term economic development must recognize the positive potential of the cycle and develop strategies that work in harmony with it. Smith contends that the effects of the cycles are cumulative, that tribes can work on several aspects of the cycle at the same time, and that such efforts also have an aggregate effect. That is, they build on the strengths of each other.

For example, a tribe could develop a business locally that replaces some good or service purchased from outside (e.g., appliance repair, coffee shop). Another business might be designed to sell some locally made product outside the reservation (e.g., huckleberry jam, aircraft parts). Still another business could retail to tourists (e.g., tackle shop, crafts shops). If the tribe then enters the picture with the sale of tribal fishing permits and such permits are sold through local retail outlets, then the cycle is building momentum over time.

Tribal economies have benefited from this cycle when natural resources are processed locally and then both exported and used locally, reducing imports. Timber, turned into plywood and then into local housing, is an excellent example.

Smith emphasizes the importance of a strengths-based approach. For example, based on a history of successfully taking over and running their own health care facilities, some tribes are now selling their health care services to non-Indians in border areas and bringing in much-needed capital.

Smith proposes that this is a very long-term approach, but that tribal culture, with its historic emphasis on planning for the seventh generation, is fully capable of this type of planning. (Under the Great Law of Peace of the Iroquois Confederacy, all legislated decisions had to be made with consideration of seven generations.) Smith concedes that this model can only be considered in the context of the development of sovereignty and local infrastructure, but proposes that the future of economic development in Indian Country is actually much more positive than most outsiders can appreciate.

## HISTORIC MODEL CONTRAST

In Miriam Jorgensen's book, *Rebuilding Native Nations*, Cornell and Kalt compare the Harvard Project approach, described earlier, with historic approaches. The historic approach is described as having six steps: (1) leadership tells a planner to identify business opportunities, (2) the planner applies for federal grants, (3) the nation starts what gets funded, (4) political appointees are selected to run the project, (5) elected officials micromanage the enterprise and (6) everybody prays it works. The typical results are failed enterprises, an economy highly dependent on the federal government, and continuing poverty and cultural decline. The Nations Building model is characterized by the Native nation asserting decision-making authority, creating effective governing institutions that match the culture, strategic decision-making, and leaders serving as nation builders and mobilizers (Cornell and Kalt in Jorgensen).

## RELATIONAL WORLDVIEW MODEL – NATIONAL INDIAN CHILD WELFARE ASSOCIATION (NICWA)

Western European and American models of organizational development tend to follow a linear, scientific worldview. In this worldview, linear cause-and-effect thinking dominates the development strategy. Interventions are targeted to problems, and outcomes are measured and linked to the intervention whenever possible. This approach is typified by logic models and theory of change models that attempt to reduce complex systems down to manageable elements.

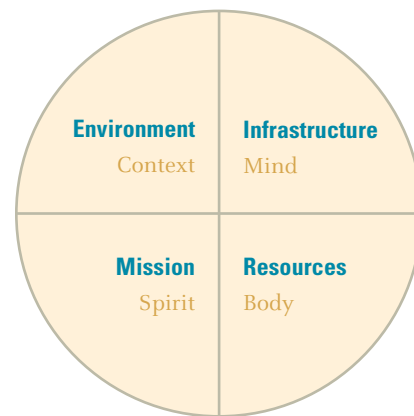
NICWA has developed and uses the Relational Worldview model as our conceptual framework for supporting community and organizational development. It is a strengths-based model that relies on a community-based focus of control. The relational model is represented as a circle with four quadrants. The four quadrants represent four major forces or sets of factors that together must come into balance. Applied to the person, they are context, mind, body and spirit. Applied to an organization, they are environment, infrastructure, resources and mission.

**Environment (context)** includes the social context (problems and needs, assets and strengths, attitudes, values), the political context, (power relationships, leadership, influence, partnerships) and the economic context (economy, poverty, institutions).

**Infrastructure (mind)** includes systems and services, governing documents and processes, policies and procedures, work plans, memoranda of agreement (MOAs), documentation and records, and much more.

**Resources (body)** includes staffing and personnel, funding, facilities, leadership, consultation, experience and materials.

**Mission (spirit)** includes mission, vision, philosophy, values, practice principles, ethics, organizational identity, team spirit and integrity. Influences include both positive and negative learned teachings and practices, as well as positive and negative metaphysical or innate forces.



If the community or organization is able to stay in balance, it is said to be healthy or functional. If these quadrants come into a harmonious and energy-producing complementary relationship, the community or organization can be described as thriving. Even if some aspects of the organization are weak, strengths in other aspects balance the system and create a synergy associated with organizational

health. Sometimes the balance is temporarily threatened or lost. Managers and leaders have the capacity to keep their organizations in balance, for the most part, with planning and continuous attention to improvement.

The Relational Worldview, sometimes called the cyclical worldview, finds its roots in tribal cultures. It is intuitive, non-time-oriented and fluid. Balance and harmony in relationships are the driving principles of this thought system, along with the interplay of spiritual forces. This worldview has historically been applied to individual well-being and is usually associated with the medicine wheel or four directions teachings of various tribes. Traditional healers enter the circle altering the balance through purposeful intent to restore health. Likewise, the well-being of the organization can be influenced by entering the world of the organization and manipulating the balance contextually, through building infrastructure or altering resources or clarifying mission.

### *An Indigenous Theory of Change*

From the Relational Worldview perspective, change is a constant, inevitable, cyclical and dynamic. It is part of the human experience that occurs in natural, predictable patterns and can be facilitated to promote desired and measurable outcomes. Changes are a combination of linear and multi-causal, multi-effect relationships. A change agent joins with the natural forces, and with purposeful intent, impacts the quadrants to restore balance and promote harmony. Interventions do not necessarily target symptoms or specific problems. They instead impact balance and facilitate harmony and are frequently designed to impact multiple quadrants. Change can be measured by observing key indicators of balance and harmony and by recording change across time in relationship to the intervention(s).

Nothing in an organization's existence can change without all other things being changed as well. Hence, an effective change strategy is one that gains understanding of the complex interdependent nature of organizational dynamics and learns how to use resources, infrastructure, relationships, and mission-related forces to promote harmony. Development is the work of identifying high-leverage activities that create conditions that will in turn help leverage higher-level activities. When these high-leverage activities are present in each quadrant, the energy produced can be enough for a significant systems change or shift. The organization takes a quantum leap forward to a new state of being.

### *NICWA Conclusions*

Where the earlier models were focused primarily at the macro level, the Relational Worldview model focuses at the meso level. It uses a cultural frame of reference and provides practical guidance for well-informed change strategies. The Relational Worldview model is applicable in both reservation and urban settings. It also lends itself to assessment and strategic planning, and is highly compatible with the development models described above. It allows organizations to identify and address capacity issues that are most likely to produce positive results.

## IMPLICATIONS FOR POVERTY-REDUCTION STRATEGIES

### CULTURAL ASSUMPTIONS AND VALUES

Economic development is and should be a means to an end and not an end itself (Smith). For American Indian communities, *economic development that does not contribute to the integrity of the culture is not development at all but rather a process of destruction*. Economic development must also result in more sovereignty (control of assets) for the tribe if it is said to be successful. While in the dominant society, consumption of goods may be associated with the quality of life that economic development brings. Among American Indian/Alaska Native people, consumption includes not only goods but also cultural activities and practices including time with relatives (kinship).

Economic development strategies first and foremost must consider this issue of compatibility with the culture. Does the economic development activity enhance the peoples' capacity to practice, participate in and maintain the rituals, practices, norms and values of the culture? If not, then the activity is not true development, concludes Smith.

The Inter-Tribal Bison Cooperative is one example of tribal development with strong cultural integrity. Several tribes with bison herds have joined together to enhance their capacity to raise and use bison in ways that are compatible with the traditions of Indian people as well as for marketing and resource-management purposes. This highly successful cooperative is showing how the bison herds are better for the environment than cattle, that the meat is healthier for people than beef or turkey, and that bison raised and slaughtered via traditional methods produce a higher quality product.

Not all economic development opportunities will fit the cultural values of the tribe. For example, even though a tribe might have wild game that could be marketed via hunting permits or eco-tourism, if that game is found on or near sacred sites, the activity, while lucrative, may be incompatible with the cultural need. Smith points out how every society has these cultural conflicts with economic development opportunities. He also points out how cultures are changing and dynamic and cannot be judged with stereotypic notions from outside, and how important it is for development decisions to be made locally.

Finally, Smith describes how poverty is one of the most significant factors in the decline of our culture. Families who can afford to put on ceremonies, keep regalia, travel to cultural events and engage in activism are those families for whom the economy is working. Economic development leads to more participation in cultural activities, not less. Thus, philanthropic organizations interested in poverty reduction will want to pay close attention to culture engagement as an indicator of success.

### *Cultural View of Money/Defining Poverty*

Cultures are shaped by values. Any theory, whether of human behavior or of economics, is shaped by culture. In Western thought, most economic theory is based on two underlying cultural assumptions: resources are scarce, and desire for goods and services is limitless. These assumptions lead to economic theories such as the theory of supply and demand.

Native American culture historically looks at economics from a very different belief system: the abundance mentality. In this worldview there is always enough and you take only what you need. These cultural values are based on living in resource-rich environments and on spiritual teachings that encourage harmony and balance with the environment (Relational Worldview). The impact of the variance between these two worldviews creates problems. For American Indian/Alaska Native people, the relationship with money has historically been ambivalent. Non-Indians tend to stereotype Indians as irresponsible and unreliable in money matters. What has appeared to outsiders as a lack of ability is actually a difference in values.

As tribes develop economies that must relate to the mainstream world and the global economy, American Indian/Alaska Native business leaders have to reconcile the differences. They must overcome the ambivalent relationship with dollars and still maintain the integrity of the cultural values. Knowing how to manage money is critical — whether a little or a lot. Managing money in the context of “enoughness” (concept of abundance) is a very different task from managing money in the context of scarcity. American Indian/Alaska Native people are learning to do this by trial and error. Our youth will have a better chance to succeed if they can learn about this dilemma from us and their schools instead of by trial and error. Poverty-reduction strategies will need to consider that positive outcomes may be perceived differently due to this very basic difference in cultural/economic worldview.

### *Generosity: Giving versus Saving*

A behavioral example of the abundance mentality and one of the most prominent and universal values among American Indian and Alaska Native peoples is generosity. The ability to give away resources for the well-being of family, community and culture is more highly valued than saving or developing material or capital assets. A large home is not valued so much for its monetary value, but as a place for family to gather or for relatives to come when they are in need. Generosity is institutionalized in the form of “give away” ceremonies. The “potlatch” ceremony of Northwest Coastal cultures was and is the ultimate expression of wealth being measured by how much one gives. The giver receives cultural and social capital by giving, thus insuring their future well-being in times of need. Giving is person to person, usually for family or cultural reasons, and includes an active and vibrant informal personal loan and barter function. Poverty-reduction strategies need to support values on giving by joining with the value and helping to structure and strengthen the capacity to give.

### *Interdependence: Dependency to Providership*

A hallmark of personal development among American Indian/Alaska Native people is healthy interdependence. Where mainstream society celebrates and values independence and individualism as the goal of adulthood, the healthy growth of an American Indian/Alaska Native child is structured as a transition from dependency to providership. Children learn generosity early, especially toward elders. First kill, first fish, and first basket ceremonies recognize the passage from dependency to providership. In these ceremonies, the service to the group is marked by the child giving the “first” item to an elder and the elder in exchange recognizing the child’s contribution and promise for the future well-being of the group.

Poverty-reduction strategies need to recognize the importance of interdependence by supporting youth in acquiring community service experience, cultural roles, the capacity to provide for others, and the ability to work jointly with others to achieve advancement for the group.

### *Service and Role: Esteem and Wealth*

In Western European and American culture, identity is derived primarily from what you do and esteem comes from what you have or what you have accomplished. In most American Indian/Alaska Native cultures, identity comes from one’s relations, and esteem comes from service to the group and the role one plays in the group. The person who is highly regarded is the person who gives the most service to the community. Wealth is measured more in the number of people who claim you as relative, friend or mentor. Assets are held in the form of social capital, a form of latent wealth that can be mobilized at will in time of need just by telling a friend or relative of a need.

Poverty-reduction strategies need to embrace kinship, family and service as key elements of a vibrant economy. Family-owned businesses, nonprofit and charitable activities, and support for Indian versions of service clubs and chambers of commerce will be important mechanisms for capitalizing on this cultural energy.

### *Collective Progress: Group Esteem*

The cultural value on relationships contributes to a general desire not to stand out or rise above the group. In this environment, individual recognition for individual accomplishment is both uncomfortable and often avoided. However, group recognition or expressions of gratitude for service are widely accepted. Collective progress is more important than personal accomplishment or acquiring of assets. The person who does experience economic or professional success can often be seen in humble community-service roles or quietly engaging in philanthropy for the collective good.

Programs that recognize the progress of the group through awards or prizes or activities that honor contributions to the well-being of the community help reinforce group esteem and community service.

### *Entrepreneurship*

It is important to recognize that while standard entrepreneurship training uses the model of a fast-rising venture harvested at the right time for capital to invest in another venture, Native entrepreneurs usually grow businesses to sustain their families and communities. These are called “lifestyle ventures.” While to the outsider these ventures may not look “entrepreneurial,” a first-generation Native business owner is highly enterprising relative to the surrounding community. Poverty-reduction activities need to make space for various forms of culturally defined entrepreneurship. Social or cultural entrepreneurs are of particular interest because they use their risk tolerance to leverage new or to sustain cultural assets through such activities as making and selling language recordings.

### *Defining Strategies*

The need for cultural matching of strategies for poverty reduction with the values of communities has been clearly articulated in numerous works. Given the emphasis of the models on self-determination and self-control, it is clear that communities will need to define strategies that make sense locally. That, however, does not mean that communities should be left without guidance in preparing to make informed choices. While tribes, tribal leaders and tribal peoples highly value self-determination, they also highly value knowledge and wisdom acquired from the experience of others. Strategies need to be defined locally to be successful, but the act of defining needs to be informed by best practice and hearing the stories of others.

## **SUPPORTING RESERVATION ECONOMIES**

The major implications derived from the Nations Building model and the First Nations Development Institute model are that to reduce poverty among American Indian/Alaska Native people, resources must be applied to support reservation economies. Unlike the piecemeal approaches of the past, these models point at comprehensive system changes that support self-governance, strong institutions, culturally based approaches, and development of capacity. The Relational Worldview model provides a method for self-assessment, strategic planning and evaluation, further promoting self-determination and control of assets.

Poverty-reduction strategies need to be both responsive to the needs as defined by the community as well as structured to support the underlying principles of the Nations Building and First Nations Development Institute models. Philanthropic organizations are well advised to use both grantmaking and non-grantmaking strategies to meet this challenge. Some needs can be addressed via training, conferences, forums, leadership development, technical assistance and other non-grantmaking activities. Other activities can be supported with grantmaking. For example, strengthening the tribal institutions of governance can be accomplished both through information and training and through direct grants for activities such as constitutional reform, court development or code writing.

## **URBAN INDIAN COMMUNITY CAPACITY BUILDING**

Urban Indians are tribal people. While they live in the city and may have lived there for generations, their identity and political status is rooted in their relationship with one or more tribes. Most urban Indians retain connections with their tribal communities and a large percentage migrates back and forth. Some would and do go home if economic social conditions create a place where people want to live and can make a living. Strengthening tribal economies will strengthen urban Indian communities. Yet many people will remain in the cities for purposes of education, employment, or other economic or

cultural activity. The data illustrate that poverty and its associated ill effects follow American Indian/Alaska Native people into urban settings. Additionally, local city, county and even state services fail to address the issues. The non-Indian nonprofit sector has also been documented as unresponsive to the urban Indian population, and the philanthropic community has been largely absent from funding American Indian/Alaska Native services.

Poverty-reduction strategies that expand the linkage between tribes and urban organizations; support the capacity of American Indian/Alaska Native nonprofits to raise local charitable and government funding; and engage nonprofits in developing strong leadership, management and administration will help ensure sustainability and help create the space for the cultural needs to be met (i.e., service, cultural expression, kinship, wisdom transfer, etc.). Urban organizations have a great potential to engage community members in the basic building blocks of poverty reduction as described in the models reviewed above. Success in the urban areas will translate into resources for reservation-based economies, each benefiting from the advancement of the other.

## **ECONOMIC LITERACY**

One theme that repeatedly came to the attention of the author in preparing this paper was economic literacy. Basically economic literacy means that people know how money matters work and how to participate actively in the process. Everyone, from tribal leaders to children, needs to become literate in the working of the mainstream economy. They do not necessarily need to participate in it, but they do need to understand it.

Planning for literacy starts early with young children learning to be responsible for assets, learning about money and observing how businesses function. Encouraging economic literacy also includes strengthening tribal leadership's ability to grasp and apply ideas of economic development and to apply them appropriately within the culture. It also includes developing awareness of resources, outside laws and policies (e.g., the Community Reinvestment Act) that facilitate or hinder economic activity.

Poverty-reduction strategies need to consider the development of culturally based curricula for economic literacy. That is, it would likely not be as effective to teach American Indian/Alaska Native people mainstream literacy alone, as it would be to teach it in the context of cultural values that foster American Indian/Alaska Native people's retaining their own indigenous knowledge and values about money, while at the same time learning the dominant system and the consequences of various economic choices. For example, Indian people should be able to retain the view that wealth only has value if it is related to a purpose, even if that purpose is to give it away. Learning the consequences of such behavior then gives choice and perhaps makes the difference between irresponsibility and philanthropy.

## **UNDERSTANDING THE WHOLE PICTURE**

In developing strategies for poverty reduction, the informal sector on reservations is one of the most important parts of the economy. Informal activities in the economy are often the best place to support development and to intervene.

The informal economy includes cottage industry such as the development of Native crafts, arts, dance regalia, and Native foods and medicines. It includes income from performing arts, sports, or competition dancing at pow-wow. There is an active but informal merchandising of crafts, backyard industry, backyard services, and gathering of traditional medicines or foods. And all of these things are bartered. In a study of this informal sector, First Nations Development Institute found over 200 separate economic activities being conducted on the Pine Ridge reservation. Poverty-reduction strategies will do well to capture this type of information if the true impact of change strategies is to be understood.

## THINKING CREATIVELY

This paper was profoundly influenced by the interconnection of economic development issues, reduction of poverty, and the well-being of American Indian/Alaska Native children and families. The development of tribal child welfare services, like economic development, has depended upon sovereignty, the quality of institutions, and strategies that fit the communities. The care of our children relies on kinship. The most effective strategies are those based in culture, guided by spiritual values, and that promote hope and a positive vision for the future. Any activity initiated inside or outside of Indian Country must recognize and maintain the balance between economic and social systems. Funders must recognize that they are part of the economy of the reservations or urban Indian communities they serve. As a part of the economy, a funder or development partner participates in the existing developmental process and should conduct itself in full awareness of that fact and take responsibility for making a positive contribution to the growth cycle. For example, funders that put on training events should use tribally owned businesses whenever possible.

This paper recognizes tribal economies as economies in transition, with less than 30 years of emergence from a centrally controlled economy. Most strikingly, control and responsibility are linked. When people cannot control what happens to them, they tend not to take responsibility for their lives or problems. When communities do not control their resources, they are vulnerable to poverty and all of its negative consequences.

This paper also emphasizes that a central issue to development of personal efficacy in economic terms is the difference between income and assets. Historically, outside controls have fostered dependency. Individuals and families had little control over or responsibility for income and almost no experience with having tangible assets. Experience with having and managing assets contributes to initiative. However, assets are cultural and must have meaning in the cultural context to be valued.

## STRENGTHS-BASED APPROACH

One of the most critical elements supporting the strengths-based approach is that the state of poverty reduction in Indian Country is much more promising than is commonly thought. After examining the theories, current work in the field and workable models, this author has a renewed sense of hope, especially regarding the potential for helping develop economic opportunity for American Indian/Alaska Native youth. Based on the works reviewed here and observable change around us, “things seem doable.” There are a lot of positive activities already occurring that should be explored for partnerships. In recent years, there appears to have been a significant expansion of choices available on all reservations and in urban American Indian/Alaska Native communities.

An important aspect of the strengths-based approach includes an incremental approach to funding that promotes growth that is sustainable over the long haul. As stated elsewhere, economic development must be viewed over the long term. Incremental funding means starting out with several small promising projects that reinforce initiative, develop skills and build responsibility. Successes are rewarded with increased funding and technical assistance to guide growth. Successful managers or entrepreneurs may become mentors to new project leaders. Peer group lenders hold each other accountable, support each other and promote accountability.

In a strengths-based approach, it is important to recognize the value of intellectual property in the form of cultural knowledge and to make sure that these are not being exploited or stolen by people outside the reservation. Knowledge of traditional foods and medicines has been the target of outsiders in recent years with little or no return to the Indian nations.

## GUIDING VALUES

This paper identifies several values to guide its recommendations. They include:

- Poverty reduction needs to be based on thinking and actions that are long-term (seven generations).
- Poverty reduction needs to have a value component to it, including cultural integrity, self-determination, community, and culturally based measures of success.
- To be considered successful, poverty reduction must leave the community with greater self-control, stronger institutional capacity, strengthened cultural assets, enhanced interdependence, more effective leadership and an environment in which people want to live.
- The health of the economy is tied to the well-being of the people.
- Poverty reduction must be coupled with development of individual responsibility and the experiencing of setbacks, consequences and corrective actions.
- Philanthropic work to reduce poverty must be guided by an ongoing evaluation process that informs the grantee and funder about impact on the people and the integrity of that impact.

## RECOMMENDATIONS

This paper proposes several recommendations to potential funders who are interested in supporting poverty reduction in Indian Country. To be successful, a funder will need to take a proactive, conscious and positive role in the economies of American Indian/Alaska Native communities in which it provides grants. Supported economic, community and organizational development activities will need to build on, foster and propagate successful models for change. To that end, potential funders should consider the following actions:

- Identify the resources and key players that are already engaged and that may be available for partnership and collaboration.
- Fund the development of an economic development profile of sovereignty, laws, institutions and current strategies, and support the analysis of the most effective ways to partner in the development of each potential grant community. Follow up with direct grants.
- Make it policy and practice to purchase goods and services from reservation-based businesses, place deposits in tribally owned banks and credit unions, and maintain a database of American Indian/Alaska Native-owned businesses.
- Enter into partnerships with organizations such as First Nations Development Institute for development of youth-oriented projects (such as Individual Development Accounts) to take advantage of existing expertise and infrastructure in culturally congruent economic opportunity development.
- Ensure that poverty-reduction activities touch the lives of youth, families and elders through non-grantmaking activities in communities where grants are made.
- Support the development of culturally based financial literacy curricula and foster cross-cultural education about money from preschool through elderhood.

- Monitor the impact of economic development and its relationship with public policy changes (such as welfare reform) on American Indian/Alaska Native communities.
- Adopt long-term approaches to poverty reduction that potential grantees can rely on for at least the next decade.
- Use a community-based participatory research process to empower grant communities to develop definitions of success that make sense to them and that can then be measured.
- Support the development of community pride and group esteem through awards for service, social marketing, branding, positioning and group recognition.
- Support the development and strengthening of infrastructure in tribes and American Indian/Alaska Native nonprofits through support for audits, administrative expenses, management capacity, leadership training, cash management projects and sustainable unrestricted fundraising.
- Support tribes and nonprofit Indian organizations' capacity to influence public policy; to leverage public dollars that should be benefiting tribal peoples; and to position themselves as economic partners with the surrounding communities, governments and corporations.
- Partner with tribal colleges and tribal-specific programs in colleges and universities to enhance leadership skills, develop entrepreneurs, promote fiscal literacy and enhance the workforce.
- Help create spaces, events and opportunities where tribal peoples can foster the social capital needed to overcome historic trauma and lateral oppression and where deep dialog on core issues can flourish.

## CONCLUSION

In this paper the author, an American Indian child welfare professional, has attempted to summarize the most promising and well-regarded poverty-reduction work of the day as described in the development literature. To bridge the discussion from theory to practice, the paper provides a culturally based model for organizational development and discusses a range of cultural issues that impact development in Indian communities, whether urban or reservation. Finally, the paper attempts to synthesize this information into a set of values or principles to guide strategy development, and provides a range of specific recommendations that fit within these principles. From the perspective of child welfare, the high correlation between child maltreatment and poverty indicates that economic development and community development are forms of child abuse and neglect prevention. If sovereignty, strong institutions and intact cultures are the basis for sustainable economies, then they are also the foundation for supporting healthy, safe and stable families. Philanthropic support, when applied strategically, can play a critical role in helping tribes develop the kinds of environments where children, culture and business all thrive together.

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## BIOGRAPHY

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