

# What Makes First Nations Enterprises Successful?

Lessons from the Harvard Project



by Stephen Cornell

**Native Nations Institute**  
for Leadership, Management,  
and Policy

**The Harvard Project**  
on American Indian  
Economic Development

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## **Photography credits**

Clockwise from top: 1. Hopi Tribal Council voting on a resolution, photo by NNI Executive Education; 2. Economic development program graduate, Meadow Lake Tribal Council, Saskatchewan, Canada, photo courtesy of Meadow Lake Tribal Council; 3. Pte Hca Ka Inc., commercial buffalo meat company, Cheyenne River Sioux Tribe, South Dakota, photo by Harvard Project.

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# What Makes First Nations Enterprises Successful? Lessons from the Harvard Project

Stephen Cornell

In the early 1990s, an American Indian nation with a profitable gaming operation—call it Nation A—faced a dilemma. Competing casinos were scheduled to open within two years, located between the nation and its primary market. The nation's leaders realized what the likely result would be: falling revenues from its own casino operation as these new operators drained customers away. Because the casino was its primary revenue source, the nation also realized that this development posed an economic crisis. In response, it decided to move quickly to use existing casino revenues to diversify its economy. It established a tribally-owned corporation designed to develop and manage profitable businesses outside the field of gaming. It organized the corporation in ways that insulated it from tribal politics, and it hired top-quality people to manage it. Within five years, the corporation's new businesses had begun generating substantial profits and had significantly reduced unemployment within the nation.

A few years earlier, another Indian nation—call it Nation B—faced a different situation. It had a tribally-owned business that cut trees on the nation's forest, turned them into fence posts, and sold them to a company that then marketed them across the United States. The business was a good one, but it ran into some problems. Among other things, various tribal council members put continuous pressure on the manager of the business to hire needy citizens from their districts. Because the manager reported directly to the council and could be fired by the council at any time, he felt he had no choice but to follow their wishes. "I feel

## What Makes First Nations Enterprises Successful?

like I'm running an employment service," he said. "I keep having to hire people I don't need, so my costs keep going up. I'll soon have the most expensive fence posts in the country."<sup>1</sup> His rising payroll eventually killed the business: unable to compete in a tough market, it ran out of money and collapsed, taking with it all the jobs it once created.

There's more to the stories of Nations A and B than the few facts I've provided here, but these abbreviated tales serve to make a point: Some enterprises owned and operated by Native nations do well, and others don't. Of course this is true of all businesses—some succeed and others fail—and there are numerous reasons why. After all, building a successful business is a complex and challenging task. But in these and many other cases, the actions of Native nations themselves had an impact on enterprise failure or success. This chapter examines some of the ways that Native nations can either undermine or strengthen their own enterprises—and their own futures.

## THE BURDEN OF DEPENDENCY

One of the heaviest burdens the Aboriginal peoples of North America have to bear is dependency. This has been true in both Canada and the United States. While there have been various differences in the interactions between Native peoples and European newcomers in these two countries, the expropriation of Indigenous lands, the social welfare policies, and other aspects of the histories of these interactions have produced some common results. Indigenous dependency is one of them. Stripped not only of the resources on which they had drawn for generations but also of their freedom, in the 20th century many Native nations found themselves descending into various forms of welfare dependency, both individual and collective. Many First Nations citizens, unable

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1. Cornell 1988



to find jobs but unwilling to leave their remnant homelands, have become dependent either on direct welfare subsidy by non-Native governments or on the services such governments provide. At the collective level, many First Nations are unable to generate the revenues necessary to support their own governments. They, too, become dependent on subsidies from outside.<sup>2</sup>

There is a moral and sometimes legal logic to such subsidies. Some treaties promised support in return for Aboriginal lands, while there is a more general presumption in liberal society that the essentially imposed extinguishment of rights and expropriation of resources from Native peoples had disastrous consequences for those peoples, and that this leaves both Canada and the United States with a moral obligation to assist them in dealing with those consequences. From this point of view, some might ask, what's wrong with dependency?

But dependency has high costs. It undermines political autonomy, leaving Indigenous nations hostage to policy decisions made by other governments serving interests that may depart significantly from those nations' own concerns. Because most funds are earmarked for purposes determined by outsiders, it leaves Indigenous nations with little freedom to concentrate resources on their own priorities. On reserves where productive economic activity is more or less absent, it produces economies that are heavily dependent on employment in First Nations government—employment that is funded by non-Indigenous governments. And trans-generational welfare dependency undermines Indigenous traditions of personal and familial responsibility, encouraging people to look to outsiders for solutions to their problems.

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2. While this dependency is most obviously economic, it has other dimensions as well. For example, it has been in part institutional: a dependency, usually externally imposed, on the institutions—especially governing institutions—of the colonizing societies (Kalt 1996). Thus in Canada the *Indian Act*, in its various manifestations, has required Indigenous peoples to govern themselves in ways preferred by Ottawa, while the United States, through the *Indian Reorganization Act* and other policies, has tried to persuade and sometimes force Indigenous peoples to observe U.S. preferences in governmental organization.

## ESCAPING THE DEPENDENCY LEASH

The challenge, of course, is to escape the leash that dependency fastens around the neck of Aboriginal peoples. One of the keys is to develop alternative ways of meeting two critical economic goals: providing economic opportunity for First Nations citizens (jobs, business prospects, subsistence resources) and funding First Nations government (law-making, decision-making and implementation, judicial functions and enforcement, and service provision). For some First Nations these tasks are especially challenging: circumstances alone can make it extremely difficult for some nations, particularly those that are small in population, limited in natural resources, or isolated from economic centers, to significantly reduce their dependency. But at least modest reductions—and an accompanying net increase in Indigenous freedom—should be possible for just about anyone.

So how do you create economies that can support both people and governmental functions without recourse—or with reduced recourse—to transfer payments and other government grants? One of the keys is productive enterprise. Productive enterprise means jobs; it can provide either direct income to the nation in the form of business revenues or indirect income in the form of taxes; it often leads to new business opportunities for the nation or its citizens, multiplying its own effects; and it constitutes a way of meeting community needs that is subject in one way or another to community control.

Productive enterprise in First Nations typically comes in three forms, each of which can serve either internal markets, export markets, or both: non-Aboriginal ownership (enterprises may be located on First Nations land, employ Aboriginal citizens, and serve Aboriginal markets, but they are owned by outsiders), First Nation ownership (the nation or community owns the enterprises), and citizen entrepreneurship (Aboriginal citizens own the enterprises themselves). The urgent need for growth, diversification, and resilience in Aboriginal economies suggests that, circumstances permitting, the wise choice for most First Nations is to explore all three forms of enterprise.

Each has advantages. There is not enough space here to touch on all of these, but outside owners or partners, for example, can bring in capital and skills that First Nations themselves may not have. First Nations-owned enterprises concentrate both control and revenues in the hands of First Nations. Citizen entrepreneurship is a particularly effective way of addressing the need in many First Nations for a retail sector that can serve daily community needs, and it offers citizens the opportunities to build businesses of their own.

Of course each also has disadvantages or raises certain challenges. First Nations wanting to pursue a citizen-entrepreneurship strategy have to be sure they have the institutions in place, such as commercial codes, dispute resolution mechanisms, an efficient bureaucracy, and the like, that will facilitate business start-ups and persuade citizens with ideas and energy that it is safe to invest at home. Partnering with outsiders requires similar clarity about who has what rights and how disagreements will be dealt with, and it demands an ability to cooperate across political and cultural boundaries. And successfully managing nation-owned enterprises raises issues of its own.

This last is the primary concern of this chapter. What does it take to make First Nations enterprises successful? Since the late 1980s, researchers from the Harvard Project on American Indian Economic Development and its partner organization, the Native Nations Institute for Leadership, Management, and Policy at The University of Arizona, have been engaged in an extended effort to understand the necessary conditions for sustainable and self-determined economic development on the part of Indigenous nations. In the course of that work, we have had the opportunity to examine both successful and failed enterprises owned and operated by Indigenous nations in the United States and, in some cases, in Canada. This chapter attempts to capture some of the lessons from that work.<sup>3</sup>

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3. Some of the results of that work appear in Cornell and Kalt (1992), Grant

## STRENGTHENING NATION-OWNED ENTERPRISES

There is no way that First Nations—or anyone else—can guarantee business success, and communities or entrepreneurs who demand such guarantees before taking action will be immobilized. The factors that shape business outcomes are too diverse; many are essentially unpredictable; and some important ones are beyond the reliable control of entrepreneurs or communities. Some degree of risk is inherent in business activity in a free society. But First Nations can control certain key factors in business outcomes, thereby increasing the chances of enterprise success. What can you control, and what can you not control (see Table 1)?

Among the things that are tough for Aboriginal entrepreneurs or communities to control are external economic conditions (from the cost of capital to the spending power of consumers); market behavior (changes in what people are willing to pay for specific products or services); the number and behavior of competitors; the external regulatory environment; and federal and provincial policies toward First Nations enterprises. Skillful marketing or lobbying may affect some of these things—for example, political pressure may alter the regulatory environment or change a federal policy, and smart marketing may persuade more people to purchase the nation's products or services—but the success of such efforts is hard to predict, and most such factors are driven by forces beyond the control of First Nations.

This doesn't mean they can be ignored. On the contrary, it would be irresponsible for a new business initiative to ignore them. Responsible business managers will carefully consider the impact each factor is likely to have on business outcomes and adjust their plans accordingly.

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and Taylor (forthcoming), and especially Jorgensen and Taylor (2000); see also the accounts of several tribally owned and operated enterprises in Harvard Project on American Indian Economic Development (2000, 2004).

**Table I. First Nations' Control over Enterprise Outcomes**

Examples of Factors Affecting Enterprise Outcomes	Degree of First Nation Control		
	Low	Med	High
External economic conditions	X		
Market behavior	X		
Competition	X		
External regulatory environment	X		
Federal/provincial policy	X		
Clarity about enterprise objectives			X
The politics-business connection			X
Composition, purpose, and power of corporate boards			X
Independent resolution of disputes		X	
Community education			X
Good business practices			X

But there are other factors shaping business outcomes that *are* subject to the control of those who design and manage enterprises. Careful work on these factors can substantially increase the chances of enterprise success. Some are obvious, such as the need for adequate analysis of the competition or of a target market before making major commitments of resources, or the importance of regular, independent audits so that managers and decision-makers can have confidence in their own financial information, or the necessity of making hiring decisions based on the ability of candidates to do the job at a high standard of performance. We can think of such things simply as *good business practices* that intelligent managers will engage in as a matter of course.

I am going to focus here on five other factors that can have a significant effect on business performance and that, in our experience, sometimes are ignored by Indigenous nations trying

## What Makes First Nations Enterprises Successful?

to build successful enterprises: *clarity about enterprise goals; effective management of the politics-business connection; the purpose, power, and composition of enterprise boards; independent and reliable resolution of disputes; and the critical need to educate the community about enterprise goals and activity.* In all of these, Indigenous nations' decisions can make the difference between enterprise failure and success.

### Clarity about Enterprise Goals

What should the primary purpose of the enterprise be? Should it be concerned largely with generating jobs for community members? With generating revenues and producing profits? With providing services to the community? With something else?

I remember one meeting with a group of Indigenous people concerned about development where there was much talk about profits. Eventually one person stood up and said, "but my community's not interested in profits. What we need is jobs. A business needs to produce jobs for our citizens."

This is a common sentiment in Indigenous nations with staggering unemployment rates, and it makes sense that a primary purpose of economic development in such situations is job generation. But how do you get there? In the second of the examples at the start of this chapter—Nation B—this concern with jobs (and votes) persuaded various council members to put relentless pressure on a tribal business manager to hire people (and in particular to hire more people from that member's district). In the view of council members concerned with poverty and, in some cases, re-election, the purpose of the business was to employ people. But the result of a primary focus on jobs was to increase the payroll so much that the business could no longer succeed in a competitive market, ran out of money, and had to close. Making job creation the primary goal of the enterprise turned out to be catastrophically self-defeating, leading eventually to the loss of the business itself and all the jobs attached to it.

Profit makes much more sense as an enterprise goal. If the business becomes profitable, the profits can either be reinvested to grow the business itself, producing additional jobs, or they can be returned as revenues to the nation and used to diversify into additional businesses (more jobs) or to fund programs and services. Furthermore, the goal of profit encourages good business practices and puts the spotlight on business competitiveness, and these make it more likely that both the enterprise and the jobs it produces will not only endure but grow. In other words, even if the primary concern of the community is jobs or services, it makes sense for the enterprise to focus on profit.

### **Effective Management of the Politics-Business Connection**

Most Indigenous communities in North America are relatively small, and in many of them, a First Nation council, a tribal council, or a chief, council chairman, president, or other executive wields a lot of power. One of the toughest things to do in such situations is to keep politics out of the management of nation-owned businesses. The attitude of many councils and chief executives is that because the nation owns the business, it is their responsibility to see that the business is correctly managed, which means they need to be directly involved. Furthermore, direct control can be tempting; it offers the council or executive resources such as jobs and revenues that can be handed out to relatives or supporters or used to support other political goals. Either way, the result typically is micromanagement, sometimes for purposes other than business success, with councilors or chiefs calling the business shots, determining who should be hired, resolving disputes within the enterprise, and making other day-to-day management decisions.

What's wrong with this picture? First, business management is challenging, and particularly so under the conditions many First Nations face, such as geographical isolation, small markets, and limited financial capital. Building profitable businesses requires careful, skilled, focused enterprise management. In our experience,

## What Makes First Nations Enterprises Successful?

few political leaders have substantial business experience, and even if they do, being councilors or chiefs gives them plenty of other things to worry about. When they start trying to run enterprises, considerations other than business considerations inevitably get in the way.

Does this mean there is no role for chiefs or council in First Nations enterprises? No. Chief and council play a critical role in forming strategy: Should the nation be involved in this sort of activity? Should we invite outside investors to join us? Is this an appropriate use of this resource or piece of land? Are we protecting the long-term interests of the nation? What are we trying to accomplish through this initiative? And so forth. But when it comes to day-to-day management decisions on hiring and firing, payroll, purchasing, operational matters, and the like, what the nation needs is skilled managers who are able to make decisions—free of political considerations—that advance the enterprise. On these kinds of things, chiefs and councils need to keep their hands off.

Keeping politics and business separate can be tough to do, especially under constituent pressure. Many First Nations citizens have come to expect chiefs and councilors to solve their day-to-day problems. When a dispute arises in an enterprise, or when someone feels they have been given a raw deal, the tendency is to go to a council member or the council as a whole and demand that they deal with it.

Nation A (in the two examples at the start of this paper) had some experience with this. In establishing a nation-owned corporation to manage new businesses, they had gone to considerable lengths to keep politics separate from business management. The system soon received a test. One of their managers had to fire four employees who were not doing their jobs. Two were citizens of the nation; two were not. The two citizens of the nation, angry at losing their jobs, followed long-established habit and appealed to the council to overrule the manager and reinstate them. This led to a lengthy council discussion of what to do. Some members said



the council should get involved, listen carefully to both sides in the dispute, and then decide, as fairly as possible, who was right. Other council members said it should do nothing: it had committed itself to separating politics from business; there was a personnel grievance procedure in place within the corporation; if the council stepped in, it would undermine both that critical separation and the procedure that had been put in place. The council eventually decided not to intervene, sending the employees through the grievance system to resolve the case.

This was an important moment in the life of the business—and in the life of the nation. In deciding not to intervene, the council refused to allow political clout on the council to trump good business practices in the management of the enterprise. In doing so, they weren't deciding whether the manager was right or wrong in firing the employees; they left that to the personnel grievance procedure. They were making clear, instead, that intervention in enterprise personnel decisions was not the council's job.

This also sent the message that the council would no longer act as everyone's problem solver. Its task was not to solve every problem; its task, instead, was to be sure that systems and procedures were in place capable of addressing problems effectively and fairly. This is a very different and more mature role for a council: moving from problem-solver to nation-builder.

Of course, complete separation of politics from business may be nearly impossible in some situations, particularly in small communities where nearly all relationships are family relationships, and saying no to almost anyone means saying no to a relative. In such situations, clear rules about how decisions are made can help support council desires to protect the business from politics. The challenge is to manage the politics-business connection effectively, bearing in mind that if political considerations begin to take over business management, the enterprise will suffer, undermining the future of the nation.<sup>4</sup>

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4. See Jorgensen and Taylor (2000) for systematic evidence on this point; also Cornell and Kalt (1992).

## What Makes First Nations Enterprises Successful?

This also is a critical step in retaining quality personnel. Where jobs and decisions are hostage to political considerations, or where political interference in business management is substantial, talented people who want to make a difference are unlikely to stick around. Two years ago, we interviewed the manager of a major tribal gaming operation in the United States. She was a non-Native with an extensive career in the mainstream gaming industry. Her reputation had led several Indian nations to try to hire her as head of their gaming operations. When we asked her how she chose which job to take, she said it was simple: she looked for a tribe with a reputation for fairness and for hiring quality people “and then letting them do their jobs.”<sup>5</sup>

Not only outside talent is at stake. One of the toughest challenges Aboriginal nations face is keeping home-grown talent at home. When First Nation citizens with energy, ideas, or skills see on-reserve business opportunities being undermined by politics, they are more likely to leave, draining the nation of its single most important resource: its people. The task for a council is not to run businesses but instead to create a reserve environment that attracts and retains people who can make businesses succeed.

### **The Purpose, Power, and Composition of Enterprise Boards**

One of the tools that can help manage the politics-business connection is a board of directors that oversees a nation-owned enterprise or collection of enterprises. Ideally, a board both introduces diverse expertise into upper-level decision-making and insulates the enterprise from political interference.

One of the handicaps facing the failing enterprise in Nation B was the lack of a board of directors that could protect the enterprise from the relentless pressure to hire employees it didn't need. When we interviewed the enterprise manager, he said that he was forever

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5. Cornell 2002

getting calls from council members questioning his decisions and telling him what to do. In effect, he had multiple bosses, all with competing interests and agendas: an impossible situation that effectively undermined his ability to manage. A board of directors worthy of the name would have provided a buffer between the manager and the council, would have brought some order to business decision-making, and might have saved the enterprise.<sup>6</sup> Michael Cameron suggests that First Nations enterprise boards have several tasks:<sup>7</sup>

...to ensure that the operations of the corporation serve the long-term interests and objectives of the [First Nation], as specified by the...council; to serve as liaison between the [First Nation] government and the corporation's chief executive officer; to insulate that officer and corporate decision-making from inappropriate interference on the part of the elected government; and to ensure that the operations of the corporation follow sound business practices. The board also serves as a source of business advice to the [First Nation], and a source of reassurance to would-be investors.

The effective execution of these tasks requires a combination of board independence, accountability, and capability. The board has to be independent enough of First Nation politics and council interference to consistently deliver sound business decisions and advice. At the same time it has to be accountable to the nation's interests, shaping enterprise performance to meet the strategic goals of the nation. And it has to include sufficient skill and experience to do its job well.

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6. This is not to say that councilors' concerns in this case were necessarily wrong. They may well have had the best interests of the business and the nation at heart. But even so, the organization of decision-making in this situation is radically counterproductive. Even the most skilled managers are likely to fail—or to leave—under such conditions.

7. Cameron 1992, p. 74

## What Makes First Nations Enterprises Successful?

Independence can be difficult to establish, given that most boards are likely to be appointed by the council. Terms of appointment that are longer than council terms can help. So can a provision for boards to choose new members themselves, with council approval—this helps remove political considerations from the appointment process. But at least as important as the basis of appointment of board members is the basis of removal. Requiring a two-thirds vote of the council to remove a director makes it tougher to remove someone just because a councilor doesn't like him or her, as does specification in the enterprise or corporate by-laws that removal can be accomplished “only on the grounds of gross incompetence, persistent absenteeism, conflict of interest, impropriety, or malfeasance.”<sup>8</sup> Finally, the right of a board member to appeal dismissal to an independent judicial body—ideally a First Nation or tribal court (see the following section)—adds another layer of independence to the board.

Accountability comes from regular (often quarterly) reporting to the council regarding enterprise performance—both generally and against strategic objectives; from council approval of appointments; and from such other rules as the council puts in place.

Skill and experience depend on the composition of the board. Who should be on it? There is often confusion on this point. Some nations see enterprise boards as representative bodies, requiring members from each district or clan or group on the reserve. They turn the choice of board members into an effort to please various reserve constituencies. But this misunderstands the purpose of boards. Their purpose is not to represent diverse interests. That is the task of the council or other organs of First Nation government. The job of enterprise boards is to run a first-class business operation.

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8. *Ibid.*, p. 75

This points to business expertise, experience, integrity, and commitment to the nation as key criteria in board selection. Many Indigenous nations in the U.S. and Canada look outside their own communities for some of their board members, finding bankers, business professors, entrepreneurs, and others whom they trust to serve the nation's interests—including, in some cases, non-Aboriginal persons—and who bring business experience and skill to the board.

Should council members be board members? Harvard Project experience is mixed. Some councils serve at the same time as enterprise boards of directors, but in our experience, this has always been a mistake: it is simply too difficult to wear two hats at the same time and manage the conflicts of interest that result. Having a majority of board members also be council members faces the same problem. On the other hand, we have seen successful, nation-owned enterprises that have a councilor or two on their boards, successful enterprises that have no councilors on their boards, and some that have a single councilor sitting as a non-voting board member.

One can argue that having a councilor on the board assures better communication between the board and the council, but such communication hardly depends on council representation on the board. It can be accomplished in numerous ways. In general, council representation on an enterprise board raises more issues than it resolves. But the core question is more fundamental. Is the board adequately protected from the kind of political interference that would distract it from its primary mission of running a successful enterprise? The answer to that question should determine whether councilors sit on the board.

## **Independent Resolution of Disputes**

Imagine a situation in which an enterprise employee has been fired and has appealed to the council for reinstatement (the situation in Nation A above). Where should the ultimate power to decide the matter belong? In the council? Or imagine a situation in which a board member has been removed by the council for alleged

## What Makes First Nations Enterprises Successful?

malfeasance, but some suspect that the removal was motivated by factional political battles within the nation, and the board member wants to appeal. Who ultimately should decide what happens?

Having decisions made by those who stand to lose or gain from the outcome is a bad idea. In many disputes involving nation-owned enterprises, the council or the chief may be a party to the dispute, having something at stake in the outcome. All the more reason, then, to have an independent adjudicator, someone with no stake in the outcome, who can make the final decision in a dispute.

Why is this important for enterprise success? Part of the task in creating successful businesses is persuading the best people—including First Nation citizens—to take part, persuading the best partners—other companies or organizations—to cooperate or help, and persuading the community itself that the business is serving the interests of the nation and not the interests of a faction or family within the nation. Independent dispute resolution—the promise that disputes will be dealt with fairly and on their merits—is a critical part of such persuasion.

This is the role of an independent judicial body, such as a First Nation or tribal court. Such bodies are common in the United States but rare in Canada. In Table 1, above, First Nations are said to have only an intermediate level of control over the creation of independent dispute resolution mechanisms because of the resistance of provincial and federal governments to putting such jurisdiction in Aboriginal hands. But there is nothing to stop a First Nation from acting on its own to develop such a body to adjudicate internal disputes, including disputes within nation-owned businesses. The challenge is to make that body genuinely independent, to establish its legitimacy within the First Nation, to have a mechanism for enforcement of its decisions, and to develop a track record that gives it credibility.<sup>9</sup>

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9. On the importance of tribal or First Nations courts, see Flies-Away, Garrow, Jorgensen, and Record (forthcoming), and Skari (1992).

## **Educating the Community about Enterprise Goals and Activity**

The success of First Nations enterprises depends in part on the support of the citizens of the nation. Those who believe the primary task of an enterprise is to provide jobs to those without jobs or to provide quick per capita payments to impoverished citizens are unlikely to support strategies designed to build a sustainable economy that can support the nation over the long run.

This means that one of the challenges involved in building successful Aboriginal enterprises is educational. First Nations communities have to understand that short-term payoffs may not be compatible with the long-term gains that are necessary to secure the nation's future. Enterprises have to be able to survive, which means that a major portion of the profits may need to be reinvested and that growth in jobs is likely to come incrementally, not all at once.

This educational task includes educating elected leadership. Not all elected leaders are experienced business people. Not all of them understand decisions made before their time on council or why certain things are done the ways they are done. Not all are familiar with the challenges facing nation-owned businesses.

The successful tribally-owned corporation in Nation A at the start of this chapter goes to considerable lengths to make sure the council understands what the corporation is doing and why it works the way it does. Newly-elected council members at Nation A receive a full day of orientation to corporate operations, covering everything from business strategy and staffing to financial reports. The corporation knows that an educated, informed council is the best kind of leadership to have, and it goes to considerable lengths to make sure councilors understand and can effectively evaluate corporate performance. For their part, council members come away with not only a better understanding of corporate operations but a better understanding of their own role in building the nation's economy.

### CONCLUSION

There is much more involved in Aboriginal enterprise success than the five factors discussed at length here. Successful businesses also depend on having adequate start-up funds, a supply of good workers, smart management, adequate infrastructure, a dose of good fortune, and a host of other things if they are to survive and yield the benefits they so often promise. A complete treatment of what it takes to build successful Aboriginal enterprises would require far more space than these few pages.

Nonetheless, research by the Harvard Project and the Native Nations Institute for Leadership, Management, and Policy argues strongly that when First Nations effectively address these five issues, they significantly increase their chances of building sustainable and productive enterprises.

Some nations may decide to forego the nation-owned enterprise strategy in favor of something else, and nothing here should be interpreted to mean that this is the only strategy that works. But for those nations that decide to take this path, these issues are essential. There is ample evidence that neglect of these issues will cripple First Nations' development efforts and leave them still struggling on the dependency leash.



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