

INDIAN COUNTRY TODAY

Editorial

Fair contracting, Indian self-reliance both possible

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Not all tribes are equally positioned to benefit from gaming compacts. Perhaps only about 30 gaming tribes generate significant income from their gaming operations; the rest of Indian country, more than 500 recognized communities, enjoys only modest gaming revenue. Tribes located near large urban populations benefit most, while geographically isolated tribal communities are less able to generate gaming revenue and thus continue to encounter high rates of unemployment, poverty and government dependence. Having lost much of their land, their most useful economic asset, these more isolated tribes must find other means to enter the American market economy. Like tribes with more lucrative gaming operations, they want to enter the U.S. economy on their own terms as governments that preserve their cultures and communities.

Some good news is that a number of non-gaming tribes, aided by Congress, have worked out a way to accomplish that goal through government contracting. The bad news is that some congressional committees inspired by Rep. Henry Waxman, a California Democrat, perhaps inadvertently, is attempting to close off that avenue to tribal economic self-reliance. Waxman is trying to clean up the current contracting mess among large corporations and the federal government, but he is not giving enough attention to the needs of Indian communities.

Over the past 20 years, federal legislation has opened many doors for tribal economic entrepreneurship and business. Although success is mixed and often difficult, tribal leaders and communities embrace market enterprise as a practical path for sustained economic development. One particular federal initiative, the Small Business Administration's 8(a) Business Development Program, has proven especially useful in improving the economic status of impoverished American Indians.

Section 8(a) provides tribal businesses, usually owned by tribal communities and operated for the benefit of the tribal membership, with opportunities, such as non-competitive, sole source contracts, designed to help tribal businesses succeed in today's complex business environment. The profits earned from these contracts are reinvested back into the indigenous communities that these Native enterprises serve and represent, improving education, health care and social services for thousands of people.

Yet two bills, which passed in the House of Representatives and are now in the Senate, seek to constrain American Indian participation in these 8(a) contracts by limiting contract award amounts and curtailing 8(a) sole source contracting. These proposals, authored in the House by Waxman, will limit the possibilities of American Indian tribal businesses entering the market economy and achieving economic self-reliance.

The bills are aimed at large corporations, but no provision is made to protect American Indian contractors. Sole source contracting is one target, but many government agencies like to use sole source contractors, and there are strict rules monitoring negotiations and product delivery. While abuses are possible, the SBA needs more staff training to implement the contracts. Some recent complaints about sole source contracting by Alaska Native Corporations have been adjusted and contracts have gone forward.

Sole source contracting for American Indian contractors has come under fire during recent congressional hearings, but they are pathways for encouraging marketplace experience and entrepreneurship. The programs provide for a period of eight years where tribal contractors can gain experience with significant government contracting and management guidelines in preparation for full participation in the competitive market economy.

The proposed financial limits on 8(a) contracts will have a particularly detrimental effect on tribal communities. Unlike other SBA participants - traditionally businesses owned by only a few individuals - such restrictions would have a dramatic impact on tribal businesses that support hundreds, sometimes thousands, of tribal members, many of whom are dependent on Native enterprises for jobs and benefits. Furthermore, the limitations on 8(a) sole source contracting are aimed at large corporate contractors, such as Halliburton, that have received massive contracts. All American Indian enterprises combined receive less than 1 percent of federal contracting and will have limited effect on achieving the goals of the proposed government contracting amendments. The public interest in cultivating self-reliant tribal communities should not be lost in the fog of corporate reform. The obligations of Indian policy, to invite American Indian communities into the U.S. economy, will in the long run be the most cost-effective and liberating means to relieving poverty and dependency in Indian country.

Natives are afforded programs such as 8(a) to foster economic independence in exchange for relinquishing countless acres of land claimed by Congress over the past century. Today, 8(a) and other SBA programs are the few federal initiatives that have the promise for generating long-term economic self-reliance in Indian country. The current congressional proposals need to be modified to ensure that American Indian businesses can continue their movement toward sustained market economy. Self-reliance will not be achieved with more government programs or handouts, but with government policies that foster economic growth and entrepreneurship among tribal businesses and corporations. The amount of government contracting afforded to American Indian contractors is a small proportion of all government contracting so that eliminating it would bring no significant impact to abuses of corporate access to government contracts.

Fair and efficient contracting procedures should be a major government goal, as well as policies for Indian country that lead to greater economic self-reliance and market participation. Congress should pass legislation that achieves both goals at the same time.