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AMERICA'S NEW ENTREPRENEURS

BY RICHARD J. MARGOLIS

My grandchildren, you are living in a new path. In the future your business dealings with the whites are going to be very hard. Try to make a mark for yourselves. Learn all you can.

—SITTING BULL,
ADDRESSING AN ASSEMBLY
OF SIOUX SCHOOLCHILDREN,
CIRCA 1887

SITTING BULL's misgivings were well-founded. The new economic path he envisioned for his people proved largely unnegotiable. Paved with capitalist intentions, it became strewn with tribal tears.

Attempts after the turn of the century at massive industrialization and instant prosperity fell of their own weight. None of the do-gooder investors seemed schooled in perseverance—not the public agencies, not the private corporations, certainly not the churches or the foundations. Expecting speedy results, they did not hesitate to abandon laggard projects.

Sometimes the Indians would appear to get lucky. A big company might discover oil or coal on a reservation and make a deal with the tribe. Or some half-forgotten claim against the government—for stolen lands, for abrogated fishing rights—would finally get settled.

REBECCA L. ADAMSON

Yet the money never seemed to make a lasting difference. No one tied a string around it; no one thought to invest it for the greater good of the tribe. Instead, with the blessings of Congress and the Bureau of Indian Affairs (BIA), the income was routinely dissipated through per capita distributions—so many dollars to each tribal member.

Impatience, then, with the tardy gratifications of economic development has afflicted Indians and non-Indians alike. In consequence, there is virtually no private sector on Indian reservations today. Government remains the dominant employer, poverty the reigning industry, welfare the surest means of support.

Now a new generation of Native Americans is again testing the entrepreneurial path. Part capitalist and part tribalist, today's Indian leaders may be wiser than their predecessors. Surely they are warier, and more reflective, in their "business dealings with the whites." The pace of advancement nowadays seems quintessentially Indian—one step at a time.

A key actor in the emerging drama is a 38-year-old Eastern Cherokee named Rebecca L. Adamson. She is the founder of a nonprofit, no-nonsense enterprise known as the First Nations Financial Project (FNFP), whose mission for the tribes is economic self-sufficiency. Adamson and her group are changing the way policymakers in Washington think about Indians, even the way Indians think about themselves. The notion of "progress" as applied to life on the reservations is being redefined.

"Microenterprise" is the term that best describes FNFP's canny assault on tribal poverty. The business of microenterprise is small business. As Adamson says, "We begin before the beginning," meaning that they build tribal economies from the bottom up, inch by inch and insight by insight. What Adamson brings to the process is "microcare," a steadfast attention to the minutiae of economic progress.

First Nations is itself a fair example of nonprofit microenterprise. Its core staff of five operates from a little house in Falmouth, Virginia, an hour south of the nation's capital. Three other workers remain in the field, where much of the action occurs. At any given time FNFP is involved in a dozen or so reservation projects, as far south as the Rio Grande (the Kickapoos of Eagle Pass, Texas) and as far north as the Aleutians (the Alaskan Natives of Kodiak Island).

Not every undertaking enjoys success. A bookstore at the Oglala Lakota College in Pine Ridge, South Dakota, is barely breaking even. A Winnebago corn cannery in Nebraska, after years of struggle, finally and literally collapsed: The roof caved in during a snowstorm. Still, most of the ventures seem to be taking hold.

They are engendering both cash and hope on the reservations.

It is probably true, as one admirer of FNFP has observed, that "the staff can take an exotic sounding pipedream and turn it into a dull but successful business." The Navajo Weavers' Association of Ramah, New Mexico, offers a case in point. It consists of some 40 women whose dream has been to sell their hand-loomed rugs, pillows and wall hangings on the open market. First Nations has been helping them since 1985.

Ramah is not famous for its commercial weavers, but the women there had to do something fast. The hard times that customarily plagued the reservation had been made harder by deep Federal cuts in tribal assistance and welfare. Hoping for the best, the women dusted off their looms, formed a cooperative and asked FNFP for sales and marketing advice.

The staff's response was typical: It began before the beginning. Because many of the weavers lacked technical skills, First Nations helped arrange for basic instruction in sheep-shearing, wool-gathering, carding and designing.

Next, because the association showed signs of unraveling, FNFP called in an expert on nonprofit organizations. He was Robert J. Desiderio, a former dean of the University of New Mexico law school and co-author of *Planning, Tactics and Organization*, a two-volume opus on tax-exempt groups and their problems.

"That good man volunteered his services," says Sherry A. Salway, FNFP's vice president and Adamson's second in command. "He's been enormously helpful."

In time, microcare began to pay off. The weavers' work improved, and so did their sales. Today, more than two years after the initial cry for help, an FNFP staffer is studying the market for Navajo rugs. The Ramah weavers have given Lori Lea Pourier, an intern at First Nations, a finicky list of questions to ask museum curators and trading post proprietors, e.g.: Where is the best place to sell a rug? What are the major consumer preferences in thickness, fineness and edges? Which dyes and colors do customers prefer? What are the pros and cons of commercially processed wool vs. homespun?

Such queries make up the warp and woof of microenterprise. Adamson has observed that "Development is the tedious job that remains after the rhetoric of revolution and independence has been spent."

As is the case with other economic interest groups, part of the job has to be accomplished in Washington. First Nations maintains a "policy and advocacy" office there. Last year, in partnership with the Saginaw-Chippewa tribe of Mt. Pleasant, Michigan, the staff scored a signal triumph on The Hill. The event merits attention, both for the problem it typified and the solution it introduced.

The problem was a familiar one—per capita distribution of windfall revenues. At issue was the disposition of $7 million, the bulk of an award made to the tribe in compensation for stolen lands and broken treaties dating back to 1807. The Bureau of Indian Affairs intended to divide the spoils individually as usual. This would have resulted in apportioning equal amounts to each resident of the reservation and to many off-reservation relatives as well—about 4,000 persons in all.

But tribal leaders wanted no part of the plan. Earlier, they had watched a $16-million award get squandered in a similar manner. Kim Sawmick, a young tribal planner, remembers that melancholy moment: "People spent the money in a single weekend. They used it to pay credit card bills or to buy TV sets and things like that. The furniture stores opened early in the morning and closed late at night. They had a field day—but the tribe had nothing to show for it."

Hoping to prevent a repeat fiasco, the tribe and First Nations pressed Congress to pass a measure that would preserve the $7 million for tribal use. The matter went beyond money; it ran to questions of Indian dependency vs. self-determination.

In testimony before the Senate Select Committee on Indian Affairs, the late Ben Quigno, a tribal elder, summed up the problem. The BIA's plan, he warned, "would insure our continued dependency and take away our tribe's last and best opportunity to become self-sufficient.... From experience we know that the greatest beneficiaries will be the area merchants, people who care little about us, only our money as long as it lasts."

On June 30, 1986, Congress gave Quigno and the tribe what they wanted: a measure establishing an "Investment Fund" to be administered by and for the Saginaw-Chippewas. First Nations could share credit for the victory—but the staff's work was just beginning. Now the tribe required another kind of assistance. A leadership untutored in high finance would need training and expert advice; an inexperienced tribal council would need help in choosing reliable institutions to manage the tribe's investments.

For openers, Adamson obtained a $50,000 grant from the Charles Stewart Mott Foundation in Flint, Michigan, to help pay for trainers and consultants. Then she brought in *pro bono* consultants from several Wall Street investment houses, including the Salomon Brothers; and she introduced the tribe to Carol Oman, who headed a financial consulting firm in Virginia. Oman would eventually interview scores of money-management candidates on behalf of the tribe. "She did all the homework," says Kim Sawmick. "We couldn't have done it without her."

The Saginaw saga contained most of the elements that make First Nations unique. It began with a policy push in Washington; it continued with a microcare feast back on the reservation: generous helpings of technical assistance, training, foundation support, and expert counsel from gilt-edge professionals.

The money, meanwhile, has been safely collecting interest in a local bank, and making its presence felt in unexpectedly useful ways. For instance, the bank appears to have had a change of heart: For the first time in tribal memory it has begun offering affordable mortgages to Indian home-buyers of modest means.

"It's amazing what money can do," marvels Sawmick. "The president of the bank has been very friendly these days. I think we're getting some respect now."