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## Building the Indian Country economy, one business at a time

by [Tom Robertson](#), Minnesota Public Radio

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### AUDIO

 [Building the Indian Country economy, one business at a time \(feature audio\)](#)

Bemidji, Minn. — Drive down Highway 1 in Red Lake and you'll see lots of government buildings and a tribally owned grocery store. But there are no coffee shops or clothing stores. No movie theaters or bowling alleys.

Red Lake officials hope to change that. They've partnered with the American Indian Economic Development Fund, a St. Paul-based organization that provides loans and training for start-up businesses in Indian Country.

That's the kind of assistance Minnesota's three largest Indian tribes -- the White Earth, Leech Lake and Red Lake bands of Ojibwe -- will discuss when they gather in Red Lake today and Thursday for their third economic development summit.

The tribes, which have been working together since 2006, aim to build self-sufficient tribal economies that would help reduce unemployment on the three reservations -- typically between 40 and 60 percent. Casinos provide thousands of jobs, but the tribes struggle to build economies that include private industry or small businesses.

Miskwasin Spears, one of half-dozen tribal members taking part in the first business class for potential entrepreneurs at Red Lake, wants to open a barber shop, something the reservation is lacking.

"I feel like it would really be necessary up here," Spears said. "There's a lot of children that need haircuts."

Spears has applied for a small business loan and the tribe agreed to provide space for him to set up his shop. He hopes to get started by the end of the month, but he knows there are risks.



*Judy Hanks*

"It's not easy starting a business up here," Spears said. "The economy isn't the best. The unemployment rate isn't the best, so there's not a lot of people working that can spend money on tribal businesses."

One of the obstacles to building a reservation economy is that commercial banks are reluctant to loan money. That's because tribal land is held in common by the people and can't be used as collateral.

Sam Strong, the economic development director at Red Lake, said making it easier for tribal members to obtain financing from outside sources is essential.

"We have to reorganize our legal structures," Strong said. "We have to create an environment that allows for outside investors to feel comfortable in doing business on the reservation."

Some parts of the tribal economies have improved since they began their economic summits four years ago. They now support each other economically in ways they never did before, using the slogan "Buy Native." They try to buy goods and services from each other when they can.



*Tim Neadeau and  
Miskwasin Spears*

They're also finding business opportunities that are mutually beneficial. For example, when the tribes did an energy cost assessment, they found they were paying huge service fees for propane delivery. Now, Red Lake has started its own propane distribution business. The plan is to provide propane to the three reservations at a much lower cost.

On the Leech Lake Reservation, one of the newest attempts to create commerce is a tribally owned gift shop near Walker. It opened just this summer. The idea is to provide a venue for the hundreds of traditional Ojibwe artisans and crafters who struggle to find markets for their products.

Artist Bob French is bringing in his work to the gift shop for the first time. His wood carvings, decorative tomahawks and pipes are made from black walnut, sumac and diamond willow. French said he hopes the gift shop allows him to make a living from his art.

"My downfall would be exposure," French said. "You know, I got all these crafts made, and nobody sees them... It takes time to make stuff like this and it's good to have people that appreciate it, see it."

The gift shop is a way for Leech Lake to diversify its economy beyond gaming. Project manager Chris Bedeau said it will also include a museum in the back, and eventually a recording studio in the basement.



*Tomahawk*

"When there's a lack of employment and people need to feed their families, this is another venue for them... to create commerce for themselves and their families," Bedeau said. "This is maybe a smaller component of the larger picture, but it's a start."

Observers say tribal governments have often been their own worst enemy when it comes to economic development. Each of the three tribes have had their share of political instability.

Judy Hanks, a consultant to the fledgling Northern Minnesota Tribal Economic Development Commission, an organization born out of the tribal summits, said the tribes have lacked a separation between politics and business. That means when there's a change in leadership, economic plans are disrupted, said Hanks, who has held various government positions with Leech Lake.

"It either went out the door with whoever left, or it just was put on a back burner and forgotten about," she said.

Such disruptions have been "very devastating" to business, Hanks said.

The tribes' latest economic efforts show signs of hope. But it appears the overlying reality is that tribes will continue to deal with debilitating unemployment for a long time to come.

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