

**Economic Principles and Economic Development
in Indigenous Communities
Graduate Seminar for Masters Students in American Indian Studies
Winter 2020**

Instructor: Randall Akee

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Course Description: This course will familiarize students with the fundamental concepts, themes and principles of economic development. The setting will focus on indigenous communities broadly and will be contrasted (where appropriate) with other regions, countries and communities. Important concepts such as opportunity cost, economic trade-offs, adverse selection, moral hazard, and discount rates will be introduced through the use of existing research and case studies. These basic concepts are important for graduate students who will be analyzing and evaluating research conducted on and for indigenous peoples and governments. Students that successfully complete the course will be familiar with these economic concepts and their correct usage.

The course will also provide a broad overview of the current standing of indigenous communities (primarily in the US) in terms of microeconomic and macroeconomic development. Specifically, at the microeconomic level we will investigate the development of individuals, households and communities over time. At the macroeconomic level, we will look at the various channels through which economic development occurs at the tribal level; we will focus on jurisdictional, legal and political aspects of tribal economic development. The course will briefly touch on different economic systems and economic history of American Indian tribes and reservations. We will focus on some of the large changes that have occurred in the past century on reservations and the effects that have resulted. We will use the latest research and US Census data in this part of the course. Students will become familiar with and be able to access existing socio-economic data on indigenous peoples using publicly available sources.

Americans with Disability Act: The Americans with Disability Act requires that reasonable accommodations be made for any student with a disability. If you need assistance, notify me immediately. For more information, visit the Office for Students with Disabilities' website at <http://www.osd.ucla.edu/Feedback.htm>.

Late Work Policy: There is no late policy. Students should notify the professor ahead of class if they are ill or if there is some other unforeseen event. In the event that something arises, we can make a plan for a due date. However, this all has to be done in advance of the original due date. In the case of illness, we will figure out a new due date depending on the intensity of the illness, etc. Otherwise, late assignments will receive a zero grade.

Grading: Your final grade will be based on four items: 1) class participation, 2) one policy brief 3) an in-class midterm and 4) a final project—paper and oral presentation.

The elements will be weighted as follows:

Class participation: 30%

Class Participation: Full participation by all students is critical to developing understanding about these topics and examples. Participation means regular attendance, knowledge of the reading

assignments, and participation in class discussions. Additionally, each student will be required to lead the discussion of a particular paper **three times** in the quarter.

Policy Brief: 10%

Policy Brief: The policy brief (**1000 words maximum**) will focus on a single topic. Policy areas may be drawn from course topics or from topics not directly covered in the course. These policy briefs must adhere to a few rules. They must include a concise overview of the topic and its relevance. It must also include some basic data analysis to support the policy position mentioned in the brief. These will all be original contributions from the students. The journal articles used for the policy brief must come from **articles not covered on our syllabus**. Students will be required to turn in these papers electronically and they will be uploaded to Turnitin.com. You will also be required to submit electronically the research article (in pdf form) on which the policy brief is based. These briefs will be graded based on the quality of the briefs. We will discuss examples via our course readings on the syllabus. A handout and example will be provided for the policy briefs. They will be due via email to me (rakee@ucla.edu) prior to class on the day that they are due. **Due January 29, 2020.**

In-Class Midterm: 20%

In-Class Midterm: The midterm will consist of essay-type questions that require the student to explain concepts or policy outcomes based on the reading and discussions from the course. Students will also be required to explain the state of knowledge for areas of economic analysis covered up to the midterm. You will be able to use your own hand-written notes for the midterm. You will not be able to share notes and you will not be able to bring type-written notes for this exam. The midterm will be exactly one hour and will take place in class on **February 12, 2020.**

Final Project: 40%

Final Project: The final project will be a research project that provides some policy analysis on an economic development-related topic using models or theories, data and evidence. Students are encouraged to go beyond the articles, books and examples used in class for their analysis. I am interested in students providing a brief background of their specific topic. Second, there should be a clear discussion of the state of research and information on the area as it stands today. Finally, the paper should provide some ideas and questions about where and how this topic area could be expanded in the future through further research, theory or economic modeling. All projects must be original and engage some aspect of economic development.

A paper proposal will be **January 22 in class**. I will detail the requirements for the proposal in a separate handout. I will provide you with written feedback on this proposal.

The paper will be due on the final day of class (30% of the course grade) *in class* **March 11, 2020**. There will also be in-class presentations of no more than 15 minutes each that will be graded as part of the final project (10% of the course grade) on **February 26, 2020**.

Readings: You should read all of the assigned readings prior to the class. We will be discussing the research, the findings, and their implications in class. Therefore, it is important that you have an understanding of the main results of the chapters and the journal articles prior to the class period.

Some of the readings will be very technical and you are not responsible for understanding all of the methods, however, you should understand the main research questions, framework and findings of each reading. We will discuss the appropriateness of the methods, research situations and data in class and the importance of the findings. Readings are available on JSTOR for the journal articles. **Note:** Readings with an asterisk (*) are required readings. Other readings are included and are optional. They provide a broader background on the particular topic for that particular class. Focus your reading on those with the asterisks first.

Book:

Henson, Eric and [Jonathan B. Taylor](#) , [Catherine E. A. Curtis](#) , [Stephen Cornell](#), [Kenneth W. Grant](#) , [Miriam R. Jorgensen](#), [Joseph P. Kalt](#), [Andrew J. Lee](#). The State of the Native Nations: Conditions under U.S. Policies of Self-Determination. [Harvard Project on American Indian Economic Development](#) . 2007.

COURSE SCHEDULE:

Week 1

1. History and Economic Conditions for US Indigenous Peoples.
2. Current Economic Conditions, Data Sources Discussion.
 - Measures of Economic Development, GDP, Inequality, Econ Growth
 - Data Sources
 - Previous Measures, Relation to Economic Development elsewhere
 - Persistent questions and hypotheses.

*Akee, Randall and Jonathan Taylor. 2014. Social & Economic Change on American Indian Reservations: A Databook of the US Censuses and the American Community Survey 1990 – 2010. Unpublished Manuscript. <http://taylorpolicy.com/us-databook/>

*Austin, Algernon. 2009. *American Indians and the Great Recession: Economic Disparities Growing Larger*. Issue Brief #264. Washington, D.C.: Economic Policy Institute.

*Henson et al (2007) Chapters 1,2, and 3.

Wilkins, David E. and Heidi Kiiwetinepinesiik Stark (2010). *American Indian Politics and the American Political System*. Lanham, MD: Rowman & Littlefield Publishers, Inc. Chapter 1.

Week 2

1. Political and Legal issues and evidence in economic development.
 - What are existing issues and obstacles? Arrow Impossibility Theorem.
 - What are emerging issues? Are there solutions to these problems? Preview these topics that will be handled in the coming weeks.

- Land tenure, fractionation. Jurisdiction. Corruption. Political accountability. Mortgages, Foreclosure, Access to Financial capital, secured transactions laws (jurisdiction). Uniform commercial codes.

*Akee, Randall. “Checkerboards and Coase: Transactions Costs and Efficiency in Land Markets,” *Journal of Law and Economics*, 2009, vol. 52.

*Akee, Randall and Miriam Jorgensen and Uwe Sunde, 2015. “Critical junctures and economic development – Evidence from the adoption of constitutions among American Indian Nations.” *Journal of Comparative Economics*. Volume 43, pp. 844-861.

Alcantara, C. (2007). Reduce Transaction Costs? Yes. Strengthen Property Rights? Maybe: First Nations Land Management Act and Economic Development on Canadian Reserves. *Public Choice*. 132(3/4), 421-432.

*Anderson, Terry L., and Dean Lueck. 1992. Land Tenure and Agricultural Productivity on Indian Reservations. *Journal of Law and Economics* 35:427–54.

*Anderson, T. L., and D. P. Parker (2008): “Sovereignty, Credible Commitments, and Economic Prosperity on American Indian Reservations,” *Journal of Law and Economics*, 51.

Carlson, Leonard A. 1981. Land Allotment and the Decline of American Indian Farming. *Explorations in Economic History* 18:128–54.

Cookson, J. Anthony. 2010. "Institutions and Casinos on American Indian Reservations: An Empirical Analysis of the Location of Indian Casinos." *Journal of Law and Economics*, 53:4, 651-687.

*Cornell, S. E., and J. P. Kalt (2000): “Where’s the Glue: Institutional Bases of American Indian Economic Development,” *Journal of Socio-Economics*, 29, 443–470.

*Cornell, S. E., and J. P. Kalt (1995b): “Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache,” *Economic Inquiry*, 33(3), 402–426.

*Cornell, S. E., and J. P. Kalt (1995a): “Cultural Evolution and Constitutional Public Choice: Institutional Diversity and Economic Performance on American Indian Reservations,” John F. Kennedy School of Government Faculty Research Working Paper Series.

*Dimitrova-Grajzl, Valentina and Peter Grajzl and A. Joseph Guse. 2014. Jurisdiction, Crime and Development: The Impact of Public Law 280 in Indian Country. *Law & Society Review*, Volume 48, Issue 1, pages 127–160.

Goldberg, Carole, and Duane Champagne. 2006. Is Public Law 280 Fit for the Twenty-First Century? Some Data at Last. *Connecticut Law Review* 38:697–729.

*Henson et al (2007) Chapters 1,2, and 3.

Mushinski, D.W. and Pickering, K. (2000). Inequality in Income Distributions: Does Culture Matter? An Analysis of Western Native American Tribes. *Journal of Economic Issues*. 34(2), 403-412. Access at: <http://www.jstor.org/stable/4227569>

Parker, Nicholas. 2011. "The Effects of Legal Institutions on Access to Credit: Evidence from American Indian Reservations" Unpublished Manuscript.

*Snipp, C.M. (1986). The Changing Political and Economic Status of American Indians: From Captive Nations to Internal Colonies. *The American Journal of Economics and Sociology*. 45(2), 145-157. Access at: <http://www.jstor.org/stable/3486915>

Wilkins, David E. and Heidi Kiiwetinepinesiik Stark (2010). *American Indian Politics and the American Political System*. Lanham, MD: Rowman & Littlefield Publishers, Inc. Ch. 6 Political Economy

Week 3

Paper proposal due in class

1. Political and Legal issues and evidence in economic development.
 - What are existing issues and obstacles?
 - What are emerging issues? Are there solutions to these problems? Preview these topics that will be handled in the coming weeks.
 - Land tenure, fractionation. Jurisdiction. Corruption. Political accountability. Mortgages, Foreclosure, Access to Financial capital, secured transactions laws (jurisdiction). Uniform commercial codes.

(See readings from above)

Week 4

Policy Brief Due

1. State-owned enterprises, casino operations, methods of government revenue generation.
 - How do tribal governments raise revenues?
 - Public Law 638
 - Tribally-owned business ventures. Examples.
 - Gaming Operations and the impact of the industry; IGRA.
 - Separation of Government and Business Decisions

Akee, Randall and Jonathan Taylor. 2014. Social & Economic Change on American Indian Reservations: A Databook of the US Censuses and the American Community Survey 1990 – 2010. Unpublished Manuscript. <http://taylorpolicy.com/us-databook/>

*Akee, Randall and Katherine Spilde and Jonathan Taylor. 2014. "Social and Economic Changes on American Indian Reservations in California: an Examination of Twenty Years of Tribal Government Gaming." *Forthcoming in UNLV Gaming Research & Review Journal*. Volume 17 Issue 1, pp. 1-27.

*Anderson, Robin J. 2013. "Tribal Casino Impacts on American Indians Well-Being: Evidence from Reservation-Level Census Data." *Contemporary Economic Policy*, Volume 31, No. 2, pp. 291-300.

Ballew, Timothy. "Award-winning Lummi program gives back to our land and our community." *The Bellingham Herald*. November 10, 2014.
<http://www.bellinghamherald.com/2014/11/10/3959982/award-winning-lummi-program-gives.html>

*Brashares, Edith and Siobahn O'Keefe. 2013. Indian Tribal Government Access to Tax-Exempt Bond Financing (October 27, 2013). Available at SSRN:
<http://ssrn.com/abstract=2370079> or <http://dx.doi.org/10.2139/ssrn.2370079>

Confederated Tribes of the Umatilla Indian Reservation Public Transit . Honoring Nations Awardee. www.umatilla.nsn.us

*Croman, Kelly and Jonathan Taylor. 2016. "Why Beggar Thy Indian Neighbor? The Case for Tribal Primacy in Taxation in Indian Country." Joint Occasional Papers on Native Affairs, Harvard Project on American Indian Economic Development, JOPNA 2016-1.

*Evans, William N., and Julie H. Topoleski. 2002. "The Social and Economic Impact of Native American Casinos." National Bureau of Economic Research Working Paper 9198.

Evans, William, and Wooyoung Kim. 2006. "The Impact of Local Labor Market Conditions on the Demand for Education: Evidence from Indian Casinos." US Census Bureau Center for Economic Studies Discussion Paper 06-14.

*Henson et al (2007) Chapters 7 and 8.

*Mathers, R.L. (2012) The Failure of State-Led Economic Development on American Indian Reservations. *Independent Review*. 17(1), 65-80. Access at:
<http://search.ebscohost.com/login.aspx?direct=true&db=a9h&AN=76505429&site=ehost-live>

Oneida Advocacy Through Investment Holdings. Oneida Nation of Wisconsin. Honoring Nations Awardee.

Week 5

1. Human Capital and Skills.

- What is the state of educational attainment and skills on American Indian reservations and other Indigenous communities?
- How do these skills translate into wages and employment?

*Akee, Randall. "Who Leaves? Deciphering Immigrant Self-Selection from a Developing Country," *Economic Development and Cultural Change*, October 2009.

- *Akee, Randall and Tarajeau Yazzie-Mintz. "Counting Experience' Among the Least Counted: The Role of Cultural and Community Engagement on Educational Outcomes for American Indian, Alaska Native and Native Hawaiian Students," *American Indian Culture and Research Journal*, V. 35 Num. 3, pp. 119-150, 2011.
- *Akee, Randall and J. Costello, W. Copeland, G. Keeler and A. Angold . "Parent's Incomes and Children's Outcomes: A Quasi-Experiment with Casinos on American Indian Reservations," *American Economics Journal: Applied Economics*, Volume 2, No. 1, January 2010, pp. 86-115.
- Borland, J. and Hunter, B. (2000). Does Crime Affect Employment Status? The Case of Indigenous Australians. *Economica*. 67(265), 123-144.
- *Feir, D. 2016. "The Long Term Effects of Forcible Assimilation Policy: The Case of Indian Boarding Schools." *Canadian Journal of Economics/Revue canadienne d'economique* 49(2):433–80.
- *Fischer, S. and Stoddard, C. 2013. "The Academic Achievement of American Indians." *Economics of Education Review* (2013).
<http://dx.doi.org/10.1016/j.econedurev.2013.05.005>.
- *Gitter, R.J., Reagan, P.B., 2002. Reservation wages: an analysis of the employment of American Indian me
American Economic Review 92, 1160–1168.
- *Gunlach, James and Roberts Alden. 1978. "Native American Indian Migration and Relocation: Success or Failure.", *The Pacific Sociological Review*, Vol. 21, No. 1, pp. 117-128.
- Henson et al (2007) Chapter 11.
- Hurst, Michael. "The Determinants of Earnings Differentials for Indigenous Americans: Human Capital, Location, or Discrimination." *Quarterly Review of Economics and Finance*, Fall 1997, 37(4), pp. 787-807.
- *Kuhn, Peter, and Arthur Sweetman. 2002. Aboriginals as Unwilling Immigrants: Contact, Assimilation, and Labour Market Outcomes. *Journal of Population Economics* 15:331–55.
- *Snipp, C.M. and Sandefur, G.D. (1988). Earnings of American Indian and Alaska Natives: The Effects of Residence and Migration. *Social Forces*. 66(4), 994-1008. Access at:
<http://www.jstor.org/stable/2579432>
- Taylor, J. (1994). Measuring the Occupational Segregation of Australia's Indigenous Workforce: A Census-Based Analysis. *Social Indicators Research*. 31(2), 175-204.
- Young, R.A. and McDermott, P. (1988). Employment Training Programs and Acculturation of Native Peoples in Canada's Northwest Territories. (1988). *Arctic*. 41(3), 195-202.

Week 6

In-Class Midterm

1. Economic Development and Health outcomes

- Are there other measures of well-being other than employment and income?
- How are these changing over time with economic development?

*Akee, Randall and Emilia Simeonova, J. Costello, W. Copeland, G. Keeler and A. Angold . “Young Adult Obesity and Household Income: Effects of Unconditional Cash Transfers.”, *American Economics Journal: Applied Economics*, Volume 5, No. 2, pp. 1-28.

*Costello, E. Jane, Scott N. Compton, Gordon Keeler, and Adrian Angold. 2003. “Relationships Between Poverty and Psychopathology: A Natural Experiment.” *Journal of the American Medical Association*, 290(15): 2023–29.

*Henson et al (2007) Chapters 13 and 14.

Prout, S. (2012). Indigenous Wellbeing Frameworks in Australia and the Quest for Quantification. *Social Indicators Research*. 109(2), 317-336.

Taylor, J. (2008). Indigenous Peoples and Indicators of Well-Being: Australian Perspectives on United Nations Global Frameworks. *Social Indicators Research*. 87(1), 111-126.

*Watson, Tara, 2006. “Public Health Investments and the Infant Mortality Gap: Evidence from Federal Sanitation Interventions on U.S. Indian Reservations.” *Journal of Public Economics* 90: 1537-1560.

*Wolfe, Bobbi, Jessica Jakubowski, Robert Haveman, and Marissa Courey. 2012. “The Income and Health Effects of Tribal Casino Gaming on American Indians.” *Demography* 49 (2): 499–524.

Week 7

1. Business investment and entrepreneurship

- Obstacles to business development on American Indian reservations
- Asset Accumulation, Access to Capital
- Uniform Commercial Codes.

*Akee, Randall and Miriam Jorgensen. 2014. “Property Institutions and Business Investment on American Indian Reservations” *forthcoming in Regional Science and Urban Economics*.

*Akee, Randall and Sue K. Stockly, William Darity Jr, Darrick Hamilton, Paul Ong. 2015. “The Role of Race, Ethnicity and Tribal Enrollment on Asset Accumulation: An Examination of American Indian Tribal Nations”. Unpublished Manuscript.

*Harrington, Charles. 2012. "American Indian Entrepreneurship: A Case Study for Sustainability," *Journal of Leadership, Management & Organizational Studies* 2(1): 1-10.

*Wagner, Kristen and Amy Locklear Hertel. 2008. "EITC in Indian Country: Moving Beyond the Safety Net to Asset Building." Report to the Annie E. Casey Foundation 2008 Native EITC Study

Week 8

Research Presentations During Class

Week 9

1. Personal Income, Wealth, Earnings and Inequality

- Discussion of Individual Level impacts of economic development
- Why does wealth matter differently from income?
- What does the data show the long-run trends are for the AIAN community? How does it differ from other groups in the US?

Week 10

Final Paper Due in Class

2. Natural Resource Valuation; Non-Market Based Economic systems

- How do natural resources affect economic development?
- How are natural resources viewed in these indigenous communities?
- What types of management plans exist which differ from standard economic models?

*California Fee-to-Trust Consortium Elk Valley Rancheria. 2010. Honoring Nations Awardee, Harvard University.

*Coulthard, Glen. 2013. "For our nations to live, capitalism must die." Article Published on website. www.rabble.ca November 6, 2013.

*First Peoples Worldwide, March 15, 2013.

<https://www.youtube.com/watch?v=RxPVrr44KHI>

*Oneida Advocacy Through Investment Holdings Oneida Nation of Wisconsin. 2010. Honoring Nations Awardee, Harvard University.

*Trask, Haunani-Kay. 1993. From a Native Daughter: Colonialism and Sovereignty in Hawaii. Common Courage Press. Monroe, Maine, Chapter 9.

*Ysleta del Sur Pueblo. Project Pueblo: Economic Development Revitalization Project. 2010. Honoring Nations Awardee, Harvard University.

- *Berkes, F. (1990). Native Subsistence Fisheries: A Synthesis of Harvest Studies in Canada. *Arctic*. 43(1), 35-42.
- *Gila River Indian Community, Air Quality Program . 2010. Honoring Nations Awardee, Harvard University.
- *Gombay, N. (2005). The Commoditization of Country Foods in Nunavik: A Comparative Assessment of Its Development, Applications, and Significance. *Arctic*. 58(2), 115-128.
- *Henson et al (2007) Chapters 9 and 10.
- *Kuokkanen, R. (2011). From Indigenous Economies to Market-Based Self-Governance: A Feminist Political Economy Analysis. *Canadian Journal of Political Science*. 44(2), 275-297.
- Lertzman, D.A. and Vredenburg, H. (2005). Indigenous Peoples, Resource Extraction and Sustainable Development: An Ethical Approach. *Journal of Business Ethics*. 56(3), 239-254.
- *Newtok Relocation Effort Native Village of Newtok, Alaska. 2010. Honoring Nations Awardee, Harvard University.
- *Trosper, Ronald L. 1978. American Indian Ranching Efficiency. *American Economic Review* 68:503–16.