

ECONOMIC DEVELOPMENT ON THE MOAPA PAIUTE RESERVATION

An example of capturing the multiplier effect

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The economic development experiences of the Moapa Paiute Indian Tribe are the subject of this article. While the Moapa story has been told elsewhere in one form or another, we feel that the risk of some redundancy is nonetheless justified. It is not the only tribe that has implemented some successful economic development strategies. Its uniqueness lies in having done a lot with very little in a very short time. The tribe began with a very small land base, a small population, and very few natural resources of its own. Through careful planning and control of each new development, it has made impressive progress toward establishing the basis for economic self-sufficiency. Its secret has been in combining its own hard labour with outside resources, always with an eye toward creating the maximum multiplier effect throughout the reservation economy. It is this lesson that we think is particularly valuable for all reservations.

The Moapa reservation covers 1,000 acres located approximately 65 miles northeast of Las Vegas, Nevada. In 1968 there were approximately 100 people living in shacks with no electricity, heating or plumbing. There was also an extremely high unemployment rate: seventy percent of the men and one hundred percent of the women were unemployed and the tribe provided no jobs. By 1979 the population increased to well over 250 people. Many former members returned, attracted by new housing, newly available health and social services and permanent full-time employment opportunities. The transformation was a result of creativity, courage and hard work on the part of many people. Below is a brief description of the major features of the tribe's economic development strategy.

THE FARM

The first step out of the bleak situation was taken in 1968. The tribe decided to run its own farm and not to renew its lease with a local dairy. BIA [Bureau of Indian Affairs] officials were extremely pessimistic about the tribe's potential for success, and tribal representatives had to travel all the way to Washington, D.C. before they were able to obtain approval from the BIA to use \$100,000 of their own money held in trust. Money was used to purchase farm machinery and to begin improvements on their run-down farm. In 1973, with the help of the Tribal Planner, Mike Ostanik, the tribe obtained an Economic Development Administration (EDA) grant which helped pay for major farm improvements, including five miles of concrete irrigation ditches, barbed wire

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fencing, and corrals built out of scrap metal pipe. Two quonset huts were set up for storage and a large machinery shed was erected on the reservation. Most of the work was done by tribal members.

Since 1973, the tribe has purchased a neighbouring ranch (expanding arable land to 725 acres), increased the cattle stock from 40 head to 250, and expanded the production of alfalfa and barley. The farm presently provides employment for tribal members and is operating on a non-subsidized basis.

THE LEATHER SHOP

In 1972 the tribe began a small leather manufacturing company. The company produced hand-tooled, beaded items (vests, hats, wallets, belts), building on the skills of a number of tribal members. In 1973 the tribe located three surplus barracks at the Atomic Energy Commission Nevada test site. It transported two of them to Moapa and converted them for use as a leather shop. The employees modified their skills and obtained a contract to produce CB radio cases.

By mid-1978 the company had handled more than \$100,000 in radio case contracts. Now the leather manufacturing firm produces an additional line of quality business and office accessories (e.g. leather brief cases, portfolios, desk pieces, etc.). As of fall 1979, the tribal company employed 15 people full time and was economically self-sufficient.

HOUSING

In 1979 an Indian Housing Authority was established on the reservation. In 1970 HUD [the Department of Housing and Urban Development] provided funds to build fifteen new mutual self-help homes to which each new family owner contributed five hundred hours of its own labour. Sewage collection lines and a settling pond were also funded and constructed. In 1973, seventeen more of these homes were constructed. In 1977, ten more

homes were funded, and a HUD grant enabled the tribe to build additions for nine large families that needed to enlarge their current homes. In 1979, forty-two more housing units were approved by HUD for construction.

CONSTRUCTION COMPANY

Since 1969 fifteen to twenty men have been working in a variety of construction projects on the reservation, including the farm improvements, housing construction and remodelling, the building of a Head Start Center, a community center and a store. Most of this on-the-job training was subsidized by CETA [Community Employment Training Act] until the men reached a level of proficiency.

In 1976 a Moapa tribal construction company was established. The 1977 and 1979 HUD housing projects were awarded to the new construction company. Today, the company has a licensed manager and bids for off-reservation contracts as well as reservation projects. The company has acquired a full complement of equipment ranging from a drilling rig to a concrete batch plant and a cement truck. Much of this equipment has either been donated or is recycled from the Atomic Energy Commission's Nevada test site.

COMMUNITY CENTER BUILDING PROJECT & GROCERY STORE

In 1976 the tribe received an EDA Public Works grant (\$225,000) which it used to build a community center and further its economic development goals. The tribe worked with the grant on a force-account basis, rather than an open, competitive-bid basis, and did 95% of the work on the community building. With their newly acquired surplus batch plant and a used cement truck which they purchased with a loan that was secured by the EDA contract, they were able to produce all the cement they needed to build the center. They produced the cement inexpen-

sively and sold it to themselves at a lower price than any outside supplier could have given them. The tight management of the grant and the savings of the cement purchase allowed the construction company to pay off the truck loan and to add an extra 1,000 square feet to the 6,000-square foot community center.

This extra space was used to house a grocery store the reservation badly needed. The Southland Corporation, the parent company of 7-11 stores, helped the tribe lay out its grocery store. It also provided used equipment from its Las Vegas stores and for ten days trained two tribal members in all facets of running a grocery business at its company-operated training facility in Las Vegas. The tribe claims to be the only tribe which owns its own grocery store in Nevada. Two people work full-time and several part-time. Today the store serves the whole Upper Muddy Valley, which has approximately 1,000 residents. The store also pays rent, which covers the cost of operating the community center (utilities, insurance and maintenance). The Moapa tribe thereby solved a problem tribes throughout the country must face in trying to keep their EDA-funded centres open.

The EDA funds, which were only intended for a community center, resulted in income, increased training for the construction crew, a cement producing operation, a grocery store, and a self-supporting community center.

THE GREENHOUSE HARVESTING OPERATION

The Moapa tribe took advantage of their skill base in field cropping and their climatic conditions to begin their next venture: a tomato production greenhouse. The tribe received a Department of Labour (DOL) CETA training grant in February 1978 to train 35 tribal members in all aspects of the tomato growing business. The grant for the first year was \$188,000, and for the second year was \$193,000. The tribe committed itself to financing the first half-acre of greenhouse with a bank loan, without any guarantee that HUD would finance the rest of the project. Later that year HUD funded the tribe with a three-year Community Development Block Grant (CDBG) for \$1.47 million. These funds will be used to build greenhouses on seven-and-a-half more acres. The tribe used the DOL CETA trainees and its own construction firm to build the greenhouses.

The tribe sells its "Jack Pot Brand Tomatoes" to hotels and markets in Las Vegas and has already been highly successful in penetrating the market. Success is partially attributed to the tribe's high-quality, high-yield tomato that is a result of a novel production method tribal representatives learned during their visit to some European countries. Success is also attributed to having contracted with a nationally known firm that helped the

tribe design a detailed marketing and merchandising plan. The tribe's goal over the next eight to ten years is to build a total of fifteen acres of greenhouses, which would provide seventy-five tribal members full-time, year-round employment in tomato harvesting.

The Moapa economy has advanced from a badly underdeveloped system of loosely related sectors to an increasingly self-reliant economy with many strengthened and interrelated sectors. The tribe started with small, manageable projects which logically led to other related ones, and moved to larger and more sophisticated efforts. Tribal Chairman Preston Tom claims "We would not have been ready for the Greenhouse Project even three years ago. We needed the experience of setting up the leather shop, running the farm, the store, and building a central administration." Another key to success that the chairman points to is having been able to package related federal funding programs from diverse federal sources as well as having used the technical and financial resources of private industry. He says, "Our accomplishments have been based more on the maximum utilization of limited resources than on massive infusions of federal dollars. The standard we apply to any program is the degree to which we are able to function after the formal program is completed." ❧