What matters?
Policy driven evidence, Indigenous government and the Harvard Project

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The following are the words of Professor Stephen Cornell a founder and director of the Harvard Project on American Indian Economic Development. Cornell used them in concluding his address to the Indigenous Governance Conference in Canberra (2002).

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For the better part of a century—since at least the late 1920s—the United States government has tried to find ways to overcome poverty on Indian lands. Its policies have ranged from on-site assimilation to the relocation of Indian peoples into U.S. cities to the termination of Indian reservations. In all that time, self-determination—putting genuine decision-making power in Indian hands—is the only federal policy that has worked. It is the only federal policy that has had any lasting, positive effect on socioeconomic conditions in Indian Country. The evidence is clear: the best way to perpetuate reservation poverty is to undermine tribal sovereignty; the best way to overcome reservation poverty is to support tribal sovereignty.

Such passages are recurrent in Harvard Project publications, their prime message being that sovereignty is the key to understanding what matters in ending Indigenous poverty. In the context of the Harvard Project, sovereignty means self-government at the local, Indian reservation, level.

Harvard Project policy advice is that to overcome indigenous poverty state initiatives or interventions, other than granting localized sovereignty, do not work. Harvard
Project leaders repeatedly assert that their advice is based on research, making it that much more attractive to policy makers and their advisers.

The following three paragraphs briefly summarize the Harvard Project’s official Overview.²

Professors Stephen Cornell and Joseph P. Kalt founded the Harvard Project on American Indian Economic Development in 1987. Though linked (like Putnam) to Harvard’s Kennedy School of Government, the project is a collaboration with the University of Arizona.

The Harvard Project is about research and activism through advice on government and management. The stated aim is ‘to understand and foster the conditions under which sustained, self-determined social and economic development is achieved among American Indian nations.’ ‘At the heart of the Harvard Project’ are the questions ‘What works, where and why?’ These questions give rise to the Harvard Project’s emblematic

² http://www.ksg.harvard.edu/hpaied/overview.htm
and key research findings: (1) sovereignty matters; (2) institutions matter; and (3) ‘culture matters’.

In other words, (1) ‘When tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform non-tribal decision-makers’. Sovereignty, defined in this internally referential way, necessitates (2) ‘Stable political institutions and policies, fair and independent mechanisms for dispute resolution, a separation of politics from day-to-day business management, a capable bureaucracy and a strategic orientation.’ (3) These institutions must ‘fit their unique societies’ so that they can ‘enjoy legitimacy among tribal citizens’.

To convey more about the core Harvard Project policy messages I return to Stephen Cornell’s 2002 paper, cited above. Though it is entitled ‘The importance and power of indigenous self-governance: Evidence from the United States’ Cornell does not actually offer any evidence. Instead, what he does is pronounce the Harvard Project claims. For the promised evidence he refers us to another quarter, to which I will turn later.
What matters?

Cornell’s aim is to report ‘on the role that self-governance has played in the changing fortunes of American Indian nations in the United States’ (Cornell, 2002:2). During the last 25 years, he says, a number of those nations broke away ‘from a century of poverty and powerlessness and have achieved unusual success in building sustainable, self-determined economies.’

The question that Cornell says that he and the other Harvard Project pioneers faced was ‘How do we account for these breakaway cases?’ Out of their quest for the answer emerged five ‘key determinants of tribal economic success’ (Cornell, 2002:5).

Sovereignty

The first determinant is labelled ‘sovereignty’.

Put most simply, self-rule appears to be a necessary but not sufficient condition for sustained economic development on American Indian reservations. We have yet to find a case of sustained, positive reservation economic performance
where someone other than the Indian nation is making the major decisions about governmental design, resource allocations, development strategy, and related matters. In case after case, we have seen development begin to take hold when Indian nations move outsiders from decision-making to resource roles and become primary decision-makers in their own affairs.

Institutions

The second determinant of economic success is about operationalizing sovereignty through institutions ‘that can effectively solve core governance problems’ (Cornell, 2002:6). In practice, this entails stable rules and a stable administration. It also means ‘keeping politics out of day-to-day business and program management’.

Harvard Project evidence, drawn from more than 100 tribally owned and operated businesses, is that those businesses that are buffered from interference by elected politicians are four times as likely to be profitable as those that are not.
Cornell points out that effective governing institutions also require provision ‘for effective, fair, and non-politicized resolution of disputes’, such as tribal courts. These too have to be ‘insulated from political interference’.

Another requirement of effective governing institutions takes the form of ‘capable tribal bureaucracies that can effectively deliver governmental services and implement governmental decisions’ (Cornell, 2002:7).

Culture

Cornell goes on to report the finding that effective governing institutions also need to ‘have the support of the people they govern’. This is labelled ‘cultural match’. What is critical is

the fit between the formal institutions of governance … and indigenous conceptions of how authority should be organized and exercised’. … In other words, institutions … have to resonate with indigenous political culture. … People have to believe in them. (Cornell, 2002:7)
This requirement, Cornell points out, does not necessarily entail ‘a return to “tradition”’. There only has to be ‘a resonance between formal institutions and what people currently view as appropriate for them’, whatever that may mean.

**Strategic thinking**

Cornell reports that ‘those Indian nations that think strategically do better than those that don’t’. By ‘strategic thinking’, he means local planning based on ‘a systematic examination not only of assets and opportunities but of priorities and concerns’ (Cornell, 2002:8).

**Leadership**

The final determinant of tribal economic success is given as leadership. Indian reservations are found to require people able to ‘envision a different future, recognize the need for foundational change’ and be ‘willing to serve the (Indian) nation’s interest instead of their own’. They also need to be able to ‘communicate their vision to other members of the community’ (Cornell, 2002:9).
Reflection

The factors that determine economic success identified by Cornell and other Harvard Project researchers are in themselves reasonable, to the extent of bordering on tautology.

To say, for example, that ‘Harvard Project results show that the chances of sustainable development rise as Indian nations put in place institutions that can effectively solve core governance problems’ (Cornell, 2002:7) is not to say much. Nor does telling us that ‘If Indian nations are to mobilize community energies … these governing institutions have to have the support of the people they govern’ (Cornell, 2002:8).

Apart from the engaging flourish with which they are set out, the Harvard Project’s findings about determinants of success are generally unexceptional. Various Australian commentators have drawn attention to how commonsensical they are, or how heavily they overlap with the wider management literature (eg Dodson and Smith, 2003; Sullivan, 2004). And the call for self determination is self evidently a longstanding one, by Indigenous people and others.
Some of the Harvard Project precepts or guidelines can be valuable, as points of comparison or benchmarks. However, they are not necessarily better than those found in management and organizational texts or manuals that deal with issues like accountability, representation, constitutional alternatives, and so on. Plenty of these are Australian. Some are specifically prepared for the Indigenous context, such as that by Mantziaris and Martin (2000:273) which provides a bibliography on the topic, and material readily available through the Office of the Registrar for Aboriginal Corporations.

An important question that arises from this is, if the specific Harvard Project findings about efficacy are not particularly novel, why are they accorded so much attention? Why, for example, does the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs hold the Harvard Project research in high regard? The Report on its inquiry into capacity building and service delivery in Indigenous communities, Many ways forward, devotes a good deal of attention to the Harvard Project findings and Stephen Cornell and his fellow director Manley Begay were prominent witnesses in the committee’s investigation.
The explanation for the attention the Harvard Project’s ‘determinants of tribal economic success’ command is, I suggest, to be found more in their staging or presentation than in their originality. The reasons I offer for this assertion concern the way in which the ‘determinants’ are cast. This is largely as an alternative to state interventions, including economic transfers.

**Localizing responsibilities**

Harvard Project researchers are most emphatic that to end Indigenous poverty the answers lie within Indigenous localities. This idea is one that resonates with existing public policy directions, extending well beyond the realm of Indigenous affairs. In other words, I suggest that the research appeals because of its match with localist policy. The attraction to governments lies particularly in formulations such as the two that follow.

1. (T)he keys to successful economic development on reservation lands in the United States turn out not to be education or natural resource endowments or location or the availability of financial capital. To be sure, all of these add
significantly to development possibilities, and I would rather have them than not, but they are not the key determinants of tribal economic success (Cornell, 2002:6)

2. It is not the case that relatively successful tribes are those that have good natural resources or high rates of educational attainment, or the ones who have been able to get their hands on the most financial capital.

Obviously, having more resources to work with is better than having less. … But just having resources is not the key – or even necessarily a key – to getting a reservation economy off the ground. (Cornell and Kalt, 2004:4)

Cornell and Kalt are prepared to go even further than this, claiming that other than effective self-government, ‘Nothing else has worked’ (Cornell and Kalt, 2003:22).

The policy implications of such categorical statements are important. Though they entail a formidable and rather hopeful challenge to government to relinquish certain powers, they also support a residual role for government, not just in terms of decision-
making, but also the provision of resources. In addition, the statements carry the localist policy implication that ‘the community can do it’.

The Harvard Project’s dismissal of the efficacy of state interventions parallels, and possibly nourishes, the commonplace denunciation of government policies as failed left wing social agendas (Kelly, 2004) or ‘socialist experiments’ (Hughes and Warin, 2005).

Given their political implications, the ideological and empirical bases for the Harvard Project claims require examination. The importance of doing so is magnified by the prominence of the assumption that research in the USA is directly applicable elsewhere.

**International relevance**

In his Canberra paper, Cornell asks, ‘What are the policy implications of this research, and can those implications be extended beyond the United States?’ He answers:
We have not done systematic research on these issues outside the U.S., although we are beginning to look systematically at Canadian cases. While the demographics, geographics, and political and legal contexts of First Nations in Canada differ from those of Indian nations in the U.S., our early evidence suggests that these same principles apply in Canada as well. Our knowledge of the Maori situation in New Zealand is much more superficial, but also lends at least preliminary support to these findings. (Cornell, 2002:9-10)

Cornell then asks, ‘What about Australia?’ Conceding some lack of ‘familiarity’ and different historical and regional circumstances, Cornell ventures ‘I find it hard to believe that these research findings are that far off the mark’. This is similar to his earlier statement that it ‘would surprise me, however, if the principles we have seen at work in America were not applicable here’ (Cornell, 2002:2) in Australia.

Evidence supporting the findings on ‘determinants of tribal economic success’

As noted earlier, Stephen Cornell said that the evidence to support his claims was to be found elsewhere. The most recent of the sources cited is ‘Where’s the glue?’
Institutional and cultural foundations of American Indian economic development’. This is a paper written by Cornell and Kalt.\(^3\) A careful reading of ‘Where’s the glue?’ published in 2000 by the *Journal of Socio-Economics*, is very instructive, revealing much about the nature and quality of the underlying research. It also sheds considerable light on the ideological position of the authors, two of the three directors of the Harvard Project. Unfortunately, to support their results Cornell and Kalt take a circuitous path and employ some less than straightforward terminology and statistical analysis. In practical terms, the paper is inaccessible to most people.

‘Where's the glue? – the first half

The first half of the paper is mostly about theory. It largely consists of an attempt to demonstrate the underlying logic of the claim that it is governance or ‘tribal institutional forms’ that constitute the ‘make-or-break keys to development’ (Cornell and Kalt, 2000:Abstract).

\(^3\) In other places readers are also referred to this paper as main report on the Harvard Project’s major research findings, for example, Cornell and Kalt, 2003:12; Cornell, Curtis and Jorgensen, 2004:8.
Cornell and Kalt try to establish conceptually what they later try to prove empirically. To do this they rely on the distinctive assumptions and language of public choice theory. Central to this approach is reliance on the (neo) classical economic assumption that ‘individuals are rational in the … utility-maximizing sense’ (Cornell and Kalt, 2000:450). That is, they are always striving to act in their own economic interests. Economic efficiency is achieved when this can occur. Public choice theorists seek to pave the way for this, and economic growth. For this to happen, they hold, government should be limited in size and constructed to maximize the choices of individuals, so that the latter can make their own decisions about services.

The distinctive, somewhat esoteric, terms favoured by neo classical economists are used throughout the paper. Examples include, the ‘invisible hand’, ‘public goods (or bads)’, ‘free-riding’4, ‘rent-seeking’5, ‘nonexcludable public goods’, ‘market failure’,

4 ‘Free riding’ refers to individuals, organizations or nations avoiding the costs of something by relying on the effort or expenditure of others.
5 ‘Rent-seeking’ refers to behaviour where some people try to improve their own welfare to the detriment of others, legally or illegally. Examples may occur through consumption of welfare benefits. Similarly, rent-seeking occurs when through political opportunism, people obtain special advantage from government at the expense of taxpayers or others.
‘suboptimal allocation and distribution’, and ‘transaction costs’. Cornell and Kalt draw on the prominent public choice theorist Mancur Olson whose view (set out in *The Logic of Collective Action*, 1971) was that closely-knit and unaccountable social, economic, and political groups are prone to inefficiencies and corruption.

Cornell and Kalt are anxious to explain how ‘destructive rent-seeking’ behaviour of naturally self-interested individuals is best controlled. Though they see the ‘informal contracts of culture’ as ‘the meta-enforcers of a society’s mechanism of control and organization’ (‘culture controls free riding’), they want to explain how this operates through institutions (Cornell and Kalt, 2000:449:7-8).

The authors are particularly concerned about the rent-seeking behaviour of leaders and its ramifications for economic growth and how to regulate this. They write

All societies face the problem of preventing those who exercise the legitimate powers of government from utilizing such power to transfer social wealth – or additional power – to themselves. … (This) discourages investment … The task is to limit the role of those in power to that of ‘third party’ enforcer, rather than self-interested primary party … Success at this task stands out as a
distinguishing characteristic of those sovereign (Indian) nations that have been able to develop economically from those that have not. (Cornell and Kalt, 2000:453-54)

For Cornell and Kalt, if we want to understand why some Indian reservations are more (economically) successful than others, we can try to understand this through analysis of their respective governmental structures. In doing so, we should recognize the even more fundamental issue of the ‘foundations of those structures and what is the glue that holds them together?’ This, Cornell and Kalt say, is the emerging quest of the ‘rational choice movement in sociology, the public choice approach in economics, and the rational political economy perspective in political science’ (Cornell and Kalt:2000:447:5). Within the three named disciplines, Cornell and Kalt’s emphasis on the term ‘rationality’ is telling. This notion connects their approach to the brand of neo classical economic policy known in Australia as ‘economic rationalism’, and more widely as ‘economic fundamentalism’, ‘economic liberalism’ or ‘market liberalism’.

Features that link economic rationalism and the Cornell and Kalt / Harvard Project approach include the following. Their joint commitment to the fundamental value of individual choice and responsibility; faith in free market forces; commitment to
economic growth; belief in capital investment as the main economic driver for development, with micro economic reform and cost or risk reduction as the means of attraction; central concern about corrupt management practice (‘rent-seeking’); preference for civil society as behavioural regulator (self-regulation); and blame of the welfare state for encouraging dependency (‘free riding’). They also discount government expenditure as being a necessary factor in development.

‘Where's the glue? – the second half

Cornell and Kalt begin their ‘examination of empirical evidence’ (p.453) by noting their overall analysis reflects the results of 225 separate studies undertaken up to 2000. Their examination is divided into for parts.

1. The first part of the statistical analysis shows changes in income on 67 Indian reservations, all with populations of approximately 1000 or more. The data are for the period 1977-1989 – the authors report that such data were not available afterwards (Cornell and Kalt, 2000:456-57). Income change is measured by the variation in percentage of Indians over 15 years with incomes over a ‘minimum’ set by the Bureau
of Indian Affairs (BIA). Cornell and Kalt do not say how this ‘minimum’ was established. Average (mean) or median incomes could yield a quite different result. In any case, incomes could go up on Indian reservations while going down against those elsewhere. The data show very modest increases in incomes above the BIA minimum for a minority of reservations. The authors do not try to draw any definite conclusions, but the Indian reservations that the authors say have good governance seem to be among the places with higher growth in incomes as measured.

2. The second part of the statistical analysis is of ‘determinants of employment levels’, where the researchers model degrees of association between the following variables.

- Educational attainment of residents, based on high school graduation by residents.
- The tribe’s natural resources and location. Because data are not available for reservations, a proxy measure is used. This is the economic ‘health’ of an adjacent county, determined by its per capita income between 1979 and 1986.
• External trade, as indicated by movement of labour. The latter is determined speculatively, by ‘the percentage of the current reservation population that has always lived on the reservation’ (Cornell and Kalt, 2000:460).
• The share of reservation land with private title.
• Relative strengths of tribal executives and legislatures, as determined by a subjective classification of written tribal constitutions.
• Presence of an independent local judiciary, also determined by their reading of tribal constitutions.

Through a regression analysis technique, Cornell and Kalt found that a strong regional economy (as reflected in the strength of an adjacent county) is associated with higher reservation employment. Educational attainment (measured by high school completions), however, does not appear to contribute (Cornell and Kalt, 2000:460).

Cornell and Kalt find that in terms of association with employment outcomes strong-chief-executive and strong-legislature tribal governments outperform those where decisions are made by general councils.
All else equal, employment under strong-chief-executive government is 4% - 5% higher than under general council government. Employment under strong-legislature government is 10% - 13% higher than under a general council system.

To make this claim, Cornell and Kalt divide governing bodies into three categories, depending on whether they are organized under a

Strong (typically elected) chief executive, a strong legislature (typically a parliamentary tribal council of 7-15 members, with the chair selected from council members), or a general council (with all members of the tribe in the legislature and with this body having all power of law making).

It should be noted that in this analysis, the term ‘strong’ is used in a potentially misleading, way. It refers to the balance between the three governmental options as provided for in the tribal constitutions. If, for example, a tribal constitution locates most power with the chief executive, the tribe is said to have a strong chief executive, and a weak legislature or general council. This is irrespective of whether or not the
management is ‘strong’ in the sense of being decisive, assertive or effective. If, for example, senior management practice is ineffective but has most power constitutionally, Cornell and Kalt would still classify the executive as strong.

Despite the obvious problems in this method of classification and the modest correlations, the authors find support ‘the hypothesis that the institutions of government are principal causal ingredients in determining the state of economic development on American Indian reservations’ (Cornell and Kalt, 2000:461).

3. The third part of the statistical analysis is of ‘determinants of income growth’. Here, the researchers model association of income growth with the same variables as for employment (above). Cornell and Kalt find that the degree of ‘trade and interaction with the off-reservation community’, or ‘insularity of the tribe’ (as measured by ‘the percentage of the current reservation population that has always lived on the reservation’), has a negative impact on economic growth (Cornell and Kalt, 2000:462).

Notwithstanding the daring assumptions behind their data, Cornell and Kalt still feel able to conclude that analyses 2 and 3 support their hypothesis that ‘institutions are
keys to economic development’. They also say this analysis confirms ‘the expected poor performance of general council forms of government’ compared to ‘strong-legislature government’ and ‘strong chief-executive government’ (Cornell and Kalt, 2000:462).

4. The fourth part of the analysis, about ‘cultural match’, is the most problematic, combining weaknesses in the other three with some new ones. Cornell and Kalt try to establish empirically the degree of ‘congruence between pre-consititutional norms of legitimacy concerning the role of governmental power and the formal institutions of government’ (Cornell and Kalt, 2000:466). In doing so they note ‘daunting problems of data and method’ (Cornell and Kalt, 2000:462) but make no concessions about the validity of their complex analysis, heavily reliant as it is on subjective judgments and a much reduced sample. In contrast to the use of 67 reservations for the first three analyses, this part of the empirical work is based on a sample of 12. The basis for inclusion of these reservations in the sample is not given.

Cornell and Kalt rely again on variables drawn from the other three analyses (such as education levels or having a strong chief executive) and add one more factor vital for their conclusions about cultural match. The additional factor is about whether or not a
tribe’s pre-conquest form of political organization matches its current organizational form. This assessment is made in terms of a binary (yes / no) subjective judgement.

To do this the researchers ‘studied the historical and anthropological literature’ on the tribes in their sample. Particular examples of their findings concern two Apache tribes, White Mountain and Mescalero. Harvard Project researchers conclude that

Both historically and contemporaneously, Apache political allegiance centres directly on the tribal government and the person of the tribal chairman’. … Current Apache chairs at White Mountain and Mescalero are also effectively the chief executive officers and chairmen of the boards of their respective multimillion dollar conglomerate enterprises. Notwithstanding the scope of their authority, however, the Apache chairmen operate within a set of cultural norms that severely restrict their possible Marcosian (rent-seeking) behaviour. (Cornell and Kalt, 2000:464)

The finding that these Apache tribes enjoy a match between current governmental arrangements and their culture is prejudged in the description. Cornell and Kalt say that, as for all 12 reservations, other field materials as well as quantitative data are
taken into account. However, this information is not specifically identified, and nor are the specific criteria upon which the assessment is made.

The quality of the empirical findings

Taken as a whole, the empirical justification for the Harvard Project claims is weak. The limitations of these empirical data are so serious that Cornell and Kalt should be much more circumspect in drawing their repeated, adamant and widely disseminated conclusions.

Though these criticisms are largely based on a single paper, it is one prepared by two of the three Harvard Project directors, and cited (by Cornell, 2000:2; Cornell and Kalt, 2003:12) as a place where the underlying evidence is to be found. The authors declare that their analysis reflects the results of 225 separate studies (p.445). Moreover, they link their data analysis to their foregoing exposition of their theoretical principles.

The serious flaws in the empirical basis for the Harvard Project include the following.
They use old data, vital sections of which are from no later than 1989, and some 1986.

Data on changes in income levels on reservations, a measure of success, rely on comparisons against a minimum income level established by undisclosed criteria. Increases determined this way might bear no resemblance to changes using other measures, such as mean or median incomes. Also measured in this way, economic gains on successful reservations may be out of keeping with those elsewhere. Indeed, Indians on the successful reserves might even have fallen behind non-reserve Indians.

The Harvard Project researchers rely on a sample of just 12 reservations on which to base the conclusion about cultural match. The basis for inclusion of the selected reservations in the sample is undeclared, and their division into two contrasting groups is subjective.

Other important information for interpretation of the data is also missing. For example, is someone counted as employed (another measure of success) as long as they are in paid work for only an hour a week, as in Australia? If so, how much does it mean simply to say someone became employed? Even more
seriously, as far as the results are concerned, did the goalposts stay fixed during the period in which the data were collected? This was not the case in Australia where, in line with an international recalibration, in 1986 the number of hours Australians had to work to be counted as employed dropped from fifteen to one.⁶

- Data on high school graduation alone is a very limited basis for concluding that education is not a determinant of success. Use of college, university or trade qualifications might be much more telling, especially when it comes to issues of leadership and management.

- Reliance on data from one adjacent geographic area (county), not necessarily Indian, is an exceedingly shaky measure of the strength of a reservation’s own economy.

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⁶ Until 1986 Australians were required to work 15 hours a week to be counted as employed. From April that year the threshold became one hour. This was in accordance with ‘changed international definitions adopted by the 13th International Conference of Labour Statisticians’ in October 1982 (Baker, 1997).
• The Harvard Project depends on a tribe’s written constitution as evidence of the strength of a reservation’s governmental arrangements. What is in a written constitution is not necessarily related to the strength of local leadership.

• Statistical measures of association do not say anything about direction or effect, as the researchers insinuate. Correlation and causation are separate concepts, if two variables correlate this is not proof that they are causally linked.

Discussion points

The defects in the evidence that underpins the Harvard Project findings and recommendations are serious. The assumption that the findings and recommendations apply to other countries compounds their shortcomings.

The Harvard Project approach is linked to the fundamental precepts of economic rationalism. Its proponents omit from the analysis the analytic concepts that followers of other schools of economic thought find important. These include, for example, the concepts of state, class and even race or racism. This means that the Harvard Project
analysis cannot take into account some of the reasons why past government interventions, many half hearted at best, failed.

The place of gender is also missing from the Harvard Project analysis. Such exclusions are more striking given the researchers’ senior academic employment in disciplines like political science and sociology.

The researchers similarly ignore an established view in criminology, and well beyond, that corruption is encouraged, normal and endemic in the capitalist system. This omission is in favour of the conservative view that corruption constitutes abnormal or deviant behaviour and that this arises when natural or traditional social controls are dislocated, such as through state welfare transfers.

Harvard Project researchers also seem to forget that concepts we understand as nepotism and in-group favouritism have their counterparts in traditional communities (Keen, 2004: 246-7). They are not simply a result of the imposition of an inappropriate governmental system.
Harvard Project researchers overlook other major alternative or contrary positions. These include arguments concerning problems associated with economic growth. The issue of environmental sustainability is important and is particularly relevant to some activities on Indigenous people’s land, existing or projected. There is an important debate about the implications of economic development for Indigenous culture. The implicit assumption that growth is compatible with, if not good for, cultural preservation pre-empts this issue.

A key problem of the Harvard Project as a source of organizational advice is the researchers’ economic rationalist ideological mindset. Before insisting that institution building is the only way to go, the Harvard Project researchers could examine other variables. Such variables might include options that may be yet untried. Perhaps because they adopt the public choice theory approach at the outset, Harvard Researchers do not examine, for example, the relative efficacy of factors contingent on much more substantial state investment, such as in education and health. Consideration in the empirical work of education as a factor is cursory in the extreme.

One of the most thought provoking points concerns the use that is made of such deeply problematic research. Given the extent of authoritative pronouncements that Cornell,
Kalt and others have based on flawed data, the situation is remarkable. Just how they have managed to sustain their claims, in jurisdictions as remote from the USA and as different from each other as Australia and New Zealand, is an interesting question. Amongst other things, it raises a further query about the extent to which policy makers and their advisers feel any responsibility to delve into the claims of researchers.

Finally, the special appeal of the Cornell and Kalt paper is political. That is, it connects the precepts of economic rationalism with indigenous (economic) development. Though they ignore principles concerned with rights, Cornell and Kalt manage to do this in a way that resonates with Indigenous commitment to self-governance. It is more than likely that this appeal led the Director of the Northern Land Council, for example, to point to the Harvard Project research as demonstrating the association between ‘effective exercise of sovereignty’ and ‘long-term, self-determined economic prosperity’ (Fry, 2003:2).

Quite aside from the serious questions I have raised about the underlying validity of the Harvard Project research, such leaders need to be cognizant of the project’s broader political and policy implications. It is about much more than sensible principles for local government. It embodies, for example, the unqualified assumption that economic
development is compatible with Indigenous interests. The Harvard Project also conveys the notion that Indigenous sovereignty is realized in local government. Finally, Indigenous leaders and others also need to be cautious about the way in which endorsement of the Harvard Project findings may be used to legitimate the idea of governments transferring responsibility for solving problems to unprepared Indigenous communities.
References


