

A New Economic Model for Native Americans: First Nations Cryptocurrency & Independent Decentralized Blockchain

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Abstract. An independent blockchain and cryptocurrency accepted by the majority of Native American groups would immediately create a new economic model for their future. Current Native American economic models are copycat versions of centralized economic systems and will not achieve the objectives of independence, sovereign governance, and economic freedom. Adoption of a decentralized model will also increase trust internationally with trade and commerce. Native American groups are already geographically decentralized, have a culture of consensus and a unique regulatory status that can be used to implement unprecedented freedom within the cryptocurrency space. Untapped human capital, tax free status, existing infrastructure and resources make these groups uniquely positioned to build a new economic model and achieve true sovereignty.

1. Introduction

Colonization strategies to eliminate Native American people prior to the internet age was used as a “divide and conquer” strategy that would eventually eliminate millions of tribal communities through disrupting their hunter/gatherer way of life. This strategy decentralized their communities into reservations that isolated them from trade routes and central hubs of economic activity. The residential school strategy was another tool used to assimilate a sovereign people into adopting the settlers way of life. While this strategy was successful in many ways, it led to a long history of irreparable damage to the culture, lifestyle, health, and economic freedoms of Native Americans. Native Americans since have been seeking ways to repair the damage and fully participate in Federal agreements that give them the inherent right to act as Sovereign Nations of people.

This strategy post internet age has turned into an advantage for First Nations as centralized government and economic models are now under threat from decentralized tools like Bitcoin. What was once a disadvantage pre-internet age, is now an advantage post-internet age, as the world has continued to move towards decentralized models of economic systems. Nations like Venezuela and The Marshall Islands have used decentralized technology to solve their economic problems as an alternative to more debt and dependency on foreign aid from economic powers like the United States and China.

To fully realize their potential as Sovereign People, Native Americans need a decentralized model which would give them their own cryptocurrency to conduct all current transactions through, and an independent blockchain which can act as the framework for their future economic participation. Through this framework, they can utilize their tax free status to attract investment, build wealth, reform governance, create a tax base for themselves, re-direct existing economic transactions into their own currency, conduct

inter-currency negotiations with other countries for trade and commerce, and expand their current untapped human capital and resources towards a relevant future technological skills.

2. Decentralization & a Culture of Consensus

First Nations Leadership is Decentralized. [3] Because of this cultural feature, Native American groups are not likely to be “disrupted” by Decentralized Ledger Technology (DLT) as much as existing centralized governments because their existing cultures are mostly decentralized from colonization strategies, and because they have always adopted consensus methods of leadership. Unfortunately, many Native American groups are trying to adopt centralized, hierarchal models of governance out of a lack of alternatives. If they copy the very models of the Governments that have oppressed them, they will never reach their stated outcomes because they will face the same disruption as blockchain technology begins to permeate the world. Fortunately, current Native American cultures are consistent with the culture of decentralized models like Bitcoin.

3. Sovereign Land

One of the most unique and important features of Native American groups today is their land & resources. This affords them the opportunity of obtaining their own energy, resources, and economic spaces on which to build a new model. Currently groups like www.freesociety.com are seeking international land to create a “new country” for exact purpose of having a home for a new economic model of freedom. Projects like Minerva, and Liberland are struggling with resistance from existing governments to achieve this goal. Native Americans have already achieved this status and can move forward quickly without re-negotiating their positions as Sovereign Nations.

This land will be used as an economic engine to create tax free zones, attract private business investment, and connect existing infrastructure to neighbouring municipalities for an increase in trade & commerce on their land. Blockchain technology can also be used to effectively manage natural resources and energy use while minimizing costs.

4. Inter-Tribal Cryptocurrency

Another important feature of any Sovereign Nation is their own currency. Blockchain technology has the ability to provide this tool to Native American groups. The next step towards economic independence is to seek an inter-tribal agreement to use a new currency that they will accept as legal tender and begin transitioning from transacting in mainly neighbouring Nation fiat currencies like the US and Canadian Dollar. All current transactions conducted within their land will require conversion to this cryptocurrency and immediately create billions of dollars worth of transaction value within this new economy.

A common economic tool used to oppress another country is the monetary controls by Central Banking Organizations. By exiting the financial system of neighbouring Nations, Native American groups can limit the affects of monetary controls on their economies. This will bring incredible power and freedom to transact outside of the existing system and force Governments to accept these new inter-tribal cryptocurrency as an internationally recognized currency.

5. Untapped Human Capital

Native American groups have the largest under-utilized human capital resource of all cultural groups in North America. Recent statistics show that First Nations populations have a 20% lower employment rate than non-First Nations populations [4]. This under-utilized resource can be re-directed towards IT, Technology, coding, & blockchain technology education. Within 5 years, First Nations will begin to see the retention of local skills and human capital resources they can employ within their own economy.

6. Tax-Free Zones

Another important feature of Native American groups is their tax-free status. Applying this status to a new economic model built on blockchain technology, is now independent of location. This borderless technology allows the mining of internationally accepted currencies like Bitcoin which will be mined tax free. This gives an incredible advantage to Native American groups to use this technological feature of being location-independent, and create an economic strategy that will allow the mining of international currencies and held in their own banking reserves. By mining cryptocurrency on Sovereign land, Native Americans can receive the benefit of those rewards which are currently mandated to go to the Nations tax base in which they are mined.

These tax free zones can also be utilized to attract international investment, corporate tax havens, and trading platforms which can now be run on Sovereign land competitively.

7. Regulatory Freedom

Existing agreements or “treaties” provide unique regulatory environments for Native American groups. The ability to create an independent regulatory environment that is not under control of neighbouring countries is a very powerful advantage in the current cryptocurrency environment. By opening up favourable tax, regulatory, and regulatory protection to international blockchain companies, Native American groups can provide a critical decentralized piece that is not under the control of the US & Canadian Governments. This regulatory freedom will attract incredible economic activity and transaction growth within their new economy.

8. No Economic History

Because Native American groups technically do not have their own economic history (ie. all current transactions are being conducted using another Nations currency), they will be building a new economic model without any historical limitations. This creates the flexibility needed to create this new model of banking, regulatory limits, tax strategies, and economic ideas.

9. Existing Infrastructure

First Nations groups have under-utilized infrastructure which can integrate with the needs of blockchain technology. Land, access to energy reserves, real estate space (band halls, casinos, schools, etc.) can

convert the unused space for activities (ie. training centres, mining facilities, data centres, etc.). With the implementation of satellite internet technology, Native American groups can further move towards an independent blockchain decoupled from Internet Service Providers (ISP's, private/government energy grids and still fully participate in the global blockchain economy.

10. International Political & Historical Legitimacy

More than any other group globally, Native American groups have the International political, and historical legitimacy to proceed with these plans without significant legal, political, or historical resistance. Articles 3, 4 & 5 of the United Nations Declaration on the Rights of Indigenous People state [2]:

Article 3 Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

Article 4 Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.

Article 5 Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.

It is their inherent right to rebuild their communities, improve their socio-economic status, build a new economic and governance model, shift towards economic independence, and provide a regulatory environment that can attract international investment in their economy. Any move to stop them would be considered a further act of colonization, human rights violations & control because all current Government interventions have failed them.

10. Conclusion

We have proposed a strategy for Native American groups to move towards significant participation in the global decentralized economy. The many features of Native American groups makes them uniquely positioned to re-write history and regain their cultural relevance in the future. The very strategies of colonization are not turning into a natural advantage for them. This strategy is robust and can elevate their economic power globally. Our hope is that the global community will see the vision of how the Native American People can actually be a great ally to the broader community who seeks sovereignty, economic freedom, and a decentralization of power.

References

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