

# The Alaska Native Claims Settlement Act Corporation: A Case Example for Indigenous Peoples' Business Development?

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*Alaska, now about 17% of the United States land area, was purchased from Russia in 1867. But before the Russians came, Alaska already was home to indigenous Aleut, Eskimo and Indian peoples, and neither the Russian presence nor the U.S. purchase negated their legal and moral claims to the land. In 1971 the U.S. Congress passed the Alaska Native Claims Settlement Act (ANCSA) The Act created 13 Native Regional Corporations and over 200 Native Village Corporations, allowed Natives to select 44 million acres of land, and provided a cash payment of \$962.5 million. The Act's corporate model, definition of shareholder eligibility, land selection process, natural resource ownership rights, requirements for resource revenue pooling and sharing, limitation on stock sales for the first twenty years, and other provisions made this approach dramatically different from the Indian tribal reservation model commonplace in the rest of the U.S., and the dual ANCSA corporations' mission to achieve both financial performance and social performance distinguishes these corporations from mainstream U.S. corporations. Suddenly, a great many Alaska Natives, for whom culture and lifestyles had been tied to subsistence and the land, were thrust into a world of corporate structures and management. Initially, most ANCSA corporations struggled to become profitable, and losses were common. Today, some of these corporations do business all over the U.S. and internationally, and have net incomes in the several hundred million dollar range. This paper looks at the ANCSA experiment's unique aspects and implementation, focusing primarily on the regional corporations, and examines the effectiveness of the ANCSA approach.*

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