V. BARRIERS TO INCREASED EMPLOYMENT AND STRATEGIES FOR OVERCOMING BARRIERS

This chapter talks about some of the possible ways for governments and Native organizations to start overcoming problems that have historically hampered Alaska Native employment.

Local Economic Activity

Availability of Capital: Micro-Loan and Other Programs

The Grameen Bank

In *Give Us Credit*, Alex Counts describes the Grameen Bank in Bangladesh and a similar effort in Chicago. The bank was founded by economist Muhammad Yunus, who two decades ago began a micro-lending program for poor workers in Bangladesh that now serves two million borrowers there. The average loan amount is $75, and the repayment rate is 99 percent. Micro-lending programs based on the Grameen concept now operate in scores of other countries, including the U.S., and serve an estimated 10 million borrowers.

According to Counts, central to Grameen’s success are the peer lending groups that usually consist of five borrowers who review each other’s loan requests and repayment records and suggest business strategies. Failure by one member of the group to repay jeopardizes future loans to all members, so it is in the self-interest of everyone that all repay on time. Yunus believes that “the borrower knows best;” the role of the Grameen Bank is to provide the capital but allow the groups to decide what to do with it. Counts also describes how the Grameen concept succeeds in a poor neighborhood in Chicago. The Women’s Self-Employment Project there provided small amounts of capital to women entrepreneurs who started such businesses as baking cookies, dressmaking, and making jewelry. As in Bangladesh, poor women could use their existing skills or hobbies to create their own businesses. However, they faced unique obstacles—such as zoning rules that prohibited home businesses, high vendor license fees, and welfare rules that treated micro-loans as income that made recipients ineligible for benefits. Counts was hopeful about the eventual results of the Chicago micro-lending project. “By the end of it,” Counts said recently, “a lot of the women told me that now they never wanted their daughters to see them doing anything else except running their own business; that transformation in two years.”

The Lakota Fund

Among Native American experiments with micro-loan programs, none seems more successful than the Lakota Fund. That fund is a private, non-profit community development financial institution for the Lakota people of the Oglala Lakota Nation in southwestern South Dakota. It was started in 1986 and has made over a million dollars in loans to almost 300 tribal members to develop small businesses and micro enterprises. The default rate is approximately 12 percent, which compares favorably with that of local area banks. Initially, the Lakota Fund was a project of the First Nations Development Institute of Falmouth, Virginia. On December 6, 1992, the Lakota Fund had a separation ceremony and became a community-owned “Lakota” non-profit organization.
The Lakota Fund includes two lending programs—the Circle Banking Project (CBP) and the TLF small business loans. The CBP provides an opportunity for both lending and savings to people who otherwise have little access to credit or savings institutions. The program allows four to six members of a community to join together in a “peer” lending group. After five training sessions, the CBP is certified and the CBP members decide who will receive loans of from $400 to $1,000. The collateral for the loans is the members’ commitment to training and to being co-debtors for other members. Subsequent loans depend on successful repayment and regular individual and group savings deposits. Business activities are typically home-based. Although loans are small, the rewards have been great, according to a spokesperson for the fund. For some, a CBP loan represents a first opportunity to receive a loan or save regularly. Others have been able to increase their incomes and create some financial stability in their households while increasing their business and personal development skills.

Tribal members who are starting or expanding businesses, or developing feasibility plans, can take out TLF small business loans. The maximum for these loans is $25,000, and the fund are released in steps: a maximum first-time loan is $10,000 and subsequent steps are $15,000, $20,000, and $25,000. The first $10,000 must be paid back within three years. The remaining loan steps can take from three to five years. Loans can be used for building, equipment, inventory, and other business-related expenses. People just starting in business must attend a seven-week training course conducted by the fund staff. On-going technical assistance is provided by the fund.

The Lakota Fund Arts and Crafts marketing program evolved out of the Circle Banking project (CBP). Over 75 percent of CBP members produced arts and crafts, and the marketing program developed out of special technical assistance geared specifically to their needs. Many artists and craftspersons had not considered themselves “in business,” and the marketing program provided an opportunity to introduce basic business concepts. It offers training, sells products retail and wholesale for producers, operates a supply bank, and makes connections for local artists.

Looking to expand its services, the fund has recently focused on addressing the Lakota housing crisis as a way to strengthen and stabilize communities, create employment, and generate revenue for the fund. The fund is developing a ten-unit pilot housing project in Wanblee, South Dakota. This project is designed to help Lakota Nation homeowners by offering them a way out of the current housing system, which a fund spokesperson told us encourages dependency and hopelessness.

RDA/Mini-Grant Program

Rural Development Assistance (RDA) is a federal grant program that provides funds for local projects that promise to improve the economic or social well-being of rural citizens. Historically, the program was funded by the U.S. Forest Service and the State of Alaska, through the mini-grant program administered by the Alaska Department of Community and Regional Affairs. However, two years ago the Alaska Legislature eliminated state funds for the program. It is now funded exclusively by the Forest Service.
The Alaska Department of Community and Regional Affairs does continue to administer the program under an agreement with the Forest Service, which contributed $165,856 to the program in FY99. Awards have been made to 42 communities, with amounts ranging from $5,000 to $30,000. The cap on awards is $30,000. The Forest Service does not technically require matching funds for these awards, but community contributions produce extra points for proposals, thereby increasing the chances those proposals will be approved. Since 1989, $12.6 million has been distributed to communities through this program. Both the Forest Service and the Department of Community and Regional Affairs are exploring ways to expand funding, because they believe the program is very effective.

Revolving Loan/Mini-Loan Programs
The Tanana Chiefs Conference (TCC) has two mini-loan programs. One involves RDA loans, described above. Funds for these loans, which are primarily for urban businesses, were previously handled by the rural development arm of the U.S. Department of Agriculture. These loans range from $1,000 to a maximum of $250,000 and may be used to fund up to 75 percent of project costs. The TCC director of credit and finance described these loans as “pretty standard business loans.”

Despite the availability of these funds, the TCC credit director reports that the funds “are not being used as much as they could be.” Although the loans are helping five people with their traplines, the credit director told us that most rural residents do not want to borrow. They are intimidated by the process of applying, particularly the paperwork. They also seem to believe that borrowing money is a sign of weakness, signaling that they cannot manage by themselves. Finally, they are simply uncomfortable with the idea of owing anyone money.

The Tlingit-Haida Tinaa Corporation has had a mini-loan program since 1992. Initially, Tinaa tried the peer group lending model—like the one (described earlier) that has worked well in both India and Chicago. The executive director traveled every few weeks to communities to do the training for certification (a pre-condition for loans), making it an excessively expensive program. Although community members wanted the training, they did not subsequently apply for loans. No loans have been made under the program this year, despite the roughly 400 calls from people asking about starting businesses. Since its inception in 1992, only six loans have been made under this program—and four of those were to the same circle. Tinaa reports that a major impediment to making more loans of this type is the reluctance of individuals to commit themselves as co-debtors, as required of members of a lending circle.

Norton Sound Economic Development Corporation also administers a micro-loan program. The corporation itself funds the micro-loan program, but the National Bank of Alaska provides the loan documentation and the servicing for these loans. The Native corporation does collection work on the loans.

The Association of Village Council Presidents in southwest Alaska and other non-profit organizations around the state also have similar mini-loan programs.
Alaska Village Initiatives’ EDA Boat Loan Program

Alaska Village Initiatives (formerly the Community Enterprise Development Corporation) is a non-profit, membership-based company that assists rural communities. The company’s boat loan program (with funds from the federal Economic Development Administration) was started in 1983 to meet the needs of rural fishermen and small processors in Western Alaska. The boat loan fund provides financing for boats, motors, gear, and equipment. The maximum loan amount is $50,000. Traditional loan terms are three years for motors and repairs and seven years for boats, at 12 percent annual interest. To accommodate borrowers, Alaska Village Initiatives will accept one large payment a year, rather than 12 monthly installments.

All loan costs are paid by the borrower; those include costs of credit reports, insurance appraisals, survey inspections, or any other direct costs Alaska Village Initiatives incurs in processing the application. Since this is a revolving loan fund, the money available for loans depends on repayments from prior loans.

Those eligible to receive EDA boat loans include: subsistence fishermen who want to begin to fish commercially; and commercial fishermen and small processors on the Aleutian chain, Lower Yukon-Kuskokwim Rivers, Norton Sound, Kotzebue Sound, and the Pribilof Islands. Though salmon and herring are the primary target fisheries, loans are granted to fishermen interested in harvesting whitefish, bottomfish, and crab.

Since the program began, it has made 263 loans to fishermen in Western Alaska, with a total loan amount of $2,984,850—or roughly $200,000 for some 18 loans annually. However, the loan director for this program pointed out that a loan to a fisherman benefits more than just the loan recipient. If a loan allows a boat owner to keep fishing—or buy a new boat—it also keeps crew members employed. As a rule of thumb, the loan director said, the loans to 263 fishermen probably created double that number of jobs—about 500 jobs, if you count the loan recipient and crew members.

Conventional Bank Loans

The National Bank of Alaska (NBA) sponsors no loan programs that are specifically for Alaska Natives. The bank does collaborate on a micro-loan program with the Tlingit-Haida in Southeast Alaska. NBA has established a line of credit with non-profit organizations, which in turn establish the criteria for their lending programs that are just for Alaska Natives.

NBA considers its primary role to be educational. The bank offers a management trainee program and a community agent program. The latter is thought to be the only program in the nation in which a financial institution has community agents—liaisons—to provide services to locations where no bank branches exist. Presently, four communities—Holy Cross, Unalakleet, Saint Mary’s, and Kake—have NBA liaisons. Galena and Sand Point will have liaisons soon. These liaisons live in the community and work out of an office or out of their homes. Village corporations may also offer the liaisons space. The liaisons open accounts, answer questions, and conduct workshops and conferences with elders.
Analysis
Although mini-loan programs are widely available, they do not seem to have caught on with rural Alaska Natives as they have in other settings—India, Chicago, and the Oglala Lakota Nation, for instance. To determine why this is the case would require more research. Those who administer these programs, as noted above, identify the loan application process itself as a deterrent. In addition, they describe aversion among at least some Alaska Natives to incurring debt. This generalization does not seem to hold for fishermen in Western Alaska, who have borrowed about $200,000 each year for the past 15 years. In sum, the lack of mini-loan funds does not appear to be an issue.

Two mini-loan programs do in fact appear to be highly successful: the EDA boat loan program and the RDA mini-grant program. The latter program has, however, been devastated because the Alaska Legislature eliminated state funding two years ago.

NBA’s community agent program holds the promise of both employing rural residents and bringing banking services to rural areas that lack such services.

Village Crafts and Services

InuCraft / NANA
This company, a subsidiary of NANA Regional Corporation, buys primarily (but not exclusively) from Alaska Natives. Craftspeople who make dolls, baskets, slippers, beadwork, jewelry, and other art and clothing produce both random and specially requested items.

The business employs six people, all Native. Currently, the company is buying items from about 60 craftspeople. Most craftspeople consider their work more of an art than a business, according to company representatives. Consequently, subsistence activities tend to come first for craftspeople and they produce their crafts irregularly. This can be a problem for the retail side of the business.

Chukchi Sea Trading Company
This innovative business offers Alaska Native artwork over a website on the Internet. It was established by Caroline Kingak, an Inupiaq Eskimo who lives in Point Hope, on the northwest coast of Alaska. Kingak knew that for many friends and neighbors, selling their artwork represented one of the few opportunities for earning cash in this remote village. And many were unable to get their work to gift shops in Anchorage and other large communities.

So Kingak founded the Chukchi Sea Trading Company. She and her two daughters own the company and her husband, David Welsh, provides technical support for the company website. She buys artwork from other Point Hope residents and sells it through the Internet. She keeps a portion of the sales proceeds, but describes the business as “more of

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1 We describe just a sample of village crafts and services.
a hobby than a money-making venture.” She does not make a profit on the company right now, but maintains it in large part to help friends and neighbors. Kingak estimates that at any given time, between 12 and 24 artists take part in the venture. She sells pieces directly to individuals over the Internet, but most of her sales are to gift shops in Anchorage, Fairbanks, and Juneau.

Shishmaref Tannery
For a description of this growing tannery operated by Shishmaref’s tribal council, see page VI-4 in Chapter VI.

Rural Tourism

Background
Tourism in Alaska has been one of the fastest growing industries since statehood, increasing at an estimated 5 to 7 percent annually in recent times. Larger communities on the road system or on the route of cruise ships have seen most of that growth. But some smaller rural communities and Native organizations have become interested in promoting tourism—especially “ecotourism”—as a means of creating jobs and income.

Some Native groups have active tourism ventures. For instance, the Nature Conservancy reports in its 1995 Ecotourism Planning Guide for Native Landowners, “New ecotourism operations have arisen in several places in recent years, including operations run by Native corporations on the Pribilof Islands, in the NANA region, in several Interior villages, and elsewhere.” Another example is Dig Afognak, an archeological dig on Afognak Island near Kodiak, run by the Afognak Native corporation. That venture allows paying guests to visit and participate in digging and research at an archeological site. The corporation hires local Natives to house, feed, and provide other services to visitors.

Several studies over the past 20 years have looked at the potential for increased rural tourism (in Alaska and elsewhere) and identified various potential benefits. But at the same time, they also raised a number of issues that rural communities must seriously consider before committing money or facilities to tourism.

Potential Barriers to Rural Tourism
In the Ecotourism Planning Guide, James Allway argues that the benefits of rural ecotourism include, “economic returns, including modest revenue, sometimes employment and training opportunities, provision of accommodations and other services, and a market for crafts.” But he also points out that villages considering tourism ventures as sources of local jobs should keep in mind:

- required skills, including minimum training and experience
- training available to bring those skills to villagers
- salaries, especially compared to other wages available in communities
- cultural acceptability of the work
In another study, *Alaska Tourism Handbook* (Eric McDowell, 1994), McDowell lists job creation as a benefit of tourism, but offers several warnings and poses some hard questions for communities hoping to create tourism:

Tourism can bring money into the community. But how much money would need to be made each year for tourism to be considered a success in your community? Are you expecting to make more money each year than it costs for expenses, or simply break even? Do you want tourism to bring jobs to the community? What if these jobs only exist in the summer? Will your people be available to fill the jobs, or will they be too busy at fish camp during the peak tourism months? What if the jobs are offered to people from outside the community?

A third study, *Alaska Tourism in The Bush* (Office of the Governor, 1975) is much older but raises points that are still valid today. It describes problems associated with premature development of tourism in underdeveloped countries. Many of these problems are also relevant to underdeveloped regions of Alaska:

- **Tourism Leakages**: Underdeveloped countries depend heavily on imported tourism materials, supplies, and equipment needed for construction and improvement of hotels, restaurants, and transportation. This importation causes a serious drain of money out of already marginal economies. A similar leakage of money could occur out of Alaska villages.

- **Seasonality**: Tourism volume fluctuates with the seasons of the year everywhere—and in rural Alaska, long, harsh winters mean tourism infrastructure would likely sit idle much of the year.

- **Economic Fluctuations**: Although growth in tourism in Alaska has been strong for the past two decades, the tourism industry is extremely unpredictable. Conditions affecting tourism elsewhere in the world (the strength of the dollar or political upheavals, for instance) can help or hurt tourism in Alaska. Also, as we saw after the 1989 oil spill in Prince William Sound, unexpected events can also cause tourists to stay away.

- **Local Inflation**: Tourist demands and expenditures tend to create inflation in areas they visit. The prices in areas with the most visitors tend to be higher. Local village stores may have the incentive to provide scarce goods to high-paying visitors rather than to the relatively poorer locals.

**Existing Employment**
Precise figures on employment in tourism are very hard to come by, partly because tourism jobs are split among various industries. We do know that many of the more traditional jobs in tourism—driving tour buses in Denali Park, for instance—are often filled by non-residents.
Training Opportunities

The Alaska Native and Rural Development Department at the College of Rural Alaska, University of Alaska Fairbanks, offered a distance delivery class in rural tourism in 1997. Twelve students from around the state participated and the instructor, Michael Sfrafa, reports considerable enthusiasm for continuing the class. The department plans to offer three additional courses building on the first. It is also assembling a book of articles, essays, and excerpts from other books about Alaska rural tourism. The department plans a conference on rural tourism in the spring of 1999; that conference will be accessible via teleconferencing statewide.

The initial class was attended mostly by students who already had established contacts with the business community and Native Corporations, according to the instructor. They often were in leadership positions or held jobs in which they could implement what they learned in the class. The instructor reports that some students did create programs and jobs in their communities, but there are no definitive estimates of how many jobs were created.

The classes could be improved if there were better telecommunication links to the bush. Currently, bush villages must dial up a telephone line to Anchorage and then connect to the distance education at Fairbanks. This system is limited to a total of fifteen sites, but could be expanded if telecommunication links were improved.

The UAF instructor we spoke with believes that a good way to improve the dissemination of information about rural tourism would be for UAF’s program to work with businesses and Native corporations to create a traveling road show. The road show would go to communities and offer expertise, information, and other resources to help local residents take advantage of tourism opportunities in their communities. Right now, such a road show is only in the thinking stage.

Analysis

Tourism certainly has the potential for creating jobs for rural Natives. Rural Alaska has scenery, wildlife, and much more that tourists would pay—in many cases, are already paying—to see. Local residents are most knowledgeable about their own areas, and can tailor tourism ventures to best fit the local environment. But as we discussed above, increased tourism doesn’t necessarily translate into more jobs and income for rural communities. More than 20 years ago, a state report (Alaska Tourism in the Bush, Office of the Governor, 1975) chronicled what tribes and Native associations were doing to promote tourism. The study presents fascinating and balanced portrayals of what worked and what failed.

The studies we cited earlier raise a number of points Native communities and organizations need to consider before putting money and resources into tourism ventures. Those include the need for skilled local workers; the seasonality of jobs; the leakage of money out of the local community; and the unpredictability of tourism from one year to the next. UAF’s distance education program offers a good potential means for rural residents to learn tourism skills, but that program is currently limited by inadequate telecommunications in rural areas.
In fact, distance education has enormous potential to supply education and training to rural communities in many areas besides tourism. In a recent study of the University of Alaska’s distance education program, ISER found that the demand for distance education is growing rapidly throughout Alaska—and that one of the main factors limiting its growth in rural areas is inadequate telecommunications.

Introducing Career Choices: TCC Summer Camps

Several summer camps sponsored by the Tanana Chiefs Conference (TCC) expose students to potential careers in natural resources, engineering, and technology.

Earth Quest enrolls 15 village students between the ages of 14 and 20 with interests in natural resources. Round-trip transportation between the student’s village and Fairbanks is paid for by TCC. Students spend 10 days working with professional biologists, ecologists, foresters, and park rangers. They look at many natural resource careers and learn through hands-on field research projects.

Engineering Technology Exploration Camp is held in Galena and is jointly sponsored by TCC, Alyeska Pipeline Service Company-Daghedze Skoldix Scholarship Program, PDC Consulting Engineers, and the Galena School District. Middle school students are eligible for the week-long program and students attend for free. Students work on actual engineering projects designed for them by engineering professionals.

Cyber Camp is a four-day camp held at Delta High School. It is open to young people from 15 to 21 years old. Instructors provide students a hands-on experience with computers and the Internet.

TCC has been sponsoring Earth Quest for 3 years and Cyber Camp for 2 years. This is the first year of the engineering camp.

Strategies from Other Times and Places

The Royal Commission on Aboriginal Peoples
and the Harvard Indian Project

Background
The Canadian government created the Royal Commission on Aboriginal Peoples to investigate the evolution of the relationship among aboriginal peoples (Indian, Inuit, and Metis), the Canadian government, and Canadian society as a whole. The commission was asked to propose specific solutions to the problems that confront Canada’s Aboriginal people today. Commission members gathered information and advice through 178 days of public hearings in 96 communities, with presentations from 2,067 persons, organizations, and communities. It also commissioned over 300
research reports. All this information was gathered together in a five-volume, 5,000-page final report issued in the early 1990s.

Volume 2 of the commission’s report contains a section on economic development. It states that “more than 300,000 jobs will need to be created for Aboriginal people in the period 1991 to 2016 to accommodate growth in the Aboriginal working-age population and to bring employment levels among Aboriginal people up to the Canadian standard.” The potential solutions to this dilemma are framed in a discussion of history and a recognition of the need for taking a culturally appropriate approach to economic development. The similarities between the experiences of Canadian Aboriginal peoples and Alaska Natives are striking.

Findings on Economic Development
The report finds that a prerequisite to economic development for aboriginal peoples is recognizing their right to sovereignty or self-determination. It acknowledges the need to respect treaties and to secure a land and resource base for all Aboriginal people. In addition, the report discusses the diversity among current Aboriginal economies and the need to recognize this diversity in the formulation of economic development policies. In the past, policy came as a directive from federal or provincial governments and was applied uniformly to a broad range of conditions. The commission report finds that this policy resulted in ineffective programs that simply increased Aboriginal communities’ dependence on social welfare.

The commission recommended putting authority and resources to support economic development in the hands of appropriate Aboriginal institutions, at the level of the Aboriginal nation and community. Aboriginal people want their economies to be structured in accordance with Aboriginal values, principles, and customs. The commission also recognized that traditional economies must be supported—not only for their intrinsic value but also because there are very few alternatives in many northern communities. Aboriginal people told the commission that their economies should provide choices for people rather than dictating directions. Economies should be capable of supporting those who wish to continue traditional pursuits (hunting, fishing, trapping) while enabling those who wish to participate in a wage and market economy to do so. They also said they wanted to develop economies that were largely self-reliant and sustainable.

The strategies the commission report outlines to address economic development are similar to those being used in Alaska. The report cites the need for education and training; more child care facilities; increased self-government; development of institutions to support employment and business expansion; a sustained supply of equity capital; access to business management skills; initiatives to upgrade housing and community infrastructure; and the creation of opportunities through expanding the land and resource base. It also discusses the need for removing barriers to economic growth—such as the paucity of jobs, the lack of fit between skills and the needs of the labor market, and the presence of racism.

The report encourages Aboriginal nations themselves to adopt policies within their own organizations to promote Aboriginal hire, encourage the purchase of goods and services from Aboriginal companies, and provide opportunities for skills development, business growth, and the
recycling of spending within their communities. It also encourages the development of co-management regimes for natural resources and fish and wildlife.

Harvard Project Findings
The findings of the Report of the Royal Commission on Aboriginal Peoples are similar to the findings of the Harvard Project on American Indian Economic Development. The Harvard Project is a research project designed by Stephen Cornell, a sociologist, and Joe Kalt, an economist. They have been gathering data for the past 10 years in an attempt to understand what is necessary for successful economic development in Indian Country. Cornell and Kalt have found three factors that they believe are critical for successful economic development on Indian reservations.

The first factor is de facto sovereignty. The researchers define this as genuine decision-making control over tribal affairs— in essence, self-governance. The second factor is effective self-government institutions. The research suggests that at the very least Indian communities need to accomplish three aspects of self-governance: 1. They have to be able to separate politics from day-to-day business management; 2. They must have a strong and independent judiciary; 3. They must have an effective bureaucracy able to get things done consistently, fairly, and predictably. The third factor needed for successful economic development is something the researchers call “cultural match.” In other words, the institutions of governance have to have the support of the community.

Cornell summarizes his findings as follows:

From a policy point of view, what we’ve been learning over the last decade through this research is the following:

First, self governance matters. It plays an enormous role in outcomes. Without it, we should not expect much progress in dealing with poverty in indigenous communities.

Second, self-governance works. It works largely because it places accountability where it should be. The result, typically, is improved economic conditions for tribes with, in many cases, significant spin-off effects in the surrounding society.

Third, among the most persuasive arguments for self-governance—and, incidentally, for Indian Country—is that it works. But it does not work on its own. The burdens of economic development in Indian Country rest not only on federal and state lawmakers; they also rest on tribes themselves. Only those tribes that put in place governing institutions capable of exercising sovereignty effectively and fairly are likely to achieve long-term economic security. Indeed, it would not be too much to say that good, sound institutions will get you a lot farther in the absence of lavish resources than lavish resources will get you in the absence of sound institutions.

Relocation of Native Americans

In 1950, the federal Bureau of Indian Affairs announced the Voluntary Relocation Program, intended to empty reservations and move American Indians to urban communities. This program was part of the termination phase of federal Indian policy. It was announced by the Commissioner of Indian Affairs, Dillon S. Myer—who had also organized the removal of Japanese Americans to relocation camps in rural areas during World War II.

The program offered Native Americans who chose to move from reservations a variety of support, including one-way travel to a new location, limited training, and placement services. Over 30,000 Native Americans eventually participated in the program. The program literature typically showed happy families living in suburban homes, with good paying, steady jobs assured.

But the relocation program was in effect a trade of rural poverty for urban slums. The typical experience of Native American families was, according to historians, relocation to congested, poor urban neighborhoods, temporary jobs, and little or no preparation for the transition to urban life. Historians have estimated that about 3,000 participants had relocated and had steady work by the end of the program in the 1960s, when Congressional support eroded because of the high cost and ineffectiveness of the program. We’re not aware of any data on how the BIA’s relocation program specifically affected Alaska Natives and Native communities. There is anecdotal evidence that in the late 1960s and early 1970s a few Alaska Natives who had been living in cities returned to their home villages. They returned to work on land claims issues and to take advantage of the new economic opportunities that began to emerge in rural Alaska with the construction of the trans-Alaska oil pipeline and with the state’s subsequent oil wealth.

We do know, however, that in recent decades the proportion of Alaska Natives living in cities has continued to grow, and that an estimated one-third now live in the state’s urban areas. We’re not aware of any comprehensive studies examining how this movement of Alaska Natives from villages to cities affects individual Natives or Native communities. A decade ago, the Anchorage Daily News published “A People in Peril,” a series of Pulitzer-prize winning articles on the plight of Alaska Natives. (Anchorage Daily News, January 10-19, 1988.) For one part of the series, reporters talked with Alaska Natives living in Anchorage. The newspaper found that adapting to sharply different ways of living is very difficult for everyone who moves from remote villages to cities. Some fail but many others succeed.

As the Daily News reported, most Natives in Anchorage seem to live with “a toe in the village” but have learned how to make their way in Alaska’s largest city. “. . . many Natives work in gleaming office towers or drive trucks. They cook in restaurants or counsel in alcoholic treatment centers. . . . A handful sit at the top, running Native regional corporations.” On the other hand, the newspaper found, “Anchorage can be an unyielding host to those not accustomed to life by the clock and by the dollar. Some give up and go home. Some lose themselves in booze.”
All the ways villages are affected when significant numbers of Natives move to cities is not clear. But because steady, good-paying jobs are scarce in rural Alaska, in many cases it is the most employable working-age people who move to the cities—which could tend to leave some villages with mostly older and younger residents. This trend could be exacerbated in the coming years; as we reported in Chapter I, new jobs in Alaska in the coming years will be increasingly concentrated in urban areas.