VII. CONCLUSIONS

Here we draw together what we have learned from the previous six chapters to form some tentative conclusions about potential ways to help expand employment opportunities for Alaska Natives.

What Do We Know From Demographic and Employment Data?

The number of Alaska Native first-time job seekers will increase significantly over the next decade. Nearly one third of Alaska Native workers are to be found in urban areas, although only 27 percent of the Alaska Native population lives in urban areas. This trend will continue, since future growth in the Alaska Native labor force will be concentrated in urban areas. Thus, while concern is rightly directed at the number of Alaska Natives without wage employment in small communities, many Alaska Natives will be seeking jobs in urban areas—partly perhaps because of the lack of job opportunities in the rural areas. The share of new Alaska jobs opening in rural areas will continue to fall over the next decade. Eighty-five percent of the new jobs will be in the urban areas—Greater Anchorage, Fairbanks, and Juneau.

The types of jobs that will be opening in the state will be concentrated in the support sector—health and personal services, marketing, sales, and administrative support—and in state and local government. Jobs in resources industries like fish and timber processing and mining will grow very slowly. Small communities seem the least likely environments to support growth in the support sector. To get the likely new jobs in the support sectors, many Alaska Natives living in rural areas may be forced to move to larger communities.

Less than a third of new jobs will require education beyond a high school diploma. Rather, training for most new jobs will be done on the job. At the same time, in order to occupy upper-level positions in many agencies, organizations, and corporations, Alaska Natives need undergraduate and, in some cases, graduate degrees. A critical question for Alaska’s schools is how to best prepare Alaska Native students both for college and for the job market after high school. Today, many Native students are not well prepared for either.

Existing state and federal government jobs are concentrated in urban areas. Ninety-two percent of federal jobs and 88 percent of state jobs are concentrated in the Greater Anchorage, Southeast, and Interior areas. This concentration is unlikely to change significantly in the coming years. Consequently, Alaska Natives living in rural areas who would like to take state or federal jobs may be forced to migrate to urban areas.

The proportion of Alaska Natives employed in federal and state agencies is smaller than the proportion of Natives who are of working age in the state population. Even with local hire authority, the National Park Service and the Fish and Wildlife Service have yet to hire enough Alaska Natives to equal their proportion of the labor force. Alaska Natives in state agency jobs amount to a mere 6.4 percent.

Many rural Alaska Natives prefer a work pattern for the year that allows time to pursue subsistence activities, even when ample year-round work is available.
Overall, if present trends continue, fewer jobs are likely to open in the rural areas, and both jobs and the Native work force will become more concentrated in the urban areas. In addition, most new jobs will not require an education beyond high school. Yet the trends we’ve described here aren’t inevitable. Some of the ways we discuss of increasing Native employment could change the picture.

**How Will Welfare Reform Affect the Employment Picture?**

This picture remains murky—for several reasons. Since 148 villages have been designated as exempt from the time limit on benefits imposed by the recent welfare reforms, no one is sure what effects these reforms will have on rural employment. Even in exempt villages, where residents can receive benefits beyond the 60-month limit, assistance recipients are required to perform some work in exchange for benefits, although the nature of this work is yet to be determined.

What we can say is that tribal councils and local governments will probably be involved in finding work opportunities for aid recipients who will be obliged to work in order to continue receiving benefits. This may require that Native organizations work closely with the state in defining what activities constitute “work.” For welfare recipients to meet their obligations under the revised welfare regulations, the state may have to recognize subsistence activities—which certainly constitute work in the eyes of those who are involved—as qualifying work.

**What Approaches to Increasing Native Hire Seem Most Promising?**

_Close Collaboration with Industry and Monitoring of Hiring_

Both the operation of the Red Dog Mine in northwest Alaska and the construction of the Alaska Native Medical Center in Anchorage are distinguished by high rates of Native hire. Both projects involved negotiations between the industry and Alaska Native organizations about Native hiring before the project began—and during those negotiations realistic hiring goals, procedures for recruiting and hiring, and opportunities for training were agreed upon. This is when Native organizations have the greatest leverage. After a contract has been let or a project begun, Native organizations often have less control.

This period of negotiation seems also to have been a time when mutual trust could be established between the project personnel and the Native organizations. Such a sense of trust appears vital, because in any large project, snafus and misunderstandings will occur. The atmosphere of trust enables the parties to the agreement to collaborate on fixing the problem rather than to assume the worst. Collaborative relationships also enable Native organizations to identify and use the strengths and capacities of industry to offer training, apprenticeships, and mentorships.

Finally, Native organization should follow President Reagan’s lead in his dealings with the Soviets on nuclear disarmament: trust – but verify. CITC closely monitored all hiring during the construction of the ANMC and made public the data on Native hire. NANA similarly monitors and makes public information on shareholder hire at the Red Dog Mine.
That this approach is not infallible is demonstrated by the mixed success of Section 29 of the federal right-of-way agreement with Alyeska Pipeline Service Company. Although this provision for Native hire was agreed to up front and although hiring was monitored, the company has been slow in meeting hiring goals.

**Compacting**

For Native organizations that have the track record of successful contracting, compacting, as the Alaska Natives Commission pointed out four years ago, seems an obvious way to go. Extending compacting beyond the BIA and IHS/PHS to other federal agencies is likely to increase the number of jobs for Alaska Natives. Such an approach is consistent with the findings of the Harvard Project on American Indian Economic Development—that genuine decision-making control over tribal affairs is critical to successful economic development. Compacting puts the resources and decision-making authority into local Native hands.

At the same time, given the size of Alaska and given the number of villages within any given region, compacting at the regional level may not result in appreciable job gains at the village level. Rather, job growth may occur principally, if not exclusively, at the regional hub. Distributing jobs to the local level without sacrificing operating efficiencies will be a continuing challenge. This issue deserves further study.

**Force Accounts**

This approach to construction projects, particularly sanitation and safe water construction projects, has numerous advantages. Because local governments must own and operate constructed facilities, they determine how the project should be built. They can also hire local residents and set wage rates and hours, thereby circumventing federal Davis-Bacon wage requirements. Work schedules can be flexible to allow time for subsistence activities, firefighting, and bad weather, as well as logistical problems with material, equipment, and transportation. The projects are usually less costly because no profit is expected and logistically delays are less costly. Trade skills—such as plumbing, carpentry, and surveying—can be taught on the job. An accounting firm can be hired to do the bookkeeping, accounting, and payroll taxes. The on-site project engineer does inspections. Although popular in areas of high unemployment, successful force account construction requires a highly competent team of village leaders, engineers, superintendents, and foremen.

The economic impact of jobs in construction of sanitation systems is significant in Native villages that suffer high rates of unemployment. Some villages rotate the labor crews to give everyone in the village seeking employment the opportunity to work on a project. While involvement of the Native people frequently results in dollar savings for the project, a greater benefit may be the development of local knowledge and expertise regarding the facilities installed and procedures for their operation and maintenance. Local residents are trained to operate the systems after the construction phases and, where feasible, local operation and maintenance organizations are established and equipped.

**Project Labor Agreements**

These agreements empower the unions to enforce the Tribal Employment Rights Ordinances designed to maximize local hire on construction projects. Union regulations include special local
hire preferences for Alaska communities not on the road system. The benefits of such agreements include: free training through the union training trusts, which includes transportation, food, and lodging; participation in the union pension plan, even for workers who are sporadically employed; and the opportunity to work outside the village without having to be present at the union hall. Such an agreement is currently being negotiated between the Galena Sub-Region and the laborers’ and operators’ unions.

**CDQs**

Another promising avenue for increasing Native hire is the expansion of the CDQ program beyond fisheries. Impressionistic data and the reports of villagers suggest that the existing CDQs have benefited the rural Alaska Natives in the Bering Sea region. The program has apparently increased Alaska Native employment in the fisheries and ancillary activities in this region. At the same time, attempting to apply the CDQ approach to other resources will present new challenges.

**Federal Agencies with Local-Hire Authority**

Although the proportion of Alaska Natives currently working for federal agencies is considerably less than the proportion of Natives in Alaska’s working-age population, some federal land-management agencies have increased their Native hire through local-hire authority. Extending local hire to other agencies has the potential to open additional jobs to Alaska Natives. Current EEO regulations on minority hire are not particularly helpful to Alaska Natives, because the guidelines are determined by the percentage of each categorical group in the U.S. labor force as a whole.

**Regional Corporations’ Shareholder Hire Programs**

Illustrative of the efforts of regional corporations, NANA and ASRC both have aggressive programs to hire shareholders. As noted above, NANA has used its control of resources to leverage jobs for its shareholders. Because shareholder-hire is a priority, agreements, contracts, and projects have, from the start, been negotiated and planned with this as a primary goal. To assist shareholders in acquiring the training, experience, and qualifications needed both for entry-level jobs and to move up to higher-level positions, NANA created training and mentoring programs and offers generous scholarships.

ASRC has also made shareholder hire a corporate priority and has emphasized education and training to enable shareholders to move up the job ladder. Key elements are: (1) goals for both the corporation and its subsidiaries that include incentives for managers and assistance for those not meeting the goals; (2) numerous and varied training and educational opportunities; and (3) a regular data-gathering and reporting process for monitoring progress toward hiring goals.

Native corporations that lack the resources NANA and ASRC command will continue to face greater challenges in implementing shareholder hire. At the same time, NANA and ASRC have both granted shareholder status to “new” Natives, thereby increasing for themselves the challenge of increasing the proportion of their shareholders they hire.
Co-Management
The concept, legal precedent, language, and structures for increased Alaska Native participation in co-management and in research are falling into place. As funding becomes available, jobs for Alaska Natives should increase.

Micro-Loan Programs
Several non-profits now make micro-loans programs available to residents in their areas. That rural Alaska Natives have not taken greater advantage of these funds is something of a puzzle. One explanation is that many rural residents are unused to borrowing money and may hold values of self-sufficiency that discourage them from seeking loans of any type. Another explanation is that Alaska Natives who may be reluctant to take on debt themselves are unlikely to assume risks on behalf of fellow community members, as is typically required by micro-loan programs. At the same time, communities such as Shishmaref have worked with the Center for Economic Development at UAA to secure the capital needed to improve community ventures such as the Shishmaref tannery. In addition, Alaska Village Initiatives’ EDA-funded Boat Loan Program has loaned nearly $3 million to rural fishermen since 1983. In short, it is not clear why rural Alaskans have not taken greater advantage of micro-loan programs. The lack of available capital for small ventures does not appear to be the limiting factor, but a more detailed study would be needed to establish the truth of this conjecture.

What Are Specific Activities in Which Rural Alaska Natives May Have Some Advantages?

Data Processing
Because of their SBA 8(a) status, Native organizations could hold an advantage in winning contracts such as the one Bethel Native Corporation unsuccessfully proposed to the Department of Defense. SBA 8(a) enables DOD to negotiate sole-source contracts with Native organizations for certain services. Moreover, working on data processing projects such as the one Bethel Native Corporation proposed would allow employees to work from their homes or, at least, their home villages. Workers could also decide, to a large degree, when they wanted to work, enabling them to pursue subsistence activities as needed.

Firefighting and Hazardous Material Crews
Fighting wildfires has been a source of wage income for rural Alaska Natives for decades. Experience with living “rough” in tents serves Native firefighters well. Although the current number of crews has reached a maximum, the need to deal with hazardous materials under extreme weather conditions may open up a new area for Alaska Natives, as recently demonstrated in Dutch Harbor.

Eco-Tourism
Although tourism does offer the promise of increased employment in rural areas, studies suggest several issues Native communities and organizations need to consider before putting money and resources into tourism ventures. These include: training needs of local workers; the seasonality of jobs, which may conflict with critical subsistence activities; the leakage of money out of the local
community; disagreement among community members about the desirability of tourism; and the unpredictability of tourism from one year to the next. Many areas and communities are considering tourism ventures. Whether the market for tourism in rural areas is large enough to support multiple ventures remains to be seen.

Can a Past Success Be Revived?

Alaska National Guard
The demise of the guard in rural Alaska stems from a combination of factors that include reduction of military forces; new educational requirements for admission to the officers corps; uncertainty about the guard’s mission in a post-Cold War world; and competition from Native organizations and other employers for potential recruits. The guard seems unlikely to regain the central role it played in providing training, part-time employment, esprit de corps, and leadership opportunities for an earlier generation of rural Alaska Natives. The current generation of Alaska Native youth appears to be unaware of the opportunities the guard presents, or its rich, proud tradition.

What Have We Learned from the Experience of Others?

The Canadian Royal Commission Report
The conditions that First Nations face in Canada are remarkably similar to those that Alaska Natives face. As noted above, the Canadian Royal Commission Report argues that the prerequisite to economic development for Aboriginal peoples is recognizing their right to sovereignty or self-determination. It also calls attention to the diversity among current Aboriginal economies and the need to recognize this diversity in the formulation of economic development policies—an injunction that applies equally well 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 the expansion of 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 urges Aboriginal nations to adopt policies for their own organizations that 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.

The Harvard Project on American Indian Economic Development
Reports from this project emphasize that the precondition for sustained economic development is genuine self-governance and self-determination. Coupled with this imperative is the need for a separation of politics from day-to-day business management and an effective bureaucracy to get things done consistently, fairly, and predictably.