This paper examines changes in federal policy that have encouraged economic development by American Indian tribes, and presents examples from New Mexico. The Indian Reorganization Act of 1934 guaranteed federal provision of education and other services to the tribes, but the newly reorganized tribal governments were regulated almost exclusively by the Bureau of Indian Affairs (BIA). In the 1950s, aspects of federal wardship were terminated and Native Americans were relocated to urban areas. In the 1960s, Indian Community Action Programs of the Office of Economic Opportunity (OEO) allowed tribes to initiate their own reforms, forcing tribal governments to become more structured and to create their own bureaucracies. The OEO also provided training for tribal leaders and established consortia with major universities to provide technical assistance. The 1970s saw the beginning of the self-determination era. Job training for Native Americans was increased, tribes were allowed to contract services from the BIA, and the policy of Indian preference in hiring for Indian programs was strengthened. In the 1980s the Supreme Court ruled in favor of tribes imposing severance taxes on extracted minerals, but sagging world prices for strategic minerals and massive federal cutbacks in programs and services highlighted the boom-and-bust nature of tribal economics. Major program areas administered by Pueblo tribal consortia are listed, and barriers to tribal economic self-reliance are outlined. (SV)
One generation of self-determination: Native American economic self-reliance in New Mexico

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Background

The Native American people and their communities continue to survive in the face of a major recession in New Mexico. Whereas New Mexico has suffered a significant loss of people due to the downturn in the extractive industries, Native American communities have maintained their populations and continue to grow. Such growth is indicative of the resiliency of the tribal communities of the Southwest to weather such shifts in socio-economic change, but it is also indicative of the fact that Native Americans will continue to maintain their populations in spite of circumstances outside of their reservations.

The propensity of the New Mexico Indian communities to share the genuine expression of their cultures is what has elevated a demographic minority—134,355 American Indians in New Mexico constituting 8.9 percent of the total New Mexico population—into the economic majority (with cultural tourism cited as being the largest factor in New Mexico's business economy). In the last decade, Native Americans have made significant strides in the economy of the state. Major activities have included local ventures in cultural and recreational tourism.

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Unlike the extractive industries which predominated earlier and which were managed by outsiders, this change has required the tribes to restructure the way they conduct business for themselves. Enterprises, therefore are not solely dependent on the economic appropriation of natural resources and land. Rather, they have shifted toward the maintenance of an expanding population. The cultural integrity of Native American people in the Southwest is becoming its chief asset. In other words, the most precious resource of the tribes continues to be its people.

This paper, however, will deal less with the specifics of the various enterprises which exist on reservation communities. Instead, it will examine the policy foundations upon which changes have been spawned.

Policy developments

The provisions upon which services such as health, education, and other specific reparations are federally obligated to the tribes has long been established. Many of these provisions were embodied in the Wheeler-Howard Act of July 2, 1934 (also known as the Indian Reorganization Act). The legacy of this policy, however, had proven to be a mixed blessing. Although a majority of tribes had reorganized under provisions of the Wheeler-Howard Act and adopted formal tribal constitutions, tribal government was regulated almost exclusively under the wardship and management of the Bureau of Indian Affairs (BIA).

For the most part, tribal governments, such as those of the Pueblos of New Mexico, functioned minimally along both religious and socio-economic levels. Their governments functioned almost exclusively within the home of the tribal governor. Tribal officials were not paid and each successive regime simply transferred boxes or a special "trunk" containing important papers. For the most important matters, tribal officials or delegations were assembled to confer with the BIA Agency Superintendent. In matters requiring the utmost authority, tribal officials or delegations were assembled to confer with the BIA Agency Superintendent. In matters requiring the utmost authority, visiting delegations were occasionally sent to regional (area) offices and to Washington, DC in order to conduct discussions with BIA or Department of Interior "chiefs."

This style of tribal government continued without significant change for many decades. This engendered a rather lax and informal attitude toward the tribes at the state level and in many instances tribal governments were simply ignored. For example, it was not until the 1948 federal court voting rights suit by a Pueblo native, Miguel Trujillo, that Native American suffrage rights were established in the State of New Mexico. Until this suit was won, the State Constitution denied the right of Native American people to vote in state elections on the basis that reservation lands were exempt from taxation. In the next year, a similar policy was consequently reversed in the State of Arizona as well.

In 1953, the socio-economic situation of the tribes in New Mexico was abysmal. This was the year that Congress passed House Concurrent Resolution 108 which resulted in the termination of federal wardship among some reservations who were determined to be economically self-sufficient. The pervading rationale was aptly summed up by a quote from one reservation superintendent who indicated that the formation of reservations was "providing a place that afforded an opportunity for them [Native Americans] to become adjusted to the accepted pattern of civilization." 3

The federal government shifted its support toward programs which were designed to remove and relocate native people into highly urban areas and services within the reservations were minimized. The Native American labor force was being readied for technical and vocational trade occupations. Because job opportunities for such trades did not exist on Indian reservations, the labor force was essentially being relocated into the urban market. 4

In the case of the New Mexico tribes there was only one urban center, Albuquerque. Relatively speaking, however, Albuquerque was small in comparison to other major regional urban centers such as Denver, Phoenix, and Tucson. As a result, there was comparatively little urban migration to Albuquerque which perhaps in the longer term would have been economically more beneficial to the surrounding Native American communities. Instead, large segments of the younger labor force were relocated to destinations far removed from their communities. In many instances, relocated families never returned to their original homes.

Essentially, it took the Native American youth to agitate for policy reform. Many such youth, who were returning to the reservations after having served in the military, sought a direct role in community development. The most pivotal forum in this movement was a Native American youth agenda formulated during a 1960 American Indian Conference at the University of Chicago. Organized by an anthropologist, Sol Tax, the conference established a new Indian nationalism which iterated the need to take control of federal/Indian policy development at the tribal level. 5

In 1960, the United States Court of Appeals indicated that "Indian Tribes... have a status higher than that of States." 6 This was followed by a series of War on Poverty pronouncements by President Lyndon Johnson and fundamental change in Native American self-determination was signalled. Unbeknown to policy makers, an important move had already been made in 1955 when health care was quietly transferred from the BIA into the Division of Indian Health within the US Department of Health, Education, and Welfare. This transfer would portend the demise of the BIA's monopoly on tribal policy.

Program initiatives under the War on Poverty had a resounding effect on tribal community development. Unlike the paternalistic regime of the earlier BIA policies, tribes were given the opportunity to initiate their own reforms. This was a fundamental change in self-determination because it brought direct participation and deci-

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1 1990 Census of Population and Housing, U.S. Department of Commerce, Bureau of the Census. In 1990, tourism was estimated to be a $2.3 billion dollar industry in New Mexico employing 53,000 people in the state (Ditmire 1991).


3 Pg. 5. Orfield: n.d.


5 Pg. 36. Steiner: 1968.

sion making within the auspices of the tribes. In addition, the once informal tribal governments were forced to develop their own bureaucracies and the structure of tribal operations became more legitimized.

Perhaps the lead agency in War on Poverty programs which was most responsible for actualizing self-determination were the Indian Community Action Programs (ICAP) of the Office of Economic Opportunity (OEO). With the passage of the Economic Opportunity Act in 1964, many tribes designated Community Action Agency boards. The projects supported by this program were varied and extensive. For example, Project Head Start was the largest component of ICAP. By 1970, when this component was transferred to the US Office of Education, 59 reservations had established Head Start operations. Other initiatives included community organization, education, health, manpower, housing, and legal service among others.

OEO had significant impacts in other ways besides the support of program initiatives. Perhaps the most understated aspect was the development of leadership among tribal communities. Individuals who might have otherwise left the reservation for urban economic opportunities were now being retained and trained in managerial and technical capacities. Particularly when OEO was coordinated with other self-reliance initiatives like the Volunteers in Service to America (VISTA), many local self-help projects were established which had direct bearing on tribal community development.

In addition, OEO established consortiums with major universities to provide technical training and technical assistance. In certain cases, special education programs like the American Indian Law Program at the University of New Mexico were established. This provided both first time access to non-traditional degrees and provided strategic resources necessary for the tribes to pursue their own litigation. Although, technically, this was not a leadership program, many of the original participants would continue to complete their J.D.s and to serve in tribal government.

On July 8th, 1970, Nixon in a Presidential message officially repudiated the termination policy. It was thereby noted in his pronouncement that of all the Interior Department programs, only 1.5 percent were under Indian control while only 2.4 percent of the Department of Health, Education and Welfare health programs were Indian run. The pronouncement had also come at the heels of American Indian Movement militancy which had grown out of the Native American youth agenda in response to the Civil Rights movement. Such pressure prompted the Nixon administration to activate an advisory body comprised of tribal chairmen and chaired by Vice President Agnew (the National Council on Indian Opportunity). Under such auspices, the advisory body served as a milestone for other federal agencies to shift their policies. The long term objectives of this policy shift, as stated by the American Indian Policy Review Commission (AIPRC), were simple, but politically and economically difficult to attain. These were:
1) Adequate education for everyone;
2) Full employment; and,
3) A system of tribal taxation.

The AIPRC in its report to Congress had verified that "dependency on the federal government increased from 1968 to 1972." In 1973, however, the tribes had received their first opportunity to break this dependency. In this year Indian control was given both an impetus and major sums of money under the auspices of the Indian Action Team and The Comprehensive Employment and Training Act (CETA). Under provisions of the Indian Manpower Programs (CETA Title III, Section 302), classroom training, on the job training, work experience and public service employment were provided to over 50,000 qualifying Native Americans nationwide. It was estimated that $985.58 in expenditures per person were had through this program.

In addition, heads of industry were reconvened by the White House and the Department of Interior to advance them on the merits of business investment on reservations. Such ventures had been instituted as early as 1955, most with disastrous results. The most successful of such collaborations became the Fairchild Camera and Instrument Corporation assembly plant which had been established on the Navajo reservation in 1965. By 1974, Fairchild was the largest industrial employer in the entire southwest region employing 1,200 Navajos during its peak operations. Ultimately, though, 1975 saw the end of the Fairchild operations as the result of corporate backlash against unionization. Such joint ventureships, however, were in the minority. Instead, tribes were expected to fund their own tribal operations from revenues obtained from natural resource extraction within their meager landbases.

In 1974, the Native American Programs Act created additional programs which were specifically designed for "increasing the capabilities of Native American groups to provide services for its members." About 33 million dollars were appropriated in 1978 and 'average' awards of $125,000 were given. The changes wrought by such programs in the various Indian reservations were substantial. For example, the Pueblo of Zuni was the first Indian tribe to completely transform its tribal operations by assuming complete responsibility for the administration and supervision of all BIA programs and personnel. The consequent onslaught of new programs and initiatives directed by the Zuni tribe was enormous. Between 1970 and 1981, the number of tribal employees increased 900 percent and its tribal operations expanded from three to seventy-one. Simi-

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1 Pg. 18. AIPRC: 1976
2 Pg. 116. Ibid.
3 Pg. 119. Ibid.
8 Pg. 91. Levitan and Herock: 1971.
10 Pg. 116. Ibid.
lar situations were to follow among other tribes.

Among the major tribal funding initiatives among federal agencies in 1977 were the following:

- Bureau of Sport Fisheries and Wildlife;
- Department of Labor;
- Economic Development Administration (EDA);
- Farmers Home Administration;
- Forest Service;
- Housing and Urban Development (HUD);
- Office of Economic Opportunity (OEO);
- Rural Electrification Administration;
- Small Business Administration; and
- U.S. Geological Survey.16

The most important coordinating activity which issued forth during this period was the EDA's "Indian Desk." Because of the complexities of administering and the overlap of the goals and objectives of these agencies, the Indian Desk was created to help network and coordinate the various initiatives. As the result of this coordination, new initiatives were developed which would otherwise have gone unnoticed if the agencies continued to operate in isolation.

The capstone of this era was the passage of the Indian Self-Determination and Education Assistance Act in 1975. The legislation allowed tribes to contract services principally from the Bureau of Indian Affairs, Indian Health Service and education offices. Programs were consequently decentralized and infrastructure to support tribal operations on the reservations were significantly improved. The tribal offices were taken from the home and placed in large building complexes. Programs were consolidated from remote sites and placed in areas which were easily accessible to the tribal residents. For the first time in history, federal/tribal operations were visible to the general public.

Another important aspect of economic self-determination was Indian preference in hiring. This policy had been established in Section 12 of the Indian Reorganization Act of 1934. This section extended a preference of employment to "qualified persons of at least one-fourth degree or more Indian blood." In 1971, this policy was strengthened by the BIA.17 Employment opportunities were moreover reinforced by programs such as the Comprehensive and Employment Training Act (CETA) under the auspices of the Department of Labor. Its guiding principle was "that any activity must increase the employability of participants."18

The downside of this policy, however, was the creation of a "distinct "managerial class."19 The Bureau of Indian Affairs continued to be the major employer of native people nationally. In 1989, it was estimated that the BIA employed some fifteen thousand civil servants and according to congressional sources, only 12% of every federal dollar designated for Indian programs had directly been received by a Native American. Nearly half of all Native American incomes were attributed to federal and tribal jobs.20 This predicament was basically the source of the infamous statement made by then Secretary of Interior, James Watt; "If you want an example of the failures of socialism, don't go to Russia. Come to America and go to the Indian reservations."

Whereas the federal infrastructure became so large as to completely dominate the labor force on some reservations, its needs also became complex and cumbersome. Particularly at those times when the sources of federal funds fluctuated with the mood of Congress, employment on the reservation went through tremendous funding swings. When President Ronald Reagan told a group of Soviet students in 1984, "Maybe we made a mistake. Maybe we should not have humored [Native Americans] in wanting to stay in that kind of primitive lifestyle. Maybe we should have said, 'No, come join us,' " an enormous downturn was realized.

A new interpretation based on "self-determination toward self-termination" was instituted during the Reagan administration. Whereas programs for Native Americans comprised just .04 percent of the total federal budget in 1982, the Reagan administration reduced Indian programs by 2.5 percent of the total budget cuts.21 The result was an immediate and a severe downturn in the reservation economies.22 Unemployment rates escalated in the reservations and social services were severely curtailed. In an attempt to present a normal facade, federal agencies revised their definitions thereby effectively making the pool of qualified applicants smaller. The most insidious of these was the requirement for a specified period of continuous residency on the reservation.

In addition, the few extractive enterprises which were the mainstay of several tribes were curtailed as a result of sagging prices in the national and world market for strategic minerals. Massive operations, such as the Jackpile uranium mine at Laguna Pueblo, closed. At its peak, over 400 Laguna Indian were employed by Anaconda Industries with the entire operation employing 3000 people. In 1980, after a series of slowdowns, the mine was permanently closed.

This downturn came at the heels of a ruling by the US Supreme Court in 1982 which ruled in favor of tribes exercising their authority to impose severance taxes on the value of oil, gas, coal and other minerals on their reservations. Proactive organizations which were instrumental in winning these suits, such as the Native American Rights Fund and the Council of Energy Resource Tribes (CERT), savored their victories with bittersweet irony. What followed was the loss of their operating budgets. CERT, for instance, lost two thirds of its operating budget in 1984 as a result of the Reagan "bootstrap and safety net" cutbacks.23

In the end, boom and bust cycles have only served to reinforce the dependency relationship between the tribes and the federal government. As a result, tribal governments continue to be reluctant to dissolve this relationship for fear of the consequences.

**Tribal community development in the Southwest**

Federal programs, such as those designed for the War on Poverty, have provided the foundation for Indian self-determination. Initially such general programs have been available only to individuals, towns and states. The introduction of self-determination provisions within key legislation has allowed tribes to participate. As a result, Native American communities experience greater change than if development had been confined to the traditional sources of Indian funding.

Because most tribes had small populations they could hardly expect to receive sufficient amounts of funds to meet the social, education, recreation, employment and economic infrastructure needs of their communities. The dollars provided by the Indian desk of the OEO were allocated to the tribes on a per-capita basis. In order to compensate for such shortcomings, tribes reorganized and formed business enterprise consortiums or intertribal councils. This allowed them to "pool" their overall populations for purposes of reformulating per capita expenditures, sharing specialized human resources and centralizing staff.

Examples of such consortiums are the Eight Northern Indian Pueblo Council (ENIPC), the Sandoval Indian Pueblo Community Action Program and the All Indian Pueblo Council (AIPC). AIPC has been in existence for millennia as a regional political tribal confederation among the Pueblos. However, it was only in 1965 that AIPC was officially incorporated along with the ENIPC. With the exception of AIPC, therefore, these consortiums were formed for the specific task of delivering training, preparing and administering grants, and developing business plans for the various communities.

During the initial phase and at its peak period, AIPC administered programs which had budgets amounting to just under 12 million dollars. Eventually, many of these programs were relocated directly by the Pueblos and/or their respective consortiums. By 1987, AIPCs annual budget had been reduced to 2.5 million dollars reflecting, by in large, the decentralization of programs into their consortia to their respective communities. This gave more impetus for the local councils to expand. For example, ENIPC currently employs 472 people (80.2 percent Indian, 4.5 percent Hispanic, and 5.2 percent Anglo) in an array of positions necessary for the administration and the delivery of services. Among the major program areas are:

- Crime Victims Reparation
- Domestic Violence Intervention
- Economic Development Planning
- Educational Counseling and Tutorial Services
- Elderly Service Centers
- Employment and Training
- Environmental Services
- Food and Nutrition
- GED and Literacy
- Head Start
- Home Improvement and Weatherization
- Scholarships
- Treatment and Prevention of Alcoholism
- Tribal Administration, and
- Youth Services.

The above programs represent approximately 5 million dollars of the operating budget of ENIPC. The annual payroll is 1.4 million dollars, all from federal or state funding sources. Among the various agencies which are contracted directly by ENIPC are the:

- Department of Agriculture
- Department of Commerce (EDA)
- Department of Education
- Department of Health and Human Services
- Department of Interior (BIA)
- Department of Labor
- Environmental Protection Agency
- National Endowment for the Arts
- NM Energy, Minerals and Natural Resources Department
- NM Human Services Department
- NM State Agency on Aging
- NM State Coalition for Literacy
- NM State Crimes Reparation Commission
- NM State Economic Development and Tourism Department
- NM State Health and Environmental Department.

But whereas the public sector has been integral to the diversification of program activities in Native American communities, the private sector has been woefully inadequate. Although ENIPC, for example, has attempted to sustain joint venture profit-making enterprises few, if any, enterprises have succeeded. Among the most ambitious were such ventures as the Northern Pueblos Enterprises (basically a home construction company), the Adobe Manufacturing Company, a Hydroponics enterprise and the Artisans Guild. None of these enterprises, however, lasted for more than a decade.

There were a variety of factors, which combined, contributed to the failure of these operations. In a larger sense, these also represent barriers to be overcome by local tribes in their attempts to become economically self-reliant. The first of these is poor business management. In this sense, local tribal governments are ill equipped to inject new dollars to keep businesses abreast of outside competitors. There are no funds for research and development and information which is strategic for making business decisions is lacking in the otherwise insular reservations. Although the tribes have a long and successful track record in basic administration and accounting, they do not have the depth of expertise necessary to make strategic decisions and to adjust production as a response to the business market.
Second, there is a general lack of training and business experience on the part of board members. This shortcoming has evolved over the course of a highly paternalistic relationship with the federal government as well as the centralization of local authority within the tribal councils and tribal governors. The predicament is often one where conservative decision making results in conservative policies. Recently, however, tribes have been experimenting with different styles of management and policymaking bodies. In some instances, business decisions have been separated from the tribal government through the establishment of tribal business committees and the office of the tribal business manager. These bodies are given direct mandates by the tribal council to deal with matters pertaining to business and economic development. Such matters are often made in the face of a reactionary tribal government and have tended to focus business inquiries from the outside as well.

Thirdly, there is a lack of coordination and timely support from various agencies. A case in point is the Small Business Administration whose failure to provide bonding for various construction enterprises has disqualified them from bidding on various construction jobs. Given the multiservice dimensions of the various service providers in the local communities, the task of coordinating schedules among federal agencies is monumental. The overall result is a lack of comprehensive planning within the reservations. Frequently, projects are disconnected and developed without regard to supporting infrastructure. Tribes face the prospect of over-extending their resource base and in the case of the human resources, there continues to be a mismatch between those strategic skills necessary for business development and the longer range effort to educate a workforce that can handle such tasks.

The need to establish businesses within Native American communities is great. Self-determination is not self-actualized, but will only succeed with a clearly articulated and heavily diversified partnership between the tribes and outside agencies. Federalism, which was solely confined to a few agencies and special Native American entitlements creates centralized dependency. If there is anything which the achievements since 1975 have demonstrated, it is that self-determination is based on appropriating resources from as many agencies as possible in ways which are consistent with a single set of community goals and objectives.

The common denominator throughout the various self-determination policies continues to be the tribes' own human resources. Although major strides have been made to bring the various programs into the reservation, a more concerted effort to provide "adequate education for everyone" is necessary. In a more comprehensive sense, the various tribal communities can expect that their populations will remain stable or even grow. As the latest round of economic development incentives in cultural and recreational tourism is proving, equitable participation simply will not mean providing a job for everyone. Rather the development should strive toward providing income and benefits which will allow individuals to sustain their unique cultures and identities.

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