

"Mainstream" Assumptions about the Labor Market And the Reservation Reality: A Mismatch

Data and theory have a reciprocal relationship. Data rests on underlying theory. Theory is shaped by the data available.

The fundamental assumptions regarding the operation of the labor market and the resulting design of federal labor market data dates from the late 1930's. That design has changed little over the years, with the exception of the addition of alternative measures of labor underutilization by BLS Commissioner Julius Shiskin in 1976.

US labor market data for the general population is built on several, usually unstated concepts:

- Most of the workers and most of the jobs are found in urban settings.
- Employment opportunities are primarily in private sector businesses.
- Career paths are essential to upward mobility for most workers.
- Job seeking techniques involve actively reaching out to prospective employers.
- Geographic mobility -- the willingness to relocate one's permanent residence -- is important to pursuing job opportunities.

None of these factors is particularly true with respect to the Indian worker and the labor market he or she finds in many, though not all reservation areas. Every reservation is different. The reservation areas considered here are generally the larger reservations distant from major metropolitan labor markets.

The reality in these reservation labor markets is quite different:

- They are often in rural areas with a limited resource base.
- Employment opportunities most frequently are to be found in public sector agencies, including tribal governments and enterprises controlled by them.
- Career development may be a desired goal, but it is often out of reach for many Indian reservation workers. The jobs available dictate individual career trajectories.
- The idea of "actively seeking work" is rather nonsensical from a reservation perspective. Awareness of open positions is spread by the "moccasin telegraph."
- Migration to distant metropolitan areas in search of work is common for some workers in reservation areas. However, the tie to the reservation and the desire to return are often strong.

As this comparison indicates, many large, rural reservations share few, if any of the characteristics of the metro labor markets.

Yet the data for both is based on the "mainstream" concepts. The basic sources of federal labor market data, the BLS and the Census Bureau, quite understandably each use one basic methodology and one questionnaire for the entire US. Moreover, the extent of sampling in reservation areas is limited by the available funding.

The result is data that are considered by many in Indian Country as erroneous or simply irrelevant.

For example, according to the most recent ACS 5-year estimates, the unemployment rate of Indian workers on the Navajo reservation is 22% -- nearly triple the rate for the total US population of 8%. However, the leaders of the Navajo Nation don't use that rate. The rate they commonly cite is 40% to 50% or more.

The difference lies in the concept of joblessness, not unemployment as it has been technically defined in the federal labor market statistical system for nearly eight decades.

Tribal control over the collection, management and dissemination of labor market data on Indian workers in reservation areas is the only way out of the mismatch that currently exists. It is a major lesson highlighted in NCAI's Tribal Data Capacity project.

The place to start this paradigm shift is with the BIA American Indian Population and Labor Force Report.

Tribal leaders and tribal data technicians should engage as equal partners with officials from Interior, along with Commerce and Labor as appropriate, in designing a process that enables tribes to compile the data for this report.

The process should also include an examination of the administrative data that tribes are currently required to report to various funding agencies, including the Employment and Training Administration in the Labor Department. A review of those requirements by the NCAI project revealed how expensive they are, yet there appears to be little use for the data other than monitoring compliance with the regulations for the Native American programs under the Workforce Innovation and Opportunity Act and an annual summary performance report.

Technical assistance and funding should be provided to support a system of tribal reports to be incorporated in the BIA labor force report. To enable the compilation of basic national totals a minimal set of specifications might be developed that take into account the realities of the reservation labor markets that Native workers face.

For a more complete discussion of this topic, please watch for the forthcoming reports to be issued by the National Congress of American Indians on the Tribal Data Capacity project at <http://www.ncai.org/prc> and this author's paper "Indian Workers and the Reservation Labor Market: Reality, Research and a Way Forward" available at: <http://doe.state.wy.us/Lmi//LAUS/LM-dynamics-in-reservation-areas-9-1-14.pdf>.

Norm DeWeaver, July 17, 2017
norm_deweaver@rocketmail.com