

Flea Markets of the Navajo Nation:

A report on the Informal Economy

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<b>Introduction</b>	<b>5</b>
<b>Navajo Economic History</b>	<b>7</b>
<b>Navajo Wage-Economy</b>	<b>8</b>
<b>Arts and Crafts</b>	<b>10</b>
<b>Informal Economy</b>	<b>12</b>
<b>Synthesis of Navajo history and informal economy theories</b>	<b>14</b>
<b>Methodology</b>	<b>15</b>
<b>Findings</b>	<b>17</b>
<b>Consumer Surveys Results</b>	<b>17</b>
<b>Consumer Survey Analysis</b>	<b>18</b>
<b>Producer Survey Results</b>	<b>20</b>
<b>Producer Survey Analysis</b>	<b>22</b>
<b>Vendor Interviews</b>	<b>26</b>
<b>Government Interviews</b>	<b>34</b>
<b>Recommendations</b>	<b>43</b>
<b>Works Cited</b>	<b>47</b>
<b>Appendix A: Tables from Surveys</b>	<b>50</b>
<b>Appendix B: Consumer Graphs Continued</b>	<b>52</b>
<b>Appendix C: Producer Graphs Continued</b>	<b>59</b>

### **Abstract**

In this report, Diné Policy Institute looks at the informal economy of the Navajo Nation by studying the flea markets of the Navajo Nation. The institute wanted to understand the dynamic and size of the flea markets on the Navajo Nation. We surveyed at 13 flea markets and gather data by surveying consumers and vendors, interviewing vendors of the flea market, and interviewing tribal actors about economic development. We used a convenience sampling protocol where we sampled individuals in the flea market, N= 736. Our results show that many of the vendors and consumers identified as women, most of the participants were about the age of 45 years old. For the producers, the average yearly income was \$19,000 with a monthly income of \$588. Our data suggests that producers in flea markets are supplementing their income. The data from the vendor and government official interviews identified key interventions needed to support business development on the Navajo Nation. The major factors are the lack of access to land and capital, arduous bureaucracy, and lack of business education. They provided insight into how the Navajo government can improve the process and procedures for business development.

*Key words:* informal economy, flea market, Navajo Nation, business, economic development

## FLEA MARKETS OF THE NAVAJO NATION

In the previous Diné Policy Institute report, *Land Reform in the Navajo Nation (2018)*, we addressed the question of land, land use, and the land tenure system within the Navajo Nation. What we noticed that the current land tenure system hindered any type of development and jobs were difficult to create. This caused Navajo people to leave the reservation in pursuit of jobs or seek jobs in the reservation that was far from their own communities. Another question surfaced during the report, what do Navajo people do when there are no jobs on the reservations? In our research, we noticed flea markets and how many people participate in them. Flea markets are embedded in the Navajo experience that they become overlooked and unquestioned. This was a site that was not researched and usually ignored when discussions of economic development occur. In this research the demographics, perceptions, and participants to get an understanding of the informal economy of the Navajo Nation.

The Navajo Nation spans through three states; Arizona, New Mexico, and Utah, within the U.S. Within the Navajo Nation, Navajo people supports themselves with diverse economic activities; informal and formally. Half the population live off the reservation and tribal political actors have reacted by seeking ways of keeping Navajo people in the Navajo Nation. Job creation is the main initiative of economic development for the Navajo Nation, the logic follows that creating jobs opportunities will keep Navajo people and money within the Navajo Nation and that spurs economic development. Business development is the main manifestation of economic development that is pursued and it becomes apparent that it will be the main pursuit. Yet this type of development remains within the formal economy. Formal wage work is relatively new to the Navajo people and was largely introduced through colonial economic measures

during the 1930s (Lister, Parrish, and Curley, 2017). Since then Navajo people have been in a transitory period, moving from a subsistence economy to a wage economy, and wage work has become the dominant activity Navajo people participate to support themselves. To speak about the Navajo Nation economy without mentioning colonialism is ignorant and ahistorical.

Colonialism has shaped the political and economic institutions that guide the direction of the Navajo government, economy, and lives. The Navajo Nation is the product of the colonialism with its political structure and economic institutions, mainly being adopted or imposed. Resource extraction provided formal jobs to the Navajo people but the Navajo Nation is currently seeking a diverse economy that does not rely heavily on extraction. As a result of the decline in the main artery of revenue, the Navajo Nation is seeking alternative forms of job creation and economic development. One part of the Navajo economy that is often ignored yet pertinent in Navajo lives is the informal economy. The informal economy on the Navajo Nation is full of Navajo people working to support them and their families.

Diné Policy Institute looks at the least studied economic activity that Navajo people participate in, the informal economy. The main site of study of the informal economy is the flea market. There are many sites within the Navajo Nation with at least 13 large sites that we visited. These sites are reveal social and economic relationships that have helped sustain families. The flea market is part of the daily lives of Navajo people and it is acknowledged that many people utilize the market to supplement their income. Diné Policy Institute survey and interview consumers and vendors to understand their perceptions of the informal economy. We also interview tribal actors who focus on economic development to make sense of the process of the formal economy. In this report we include a bottom and top down approach to understand the

informal economy. Diné Policy Institute asked vendors and consumers what they thought of the flea market and what their solutions were for the problems they noticed as well as the tribal actors who have a look at economic development from the top.

### **Navajo Economic History**

Prior to colonization, the Navajo people relied on a subsistence economy that was mixed between farming, hunting, and pastoralism. Of the three, livestock was the main source of income for the Navajo people. Grazing land was communal while fields were based on use-rights and family ties (Lister, Parrish, and Curley, 2018). Trading, and intertribal trading, was part of the subsistence economy as well. Navajo people exchanged their mutton, goat, sheep, pelts, fruits, and pottery with the Hopi trade (Rocek, 1995). 1868 marked a significant and violent change for the direction of the Navajo people. Navajo people were forcefully relocated to Bosque Redondo by the U.S. military and the relocation was known as The Long Walk. Prior to the Long Walk, the Army practiced the “scorch and burn” policy to destroy the subsistence of the Navajo people to conquer the land (Benedek, 1992). Many died on The Long Walk and more died at the Bosque Redondo. They returned to their homeland following the signing of the Treaty of 1868, to find that their pre-established farms, orchards, and homes were no more. On their return, the Federal government provided little food and payments guaranteed in the Treaty. After the Treaty, the Navajo people were forced to become more dependent on different economies, a wage economy and extractive economy that are linked to the larger U.S. economy (Weiss, 1984). When the Navajo people returned the new designated reservation, their population and livestock population boomed (Lister, et al. 2018). During this time, there was the increase in trading post and wage economy. The subsistence economy did not disappear with the increased reliance on

other economies. A major shift away from the subsistence economy came with the Livestock Reduction policies of the 1930s (Lister, et al. 2018). These policies, motivated by conservation of land and people, reduced the livestock of the Navajo people. This severely cut the incomes of the Navajo people as well as their ties to the traditional subsistence economy. In certain areas of the Navajo Nation, Navajo farmers and herders were considered “intruders” by railroads, prospectors, and other settlers, and the result was violence towards Navajo people, as well as the loss of land and livestock (United Commission on Civil Rights, 1973).

Uchendu (1976) writes that during the 1960s, he would consider the Navajo people, “less of farmers, and more stockmen” (p.47). Feinberg (1978) points out the importance of agricultural capital and its role in the social change of a community. He notes that prior to tractors, the community relied on sheep and that farm produce was for subsistence, but since the introduction of tractors, the community participates in cash crops. The subsistence economy worked as a safety net for Navajos who did not have access to wage income. Shepherding became the practice of the unemployed and insecure worker for wage augmenting and at-home consumption (Weiss, 1984). This can still be seen within the Navajo Nation. In 1973, one third of Navajo families spent time raising stock raising and managing small farms, but the outcomes provide little subsistence (United States Commission on Civil Rights, 1973).

### **Wage Economy**

The Navajo people returned to their lands and started again. The sheep population grew at fast rates, and they were able to support themselves again, but this also caused the land to be overgrazed. Some Navajo people, on the reservation, participated in wage labor, but most of the



Navajo Nation relied on subsistence practices and trading for incomes. Wage work was considered temporary and seasonal for the untapped labor force, but absenteeism was noted, and many labor officials marked this as an Indian trait (Uchendu, 1966). Intertwined with the development of wage work, racist notions of Navajo workers developed as well. Pottinger (1987) points out the gross misrepresentation of the Navajo labor force as unskilled and unreliable. In the 30s, the Federal government initiated the Livestock Reduction Act as a conservation policy to save the land from the excessive livestock population (Lister, et al. 2018). As a way to replace the loss in livestock income, the Federal government would offer jobs, assistance, and more land. The consequences of losing and producing less to meet the needs of Navajo subsistence pushed the Navajo people towards wage work (Uchendu, 1976). This signaled the major shift away from the subsistence and trading economy towards a more dominant wage economy for the Navajo people. Many policies during this time were aimed at sending Navajos off the reservation for jobs. In 1948, the Director of Navajo Employment Services presented to Navajo Council and stressed the importance of “off-reservation employment as essential” for the Navajo economy (Youngdahl, 2014). That same year, authors of a report on the Navajo people differed, claiming that permanent employment on the reservation was important (Krug, Stewart, and Zimmerman, 1948). Railway employment became a staple for Navajo workers thus a contributor to Navajo job growth (Youngdahl, 2014). A lot of Navajo people still retained their traditional elements because the wage labor could not support them, so they relied on traditional social organizations. (Callaway, Levy, and Henderson, 1976 ). The Navajo Nation and the Federal government become the largest employers in the Navajo Nation, offering jobs related to administrative roles. In 1973, 84% of the reservation employment was in administrative centers (Pottinger, 1987). The

increase of the Navajo Nation government due to mineral extraction revenue was the main cause of the large employment. BIA Indian Employment statistics stated that 35% of Navajos were unemployed, but of those that were deemed unemployed, 56% either worked part time or not all (United States Commission on Civil Rights, 1973).

Since the 1930s, wage work has become a major focus for economic development within the Navajo Nation and other tribes. David Kamper (2010) focuses on wage work within the Navajo Nation and its role in sovereignty; he notes that the workers are the “engine of indigenous economic development,” and a major goal of the Navajo Nation was to reduce reservation unemployment (p.15). Another report on Navajo people, focused around the Western Agency, stated that using natural resources to provide employment was the only first step towards economic development (Callaway, Levy, and Henderson, 1976). This report also noted that Navajo people should spend their money in Navajo-established businesses (Callaway, et.al 1976). Job creation remains one of the main topics and many tribal actors frame their economic development plans in terms of increasing jobs as well as increasing the wages for the Navajo people. The idea of spending “navajo money” within the Navajo Nation narrative that is continued by most Navajo people especially with the data revealing the economic leakage of the Navajo Nation.

### **Arts & Craft**

The Navajo people traded amongst themselves, and other tribes, prior to contact with Spanish and American forces. Weaving was adopted into the Navajo economy and culture after sheep were introduced by the Spanish. Weaving (of rugs, blankets, etc.) provided for family

needs and became an economic surplus (Reno, 1981). After the Long Walk, Navajo products began to enter the market of the larger U.S. economy. By the 1870s, Navajo products were marketed at trading posts in Fort Defiance, and more were to follow (Rocek, 1995). Selling Navajo goods at trading posts provided an alternative source of income that could cushion any loss of income. During this time period, money was introduced to the Navajo people by the trading posts, even though a barter system was still in place (Rocek, 1995). Eventually, trading posts become more prominent in the lives of the Navajo Nation members. By the early 1900s, Navajo people were becoming more reliant on trading posts. During this period, traders become more prominent the Navajo communities. Weiss (1984) considers the highpoint of “merchant capital” at the beginning of the first three decades of the 20<sup>th</sup> century. Traders acted like bankers, and Navajo arts and crafts became the main commodity of the trader. Silver smithing and weaving were part of the main sources of income for the Navajo people. The trader was able to establish themselves within the Navajo communities as a banker, through credit, while accommodating the pastoralism of the Navajo people, and became the sole distributor of Navajo products (Uchendu, 1976).

A survey conducted by the Navajo Manpower Survey showed that 23% of the 32,350 individuals they surveyed still engaged in sheepherding, rug weaving, and silversmithing (United States Commission on Civil Rights, 1973). These traditional activities were conducive to the arts and craft sector of Navajo labor but they were declining in practice. Navajo people were slowly moving away from activities towards wage labor. In the 1970s, Navajo silver artists began to compete with non-Navajo and non-handmade silversmiths, as Navajo silver peaked in fashion trend. Due to this, the Navajo Arts and Craft bought non-Navajo made jewelry and sold it as

Navajo (Roessel, 1983). With the combination of expensive silver and cheaper quality competitors, silver smithing declined as a source of income. This same predicament occurred with weaving as well. During this time, the Navajo Nation government began to subsidize any activity related to arts and crafts. For example, ten day programs and Comprehensive Employment and Training Act (CETA) employed Navajo women to weave, teach weaving, and learn ways to improve the quality of their weaving (Roessel, 1983). Some considered the trading post economy as sites of exploitation, but Wilkins (2008) believed that they were sites where traders and Navajo identities were shaped. Since then, Navajo jewelry has decreased in reliance for the Navajo income, but it remains a part of the informal economy. The Navajo Nation has recently cracked down on the fake Navajo jewelry in the surrounding cities, so that Navajo artists remain protected.

### **Informal Economy Theories**

The literature surrounding the informal economy started in 1973 when the term was coined by Keith Hart (1973). Since then, many have written in attempt to understand the size, causes, and consequences of the informal economy. In 1985, 34 million men and women worked in the informal economy globally, but it was estimated in 2010 that that number increased to 53 million (ILO, 2014). The informal economy has also been associated, if not synonymous, with the terms “underground economy”, “second economy”, and “unofficial economy” (Danesh, 1991). Due to the vast amounts of definitions, it is hard to measure the actual size of the informal economy. Harry Greenfield (1993) gives an example of this by stating that the estimation of the informal economy for the U.S. in 1976 was estimated 1.4% to 28% of the Gross National

Product. The informal economy is defined as any economic activity that occurs outside of official institutions (Hart, 1985). This definition has created the duality of the formal and informal economy, the former being official and the latter being unofficial.. Yet some theorists are departing from the dualism that is created with the original description (Castells and Portes, 1989). Castells and Portes (1989) sum up the informal economy as a way of generating income that is not regulated by institutions within the society. They believe that many actors participate in both sectors, and they are not as separated as believed to be. Others follow in similar suite and believe that, because of the linkage between sectors, the informal economy cannot be defined or measured until the formal economy is defined (Leonard, 1998). Some go as far to say that “the distinction between both sectors is misleading”, even though the concepts are helpful, because there are many activities that overlap (Harris-White, 2007,p.371). Some formal firms provide jobs that are informalized, and formal credit is lent to informal businesses.

Castells and Portes (1989) recognize the importance of the informal economy because many people’s livelihood depends on it. The participants in the informal economy are usually poor, and they are looking for an opportunity to support themselves and their families. Studies indicate that individuals participate in the informal economy because “it offers a safety net for them” (Leonard, 1993,p.148). Others write that neoliberal theorists believe individuals enter the informal economy based on an entrepreneurial spirit (Smart and Smart, 2005). The former theory indicates that people do not have an option or choice, and the participation in the informal economy is necessary. The latter situation demonstrates a choice of the entrepreneurial individual choosing because they believe they can do better. Others believe that failures of the bureaucratic model of development excludes the poor from economic life (Chickering and Salahdine, 1991).

The bureaucratic theory is defined as large initiatives of large scale enterprises and advanced technology as a pathway to modern economic and social structures and that would solve the problem of the poor (Danesh, 1991). Despite large scale enterprises, individuals still find themselves without a formal job that can support their families and themselves. Much of the literature on the informal economy revolves around development of a country or nation, yet informal economies can exist in low and high income countries (ILO, 2014).

Maliyamkono and Bagachwa (1990) write that the conventional creation theories of the informal economy are a population explosion in the modern urban sector or an agricultural crisis in the traditional sector. Much of the informal economy genesis stems from the realm of labor. Castells and Portes (1989) list the creation of the informal economy to the influence of unions, a reaction to the regulated economy, the integration of national economies into the international economy, the industrialization in the third world to get comparative advantages over other regulated parts of the world economy, and the economic crisis of the 70s. The official economy requires a regulation of economic activities and an increased bureaucracy. Other theories revolve around the lack of wages within the country. Fluctuations of the wage economy may force individuals to enter the informal economy, or other individuals choose the informal economy because they believe it will provide higher incomes.

### **Synthesis of Navajo history and informal economy theories**

Cash-in-hand economy is considered part of the informal economy (Williams, 2004, p. 15) but also of a “hidden economy of favours”. A known characteristic of the flea markets within the Navajo Nation is that they are paid with cash. The informal economy includes activities such

as subsistence production, petty trade, and small-scale commercial production (Harris-White, 2017). Sudhir Venkatesh (2006) writes that the underground economy is full of exchanges that are short-term efforts to supplement an income, but nonetheless there are rules to be followed. Venkatesh (2006) write that prior to the modern sector, usually thought of as “developed, organized, and dynamic”, there existed a traditional economy, which was the opposite (p.48). The Navajo Nation resembles some particular aspects of the theories surrounding the development of the formal and informal economy. It is hard to pinpoint the beginning of the informal economy, but it was first mentioned in the 1990s by the Navajo government document studying the Navajo economy. It can be attributed to the encounter with the U.S. government as well as the decline in the subsistence economy and the lack wage work for the Navajo people. As a result, some Navajo people have turned to the informal economy for support. The Navajo Nation informal is estimated to be at 20% of the Navajo economy, but that could be a conservative estimation. The Navajo flea market attracts Navajos, natives, and non-natives, and they are site of markets. These markets are usually informal and go unregulated by the government. Studies of the Navajo informal economy would begin here. People come here to buy food, traditional medicine, tools, clothing, jewelry, and other things as well as services. It has become a site for Navajo artisans to sell their products.

### **Methodology**

Over the summer of 2018, Diné Policy Institute surveyed 13 different flea market sites in and around the Navajo Nation. The survey was distributed to both vendors and consumers within the flea market on that day. Due to the large population and multiple sites, surveys were the best option as the initial data gathering technique. Surveys are useful when trying to collect data,

regarding attitude, beliefs, and demographic, from large populations as well as to observe changes over time (Albrecht, Bahr, and Chadwick, 1984). The consumer surveys were given to individuals within the flea market and helped provide a glimpse of the population that buys at the flea market. 351 surveys were collected from consumers. The vendor surveys were passed out to any individual selling in the flea market on that day we visited the flea market. 385 surveys were collected from vendors within the flea markets, making a total of 736 surveys from all 13 sites. Both surveys included demographic questions and qualitative questions to understand the who was going to the flea market and what their experiences and opinions were.

Interviews were conducted with vendors within the flea market with a set of 17 questions. We were able to get three interviews from a jewelry seller, a printer, and a food vendor. Interviews were difficult to conduct due the distance between interviewer and interviewee. Many interviewees became too busy to participate, and the distance was challenging despite efforts on the interviewers part to travel the distance. Most individuals who were asked did not want to participate due to suspicion of the research questions. This will be elaborated further in the study. Those who did participate were able to elaborate upon their experience and opinions related to the flea market that surveys could not answer. They would provide a bottom-up understanding of working in the flea market. Interviews were conducted with government officials within the Navajo Nation who work with economic and business development, as well as a chapter official. We were able to interview four government officials. These interviews provided insight into the top-down approach of things when it comes to understanding the flea market and the issues that cause them, based on their experience within the government. Their positions in the government



ranged from agency level to local levels. With the surveys and the interviews we were granted a glimpse into the Navajo Nation informal economy.

## Findings

### Consumer Surveys

Three hundred and fifty-one individuals participated in the survey as consumers. The average age of the consumer participants was 44.6 years old, the average yearly income for consumers was \$36,554.74, and the average mileage traveled by those consumers who participated was 54.18 miles as shown in **table 1 appendix A**. The average amount of money spent per visit was \$36.97, and many consumers spent an average of 83.67 minutes in a flea market. As shown in **graph 1 appendix B**, 65% of the consumer participants identified as female, whereas 33% identified as male, and 2% did not respond to the question. As shown in **graph 2 appendix B**, 86% of the consumer participants identified as “Navajo”, 8% marked “N/A”, 3% identified as non-Navajo natives, and 3% marked other. Forty-seven percent of the participants marked that they were full-time employed, 22% marked unemployed, 14% marked retired, 12% marked that they were self-employed, and 5% marked “N/A”, shown in **graph 3 appendix B**.

One hundred and fourteen participants visited the flea markets once a month, 75 marked twice a month, 57 marked 4 times a month, 47 marked three times a month, 13 marked five times a month, 12 marked six times a month, 6 marked seven times a month, 4 marked eight times a month, 1 marked twelve times a month, 2 marked sixteen times a month, and 20 marked “N/A” seen in **graph 4 appendix B**. As shown in **graph 5 appendix B**, 53% of the participants say they

do not come to the flea market with a budget, and 37% said they do come with a budget in mind. Sixty-four percent marked that they were not traveling through, and 36% marked they were traveling through, shown in **graph 9 appendix B**. 65% marked that they go to other flea markets, 30% marked that they do not, and 5% did not answer.

When questioning the reasons why the participants visit the flea market, 104 participants said they come to browse, 68 said they come for the food, 64 did not write anything, 37 said they come to the flea market to socialize, 9 said they come to flea markets for the jewelry, 7 said they come to purchase herbal medicine, 5 said they come to buy auto-parts, 4 come for clothing, 3 come for art, 3 come for tourism, 2 came for entertainment products (such as movies and cds), and 1 said they visit the flea market to get household items, shown in **graph 6 appendix B**.

We asked the consumers if they had anything they preferred to buy at the flea market. 91 consumers said they get food, 73 said “no”, 67 did not respond, 33 said they get jewelry, 17 said anything, 15 mentioned that they got tools, 14 said clothing, 13 said traditional herbs and medicine, 5 said they come for arts and crafts, 3 mention children’s clothing, 1 said drinks, 1 said camping supplies, and 1 said clean facilities, shown in **graph 7 appendix B**. We finally asked the consumers if they sell scrap metal or recycle cans for money. 65% said “no”, 31% said “yes”, and 4% did not respond, shown in **graph 11 appendix B**.

We asked the consumers how they heard about the flea market. 146 said that the flea market “has always been there”, and the flea market has always been there, 53 did not say anything, 50 participants said they were told by their relatives, 49 said that they saw it when they were driving by, 26 heard about the flea market through community members, 17 were told by

their friends, 8 said they heard it about it at the social media, and 2 heard about it at the Chapter House, shown in **graph 8 appendix B**.

### **Consumer Survey Analysis**

Sixty-five percent of the consumers identified as female. Most of the consumers, with 86% ratio, are Navajo, but we were able to collect data from Non-Navajo Natives and other consumers. The average age of the consumers was 45 years old with an income that was \$36,000, as shown in table 1 appendix A. The employment status of most consumer participants were full-time, 47%, but it was followed by a 22% unemployment rate. The average amount of times the consumers would go to a flea market a month is 2.52. The estimated unemployment rate of the Navajo Nation is 50%. Sixty-nine percent of the consumers return to the flea market between one to four times a month, and some visit the flea market more than seven times a month. This suggests that flea markets have high frequencies of visits by the same visitors. 53% of the consumers report that they do not have a budget when coming to the flea market. This can be interpreted as consumers who are willing to spend more when they go to the flea market. Yet our data shows that the average amount consumers are willing to spend is \$37, as shown in **table 1 appendix A**. The consumers we surveyed may not have a cap because they are thinking they are only going to spend small cash amounts, so they are more willing to say they do not have a budget. Many of the consumers reported they are not traveling through, which suggests that many are local to their flea markets. We asked if the consumers travel to other flea markets to see how mobile the consumers were, and 65% reported that they go to other flea markets, shown in **graph 10 appendix B**.

We asked the consumers why they come to the flea market, and it was revealed that food was the biggest draw. It is common for Navajo flea markets to be the center of local food vendors, one can find traditional Navajo food, kettle corn, pickled foods, lemonade stands, Mexican food, and a growing Chinese cuisine. Many come to the flea market during their lunch hour to purchase a quick meal before heading back to work. Many participants mentioned that they come to the flea market to browse for items at a cheaper price. 37 participants mentioned they come to the flea market to socialize. The flea market space is more than a site of transactions; it is also a place where family and friends meet up, hang out, discuss things, and eat. The rest of the graph is a list of specific things that consumers browse for such as jewelry, auto parts, household items, clothing, herbal medicine, art, and entertainment products.

Many of the consumers grow up near the flea market, and they say that its always been there. The consumers hear about the market from friends, relatives, community members, chapter houses, and social media. It is interesting that social media was being used to attract others to the flea market. One can go through a social media site and see vendor advertisements telling consumers that they will be at flea markets at certain times. Food sales are often conveyed through social media with for delivery and/or selling. Other consumers see the flea market when driving by due to the large size and public location of most flea markets on the Navajo Nation.

We asked the consumers if there was was anything they preferred to buy at the flea market. Food was the highest factor that was mentioned. Even though many of the consumers said “no”, this means that they do not have any particular idea in mind, but they are willing to browse and see what is worth buying. The specific things mentioned were tools, jewelry, traditions herbs and medicines, clothing, and arts and crafts. It is important to note the prevalence

traditional herbs and medicines because flea markets are usually where Navajo practitioners go to get the supplies they do not get themselves. It is also where Navajos go to buy their own traditional medicine for day-to-day things. There is not a lot of formal businesses that sell traditional herbs & medicine at an affordable price, so many people go to the flea market. As shown in graph 11 appendix B, 31% of the consumers we asked did sell scrap metal or recycle cans for money. These activities are considered part of the informal economy.

### **Producer Surveys**

385 vendors participated in our surveys. As shown in **graph 1 appendix C**, 62% of the participants identified as female, 34% identified as male, and 4% did not respond. Ninety-one percent identified as Navajo, 2% identified as Non-Navajo Native, and 7% did not respond, shown in **graph 4 appendix C**. Employment status of the vendor participants ranged from employed/full-time, self-employed, and retired. 345 participants marked employed, 27 marked self-employed, 9 did not respond, and 4 were retired, shown in **graph 3 appendix C**. We asked the participants if they received assistance. 258 vendors marked that they did not receive assistance, 56 did not respond, 22 marked yes, 29 said they received Food Stamps/SNAP, 18 marked they receive Social Security Income, and 2 marked they received Disability, shown in **graph 2 appendix C**.

We asked the vendors how often they sell at the flea market in a month. As shown in **graph 10 appendix C**, 91 participants marked that they go to the flea market once a month, 79 marked they go four times a month, 59 did not respond, 57 marked they go twice a month, 35 marked they go three times a month, 12 marked they go eight times a month, 10 marked they go five times a month, 10 marked they go six times a month, 6 marked they go sixteen times a

month, 5 marked they go seven times a month, 5 marked they go ten times a month, 4 marked they go fifteen times a month, 3 marked they go eleven times a month, 1 marked they go fourteen times a month.

We asked the vendors if they consider their flea market activity a full-time job. As shown in **graph 7 appendix C**, 70% said no, 29% said no, and 1% did not respond. We asked the participants if they considered themselves farmers. As shown in **graph 5 appendix C**, 74% said no, 24% said yes, and 2% did not respond. We followed up that question by asking if they sell their produce at the flea market, 43% did not respond, 42% said no, and 15% said yes, as shown in **graph 6 appendix C**. We asked the vendors if they go to other flea markets to sell, 60% said yes, 38% said no, and 2% did not respond, as shown in graph 8 appendix C. We asked the vendors if they tried to sell their produce to a grocery store, 68% said no, 30% did not respond, and 2% said yes, see **graph 9 appendix C**.

We asked the vendors what hindered their selling activity. 150 vendors wrote down weather related issues, 70 did not respond, 35 wrote that nothing hindered their business, 24 said that when costumers have no money it affects their business, 24 said competition is a hindrance, 24 said personal issues were a problem, 17 said that lack of infrastructure is a problem, 16 said that the expenses can decrease profit, 15 said that some flea markets are too far from their homes, 4 said that having kids makes it difficult for them to sell in the flea market, 3 said bad roads, 3 said they need to fundraise in the flea market rather than sell, 1 said excessive trash, see **graph 11 appendix C**.

We asked the participants what could be done to support their business or selling activity. As shown in **graph 12 appendix C**, 130 did not respond, 72 said that building shade and an

indoor flea market would attract more consumers, 39 said clean bathrooms would help with business, 31 said that advertisements for flea markets, 21 said paved roads in and around flea markets would be helpful, 14 said they wish they had more time to sell, 14 said vendor communication between vendors and the government, 11 said nothing, 10 said reinvestment in local vendors, 9 said that they would like to see infrastructure to block the weather, 7 said that more trash cans for a clean spaces, 7 said fencing, 6 said registering with the Navajo Nation, 6 said improved parking, 5 said increased access to water, and 3 said internet access.

### Producer Survey Analysis

The average age of vendors we surveyed was 46 years old, see table 2 appendix A . The estimated monthly income for these vendors is \$588 but vendors may have other forms of revenue coming in. Based on this average income, the yearly income would be \$7,056. The average vendor-reported estimated, yearly income is \$19,000. The Navajo Nation Comprehensive Economic Development Strategy of 2018 estimates the income of the Navajo Nation is \$12,161 (Navajo Nation Division of Economic Development 2018). On the day of surveying the vendors traveled, on average, 58 miles to sell. The average amount the vendors make per visit is \$180. The average amount of times vendors visited the flea market is 2.90 times a month. Sixty-two percent of the participants identified as female, and 91% of the vendors identified as Navajo. Our data suggest that middle-aged Navajo women are the main participants in the flea market. More data needs to be collected to get an average estimate of the hourly wage of vendors within the flea market, but it would provide a comparison between the formal economy and the informal economy of the Navajo Nation.

Eighty-nine percent of the vendors we surveyed identified as employed/full time, and 70% of the participants said they do not consider their flea market activity as a full-time job. This seems to suggest that many vendors in the flea market supplement their income with flea market income. None of the vendors we surveyed identified as unemployed. Sixty-seven percent marked that they did not receive assistance, and 18% marked they did receive assistance. The assistance received ranged from Social Security Income to Food Stamps. The data here shows some contradictions, but this can be chalked up to people not wanting to identify their true employment status or having a different conception of their work within the flea market. Vendors may feel that the work they conduct in the flea market is no different than a hourly job, so they don't consider themselves unemployed.

To understand the vendors in the flea market, we asked about their flea market activity. We asked the vendors if they travel to other flea markets to understand the mobility. Sixty percent of the vendors said they go to other flea markets. On average, the vendors travel 58 miles, but this could be the least (or the most) of their travels if they were to go to other flea market areas. Sixty-eight percent of the vendors surveyed visited the flea market to sell between 1 to 5 times a month. Many consumers go to the flea market for food, so we asked the vendors if they consider themselves farmers, and 74% said no. Only 15% of the vendor participants said they sell their farm produce at the flea market and only 2% of the vendor participants said they tried selling their produce to a grocery store. This shows that many farmers produce for their own consumption and that they are not willing to sell to flea markets or grocery stores. There is a growing movement on the Navajo Nation to provide more organic foods for the consumption of the Navajo people with initiatives that involve Navajo farmers. Based on our data, farming



within the flea market is becoming a marginalized activity but it should be considered when creating policy regarding organic food for Navajo consumption.

Rather than a top down approach to understand the flea market, we asked the vendors on their thoughts. We asked the vendors on what issues they noticed at the flea market and how they felt it could be improved upon. If anyone could offer ideas of improvement for the flea market, it would be those who work in the flea market. We asked the vendors what issues hindered their selling activity. One hundred and fifty participants said that weather-related issues were primary obstacles, and this included rain, snow, dry heat, and intense winds. Seventy participants did not respond. Participants mentioned infrastructure issues such as bad roads, lack of infrastructure, and excessive trash. Infrastructure meant water, electricity, fences, shade, and paved roads. Many of the issues mentioned suggest material fixes that can be solved by providing infrastructure for flea markets.

When asked about what they felt could be done to support them, they provided answers that relate to the main issues they mentioned in the previous question. One hundred and thirteen participants did not answer, and 11 said nothing. Seventy-two participants said shade/indoor flea markets would help their businesses, but many others said more specific infrastructural needs such as paved roads, clean bathrooms, water, trash cans, improved parking, internet, infrastructure to block bad weather, and fencing. A total of 43% of the participants mentioned something related to infrastructure. Thirty-one participants mentioned having advertisement for the flea markets would help increase customers who are not local. The Navajo Nation has many tourist hot spots, and the vendors believe that they should be able to tap into that portion of the economy. Vendors imagined signs directing tourists to the flea market and also included ideas of

developing new flea market spots next to these hotspots. Three said having internet available would increase business. That could be part of the infrastructural category, but it does demonstrate a push to incorporate social media and the internet into local businesses. Some vendors use card readers for transactions, and the wifi would help with that need.

Ten people mentioned reinvesting in local businesses. One critique that many vendors mentioned during their surveys is the need for local reinvestment and support of Navajo businesses. They feel that they do not get enough money or support because many Navajo people go outside of the Navajo Nation for their supplies. They would like to see the Navajo Nation invest in the local businesses to help them. Six vendors mentioned that registering with the Navajo Nation would help their business. This sentiment will be repeated in the in-depth interviews with vendors as well as the information gathered from tribal officials.

Based on the surveys, flea market vendors believe that infrastructure is the main factor to supporting their businesses. This makes sense considering how open the flea market spaces are and how vulnerable they can be to extreme weather. If conditions become too extreme, businesses suffer, and this can be an issue for people who rely on the flea market as their main source of income. Infrastructure development would require planning and funding. This could occur on the local level through the Chapter House systems, which would be a way to incorporate local planning and funding. Infrastructure needs would be running water for bathrooms, cleaning, and drinking water. Electricity would be used for lights, charging electronic devices, testing appliances, and food vendors. Vendors would like shade and walls to shelter them from the weather, but some imagine indoor flea markets would reach all the needs of the

vendors. Investment in flea market infrastructure can be seen an indirect investment in the local economy that would help vendors and consumers in their spending activity.

### **Vendor Interviews**

The interviews with the vendors provided insight into their experiences and understanding of the flea market. All the vendors, who DPI interviewed, participated and or continue to operate in the flea markets and they all started with their families. Their experience provides unique insight into the way they feel the flea market should be operated as well as how it can supported for other vendors looking for an income. All the vendors considered their work in the flea market as the same as any formal sense of jobs. For some of the vendors the flea market was their main source of income, and for one, flea market vending was a supplement to their other income.

I came back from college and I have been looking for work and applying everywhere. So as a resource this was here and with what money I did have I started going out and buying the utensils, the plates, the bowls, the sanitation equipment, and oil, and the food. And we have to keep our receipts for when someone stops by and we all have our food handlers and pink card. So it's legit and we've been doing pretty well. I've made a car payment, like this is how we get by and I am still waiting on a response back from work but for now this is work (Food Vendor, 2018).

One vendor sold food with her family, another sells jewelry and the supplies, the final one was a clothing printer. The latter two vendors were mobile and went to multiple flea markets to sell their products. They spoke about the challenges they experienced in the flea market. They elaborated on what the economy and development meant to them, how the Navajo economy currently operates, and their opinions about how to support local vendors. As individuals who

participate in the flea market, they could provide the best insights into the informal economy, challenges, and their own solutions based on their experiences.

The vendors spoke the challenges they face in the flea markets. The list of challenges ranges from from the lack of infrastructure, capital, security, marketing, consumers spending their money outside the Navajo Nation, and marketing. Some of these have been noted in the data collected from the surveys and some will be further mentioned in the interviews with the government officials. The food vendor mentioned the importance of having proper infrastructure for food vendors to make sure contamination did not occur while selling food. In this case, infrastructure protects consumer health at the flea markets. Having access to water and electricity can help vendors who need those utilities for the businesses such as food vending. Food vending is a prominent business in the flea markets, and many families rely on it to provide a source of income. Infrastructure development such a water, electricity, shade, bathrooms, and shade can help with flea market businesses. Security was brought up when the vendors mentioned protecting their stands and investments; they wanted to see more security presence, and one vendor was willing to relocate her business to a place with more security.

Two of the vendors mention the issue of having money to start up their businesses as well as noticing that other vendors shared the same problem.

But all that takes a lot capital funding, it takes investors, it takes time to acquire. So in doing something on my own, I figured that I could structure something on my own where I could do a side from all that work without having to find an investor, something that would be successful in itself. A business that would grow fundamentally as much as you would want it to, as far as you what you put into it (Print Vendor, 2018).

They considered it a major issue for Navajo entrepreneurs who wanted to expand beyond the flea market and enter a more formal space. They were able to pull funding for their businesses, but they recognized that others might not be so lucky; it depended on the product or service they founded their business on. This same issue is brought up from the government official interviews where they mention that most vendors lack the capital to move beyond the flea market but its a problem that persists once formal businesses are established. Most of the flea market can be described as people getting extra cash through yard sales and food sales with few people thinking of turning those into formal businesses. For those that want to expand, they would need capital, and that can pose a problem. Capital for flea market vendors poses a problem as a start up but also as a means to maintain.

This is the distinction between the flea market being a site for a sole income verses a site for supplemental income. One of the vendors pointed out the importance of advertising and what it can do for vendors in the flea market.

The challenge is that we don't have enough marketing; we have to do that on our own. It's building a repertoire, especially with the market that we have, being consistent with it, weather utilization, what we can use at each market (Jewelry Vendor, 2018).

Advertising can be overlooked by locals, and other Navajo people, because we have grown accustomed of the flea market and its location but tourists have very little information at their disposal. Tourist traveling through the Navajo Nation do not know of the time and places that flea markets occur. Advertising can be used to bring in tourist dollars and sustain the local economy. This would require planning on the local government level and the central tourism department to pick spots to advertise on behalf of the flea markets. One vendor mentioned the

importance of marketing within the flea market to tourists coming through the Navajo Nation to combat the economic leakage of the Navajo Nation. They noted that marketing is not just for the vendors in the flea market but also the flea market as a whole. Another vendor made the same connection to keeping Navajo money in the Navajo Nation. Much of Navajo money is leaked to outside border towns, and very little money is spent on the Navajo Nation.

...A lot of people that go to work here, live here, within the reservation boundaries, 80% of that money goes off the reservation, and gets left off the reservation. And we wonder why there is no structure within our reservation boundaries and that all comes back to building a fundamentally stable economy, a self-rejuvenating economy (Printer Vendor, 2018).

The vendor believes that the flea market is a site where Navajo money can stay and help the economy thrive. He attributes this economy leakage the problem of a “non-rejuvenating” economy. In his perception, a stable economy requires locals spending their money within their community. Other vendors share similar ideas of the how the economy should operate as well as the characteristic of a good economy.

We asked the vendors questions to get their understanding of an economy, the Navajo economy, and development. First, we asked directly what an economy means to them and how they would describe it. Their responses rang with similarity even though they came from different areas. To start, one vendor gave a based their understanding of the economy on a historical and cultural interpretation.

Now, modern day perspective, the economy is always based on western society thinking, which is based around the dollar. And that dollar can only be divided up in some many ways. And an economy is there to save that dollar and keep it in the community and also utilize that dollar to make more dollars... That is what the

economy dollar builds and that is what it's suppose to structure, the foundation of the community itself (Printer Vendor, 2018).

They noted that a Navajo economy prior to colonization was based on barter while everyone has a specific task to complete. They followed through with their description of the transition from that economy to an economy based on money. Money became the main commodity. Despite this transition to the reliance on the dollar, they adapted and believed that the dollar could be used to support the community. The importance of this understanding demonstrates that Navajo vendors recognize the economic transitions that are currently happening. Money is becoming a dominant commodity in the lives of the Navajo people; the flea market is being altered to fit it; and communities are becoming reliant on money.

The other vendors described characteristics of the Navajo informal economy as “self-sufficient,” in that it was able to bring money into the communities and help businesses expand.

Hopefully collecting money from an area and feeding it back into the community. So keeping that cycle within the community and building it up and hopefully bringing outside money in and hopefully blowing it up that way (Food Vendor, 2018).

The idea of an economy for flea market vendors is to keep money within their communities or in the Navajo Nation so that the local economies can become self-sufficient. This idea of self sufficiency is a major theme that comes up in interviews with vendors and government officials.

As a follow up question, we asked the vendors how they would describe the Navajo economy. They described it as “unstructured”, “not using resources correctly”, “misguided” (not helping the people), and “needs improvement”. Their descriptions of the Navajo economy were immediately followed by how they would describe development. We asked the the vendors how

they describe development plan and how development should occur on the Navajo Nation. One described it as an ongoing process where businesses are thriving and infrastructure is built,

A development, just something, an ongoing process and thriving / coming up whether it is the market or the next store being built. You see things building built but they don't thrive or they are not continuing... Again it's sad that a lot of franchises are coming in instead of these small town Diné running their business (Jewelry Vendor, 2018).

They wanted Navajo-owned businesses rather than outside franchises. The two other vendors described it as “building up small businesses” which is along the same lines as developing Diné owned and operated businesses. These were economic interpretations of development, but one vendor mentioned “increased community participation,” relating to flea market development as a political process. He wanted to see more community involvement to increase accountability in the process of development. The negative description of development was that it “takes too long” for the Navajo Nation. The vendor elaborated further when we asked how the Navajo government could help vendors.

We asked the vendors their perceptions of the government. The first vendor described the traditional form of governance, *naat'áaniis*. In their description of the government, they emphasized trust between the leaders and their people. They juxtaposed that with the current system, where the people do not trust the government, and the government “complicates things that start out simple”. Another vendor shared similar ideas based on trust, but she emphasized the need for Navajo elected officials to communicate, research, and develop policy to improve life on the Navajo Nation, as well as to make the economy more self-sufficient. In her view, the elected officials are entrusted with the responsibility to improve the Navajo Nation both



politically and economically. The third vendor felt the Navajo government does not reach the more rural areas of the Navajo Nation because the Navajo Nation is so expansive. In one case, the first vendor the government only complicates things, another believes the government is responsible for improving lives of the Navajo people, and the final vendor believes that government is not equipped to reach the more rural areas of the reservation.

We asked the vendors what they thought the Navajo government, local or central, could do to support the vendors in the flea market. The first vendor said that increasing community participation would help with development. Increasing community participation would generate trust and accountability between the people and their government, as it relates to any development project in the Navajo Nation.

I think the best thing they could possibly do would be to get the community involved...And a lot of community members they're very skeptical of paying the fee, they don't know where that money is going. If they can go ahead and be more clear. As far as showing and having the accountable of where those dollars are going and how it is spent, I think it would be very useful as far as the community itself. Once you get the trust from the people, then a vendor village would be successful. People wouldn't mind donating a dollar to be able to make it successful (Printer Vendor, 2018).

They also relate community participation of local governments to the flea markets because the trust will draw in more of the community members to the flea market. As mentioned before, development involves a political characteristic that involves the community of surrounding the flea market. The same vendor mentioned the building of facilities and infrastructure for vendors in the flea market. Two of the vendors wanted to see more programs to educate the Navajo business owners, public, and officials, so they can understand the procedures and requirements when establishing a business on the Navajo Nation and the importance of businesses in the

Navajo Nation. The second vendor mentioned the creation of standardized guidelines for business operators and for the areas that they are selling.

Come up with a standardized procedure, guidelines, that are just simple. That is within our laws. There is no law. There is none. What if we come up with something and they say you can't do that. I've run into those situations and it's frustrating. Especially when I came from a military background there is all these guidelines and procedures, everybody follows through with it. Its just, we are not, we are headed into a new generation. And I think the next generation, maybe my generation, needs to say "hey we need to start standardizing ". I mean, at least standardization not so much limiting us but to guide us (Jewelry Vendor, 2018).

Part of educating the public and future entrepreneurs is creating guidelines and pamphlets that can guide and assist. She mentioned this because she felt like she did not know much about the business guidelines on the Navajo Nation. She was more than willing to learn more about the process, and she feels that more information can be distributed. Public education on subjects like business management, business process, and business assistance is also mentioned by the tribal actors we interviewed. This can also be part of the local levels attempt to support businesses on the reservation. On the local level, the vendors suggested that Chapter House officials meet with vendors in the community, offer micro loans, business licenses, and support the local vendors. Chapter officials can learn from the vendors and community what is desired for their economic development and provide support in the form of capital, patronage, and necessary documentation

In summary, the interviews with the vendors paint a picture of the experiences of vending in the flea market. They believe the Navajo economy can more structured and beneficial to the Navajo people and it is demonstrated in the solutions they provide. They mentioned the economic leakage that occurs on the Navajo Nation and how flea markets can be developed to

help mitigate the leak. They would like to see the Navajo economy become self-sufficient and beneficial for the Navajo community. In the interviews, they point out the challenges they face as business operators and their opinions on what can be done to assist vendors and the address most of the challenges. They mention the lack of capital, security, infrastructure, marketing, and education as challenges. The vendors have plans for expanding their business, but that requires more capital for infrastructure and marketing. Development includes infrastructure and security, and that requires organization to collect and distribute revenue for such projects. and this can be done through the Chapter House. Development is more than an economic project, it includes political participation of the community. Working through the Chapter House can increase community participation in development, which was mentioned a possible solution for development. They would like to see local government offer micro loans to small businesses. These are all recommendations they offered in the interviews. Some of these are re-articulated in the interviews with the government officials. The vendor interviews provide a bottom-up approach to understanding the economy, informal and formal, as well as the possible recommendations for development.

### **Government Official Interviews**

The interviews with the government officials provided a glimpse into the reality of Navajo business owners and entrepreneurs who work to establish a business on the Navajo Nation from the top-down. The knowledge they accumulate during their day to day work experience is necessary because they are working towards developing the Navajo Nation. As stated below, they do their best to assist Navajo business owners in their business pursuits.

With us here, we try to help any client that comes in to our office whatever they are looking at doing. Whereas other offices they focus on leasing. We try to do everything with them. We try to help them with their business plan, put together a plan. Of course they have to write it but you know help them research, help them put together a marketing plan, start looking for finances, look at different banks (Government Official, 2018).

The interviews offered an understanding to why Navajo businesses remain, due to choice or the lack thereof, in the informal economy. They are technical experts because they understand the institutions that exist and how Navajo entrepreneurs will engage, navigate, and or abstain from their own business visions. These interviews also revealed the connection between land and development through the experiences of the officials and the business entrepreneurs that come to their offices. “I just wanted to say land and financing are the biggest things” (Government Official, 2018). There are four main areas of discussion that surfaced in the interviews; land, bureaucracy, financial, and business acumen. The first three topics are structural issues that will need to be addressed first due to their institutional position in the Navajo Nation, while the last topic focuses on the individual, which they believe requires business education.

The first topic, land, is multifaceted due to the status of the Navajo land as well as the land tenure system of the Navajo Nation. Land has always been an issue for development for any Indigenous community because the status of land, trust land, is not within the control of Indigenous people and their government. The Navajo government does not have full control of the land, therefore hindering development because the tribal government has to go through multiple processes and procedures to get approval from the Federal government rather than a process of their own design and control. This first problem sets the precedent for the rest of the

issues that follow. Both bureaucracy and lack of financial capital are a product of the trust land status.

On top of that, the Navajo land tenure system prioritizes grazing activity, which allocates power to grazing permittees to halt development, whether it be businesses, public safety, or infrastructure. Land withdrawal and development requires the approval of the grazing permittees, which causes the process to drawn further. One government official believes that not many people practice sheepherding anymore, so grazing permittees are outdated and hinder development for the Navajo people. They say,

Like for grazing permit holders, realistically, there is no more sheep and we can't herd sheep anymore. We used to have grazing permit holders; my family doesn't have any more sheep we are still holding that, maybe ten acres of it. What are you doing with those ten acres (Government Official, 2018)?

The government official acknowledges that such practices have declined since the transition of the Navajo economy away from a subsistence economy towards a wage labor economy. In the wage labor economy, land use is altered for job creation through business development, mineral extraction, and a growing service industry on the reservation. When they ask, "what are you doing with those ten acres", they are implying a use of land for job development rather than livestock use. Diné Policy Institute has researched this topic in our land reform project where we looked at the land tenure system and the consequences that are produced. The same issues arose in discussions of Navajo Nation economic development and it solidifies the need to rethink land and the control. In that report, individuals still wanted to practice livestock and agricultural practices despite the growing need for jobs that alter their day to day experiences.

Bureaucracy is the product of tribal government, the land status of the Navajo Nation, and the land tenure system. Due to the land status, development has to go through different processes, and it is known to take years for a store to be approved and built. In the interviews, there were stories of the long and arduous process of establishing businesses on the Navajo Nation and how it deterred many businesses from starting or even applying.

So looking at the new development that came out in Ganado, that took over ten years to get that shopping center. And then it took over six plus years to get the Denny's out in Chinle. You're looking at the broad spectrum of economic development, that's how long it takes to develop on the Navajo Nation. So you're looking at all of that and that's what is really hard. And then our policy doesn't play a good role because there is a lot of red tape in the policy. So that's the hard part (Government Official, 2018).

When discussing land issues, the officials also talked about the bureaucracy that accompanies.

This also applies to the Navajo land tenure system, withdrawing land and development requires the approval of the grazing permittees within the area, as well as a resolution from the Chapter House, and other surveys.

The land issue is a big problem like if you go out to the areas to get land you have to get all the clearances. You have to ask the grazing, the person who has the grazing area. If they could, the nation could come in and withdraw land and say "this is for economic development". Instead of us having to go the individual who has the grazing permit and saying, "can I have five acres I would like to build a c-store there"? Then you have to go through all kinds of process to get land consent, then you have to go through land withdrawal, which is another long process, then you have to go through leasing. You're looking at three years by then, by the time you get to lease that. A lot of those processes can be shortened; they have tried to shorten it. The land issue is so difficult (Government Official, 2018).

This not only extends the time but also the money needed for a business to be established. The business process already has paperwork specifically for developing a business plan and approval the land institutions only add another layer of bureaucracy.

It's so cumbersome; it can be done if the client does their homework. It can be done but a lot of the time it gets stuck at the window rock office. They call it the 1-64 review process. So like I said, I think it s the Navajo Nation side, the bureaucracy. I can bring in my client and they can tell you all the problems they have had that relates to the Nation sides going through the process (Government Official, 2018).

Bureaucracy is a creature that exists in most governments, but it is a larger problem in the Navajo Nation due to the institutions that govern land and development. Some of the officials offered solutions that reduced the paperwork for businesses, reduce the process, and reconfigure the land withdrawal process.

The third issue, finance, or better described as the “lack of capital” is when business entrepreneurs do not have enough money to start up their businesses formally with the Navajo Nation or they are unable to maintain revenue and eventually go out of business. In the interviews, the government officials reveal that entrepreneurs do not have capital.

I think getting a lot of the entrepreneurs into business on the Navajo Nation is really helping these businesses with loans and getting their business going. That is really what is out there so we can create jobs but really there is a lack of funding and that is the primary source of what is there. So that's what hinders what economic development really is. Its very hard for them to seek other funds from funding source like the banks and everything because it's the credit rating they have (Government Official, 2018).

The lack of capital to start up forces entrepreneurs to seek loans from the government or from banks outside the reservation. One government official explains that personal credit scores play a big role when business owners attempt to get loans. He described their situation as “stuck” because they do not have acceptable credit or any to leverage as equity.

Some of them do offer their land, some of them offer their vehicles, some of them want to say, “we have this much jewelry” but where do we put these? And if they are on collateral and I take the whole jewelry where do I store them? If I take their jewelry, where do I put it, is it gonna be in a safe place or is someone going to steal it (Government Official, 2018)?

The interviews revealed that importance of land, as the government officials stated that no matter how much equity was offered by the Navajo government, on behalf of the entrepreneur, the bank would decline once they learned of the status of tribal lands. The government officials explained the 90% BIA loan guarantee for outside businesses, where the BIA will pay 90% of the total cost going into a business if it was to fail, yet many businesses do not take the incentive. It is in this situation that the relationship between land and capital become more visible, due to the trust land status of Navajo land, Navajo entrepreneurs have no “private” land to collateralize and banks would rather not take a chance. Business starters seek other forms of collateral mentioned in the form of vehicles, livestock, and jewelry either to the outside banks or the Navajo government. While vehicles may work, the latter two are often dismissed, but it reveals the creativity that entrepreneurs will work with to get their businesses started. If the entrepreneur is unable to secure loans through means of their own, the officials reported that the Navajo government can help by finding sources, matching funds of their own from sales tax, and working with banks to start up businesses. This is a rare case, but it is possibility on the tribal governments part to assist



entrepreneurs and economic development. Currently there is the Community Development Financial Institution (CDFI) program, which offers loans to Navajo businesses if they meet the requirements. The other program is the Business and Industrial Development Fund (BIDF) loan program. The latter is currently on hold, but the Navajo government was able to issue out loans and both the programs had low interests rates. A government official contrasted the two loan programs as the BIDF as an “investment” rather than a loan, whereas the CDFI was just a loan.

The government officials all brought up the need to provide more business education, financial literacy, seminars for potential business owners.

The obstacle I see them face is really establishing their business plan that is the main problem we are having. Their business plans are written but they are not written to where they understand what they are writing. And then the financial part, the start up funds and everything, it is really something they need help with. That is really the basic problem we are having with out entrepreneurs out there (Government Official, 2018).

Some believed it was a major part of economic development on the Navajo Nation in that it would allow Navajo entrepreneurs to start business that could provide services to the Navajo community and provide jobs for Navajo people. The Division of Economic Development, one department of the Navajo Nation, does offer classes for business owners and entrepreneurs, which has helped educate them in the processes and procedures of establishing a business on the Navajo Nation. The business plan required for any formal business on the Navajo Nation is technical, but the government officials all mentioned that they can provide assistance, though the overall problem is learning the technicalities of establishing a business and maintaining it. What the government officials noticed in their experience is that many businesses will start but

the business owners lack the knowledge to maintain operations because they do not know about taxes, business plans, or how to re-invest in their own business.

I think that with college students that are out there. Please really take those business classes like the financials and your business plan. How to really develop them. That will really help you if you want to become an entrepreneur on the Navajo Nation because it is a big struggle. I know that it's tough in the beginning but once you get in, very easy you don't have nothing to do, its jus the beginning, that's all (Government Official, 2018).

These business owners become overwhelmed both financially and emotionally, and they cease operations. The tribal actors focused on the individual who was operating or starting the business as the main mover who would have to overcome all of these obstacles to succeed. One official mentioned that running a business depends upon the owner,

To me, becoming a business orientated, you have to trust yourself. You have to build up what you want to do. You cannot have downfall and say, "how come I didn't get that loan"? It's the individual impact; so it falls back to the individual that is applying for it. You have to be sincere, "I want to do this" (Government Officials, 2018).

Some of the other officials follow this similar understanding of the entrepreneur, which indicates a strong sense of individuality. The officials interviewed believe that a strong introduction into business management can provide a lot of help to entrepreneurs starting and business operators who are maintaining their business, so that entrepreneurs are prepared and confident in their business decisions. They believe that it comes down to the business owner and their ability to learn and adapt, so they can maintain their businesses even though the larger structural issues exists and work to add more obstacles to business development.

In summary, land is a major factor in the business and economic development on the Navajo Nation, and it lends an understanding to why people do not establish formal businesses on the Navajo Nation through the government. Land is held in trust but the Federal government rather than the tribal government which hinders development. Land is sparse due to inaccessibility caused by the land tenure system that favors grazing rather than other types of land use and development. Due to land being held in trust, loans are difficult to obtain by Navajo entrepreneurs, and most do not have required credit scores to apply for loans. As a result, the Navajo government offers some matching funds to bring businesses to the Navajo Nation, but this is still not enough to entice most businesses. Bureaucracy is the result of the Navajo government and the institutions that govern land use and development. This only adds to the onerous process of establishing a business. Business acumen plays a role in the management of Navajo businesses, and the interviews with the vendors suggest that they are willing to learn, so that they can maintain their businesses. Based on the interviews with the government officials, it becomes clear why some vendors would choose to stay in the informal economy. Paperwork, policy, and procedures, can deter any potential Navajo business owner, but when land and finances are added to the equation, it provides an understanding to why the informal economy on the Navajo Nation is as big as it is. The flea market has land available for vendors, fees are small, and it provides vendors mobility. They can meet a standard that suits them without the hassle that comes with formalizing their business operations through the government.

## Recommendations

Our recommendations stem from the data that we collected through surveys and the interviews. These recommendations can address the issues that were brought up by vendors, consumers, and tribal actors. We have learned that the informal economy of the Navajo Nation has a lot of people participating and they have ideas on how to address issues they encounter. The informal economy is larger and more active than previously thought. Due to the linkage between the informal and formal economy, we have created recommendations that address the informal economy and the formal economy. Land, finance, and business classes were repeated by the government workers and infrastructural needs, loans, rules, and organization were mentioned by the vendors and consumers. These recommendations are just the beginning of a the research that is needed to understand the political economy of the Navajo Nation as well as the obstacles the Navajo people will face in pursuing a more diverse economy.

- First, Navajo central government can create a Range Management Plan for the Navajo Nation that includes areas for formal businesses, flea markets, grazing activities, and other uses. This land management plan should reduce the bureaucracy that hinders development via the grazing permittee approval process. This management plan should make land accessible for alternative uses and development. This steps increases land accessibility for Navajo citizens. Eventually the Navajo Nation government needs to challenge the status of “trust land” for all of the Navajo Nation. The main component of development entails that the communities have full control and use of their lands. For Navajo people who have been lived in Diné Bikéyah, since time immemorial, they

should be given full control and use of their traditional home land. Following are the recommendations that relate to the internal policies of the Navajo Nation.

- Second, the Navajo Nation needs to assist and support chapter houses in their pursuit for local empowerment. Chapter houses can become channels where development occurs with the planning coming from central government. A combination of local and central government can foster development particular to each communities needs.
- Chapter houses should actively withdraw land for flea market space with the assistance of the Community Land Use Plan (CLUP) at every chapter house. The CLUP committee can identify areas for for potential flea markets. This allows for vendors and consumers to participate in an area specifically designated for business.
- Allow chapter houses to manage and withdrawn lands or current flea market area. The chapter house will set and collect fees based on the community's decision. Chapter houses can create rules and procedures for the flea market area. This allows for community participation as well as a form of accountability. For chapter houses that exist with a flea market already existing, they can create a standard that flea markets should follow that will favor the vendors and consumers.
- Chapter house utilize fees to develop necessary infrastructural need such as water, electricity, shade buildings, bathroom, fencing, and security. Chapter houses can provide security, advertisement, and what else the community decides to pursue. The chapter house will manage the day to day operations of the flea market either directly or by establishing a committee who can engage the public with meetings.

- Navajo central government can allocate funds specifically to be used for flea market; infrastructure, micro loans, and business classes. These will be utilized at the local level. The central government can begin to issue business licenses and classes for those who wish to establish businesses beyond the flea market.
- A program to advertise the flea markets of the Navajo Nation can be created to inform tourists. Signs and attractions can be built to invite tourists to the flea markets. This will help tourism supply money to local communities
- The central government can also create policies that can allow for Navajo farmers to sell their produce at grocery stores and schools. Navajo Nation should incentivize farmers to sell their produce at the flea markets so that healthy foods are available for Navajo people. The Navajo government can encourage agricultural activities and healthy eating.
- Navajo farmers have the ability to produce healthy foods for Navajo consumption but the necessary infrastructure and financial support is missing. The Navajo Nation can work to provide micro loans to farms and insurance policies to encourage a growth in farming initiatives and healthy food production.
- The Navajo Nation needs to reduce the paper work and fees that are entailed in the business as well reducing the amount of offices and signatures needed for a business to get approved. One way to cut down on bureaucracy is to eliminate the need of a resolution to initiate a business at the local level. Eliminate the need for business leases

to go before the Economic Development Committee, they can still operate and review business leases as well as assistant regional business development.

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## Appendix A

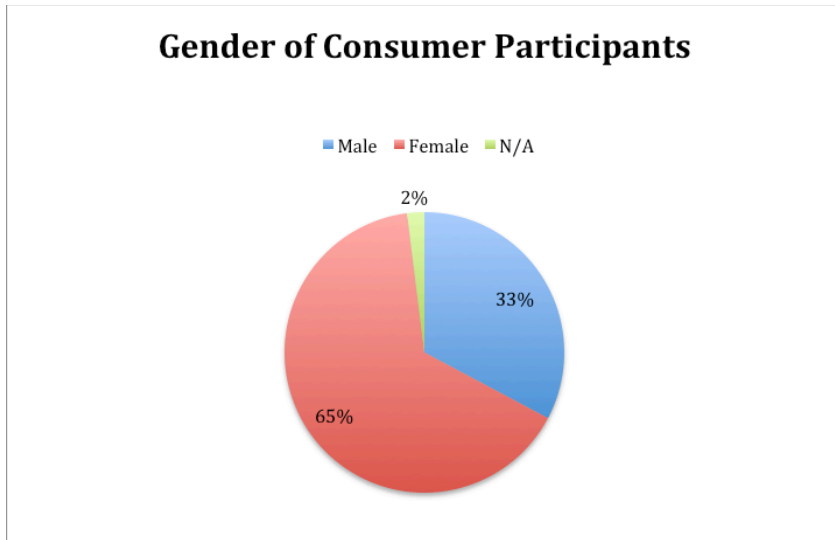
Table 1 Consumer Survey Averages

	Age	Estimated Yearly Income	Distance Traveled (Miles)	Time Spent (Minutes)	Money Spent Per Visit
Gallup	35 years	\$31,738.64	107.1	110	\$46.64
Tuba City	45 years	\$34,056.00	48.2	89	\$47.74
Kayenta	45 years	\$36,057.81	37.6	65	\$34.36
Shiprock	43 years	\$52,272.87	67.3	79	\$44.89
Window Rock	46 years	\$48,429.17	112	91	\$37.24
Chinle	46 years	\$29,925	27.2	83	\$22.54
Dilkon	44 years	\$22,125	54	161	\$26.65
Yatahay	52 years	\$46,600	32.6	83.66	\$32.33
Tsaile	29 years	\$32,666.67	5.3	21	\$9.25
Sheepsprings	44 years	\$30,611.76	56.2	132	\$40.35
Lechee	45 years	\$52,700	36.7	44	\$29.00
Crownpoint	47 years	\$26,148.58	51.3	30	\$63.46
Inscription House	51 years	\$36,454.55	21.9	62	\$18.46
351 surveys	45 years	\$36,554.75	54.18	84	\$36.97

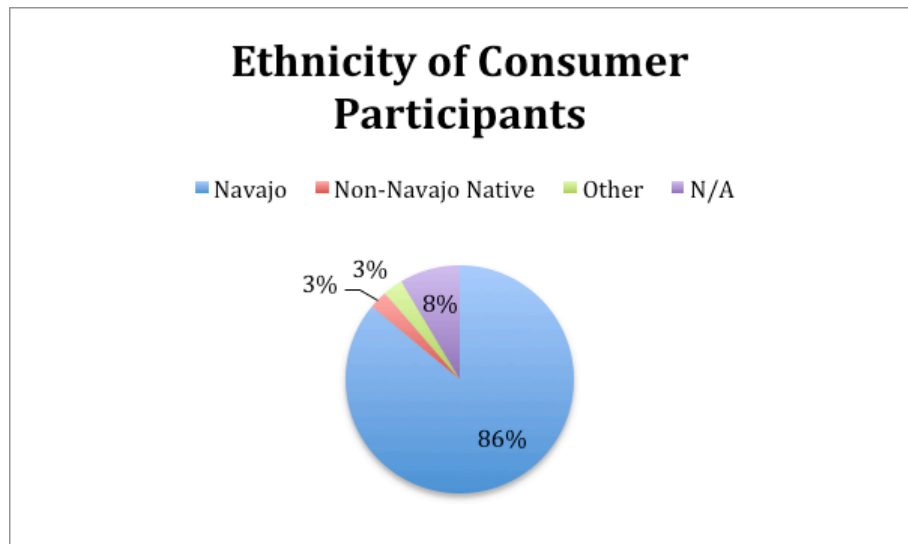
**Table 2 Producer Survey Averages**

	<b>Age</b>	<b>Estimated Monthly Income</b>	<b>Estimated Yearly Income</b>	<b>Distance Traveled</b>	<b>Profit at Each Visit</b>
Gallup	49 years	\$861.79	\$17,247.83	92.43	\$202.59
Tuba City	48 years	\$816.29	\$14,542.86	66.28	\$294.06
Kayenta	49 years	\$509.12	\$24,940.71	69.24	\$203.59
Shiprock	47 years	\$567.50	\$13,129.41	55.48	\$208.04
Window Rock	44 years	\$464.5	\$27,201.54	137.85	\$190.30
Chinle	45 years	\$868.33	\$20,320	40.60	\$315.95
Dilkon	45 years	\$695.43	\$15,132.14	52.67	\$102.62
Yatahey	53 years	\$455.88	\$15,275	67.87	\$150.31
Tsaile	44 years	\$195	\$35,800	20	\$47.73
Sheepsprings	46 years	\$256.96	\$18,507.50	48.30	\$104.04
Lechee	42 years	\$405	\$23,916.67	22.95	\$155.79
Crownpoint	45 years	\$470.47	\$16,233.50	20.60	\$53.35
Inscription House	46 years	\$393.27	\$17,070	41.22	\$73.79
385 surveys	46.46 years	\$588.90	\$19,022.51	57.69	\$180.81

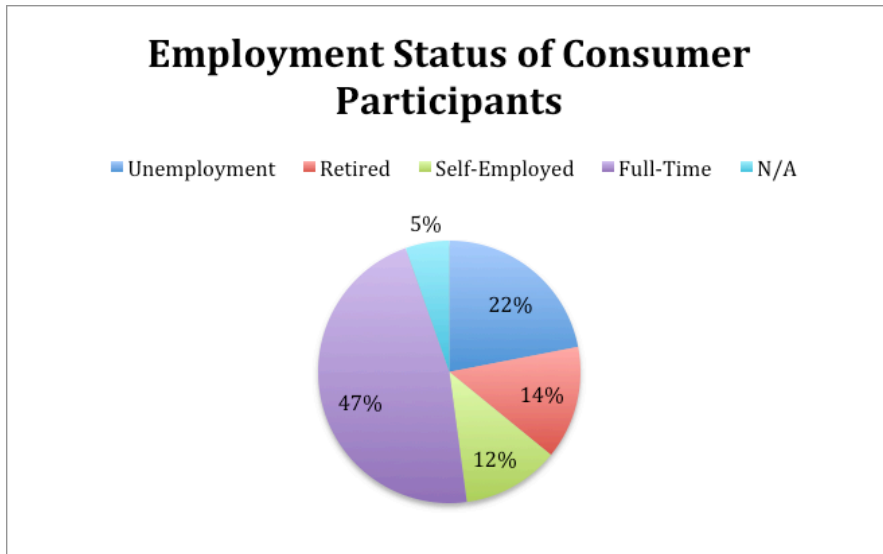
### Appendix B: Consumers Graphs



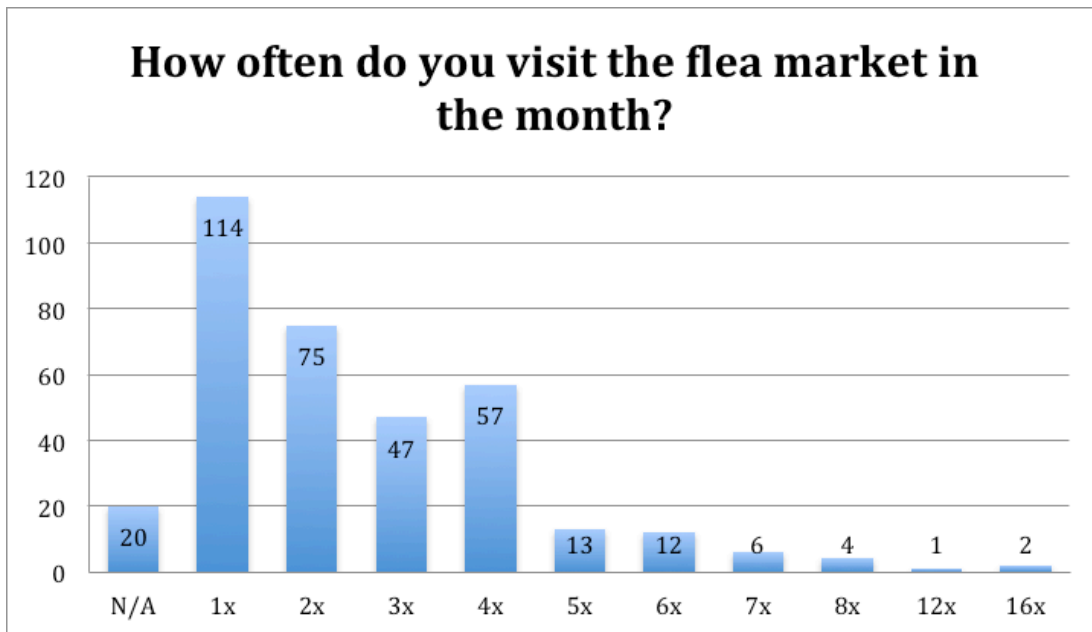
Graph 1: Gender of Consumer Participants



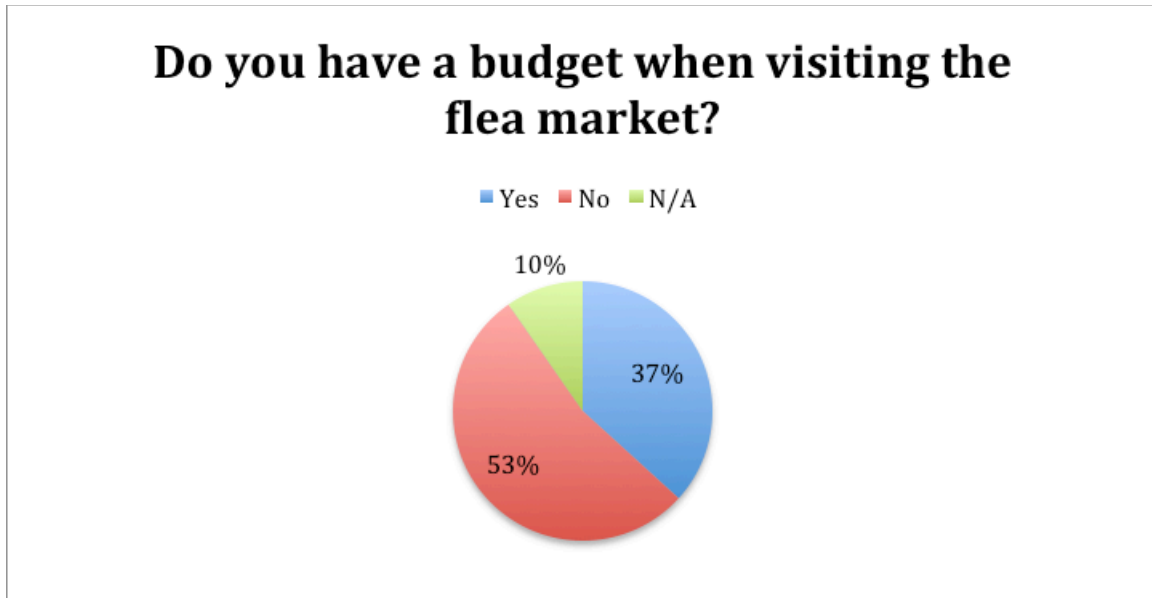
Graph 2: Ethnicity of Consumer Participants



Graph 3: Employment Status of Consumer Participants

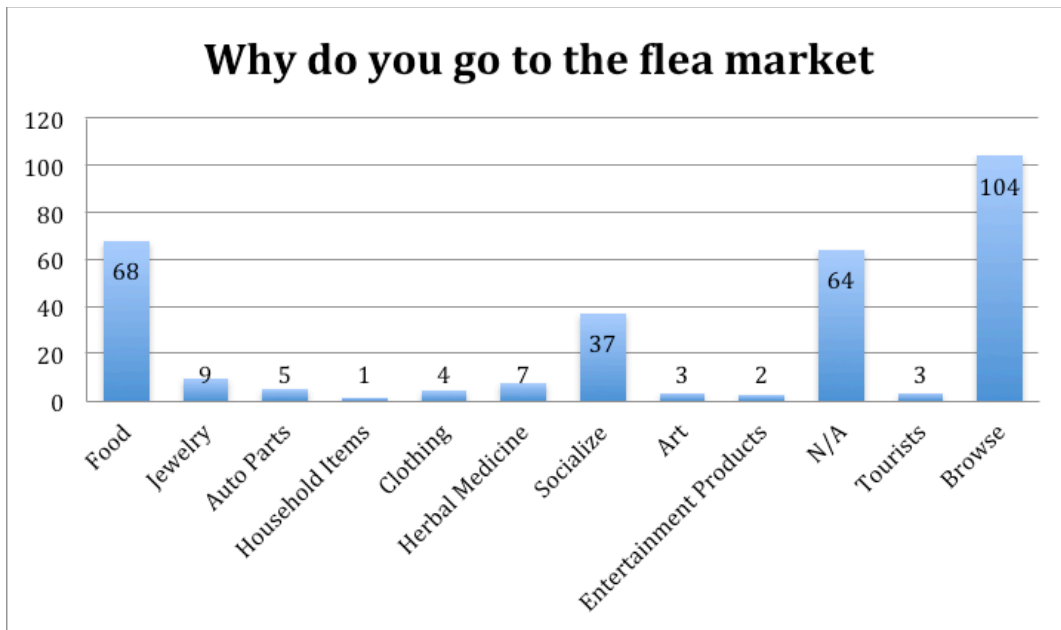


Graph 4: Monthly visitations by Consumer participants

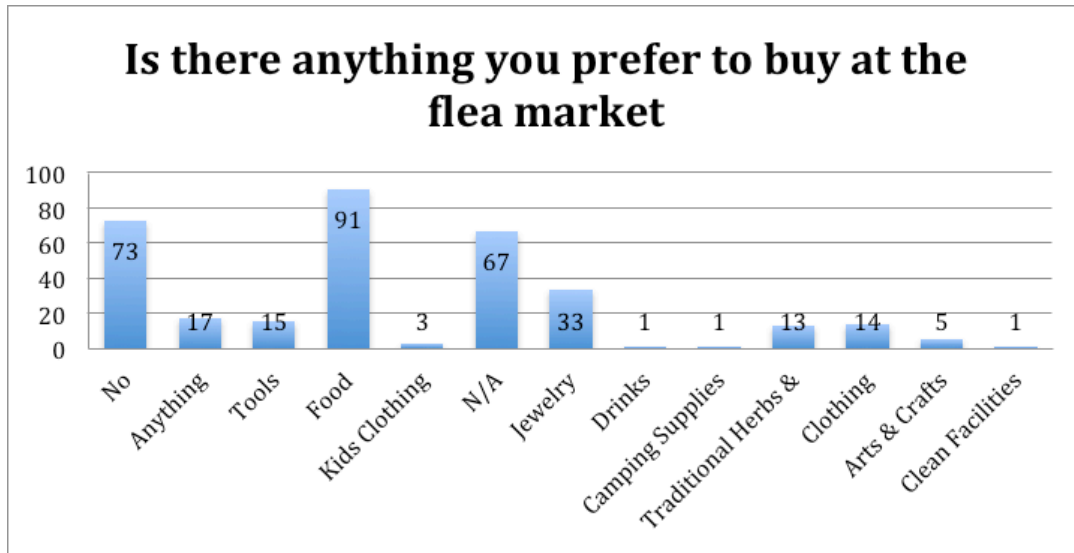


Graph

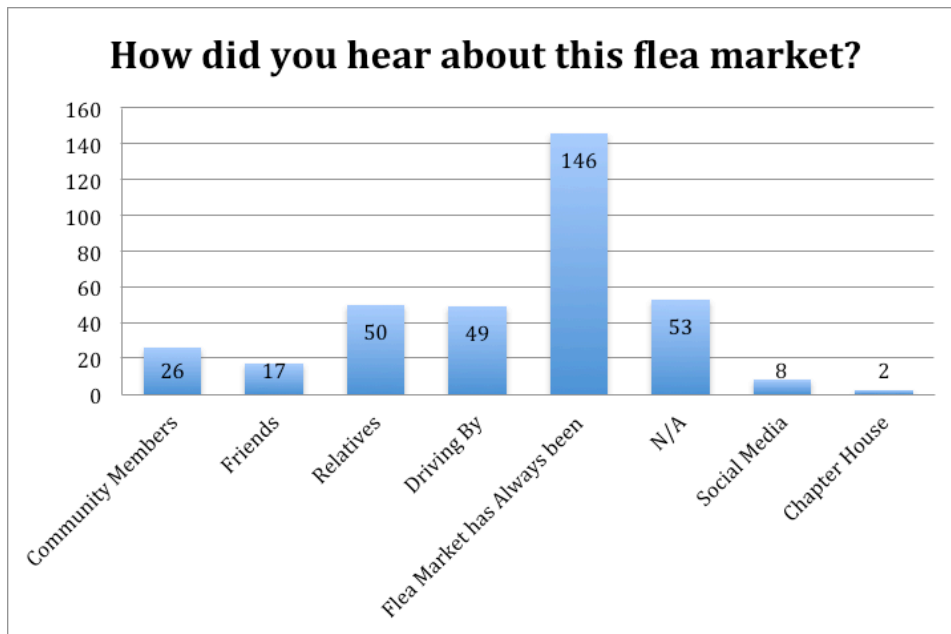
4: Percentage of Participants with Budget



Graph 5: Why Participants go to the Flea Market

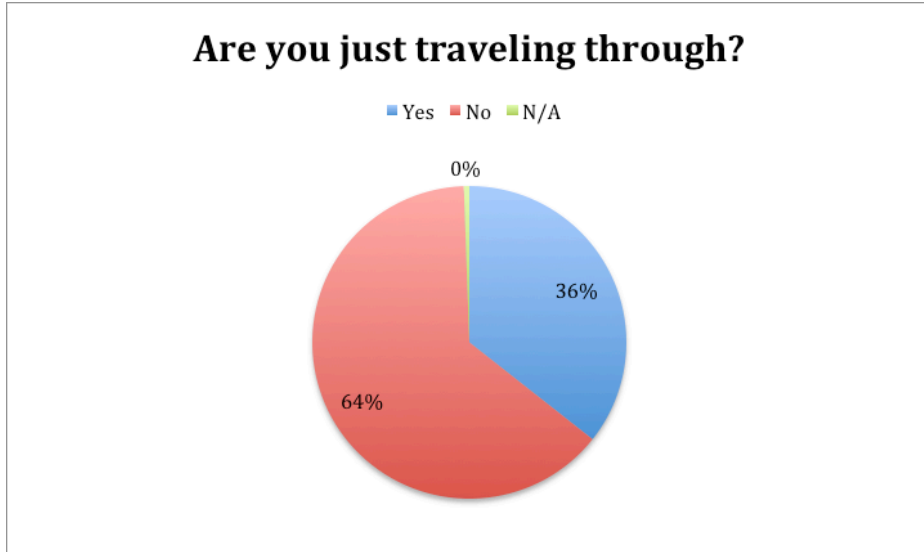


Graph 6: What Participants Prefer to Buy Flea Market

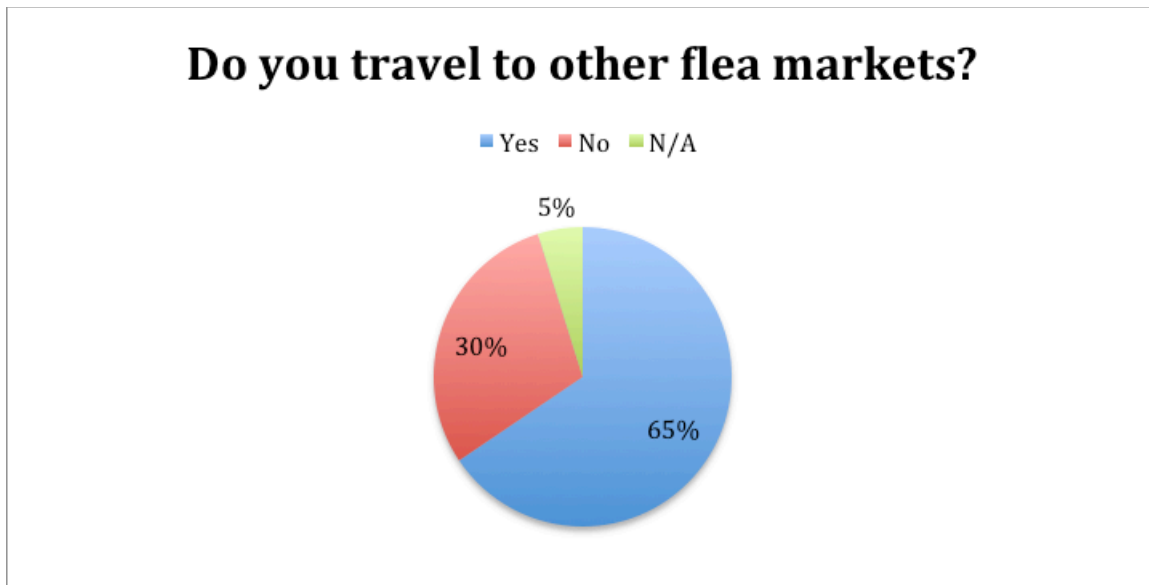


Graph 7: How Participants Learned About Flea Market

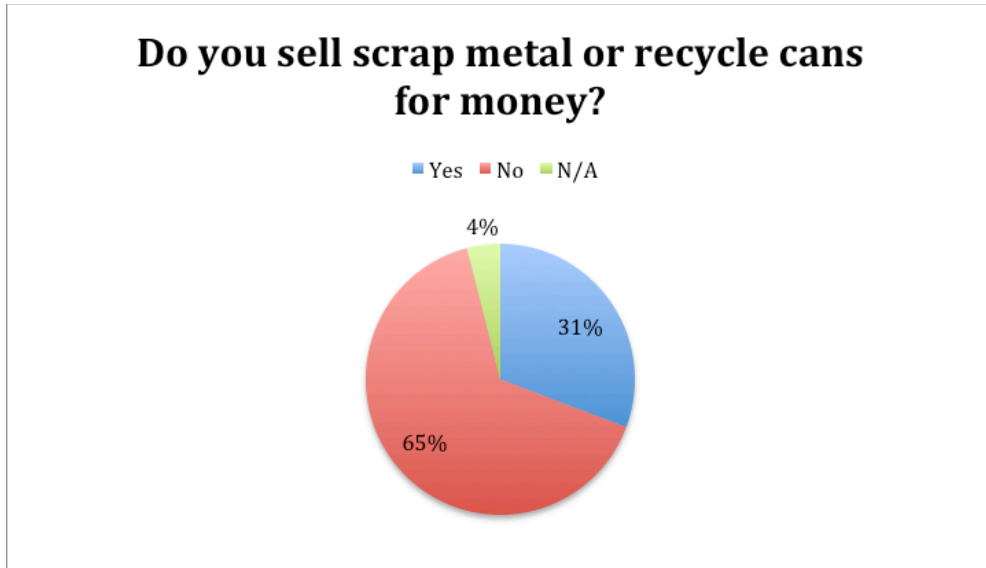




Graph 8: Percentage of Participants Who Were Passing Through

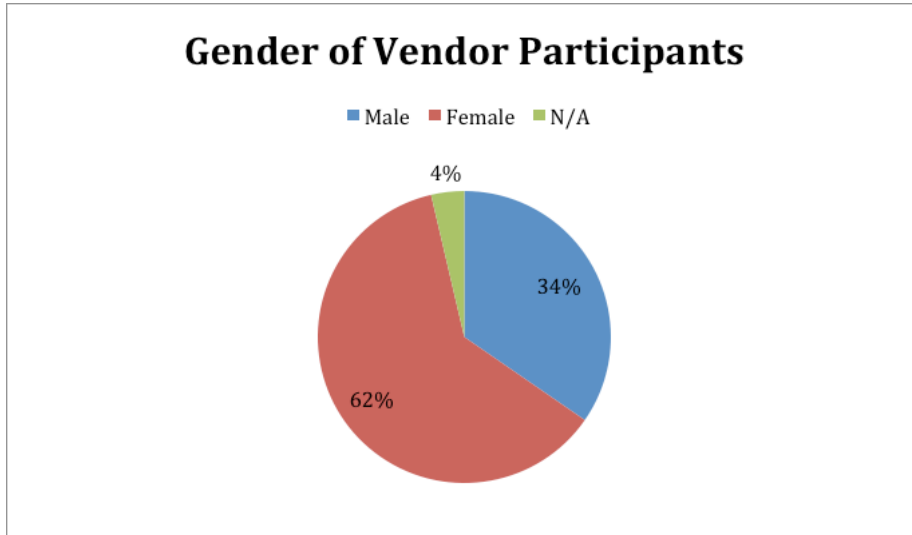


Graph 9: Percentage of Participants Who Visit Other Flea Markets

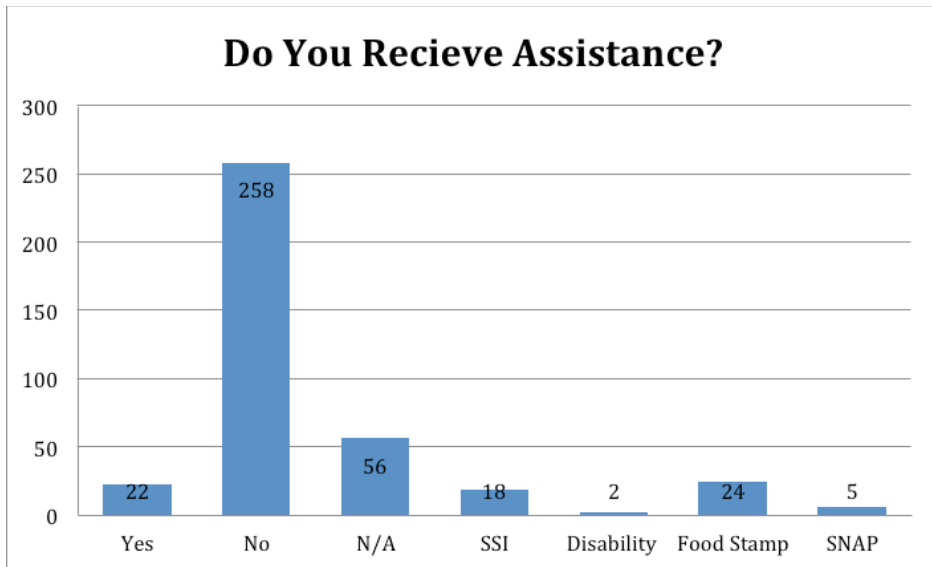


Graph 10: Percentage of Participants Who Sell Scrap Metal or Recycle Cans

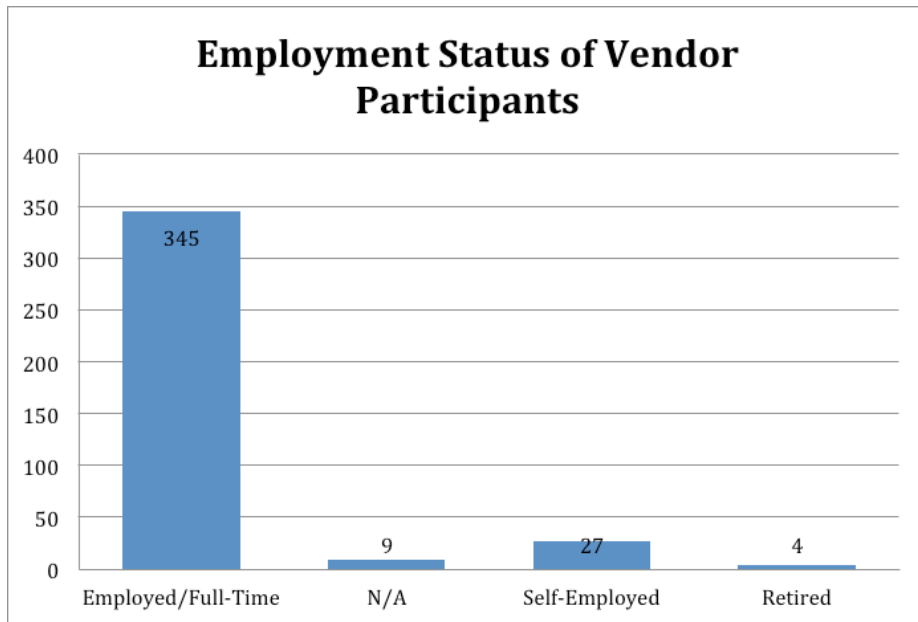
### Appendix C: Producer Graphs



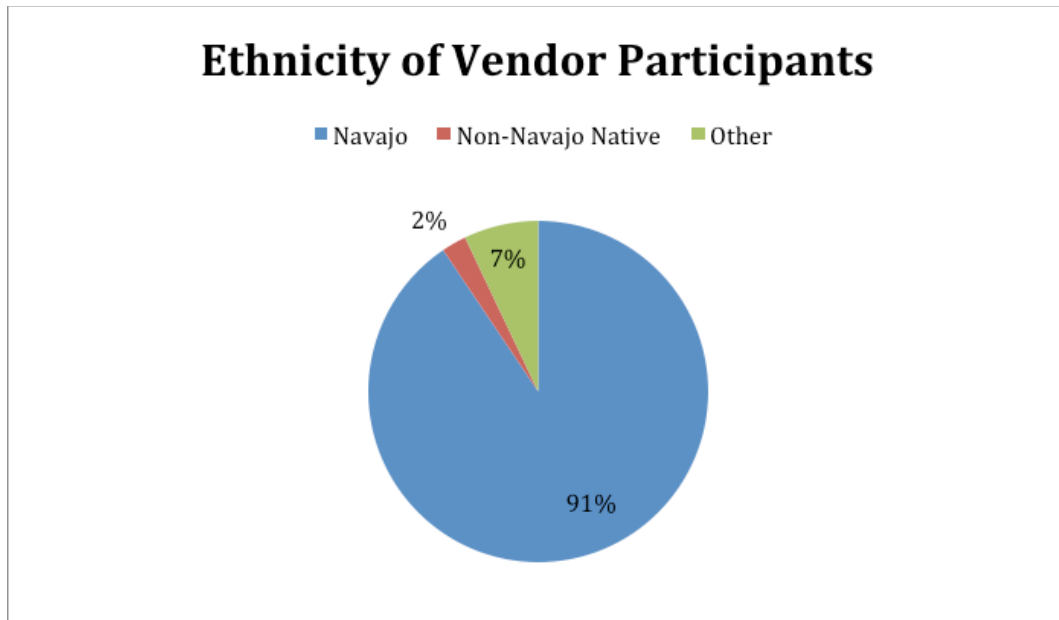
Graph 1: Gender of Participants



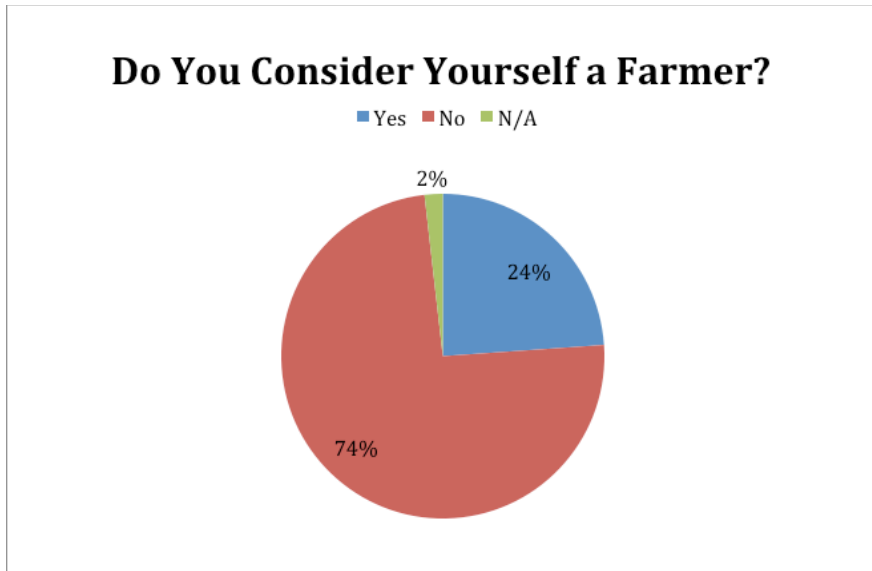
Graph 2: Types of Assistance Receive



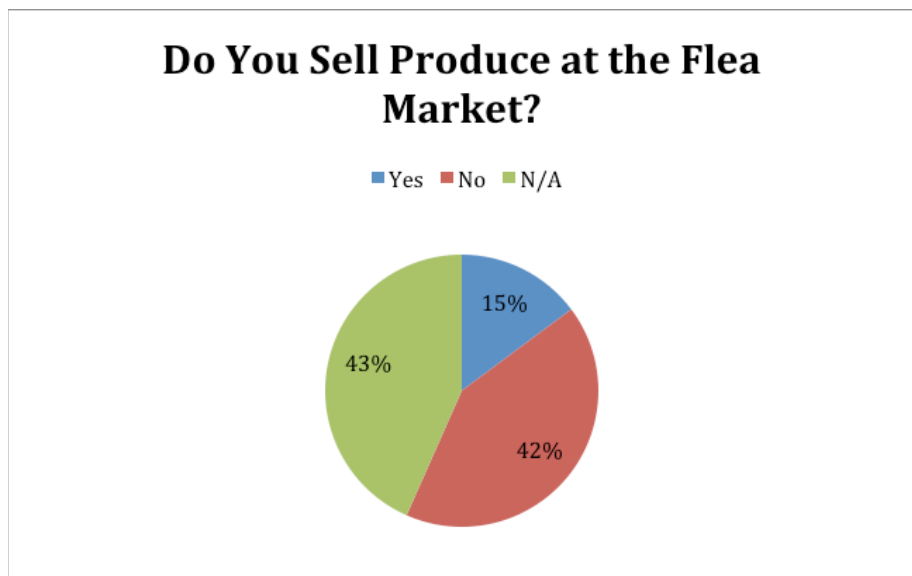
Graph 3: Employment Status of Participants



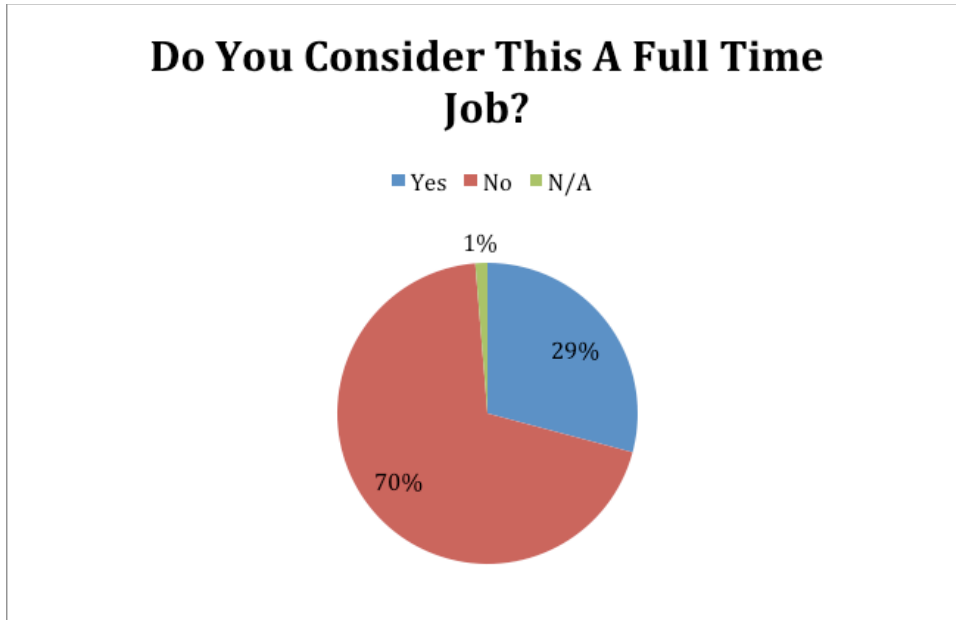
Graph 4: Ethnicity of Vendor Participants



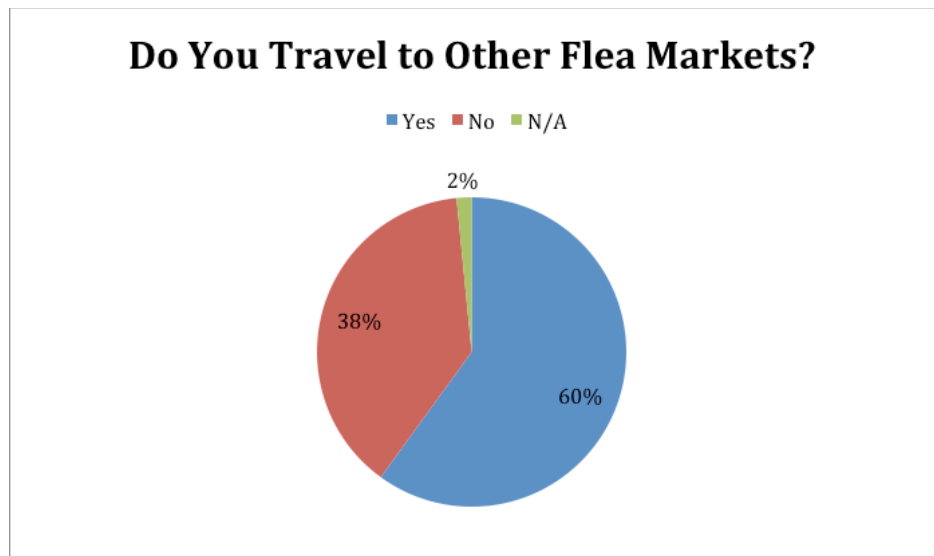
Graph 5: Percentage of Participants Who Consider themselves Farmers



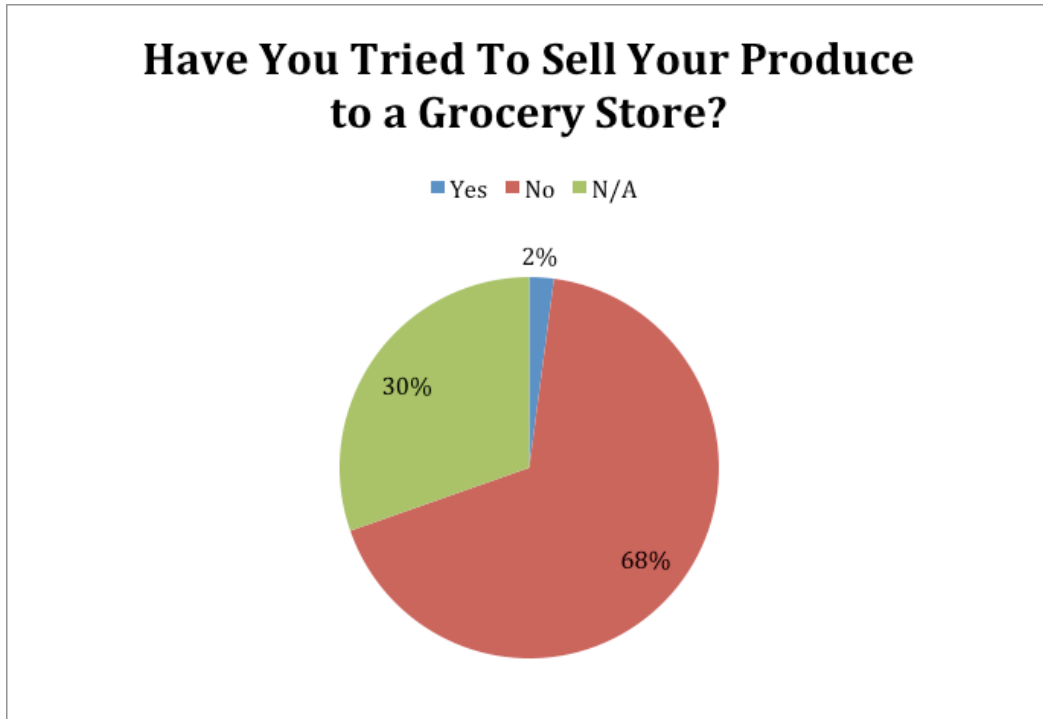
Graph 6: Percentage of Participants Who Sell Produce at Flea Market



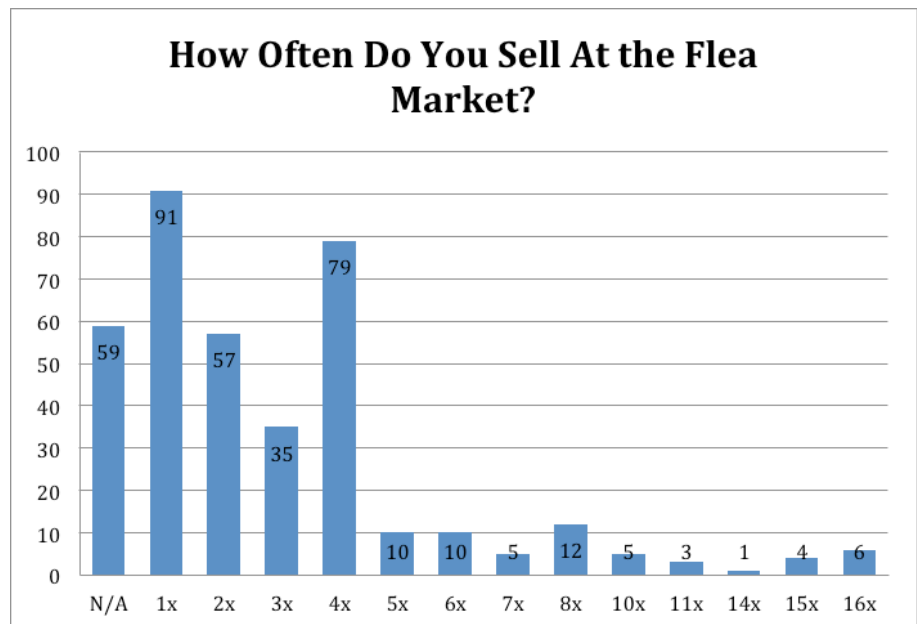
Graph 7: Percentage of Participants Who Considered Flea Market a Full Time Job



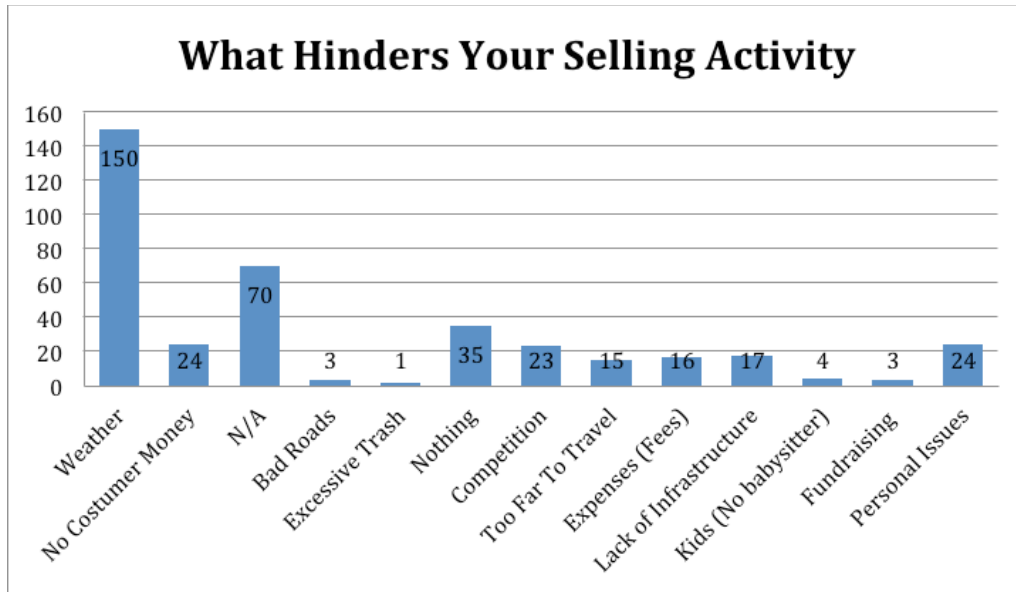
Graph 8: Percentage of Participants Who Sell at Other Flea Markets



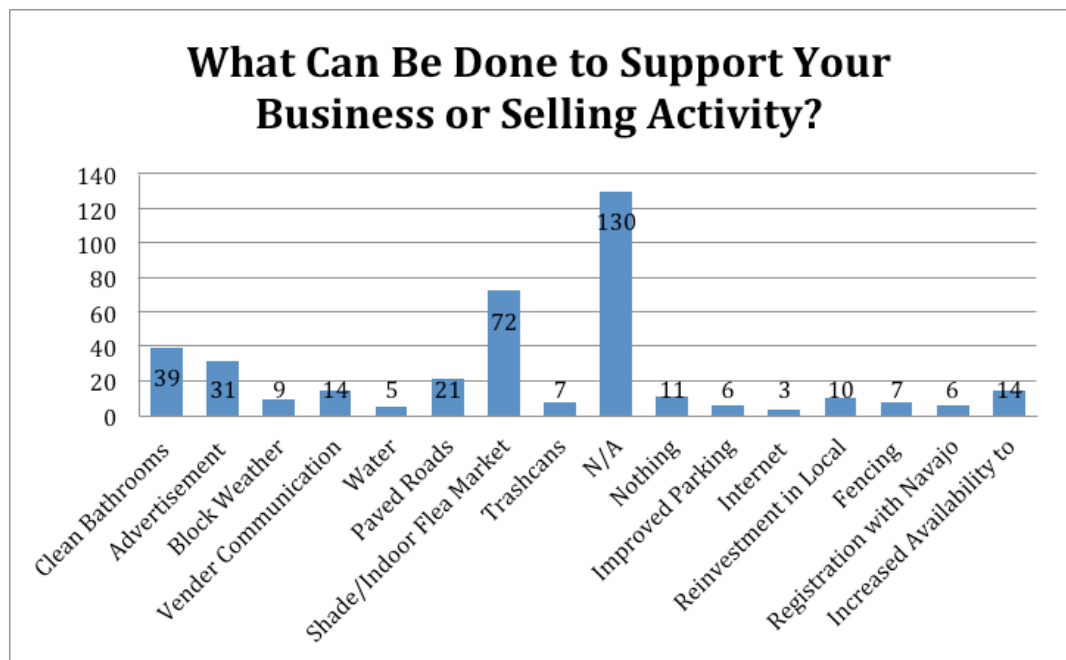
Graph 9: Percentage of Participants Who Sell Produce at Grocery Store



Graph 10: How Often Participants Sell Flea Market



Graph 11: Factors that Hinder Selling Activity of Participants



Graph 12: What Can Be Done to Support Vendor Participants