

CHANGE LABS AND CAUSAL DESIGN

Recommendations to improve the ease of doing business on the Navajo Nation

Based on our analysis of the business environment of the Navajo Nation, several cross-cutting themes emerge that Change Labs or any entrepreneurial support organization (ESO) or group can act on. These recommendations fall into a framework that considers recommendation dimension, timeframe, and relevant stakeholders. The four dimensions recommendations are framed against are:

TIME the time or number of days an entrepreneurs must make in order to complete a process

COST the monetary cost of completing a business activity

COMPLEXITY the number of procedures or how complicated it is to complete a process

QUALITY OF REGULATION regulations that have been shown to facilitate beneficial business activity.

TIME

Recommendations to address the investment of time or number of days an entrepreneurs must take in order to complete a process

Recommendation 1

Create easier access to land for business purposes by shortening the time it takes to get a business site.

Key Stakeholder

Navajo Nation Land Department

SHORT TERM

Change Labs and ESOs can work closely with small business owners in the short term to assess where they are in the business site process and identify the most time efficient way forward.

A number of procedures may be completed more quickly through private services, such as GPS land surveys, cultural clearances, biological / environmental surveys, and contractors. In the near term, Change Labs and ESOs could compile a catalogue of resources necessary for privately pursued procedures. By having a number of trusted resources available for businesses seeking site leases or land withdrawal, it reduces the amount of time a business may spend negotiating with tribal services or seeking out external resources on their own.

LONG TERM

In the long term, relationships with supporting agencies such as DED and NN Land Department can be established and leveraged to bring officials into community meetings to specifically discuss bottlenecks to the business site process with the goal of identifying priority areas for reform.

Recommendation 2

Leverage technology to create a frictionless experience for business owners and other members of the business community to facilitate more economic activity.

Key Stakeholders

Navajo Nation Division of Economic Development; Navajo Nation Land Department

SHORT TERM

In the near term, Change Labs can continue to build, update, and promote Build Navajo (buildnavajo.org) as a central database of how to complete essential business functions, such as registration and tax compliance. Additionally, Build Navajo can serve as a virtual hub to access forms and provide guidance on where & when to file them.

LONG TERM

In the long term, Change Labs can use its position as a central business resource to encourage conversations with relevant tribal government stakeholders (DED and Tax Commission) on how to easily facilitate essential business functions (such as registration or taxes) and encourage technological progress. This is especially relevant given "the new normal" and the decreased accessibility of in-person activity. An example advocacy goal for Change Labs is for the Navajo DED and Tax Commission to compile a Navajo business portal that can serve as the single virtual place that a business could visit to access resources and file essential forms online, such as business registration, Navajo certification, registering for and paying taxes, and submitting forms for land withdrawal and site leasing.

Recommendation 3

Decrease the time and subsequent cost burden of judicial processes for entrepreneurs.

Key Stakeholder

Navajo Courts

SHORT TERM

Change Labs and other ESOs can serve as a mediator for commercial disputes to achieve a fair compromise/consensus outside of a trial in order to avoid the onerous judicial process altogether.

When a dispute cannot be settled external of the judicial process, Change Labs and ESOs can minimize the financial impact of long commercial dispute trials through grant or loan programs for businesses in the judicial process.

Change Labs and ESOs can help businesses avoid legal fees altogether by creating Self-representation guidance for commercial disputes. This research found that the exaggerated length for commercial dispute resolution dramatically increases the cost of attorney fees to be upwards of 85% of the claim value. However, self-representation is a way around these legal fees, with the caveat on the time and stress it would impose on businesses. Change Labs and ESOs would mitigate this by creating guidance documents for this process in order to ease the burden on firms.

LONG TERM

Change Labs and ESOs can advocate for judicial improvements that lower the time and implicit cost burden to entrepreneurs. For example, strict time limits on the amount of time to schedule hearings and issue judgement, incentives to adhere to these time limits, such as sanctions on judges or lower court fees if the time limits are violated, and increasing the amount of judges & clerks available at each district court.

COST

Recommendations to address the monetary cost of completing a business activity.

Recommendation 1 Make accessing electricity cheaper.	
Key Stakeholder	Utility Service Providers (Navajo Tribal Utility Authority)
SHORT TERM	LONG TERM
In the medium term, Change Labs and ESOs can begin engaging NTUA around the potential for providing supportive subsidies and streamlining service delivery to Navajo small business owners.	By actively tracking the benefits of such programs, a long term strategic goal may include the creation of government or privately backed programs are meant to support small business in meeting this financial burden while engaging utility service providers on ways to reduce costs.

COMPLEXITY

Recommendations to address the number of procedures or how complicated it is to complete a process

Recommendation 1 Create easier access to land for business purposes by identifying and limiting the number of procedures necessary for land acquisition.	
Key Stakeholder	Navajo Nation Land Department
SHORT TERM	LONG TERM
In the short-term, Change Labs and ESOs can compile and make available the various processes and steps necessary for land acquisition along with the direct and indirect costs of each approach.	In the longer term, Change Labs and ESOs should develop an active engagement or partnership with the Navajo Nation Land Department to provide a long-term strategy for addresses bottlenecks around land acquisition. This might include initial workshops to better understand critical barriers from multiple stakeholders that transition into collaborative study of potential solutions.
Illustrative policy solutions include: Reduce the number of reviewers for business site leases; set a time limit for each stage of the site leasing process; create incentives for the departments to adhere to the time limits, such as cases automatically advance to the next stage if they are not reviewed in time, or financial compensation to the applicant; expedited processes for industries that are not highly extractive or environmentally harmful, such as tourism, retail, arts, culture, food and food security.	

QUALITY OF REGULATION

Recommendations to improve the regulations that have been shown to facilitate beneficial business activity.

Recommendation 1 Increase transparency & create clear processes.		
Key Stakeholders	Business Support Associations; Navajo Nation Business Regulatory Department, Navajo Nation Division of Economic Development	
SHORT TERM		LONG TERM
Positioning Change Labs further as an aggregator of necessary regulatory information is an immediate action that can be undertaken to increasing transparency of the overall business regulatory environment.	In the medium term, understanding whether or not partnering organizations focused on specific regulatory areas can be leveraged to create fuller network of business support services, such as associations united around specific sectors like tourism, can be the first step in actively creating a more supportive ecosystem.	Long term goals would include advocating for reform and initiating processes for internal review of government policies or tracking the impacts of reform.

Recommendation 2 Define the building permitting process for private construction.	
Key Stakeholder	Utility Service Providers (Navajo Tribal Utility Authority)
SHORT TERM	LONG TERM
Because clear construction standards do not exist, it is largely up to the private contractor to adhere to county standards. Change Labs can utilize its experience building its own co-working space and other contacts to connect businesses seeking construction activity to qualified, Navajo contractors & engineers who will be able to build safely without tribal government oversight in the near term.	In the longer term, Change Labs and ESOs can engage Community Development to create an internal structure for setting building standards that apply to privately pursued construction (as they already do so for tribal government construction), as well as the systems to accept, review, and issue permit applications.

Recommendation 3

Invest in electric infrastructure that eases burden on businesses.

Key Stakeholder

Utility Service Providers (Navajo Tribal Utility Authority)

SHORT TERM

In the short term, Change Labs and ESOs can compile all the ways of accessing support for addressing electricity needs, whether it centers on service delivery or establishing connection.

In the medium to long term, detailing the primary issues facing local business owners or working closely with an association that does would allow for Change Labs and ESOs to assist utilities and government agencies in better understanding the administrative and implementation difficulties facing the business community. Creating a strategy that leverages this into dialogue between small business and utility providers can be a strategy for ensuring meaningful change and reform to the current process.

To learn more about the research that defined these key recommendations, please visit nativestartup.org/doingbusiness to read the full research report.