

# Want Real Economic Transitioning for Appalachia? Draw on Best Ideas from All Sectors!

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*“We shouldn’t pin our hopes on economic growth,”* said Bill Moyers on his PBS program last year. People in Appalachia might well say, “What else should we hope for?”

The country’s attention to climate change and energy transitioning has led to an opportunity for economically depressed Central and rural Appalachia that is both exciting and thought provoking.

- Will shifting energy priorities help to restore the economy of the region?
- Are Central Appalachians going to serve the country’s energy needs as we have done for decades, while the environment and communities are destroyed?
- Will we re-create the one-industry economies that are partly responsible for leaving areas of the region so economically and environmentally devastated?
- Will we bring jobs and economic enterprise to long-suffering areas at any cost?
- Should the race to grow jobs and create assets in the region take precedence over values, culture, environment, the future?

There is more to pin our hopes on because we believe there are ways the region can creatively develop economic growth and also develop democratic and community-based methods and models of doing it that bring us into community and equal opportunity and benefit. Appalachia is loaded with thinkers, doers, philosophers, builders, growers, mechanics, miners, activists, farmers, teachers, homegrown leaders, students, artists, and others who share a vision of our future that looks at *how* we do things and not just *what* we’re doing. Transitioning to a new economic reality in Central Appalachia can be a chance to build a democratic, inclusive, allied and compassionate region for all.

*As a philanthropic resource and a regional grantmaker* for 23 years, the Appalachian Community Fund has a vision of economic development that cannot be separated from the economic, social and political history of the region or from the current problems the communities of Central Appalachia face. (Central Appalachia is defined here as Southwest Virginia, Eastern Kentucky, East Tennessee and the state of West Virginia). The needs we have seen presented to us for 23 years run the scale from such basic services as food and housing to astute policy work on tax reform, community health, and environmental degradation, among many others.

***The right of people to organize themselves to be advocates for the changes their communities need, and the belief that people have the ability to do this organizing, are two of the fundamental principles that should underlie strategies for economic improvement.***

If we are intentional, we can address and accomplish economic improvement, renewable energy development, community-based economic reformation, job creation and economic justice at the same time we continue to press for policy and power changes necessary for true economic change.

In addition, any economic development efforts must include:

- Listening to residents from all places in the region, especially to those who are most affected by poverty and those whose love of their community and innate intelligence can offer creative and imaginative solutions;
- Recognizing and dismantling the structural inequalities regarding race, gender, income and education that are preventing people from gaining ground;

- Providing resources, training, and support networks to organizations that are creating innovative and inclusive responses to the challenges faced by low-wealth individuals and marginalized, primarily rural, communities.

Appalachia's residents have lived with powerlessness for more than a century due to the predominance of outside, mostly corporate, ownership of land and the resources contained therein. There are multiple profound challenges to solving problems and changing conditions here: individuals and communities are poor; tax revenues are low; government services, public institutions and infrastructures are inadequate and inadequately maintained. While some areas of the region seem to show economic progress, it is critical to acknowledge the scale of poverty and economic distress in Central Appalachia — a scale and depth that is historical and structural. The economic problems of the region, which have their basis in ownership and control of land and resources, could be turned around to be the foundation of a new economic reality — one that is inclusive, democratic, environmentally responsible, and beneficial to people, creatures and land.

Among the challenges identified by Appalachian residents are racism, economic injustice, sexism, homophobia, environmental destruction, lack of capital, lack of health care, and the huge wealth divide. Citizens confront inadequate public funding of schools and infrastructure, inequitable tax structures, low levels of public health and financial literacy, and lack of leadership development opportunities in rural communities. Low-wealth youth, the elderly, single mothers, sick and unemployed workers, gay and lesbian populations, people of color, Native Americans and new immigrant groups can be manipulated and ignored by entrenched powers who control public funds and policy. Often, well-conceived initiatives are imported without broad community input and understanding of the unique history, character, challenges and strengths of the region. And entrenched, corrupt local governments and stagnated public policy have failed to generate or adequately support sustainable economic and energy alternatives.

No doubt the last year of national economic instability and recession will have worsened these figures, but the numbers still paint the grim economic picture we are all too familiar with:

- The official poverty rate approaches 20%.
- Regional "minorities," not surprisingly, suffer more: the African American poverty rate is 30% and the rate for Latinos/Hispanics is around 22%.
- Median income in this region is \$28,531, or 2/3 of the national median.
- West Virginia has the second lowest median income in the nation, and it is currently published that 13.3 million people are in poverty in the region as a whole.
- Many jobs are part-time or in service sectors, below minimum wage and lacking benefits.
- Central Appalachia is about 82% rural, and low-income people are often far from existing government service providers, health care facilities and potential job or training opportunities.
- Good roads, utilities and markets, in addition to the cooperation and approval of public officials and local leaders, are crucial.

Given that the region's economy has its basis in the extraction and removal of wealth, the devastation of land and water, the legacies of corrupt and short-sighted power systems and politicians and an historic attitude by corporate interests that the people and the communities of the region are less than worthy (and therefore can be exploited, disparaged and thrown away), goals for economic improvement should begin by addressing structures and systems. This should include providing a fair and living wage with benefits to all workers; involving the communities that will be affected in planning and directing projects and programs that will respect the environment, that will benefit the many, not the few, that will happen in tandem with education at all levels, and that will be humane, just, and healthy. If indeed we could develop policy and entities to claim some of the back and current coal revenues and corporate landowner taxes, such monies could fund community hospitals, clinics,

schools, child care and development centers, arts and cultural centers, parks and greens, and develop media and technology — all of which would create more employment.

We could begin with:

- Divesting corporations of their chokehold on resources and land and place the control and decision-making with local or state special committees, associations, or advisors;
- Outlawing surface mining of coal and clear cutting of forests;
- Pressuring corporate and absentee owners to pay their fair share of taxes and to make reparations for resources they have removed for huge profits not shared by the region;
- Putting adequate money and training into building up basic infrastructure, cleaning up the waters, fixing the schools, and supporting and facilitating community organizing through which people can think and act together on what would work best in their community, town, county or city.

We believe communities should resist replicating current or past economic structures, institutions or projects that have not served Appalachia well. The continued push to attract industry, including car manufacturing and prisons, where communities offer breaks and other subsidies, seems to mainly benefit the companies and not the communities. There are notable exceptions that could serve as models — for example, the Green Mountain Coffee Roasters who recently opened a plant in the Knoxville area. GMCR have a corporate policy around the environment and are accountable to the communities where they are located.

An economic concept that is gaining visibility and “buzz” in the US and that has seen strong results in other parts of the world is the Solidarity Economy Network (SEN). Based on a set of principles and values that are about relationships and connections rather than a structure, SEN concepts organize “initiatives around interconnected phases of economic life: creation, production, exchange, consumption and waste. Creation: where do basic raw materials come from? Production: how are goods and services produced? Exchange/transfer: how do goods and services move from production to use? Consumption: how is the use of goods and services organized? Surplus/allocation: how is surplus that is generated in this cycle used and how does it re-enter and reinvigorate the cycle?” (Ethan Miller *“Another Economy is Possible.”*)

Within these categories are a variety of entities that offer broader and more inclusive economic activities. Some of these seem familiar, such as housing cooperatives, barter clubs, community currencies, and producer cooperatives, among many other examples. An example for our region might be something called “common property management regime,” which goes to local control of natural resources. Membership-based, with dues payment and location determining eligibility, the structure’s membership makes collective decisions about extraction: levels of extraction, governance of extraction, and penalties for rule violations. Models of this can be found in Maine’s lobster fishing community, in Northern India and in the Swiss Alps. Another model that might work in Appalachia is ETI’s or economically targeted investment programs, which use pension funds to advance social goals, such as creation of jobs and support of affordable housing, initiatives that often cannot access traditional investment monies. Both New York City and the state of Colorado have had success with this program. The Solidarity Economy Network model also lends itself to education and to civic engagement such as participatory budgeting. In Appalachia the exploration of a different way to control and use resources seems key to economic growth and energy transition.

There are examples and models everywhere that Appalachia could draw from -- The Grameen Bank and Mondragon are well known for their international work and offer lessons that could be applied to the region. Examples in this country include First Nations Development Institute, which serves Native communities all over the country, and the Evergreen Cooperative Initiative in Cleveland. Economic models that offer value and options to the whole community and that view cooperation, community

and democracy as being as important as capital can be essential to thinking about the economy in an area as devastated as Appalachia.

Appalachia has its own models to lift up. For example, our neighbors in Western North Carolina have a local exchange trading system to share skills and services. Important work is being done by Coal River Wind Project, Appalachian Sustainable Development, Rural Resources, and the many groups addressing education, youth, and the environment and how they connect to economic issues. Some of the models we have in the region now are good examples of community sustainable development, e.g., providing locally produced foods to county schools and other institutions and looking at how we can match sustainable economic development with issues and problems.

The potential of the “marriage” between community organizing and sustainable community-based development presents an opportunity to accomplish many things in one ambitious vision that includes climate change and energy development, health care delivery, all levels of education, environmental protection, conservation and transportation, among many other fields. A more complete exploration of possible, small scale, environmentally sane enterprises would take another essay, but some of the more promising ideas include:

- Wind energy — harnessing the brains of Appalachian mechanics and tinkerers of all kinds to retrofit wasteful systems and make them more thrifty and reasonable;
- Fruit and nut tree agriculture (permaculture);
- Livestock culture (in some areas). East Tennessee once was known for its sheep farming, or so we’ve been told. Could we build a wool industry in vacant garment factories?

There is honor in the heritage that we could build on by developing and supplying better forms of energy and developing our leadership for what continues to be called “alternative” forms. As for supplying better forms of energy, there seems to be some denial of the fact that fossil fuels will run out. How long this will take — a decade or a century — is the only question in this regard. If ethanol programs are pursued, there are difficult and complex questions about how much petroleum-based agriculture will be needed to support the production of ethanol, how much petroleum-based food production will be displaced by fuel production, and so on.

The leadership needed for our Central Appalachian revitalization is already around us. There are many vibrant examples of organizations and people who have been working for many years and who continue to bring skills, vision and tenacity to helping Appalachia. The necessary values and skills are part of our lives already: love of place and home; connection with the natural world; the richness and diversity of oral tradition, music, art and craft that come from necessity and ingenuity in using materials at hand; recognition of a history that is invisible to most residents. The contributions, history and presence of Native peoples, African Americans, Eastern Europeans, Italians and Hungarians, as well as the more well known Irish, Welsh, Scots and English immigrants need to be lifted up, honored and made part of our understanding of who we are. A strong work ethic, a history of activism and worker organizing, self-sufficiency born from isolation and distance leading to skills of gardening and home food canning and storing, hospitality and generosity, humor and spirit — all of these characterize Appalachia and are sources of pride and cultural affirmation.

Along with those who have the technical skills and understanding to know which energy-related projects and programs can help Appalachia make the transition from a coal economy, we offer this: At this critical moment when all things can be possible, we have an opportunity not only to turn the economy of the region around in a new and creative way, but also to do it guided by values and principles where everyone is included in the conversation and in the benefits.

Sources:

The Economist

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Center for Popular Economics