

CORPORATE INVOLVEMENT IN THE TRANSFORMATION OF POLITICS
IN ENERGY-IMPACTED COMMUNITIES

Garth Massey

University of Wyoming

Roger Davidson

Colorado State University

Paper presented at the Annual Meeting of the Western Social Science
Association Meeting, Albuquerque, New Mexico, April 27-30, 1983.

CORPORATE INVOLVEMENT IN THE TRANSFORMATION OF POLITICS
IN ENERGY-IMPACTED COMMUNITIES

Political Economy and Energy-Induced Impact

Interest in the structuration of political processes within environments dominated by commercial interests dates from no later than the early nineteenth century. Economically-determined class structure, the power inherent in the control of a society's productive system, and the formation of a state committed to the furtherance of industry were issues explored by Henri de Saint-Simon at least a third of a century prior to Karl Marx's early writings. The topics occupied the interests of several 'masters' of early social science - including Henry Sumner Maine, Max Weber, Alfred Marshall and Thorstein Veblen - and emerged in the twentieth century as the study of political economy, informing all disciplines of the social sciences yet seldom establishing an exclusive domain within the modern university.

Among the most suggestive areas in which the study of political economy can be applied is the phenomenon of energy-induced social change. Longstanding social formations designed to support agricultural systems of production have been disrupted and often made obsolete as new economic interests have become major actors in an area. Patterns of social cohesion, community decision making, leisure and labor have been seriously challenged as inadequate to meet the new expectations and requirements of capital intensive, extra-regionally based, extractive businesses enterprises. In particular, the political institutions and the class structure on which they are based have proven in most (if not

all) cases to be incapable of meeting the needs of rapid change and rationalization necessary to hasten the process of capital accumulation by energy corporations. As a result, these political institutions have undergone major alterations.

This discussion paper is intended to stimulate analysis and further inquiry into the processes by which community political processes change as a response to rapid energy-induced social impact. It assumes a basic familiarity with social impact, concentrating on a major response to the alteration of demographic, economic and cultural conditions commonly associated with the term 'impact'. The discussion is relevant to the energy-induced impact occurring in the Northern Rocky Mountain and Northern Great Plains regions, relying on fieldwork done in several Wyoming communities and particularly in one community, Evanston, Wyoming, located in the southwest corner of Wyoming.*

A Description of Social Impact and Political Change

Following Weber's encouragement in the application of ideal typical models which have both illustrative and heuristic utility - a sketch of the transformation of politics in impact situations sets the scene for the subsequent analysis. What is transformed? What remains the same? What positions retain or develop enhanced importance? What positions wither? Which classes are reduced in political influence? Which classes come to dominate? What economic opportunities require political involvement? Which require an avoidance of incorporation into political decision making?

*Research for work in Evanston was made possible by the support of the Western Rural Development Center for the project, "Social Adjustment and Personal Adaptation in an Energy Boom Town: The Case of Evanston, Wyoming." Richard S. Krannich and Garth Massey, Principal Investigators. The authors also want to thank Patricia Moore for her help in the Evanston fieldwork.

Corporations can generally expect to be met by soon-to-be impacted communities with outstretched arms and cupped hands. They are the source of economic rejuvenation, jobs, a larger tax base, and - for some - new action. Their first personnel (technicians, legal counsel, public relations experts) are required to both sell the project to the local citizenry and pinpoint possible obstacles and pockets of opposition. Intransigent land owners are courted with bids for right of ways and purchases. Local land title officers, bankers and realtors imagine housing developments and land transactions that make them vocal proponents of the corporate interests. Homeowners quickly surmise the possibilities of appreciated housing values. Young couples and parents with adolescent children begin reassessing their expectations of moving elsewhere for employment - their own or their children's. Local public officials see population estimates and projected tax revenue figures, and begin to take seriously a new set of school facilities, an expanded library, a 'modernized' police force, more recreation for the teenagers who seem to have little to do besides driving around and getting in trouble. Local businesses plan for a higher volume of sales, new items are added, expansion and remodeling plans are made. A 'boom fever' is almost universally contagious.

Partly because energy-induced impact has been observed elsewhere, some skepticism and hesitation over negative consequences emerges. Farmers and ranchers suspect that their land or water rights may be compromised. The elderly - with little stake in an expanded economy - know they will be hurt by inflated prices of consumer goods. Long-time

residents begin to feel less comfortable in their local cafes, bars and on the street, as strangers come to outnumber familiar faces. The long-time residents are uneasy about newcomers' expectations for more public services and their intolerance of the casual and informal way of doing the public's business. Among the newcomers is a transient population that contributes little to the community's sense of well being and contains a core of persons who seem to make necessary more police protection, social services, and who generally give the community the image - at least to outsiders - of a boom town.

Stressing the economic and cultural opportunities, the control that will remain with permanent residents, and the enhanced image of a growing, activated community is the function of the corporate public relations personnel. They support their vision by organizing and attending public meetings. They encourage corporate employees to quickly become involved in civic activities: the school board, community recreation, social service planning and governing boards, local Chambers of Commerce and other organizations. They work with financial institutions, real estate brokers, lumber companies and supply stores to arrange business agreements which insure strong political support among the local entrepreneurs. And, to assuage any residual opposition that may remain, technical expertise, financial gifts and help in arranging loans and bonds are provided. These allow for highly visible proof that the new economic actors care about and are committed to the well being of the community.

The local political units - city and county - must deal with new and much more complex tasks than heretofore. Few impacted communities

have plans for growth or an effective planning office prior to the impact; ^{and} nor do the citizens look favorably on planning as a proper function of government. With impact, planning becomes a rallying cry for those who want to rapidly develop new housing and commercial areas as well as those seeking to slow or direct the community growth. Even when county land use plans are developed and city zoning ordinances are established, variances and violations are common, intensifying the pressure on public officials in their attempt to accommodate competing interests.

The expansion of existing and the establishment of new public services becomes the responsibility of the incumbents. New staff (city managers, architects and engineers) often bring conflicting information to bear on decisions that have no clear-cut resolution and may exceed office holders' competence to synthesize and act on. The attempt of officials to "do business" informally leads to charges of cronyism and incompetence, resulting in resignations, an unwillingness to act decisively and a new reliance on outside expertise. Thrown off balance by these events, public officials are only too glad to: a) work closely with corporate interests that show an inclination to help solve these new problems, and b) keep the role of government to a minimum, preferring that corporations handle their own affairs unless they request (or the state government mandates) public assistance.

County and city governments remain largely autonomous entities. Separate tax bases, different forms of decision making, unique - though often overlapping - problems, and separate publics to serve result in

minimal coordination or co-partnership when energy extraction and processing projects are introduced into the area. Unlike city governments, however, county governments must confront and solve fewer complex problems and satisfy a less diverse group of interests than do city governments. For the county official, land developments are largely a matter of transactions between private parties, whereas in cities zoning and other means of public scrutiny put the public official in a precarious and/or potentially personally profitable position to effect, direct or arrest land development. Finally, the land valuations for the county are greatly and rapidly inflated as energy operations are developed. Cities' tax revenues grow at a slower rate, seldom keeping pace in the early phases of impact with the burgeoning needs created by a rapidly expanding population.

A Case Study of Corporate Involvement and Political Transformation

The bulk of the literature on impact and community change emphasizes, from a functional point of view, the processes by which a community (as a social system) experiences, makes adjustments for, and comes to accommodate the growth of population and the diversity of interests that accompany the introduction of large energy projects. The alteration in political processes is explained in at least two ways from this perspective.

*2 Functional
Restrictions*

The Rationalization of Political Process. First, due to the new needs for more, more efficient and publicly accountable services, government must be rationalized. It must be made more capable of collecting and analyzing information on which decisions are to be made, and these decisions must be made increasingly in terms of rational-legal strictures. Second, the expectations of newcomers and the unease

of many long-time residents requires an active government to serve as a cohesive body addressing the diversity of concerns in a public and publicly-oriented fashion. By bureaucratizing itself and taking the role of broker for competing interests, it gives the appearance of being both more responsive and more fair than in its previous form. From a functional point of view, this is a desirable adaptation.

In Evanston, Wyoming, the proliferation of public services and the cost of providing them is strong evidence in support of the first of the observations on system adjustment. The more cumbersome mayor/city council form of government remains, but the need to handle a much larger workload, the reliance on expert advise and consulting, the formalization of procedures (e.g. in granting zoning variances) and various other changes have made city government both more rational and more visible, more bureaucratic and, from an administrative point of view, more accountable.

(2) The Role of Newcomers. In Evanston, as in other impacted communities, newcomers have provided not only new expectations but new skills for effecting projects in the community to satisfy these expectations. They participate in civic groups (The president of the local Chamber of Commerce the past two years has been an employee of an energy company.) as well as local governing and fund-raising boards. From a functionalist point of view, the community absorbed and utilized this talent as an adjustive mechanism to its new needs - both internal stresses and external, induced strains.

Taking a view more explicitly directed toward the political economy of this area, several other observations can be made about the

participation

rationalization of local government, the involvement of newcomers, as well as other elements in the transformation of the area's political process.

Class-Based Pressures on Local Government. The expanded and diversified economic base provides several sources of economic opportunity, each with political consequences. For the local labor force - male and female - jobs are immediately available with energy companies. Employment for previously unemployed women is now available. Homeowners quickly begin to see the increased valuation of their property, the desirability of owning rental property and many begin to plan the new, larger home in the new developments. [As wage and salaried workers whose consumption is primarily within the local economy, their first concern is that income will increase faster than prices. Otherwise, opposition to the growth will be forthcoming. Beyond this, the major concern is for the city to enhance their efforts to enjoy their increased affluence by insuring public safety, services for new housing areas, upgraded schools and other public facilities commensurate with their upgraded economic circumstances.

For local business persons, the opportunities for growth meet with the strong support. Those providing goods and services do minor remodeling, waiting for firm indications from the corporations that will allow them to plan expansions and new businesses. In Evanston, they are accustomed to residents making major purchases in Salt Lake City, and they expect this to continue. The willingness of the city government to provide revenue bonds for the development of businesses in new areas of town was not met with strong disapproval; several local

businesses became involved in these projects. The residual resentment of some downtown merchants was placated by the city's commitment to downtown refurbishing and beautification, as well as the energy companies' providing a consultant to help in this effort - to hold public meetings and seek outside sources of financial support.

The local businesses involved in finance, land transactions and development, usually so visibly supportive of growth in impacted areas, were equally enthusiastic in Evanston. Though several new real estate companies have come into the area, most of the land development has been handled by groups of local people and local families with holdings adjacent to the original town.

With both the financial and technical support of the energy companies, a master plan was conceived as a guideline for annexations, city government decision making and financial planning. This plan was inadequate and was followed by another which remains of questionable value, but provides the focus of a major political issue common to impacted communities: the conflict of interest of local officials who themselves profit by decisions made by the city government over land development, annexation and city services. Regardless of the truth or falsity of actual conflict of interest, the city has been pressured from many sides to facilitate new conventional housing, restrict the siting of mobile homes, specify new business zones and insure services for all of these. It is in the local business interests to effect this as quickly as possible, lest outside business groups take advantage of their hesitation. That the local petty bourgeois class is the mainstay of city politics allows this process to occur without a major

overturning of city officials in the early phase of impact.

Corporate interests provide a third group that affect the transformation of politics in Evanston. The central role they have played and the various ways they have accomplished their designs occupies most of the remainder of this paper.

Formation and Activities of the OIA

Barely three years ago, after Chevron and Amoco had finalized plans for their "gas sweetner" plants north of Evanston, the Overthrust Industrial Association (OIA) was formed. This came after a major development of oil and gas extraction had already made the area a prime candidate for "boom" status. The prospective growth in population and the attendant problems this would create led local officials to urge and corporate officials to join in the formation of an ad hoc body composed of representatives of the major economic actors in the area. The purpose was to collectively provide advice, the corporate perspective and assistance (grants and expertise) to Evanston and ^{Shoshone County} Uinta County. For three years it has successfully done this.

The OIA, the first organization of its kind to be formed in a major impacted area in the Northern Rocky Mountain region, has been the major vehicle for corporate involvement in the political transformation of Evanston.* It has provided possibly \$7-8 million in funds directly and facilitated another \$25 million in funds (including loans) from other sources for projects in the city and county. It has - through corporate officers serving as OIA representatives - become the visible entity exhibiting corporate interest in and commitment to the area's

*Uinta County has been much less affected for reasons that are discussed below.

adjustment to the impact brought on by the activities of the energy companies. And it has funded technical assistance - by providing members of corporation staffs - to Evanston's city government for periods of time without charge. The most recent of these 'technicians on loan' is serving as assistant to the mayor in a full-time capacity and making recommendations for changes in city operations and city officials' responsibilities (some of which have already been adopted).

The OIA has been instrumental in the relocation and planning of the new city-county airport, upgrading both the city police and county sheriff's departments (making a half million dollar grant to each), the upgrading of the city's sewage treatment plant and the public works garage (including making a quarter million dollar grant to each), and the building of senior citizen housing (donating \$150,000), a human resources center (\$550,000 donation), and a recreation center (\$275,000 donation). It has paid (fully or partly) the consulting costs for planning social services, the city's master plan, and various engineering-related projects. These impressive contributions have led to a unanimous enthusiasm for the OIA by the people of Evanston and a much more rapid development of the means to not only solve problems created by corporate activities but to take advantage of the new revenues and community interest accompanying the growth. By most standards, Evanston will not only be a much larger community but one that can provide a more diversified population with more effective and desired services.

From Corporate Largess to Public Use

The initial stimulus for the formation of the OIA was to have funds channelled to areas of need via city and county governmental

