

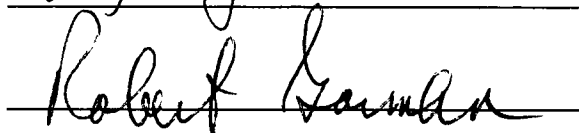
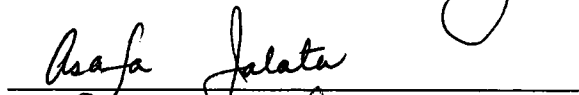
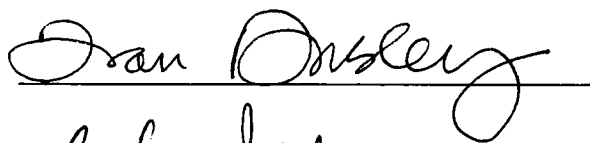
To the Graduate Council:

I am submitting herewith a dissertation written by Deborah Godwin Perkins entitled: "Power, Resistance, and the State: A Case Study of Economic Development in Roane County, Tennessee." I have examined the final copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Sociology.



John Gaventa, Major Professor

We have read this dissertation
and recommend its acceptance:



Accepted for the Council:



Associate Vice Chancellor and
Dean of the Graduate School

POWER, RESISTANCE, AND THE STATE:
A CASE STUDY OF ECONOMIC DEVELOPMENT IN
ROANE COUNTY, TENNESSEE

A Dissertation
Presented for the
Doctor of Philosophy
Degree
The University of Tennessee, Knoxville

Deborah Godwin Perkins
December 1999

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DEDICATION

This dissertation is dedicated to my family for their continuous love and support throughout my educational career. My success is due to them:

my mother,
Mary Walters Godwin

my husband and best friend,
Frank Edward Perkins, III

and my children,
Frank Edward Perkins, IV;
Kira Elizabeth Perkins; and Mallory Nicole Perkins

ACKNOWLEDGEMENTS

I would like to thank all my committee members for their contribution and support to this project. I wish to extend a special thank you to my major professor, John Gaventa, for his continued patience and assistance, long after his departure from the University of Tennessee. I am also grateful to John for the invaluable educational and mentoring experiences. My growth and development as a scholar and activist has been a result of his training and expertise. I offer John my deepest gratitude and appreciation.

I also wish to thank committee members, Asafa Jalata Fran Ansley, and Robert Gorman for their knowledge, insight, and contribution to this project. I extend a special thank you to committee member, Fran Ansley, who was particularly helpful in providing technical writing expertise.

I owe tremendous gratitude to the Roane County chapter of Save Our Cumberland Mountains, who made this research project possible. There are a few SOCM members to whom I am greatly indebted. Although these individuals must remain anonymous, they know who they are, and they now know how much I appreciate their contribution to my work. These are wonderful people who are forever active in the struggle for social justice and change. Thank you for who you are and

what you do, and "long may you run..." (Young 1974).

I would also like to express my appreciation to a few individuals who have stood by me and my work throughout the years. Susan Carlson, my major professor at University of North Carolina, Charlotte, has become a treasured friend and colleague who has supported me since my early years as a sociology graduate student. Walda Katz-Fishman, my companion in the fight for social justice, also has been there every step of the way to encourage and push me to do my best work as a scholar and activist. Judy Root Aulette has also been there throughout the years as a mentor and friend. Finally, Ray Michalowski has been a long-time friend and supporter. These are the individuals who have shaped and guided me to become not only the sociologist that I am, but also the person that I am. They have been my support group and safety net along the way, and I am deeply indebted to and thankful for each and every one of them.

A special thank you is extended to the *Project South* staff in Atlanta, Georgia for enabling my development as an activist in the struggle for social justice. Staff members Jerome Scott, Abbie Illenberger, and Aishah Rashied have supported my work and ideas. I greatly admire these individuals and appreciate what they have done for me.

Many friends have encouraged and supported me along the

way. Linda Robinson, my closest friend, has been there through "thick and thin." I am grateful for her friendship. I am also thankful to my graduate school cohort: Lee Williams, Becky Jude, Madeline Ocala, Glenn Johnson, Chris Baker, Karen Mason, and Tommy Shriver. I learned so much from these individuals; they truly made the graduate experience memorable and rewarding. Also, a special thanks goes to Michele Smith Koontz, administrative executive assistant of SSSP, who has been a friend and supporter throughout my graduate career.

I can never express enough gratitude to my family for their love, support, patience, and understanding in my educational endeavors. Special gratitude is extended to my husband, Frank Perkins, for being my partner and companion.

ABSTRACT

This study incorporates the theoretical elements of power, resistance, and the state into an analysis of local economic development. A case study approach is employed to examine economic development in Roane County, Tennessee. Specifically, what do historical and more current economic development trends in Roane County reveal about relationships of power, the role of the state, and resistance? The incorporation of the three theoretical elements results in a more dialectical approach and more holistic analysis of local economic development because the dynamic linkages between structure and agency are explored.

Data for this research project have been drawn from multiple sources. In-depth interviews were conducted with members from both development organizations and resistance organizations to better understand their divergent perspectives and models for development. Documentary evidence, such as newspaper articles, official reports, and letters, was also collected and analyzed to provide a fuller explanation of recent events in Roane County. In addition, as a participant-observer over the past few years, I collected many notes on development issues and initiatives, which are also included as data in the analysis.

Findings from the data suggest that a small group of

economic and political elites has historically controlled the process of development in Roane County. Also, development policies and practices have reflected the economic interests of business and industry. These findings support neo-Marxist theories that the state serves to accommodate its accumulation function, thereby protecting the interests of the dominant economic class.

Findings also reveal that the state is responsive to its legitimation function. For instance, local officials have been forced to respond to organized resistance regarding economic development. Therefore, findings support the dual function of the state to foster capitalist accumulation and maintain legitimation.

Finally, findings reveal that resistance has made an impact in Roane County. Organized resistance to policies and practices has created free spaces which have altered citizens' perspectives on development. As a result, the relationships of power have been tested and the local polity has been forced to respond to the interests and grievances of resisters. This lends support to the idea that the state is "contestable terrain," an arena for citizen knowledge and participation to prevail in the struggle for justice.

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CHAPTER ONE

INTRODUCTION

This dissertation provides an examination of economic development at the local level as it relates to deeper issues of power, resistance, and the state. Specifically, I address the relationships of power in one community, and how these relationships have affected development. Also, I examine the role of the local political structure in shaping development and discuss the resulting consequences. Do local policies reflect the interests of business and industry, or do they reflect the interests of the larger community? In addition, I explore how local community members actively challenge and change the process, thereby, addressing the nature and impact of local resistance on economic development.

Since the element of resistance is theoretically incorporated, the community chosen for the study must have a history of resistance around development issues. For this reason, Roane County, Tennessee was selected as the research setting for this project.

Roane County has a history of active resistance, which is critical to the present study. Over the past ten years, the Roane County chapter of Save Our Cumberland Mountains (SOCM) has challenged many local development initiatives.

Local SOCM members believe the county is being targeted and developed for hazardous waste industry, and they fervently oppose this development initiative. So the first Thursday of every month, a group of Roane County residents and SOCM members meet at the Kingston courthouse for a discussion and planning session on local development issues.

These activists have challenged the dominant model of economic development that pervades their lives. They are challenging local political and economic leaders who have supported this model. Many are challenging local policies and organizing local efforts to change those policies. They are resisting the current model of development in favor of one in which non-elite community members actively shape local decisions and policies.

The theoretical framework for this paper is developed in chapter two and includes elements of power, resistance, and the state. Economic development is influenced by relations of power in the community; economic policy is created and legitimated by political agencies; and grassroots groups organize against oppressive political-economic arrangements to affect development.

The research methodology is presented in chapter three. The research questions and design are discussed, as well as proposed methodological techniques and data analysis. Strengths and weaknesses of the research are also revealed.

Chapter four of the dissertation provides an historical overview of economic development in the South from a political-economy perspective and a resistance perspective. Local development in Roane County is affected by the broader, political-economic history of development in the South; and the struggles that have ensued in Roane County, are part of a much larger history of resistance in the region.

Chapter five documents the early history of development in Roane County, Tennessee. Since Roane County is comprised of five townships, a brief history of each is provided. Evidence from this chapter indicates that early development of the county was controlled by economic and political interests. Chapter five also documents current development practices in Roane County. Findings reveal specific development agencies and the power they have to shape policy and decisions. This chapter provides a description of these key organizations and the specific role each plays in economic development. The chapter also reveals interlocking directorates between these organizations, providing evidence of a power elite. Finally, chapter five provides a specific case example of Roane County's economic development process.

Chapter six explores the role of the political apparatus in Roane County. Evidence is provided which suggests that the political process functions to serve the

interests of local business and industry. Given this function, this chapter also addresses how the political elite maintain control in Roane County. Therefore, this chapter addresses the state's role of legitimation.

Local citizens have resisted development initiatives in Roane County, for there has been much controversy over decisions made by the key players in local development. Members of Save Our Cumberland Mountains (SOCM) and other organizations have waged opposition around proposed incinerators, landfills, and toxic waste industries. They have organized for more control in the decision-making process of development in their county. Chapter seven provides a history of local resistance in Roane County, as well as personal accounts and reflections from SOCM members about their struggles.

Finally, in chapter eight, I address the research findings in light of the theoretical framework provided in chapter three. What do the findings of economic development in Roane County reveal about power, resistance, and the state?

CHAPTER TWO

THE THEORETICAL MODEL: POWER, RESISTANCE, AND THE STATE

The concept of power in all its dimensions is imperative to the understanding of economic development in local communities, for historical evidence suggests that certain people and interests have dominated economic development in local communities throughout the South.¹ Therefore in the first part of this chapter, I provide a theoretical discussion of power and develop a framework that includes the analysis of power in economic development.

I also include in the theoretical framework a political-economic analysis in order to better understand development, for historical evidence also suggests a pro-business model of development in the South.² Thus, the relationship between economics and the state is explored. Whose economic interests are represented by state practices and policies? Specifically, I examine how the state functions through its economic role and how material relationships are sustained politically. These theoretical issues are addressed in the second part of the chapter and

¹See James C. Cobb, *The Selling of the South* (Urbana: The University of Illinois Press, 1982). The history of development in the South is explored fully in chapter four of this dissertation.

²ibid.

embrace the state function of accumulation provided by Hirsch and others.

Finally, I extend the theoretical framework to understand the historical successes of Southern resistance to the dominant model of economic development, given the state function of capital accumulation.³ The final part of this chapter extends the state function to include legitimation and how, by virtue of this function, the state becomes "contested terrain." New theories of development are explored, based on the idea that the state, although historically oppressive, provides an arena for citizen knowledge and participation to prevail in the struggle for social justice.

In an effort to develop a critical analysis of economic development, these theoretical elements are synthesized. An analysis of power relationships, the role of the state, and collective resistance provides a broader understanding of economic development.

³See Stephen L. Fisher, *Fighting Back in Appalachia: Traditions of Resistance and Change*, (Philadelphia: Temple, 1993). The history of resistance in the South is developed in chapter four of this dissertation.

COMMUNITY POWER AND DEVELOPMENT

Community Power Studies Unveil the First "Face" of Power

Community power studies began in the 1920's. The first classic study was the work of Robert and Helen Lynd, who examined community power in "Middletown," their pseudonym for Muncie, Indiana. The Lynds adopted a stratification theory of power based on the premise that societies are stratified into strata or classes which are distinguished by characteristics such as power, wealth, and prestige (Trownstine and Christensen 1982). Their findings revealed a power structure in "Middletown" that was politically dominated by businessmen.

In 1953 Floyd Hunter wrote *Community Power Structure* based on the study of power in Atlanta, Georgia. Not unlike the Lynds, Hunter discovered a small group of businessmen dominated Atlanta. This elite upper class controlled the city's economy through interlocking directorates. They also belonged to the same clubs and lived in the same upscale neighborhoods. Hunter's research findings revealed a distinct power structure dominated by an elite upper class. The political apparatus and elected officials served the interests of this class.

Pluralists criticize the elite theories of power and argue that power is generally exercised democratically (Dahl

1961, Polsby 1963). Based on their own empirical evidence, pluralists conclude that power is diffuse -- economic leaders are only one active group among many. They also suggest that power varies from issue to issue, with no single group controlling all issues (Trownstine & Christensen 1982). In addition, pluralists attack the *reputational method* developed by Hunter, in which the researcher talks to people in the community to uncover who has power. This method, argues pluralists, assumes a power structure exists in the community, and nothing should be assumed. Pluralists agree power should instead be studied by examining specific decisions on specific issues.

The Second "Face" of Power

Critics of pluralist theorists (Schattaschneider 1960, Bachrach & Baratz 1970) argue the approach is one dimensional because it seeks to analyze power in terms of its observable, or public, aspects. Critics suggest we must include the non-observable, or private, aspects of power into our analysis as well. Power over issues and grievances is structured in a way that dictates which specific issues reach the decision-making arena, thereby preventing action.

All forms of political organization have a bias in favor of the exploitation of some kinds of conflict and the suppression of others because *organization is the mobilization of bias*. Some issues are organized into politics while others are organized out (Schattschneider 1960, p.71).

Bachrach and Baratz developed the idea of mobilization of bias as the second dimension, or "second face," of power. They argued non-action within the political process may be related to power in shaping the issues and levels of participation in the decision-making arena.

Crenson (1971) empirically tested this second dimension of power. His study of air pollution in Gary and East Chicago, Indiana, reveal two separate courses of action for two communities equally and adversely impacted by air pollution. Crenson explains the results as differences in the levels of acceptance for issues and grievances, as determined by the "reputed power" of the industrial polluter. Thus, issues which run counter to the interests of those with a reputation for power, never reach the decision-making arena. Crenson concludes, "Actions, by themselves, are probably misleading guides to political analysis: alone, they fully reveal neither the impenetrability of local politics nor the location of political power" (ibid p. 131).

The Third "Face" of Power and the Role of Hegemony

Although the second dimension provides a better explanation of power than the first, it fails to consider how community members' conceptions and perceptions of issues and grievances are manipulated. According to Steven Lukes

(1974, p. 23) "A may exercise power over B by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants." Therefore, Lukes introduced a third dimension of power, one which incorporates the idea of ideological dominance in shaping consciousness. Lukes concluded that consciousness is controlled by collectivities and social forces.

The third dimension of power is based on Antonio Gramsci's (1971) idea of "hegemony." Gramsci used the concept of hegemony to explain the establishment of political domination in Italy and argued that domination implied more than the use of direct force -- it also implied ideological control and consent. "The concept of hegemony...means political leadership based on the consent of the led, a consent which is secured by the diffusion and popularization of the world view of the ruling class" (Gramsci 1971, p.80). Hegemony is a world view of the ruling class that is so completely dispersed by its "intellectuals" that it becomes the "common sense" of the entire society (Cammatt 1967, p.204; McLellan 1979, p.185).

Gramsci believed that the material relations of production are dialectically connected to institutions within society that ideologically reify and justify objective conditions. These institutions are referred to as

the "superstructure."

According to Gramsci, the superstructure is comprised of two realms of society -- political society and civil society. Political society is made up of public institutions and organizations, such as the military, the police, and the courts, which serve as agencies of coercion within society. Civil society is comprised of private institutions and organizations, such as churches, schools, and political parties, which wield the consent of the masses to bourgeois domination (Cammatt 1967).

Gramsci devoted most of his attention to civil society and the role it plays in establishing and maintaining hegemony. He believed that as long as the bourgeoisie continued to exercise cultural hegemony via institutions such as schools and churches, proletariat revolution was impossible. Gramsci's goal was to transform these oppressive institutions to reflect a working class consciousness, thereby creating a "counter-hegemony," a necessary step toward revolution.

When Steven Lukes suggested that "A" exercises power over "B" by influencing and determining "B's" needs, he incorporated Gramsci's ideas of hegemony into the analysis of power. Therefore, Lukes' "third face" of power implies the ability to shape beliefs, values, and culture within the community.

John Gaventa (1980) empirically tested the third dimension of power in a study of Appalachia. In his investigation of coal mining communities, Gaventa identified historical processes of hegemonic socialization (e.g., cultural traditions that stressed individualism and dictated passivity) which resulted in "quiescence" and inaction of the powerless in Appalachia.

Scott (1990) criticized Lukes' third dimension of power and argued that hegemony doesn't develop to the point of complete internalization of dominant beliefs and legitimations. If complete internalization of hegemonic ideology developed, there would be no room for resistance, which has occurred. For instance, although Appalachian history documents subversive and coercive control by large absentee companies, the history also documents resistance to this control. Since the late 1960's an outburst of Appalachian grassroots community groups have organized to prevent strip mining and toxic waste hazards (see Allen 1993; Bingham 1993; Cable 1993). Others have organized to promote racial and gender equality and to secure workers' rights (see Weiss 1993; Session and Ansley 1993; Judkins 1993; Willingham 1990).

Scott (1990) suggests, therefore, that those with less power are conscious of power relationships, but in view of those with power purposefully hide their own beliefs and

ideas in their own best interests (pp. 14, 86). The powerless and the powerful each have their own "hidden transcript," although official records reflect the "public transcript" of the powerful.

In an effort to understand economic development in local communities, the issue of power is incorporated into the analysis. Not only are the observable aspects of power explored in local economic development, but also, the nonobservable aspects of power are explored (i.e., the mobilization of bias, and the role of hegemony). This provides a fuller explanation of power and development.

STATE THEORY AND DEVELOPMENT

This study also explores the role of the state in development. Whose interests does the state represent? Much theoretical debate has centered around this issue. Informed by Marxist ideology, contemporary state theorists suggest that the state is an instrument to serve and protect the interests of the ruling economic class (Miliband 1983), while others argue that the structural components of capitalism place restraints on state autonomy -- the framework of the system yields itself to the interests of the dominant capitalist class (Poulantzas 1978). Although they differ in their views on how the state becomes a

capitalist state, both camps agree that the state is a capitalist state.⁴

German structuralist, Joachim Hirsh has developed these ideas and suggest that the state "does not originate historically as a result of the conscious activity of a society or class in pursuit of its 'general will' but rather as the result of often contradictory and short-sighted class struggles and conflicts" (Hirsh 1979, p. 65). Hirsh believes the state's main task is to facilitate the accumulation process by countering the tendency toward the falling rate of profit (Berberoglu 1990):

As the struggle against capital threatens the interests of the capitalist class and affects the rate of profit (thus affecting the survival of the state), the state is compelled to intervene to reverse this trend and promote further capital accumulation...state intervention in the economy in favor of capital (and against labor) defines the class nature of the state (Berberoglu 1990, p. 40).

James O'Connor (1973) empirically incorporates Hirsh's theory and suggests the state performs two often contradictory functions -- accumulation and legitimation.

⁴State refers to a variety of repressive (e.g., army, police, prisons), ideological (e.g., education, religion), and informational and cultural (e.g., media, arts, literature) apparatuses; included are political parties, trade unions, and even the family. Most of what Marx refers to as superstructure is here. The state apparatuses have no collective standing as independent entities; nor do they represent a power on their own. Rather, they exist to legitimize and facilitate class domination.

Accumulation is the process whereby the state must try to create and maintain conditions to facilitate profitable capitalist accumulation. Accumulation is increasingly facilitated via state expenditures that are indirectly productive but necessary for profitable private accumulation. For example, state and local governments often provide monetary compensation for industrial recruitment and retention.

According to O'Connor's empirical analysis of the U.S. state, the growth and expansion of capital during this century has led to the development and expansion of the state. As a result, there has been an increase in public expenditures within the confines of a capitalist economy, based on private profit. O'Connor suggests that as the gap increases between expenditures and revenue, a fiscal crisis of the state develops. The central contradiction of capitalism (social capital and private ownership) becomes intensified by this fiscal crisis and leads to a broader political crisis consisting of struggles over the state budget and social policy. During times of fiscal crisis, O'Connor notes, the state must be attentive to its function of legitimation for...

the growth of the monopoly sector is irrational in the sense that it is accompanied by unemployment, poverty, economic stagnation, and so on. To insure mass loyalty and maintain its legitimacy,

the state must meet various demands of those who suffer the 'costs' of economic growth (O'Connor 1973, p.8).

Thus, class struggle moves from the sphere of direct production to the sphere of state administration. As a result, class struggle takes on a political element, as an expanding portion of the working class come to challenge the state directly (Berberoglu 1990).

The neo-Marxist state theorists, such as Miliband, Poulantzas, Hirsch, and O'Connor, are criticized by Weberians, who suggest the state is autonomous from class relations. Trimberger (1978) suggests that political power is independent of that held by class. Block (1979) introduces the idea that "autonomous state managers" act in their own interests, not the interests of the capitalist class. Finally, Skocpol (1979, p.31) believes the state has "potential autonomy of action over...the dominant class and existing relations of production."

Neo-Marxists have responded to neo-Weberians and their ideas of state autonomy:

although the state can, and sometimes does, gain limited autonomy from the direct control of main class forces in society (especially during periods of crises), this autonomy by no means implies the class neutrality of the state and its agents, that the state and state officials are "above class" (Berberoglu 1990, p. 45).

Thus, a Marxist analysis of the state has resurged -- one which is based on an historical-material conception of

state, class, and society. Therborn (1978, p. 34) writes,

I think it appropriate to bend the stick in the other direction: to attempt to develop a formal, comparative analytical model of the class character of the state apparatus...such a model should start...from the relations between antagonistic classes, as determined by the forces and relations of production.

In Therborn's analysis, the state is not seen as a passive instrument of control by the dominant class, but as an active mechanism for the reproduction of dominant relations of production.

The state, particularly its commanding personnel, must represent, that is to say, promote and defend, the ruling class and its mode of exploitation or supremacy. At the same time, the state must mediate the exploitation or domination of the ruling class over other classes and strata. In other words, it follows from the irreducible material specificity of the class state that it is simultaneously both an expression of class exploitations and domination, and something more than a simple expression - something other than the non-state ruling-class apparatuses necessary to support these relations (ibid, p. 181).

Szymanski (1978) concurs and incorporates a degree of relative state autonomy in his supposition that the state performs dual functions -- the promotion of ruling class interests and the legitimation of state policies to subordinate classes. He writes,

State policy is always influenced to some extent by the various classes, even while it is normally under the domination of the class that owns and controls the means of production...The ruling class must take into account both the demands and likely responses of other classes when it makes

state policy. If it does not it may suffer very serious consequences, including social revolution... (Szymanski 1978, pp. 27 and 273).

The neo-Marxist state theories provides us a framework to explain economic development in the South. Based on this theory, the state functions to facilitate dominant relations of production; economic development policies reflect the needs and interests of the ruling class. However, in doing so the state may become an arena for class struggle, as "the legitimating function of the state...comes into increasing conflict with direct capitalist-class control" (Szymanski 1978, p. 273).

RESISTANCE AND DEVELOPMENT

Since class struggle implies resistance and action, the theoretical model is extended to not only address this component of human agency, but also to explore the dialectics between social structures and agency. By including the element of resistance, the theoretical model is enhanced by avoiding a structural deterministic theory of state power.

The New Populist Theory of Resistance and the State

New Populist Theory provides for an element of agency and resistance in state power theory. New Populist theorists, such as Sarah Evans and Harry Boyte (Boyte 1980;

Boyte and Riessman 1986; Evans and Boyte 1986), stress the necessity for participatory democracy at the community level in the struggle for social justice and change. Evans and Boyte believe that local mobilizations based around community and traditions can provide participatory "free spaces" where people practice the skills of democracy, gain self-respect, and redefine themselves. "Free spaces" result in empowerment as people engage in social action and change within a democratic context (Evans and Boyte 1982). Thus, real power and real change come from solidarity within the community (Kling & Posner 1990).

The New Populists (e.g., Evans and Boyte; Carnoy and Shearer) identify concentration of power in the bureaucratic state as the major obstacle to democratic participation. They believe "community power" is the force that can oppose the decisions of global capital. Moreover, the state is the instrument through which this opposition can be waged since it's the only way those without economic power can exercise control over those who have economic power (Kling & Posner 1990). Thus, although New Populists take into consideration the structural role of the state in facilitating capital and making the political process less open to democratic participation, their emphasis is on how the state can become a "contested terrain," a legitimate arena in which community power can be realized and social change can be made.

New Populist theory may be used to explain Southern grassroots resistance to the dominant economic model of development. Through democratic participation, members of local grassroots organizations in Appalachia have come together to challenge local political officials and the decisions they have made in regard to stripmining, toxic incinerators, and unfair industrial taxation. Therefore, local grassroots have often contested the state terrain, which before has been dominated by corporate economic interests.

New Populism provides valuable insight on resistance and development of the South. Critics, however, raise important questions regarding underlying assumptions, implications, and practicality of New Populist theory.

First, critics argue that many of the categories and concepts in New Populist theory are vague and are not based on concrete structural definitions (Fisher 1993). For instance, when asked who comprises community, New Populists suggest it is "the people." Critics argue this conceptualization is imprecise and assumes cultural homogeneity among people (ibid).

Too frequently, the cultural homogeneity, progressive nature, and good will of "the people" are taken for granted in new populist writing. This conveniently ignores the ethnic, racial, gender, class and cultural differences that so often divide "the people" (Fisher 1993, p. 322).

Critics also claim the New Populist concept of community idealizes traditional community institutions of the past, while neglecting how these institutions have been historically undermined and transformed (Fisher 1993). Today, the fate of our communities is often decided by absentee corporate owners, state and national political leaders, not local representatives in local town meetings. Therefore, the experience of communities has transformed over time.

Critics also argue that the New Populist vision of democracy is vague. New Populists have not addressed how government decisions should be made, how participation is formalized, and how bureaucracy can be transcended (Ansara and Miller 1986). Thus, there is no clear vision of specific methods by which a community can become politically empowered.

New Populist theory can also be critiqued on ideological grounds. New Populists overemphasize localism, while disregarding the connection of local economies to national and international corporations (Fisher 1993). Many of the hardships local communities face are a direct result of decisions made by multinational corporate interests. New Populism's emphasis on localism, therefore, neglects the essential link to the larger economic and political structures. As a result of this neglect, New Populists

"lack a transformative approach to power relations in American society" (Fisher 1993, p. 325). Critics argue that the New Populist strategy to reinstate traditional ideas and culture will fail without challenging underlying assumptions and institutions of society.

Toward a Critical Model of Resistance

Critics suggest a new theory of resistance is needed to overcome the pitfalls of New Populist theory. The new model should be "rooted in an awareness of popular traditions and resistance, but not blind to the wider contours of power within national and international capital" (Goldberg 1982, p.61). The new critical model, therefore, implies

a dialectical approach that blends new ideas with traditional values and language. It involves the creation of resistance organizations that take culture and community seriously as spaces for political action while encouraging their members to discover the ways in which their grievances are a result of 'structural processes occurring at an economic, geographic, and political level far beyond the particular locale where the grievance is experienced' (Fisher 1993, p. 327).

Therefore, unlike new populists who tend to dismiss the concept of class, critical resistance theorists reconcile a cultural emphasis with a political-economy approach. As a result "free spaces" are redefined to include the essential element of "conscientization":

'people's history' can be connected to a systematic critique of the political economy; where participants can begin to see the connection between their concerns

and those of other exploited people; where members can come to confront issues of racism, and sexism; and where people can start to envision new alternatives to the world in which they live (Fisher 1993, p. 329).

This critical model of resistance has been adopted by several grassroots organizations in the South. For instance, the goals of Kentuckians for the Commonwealth (KFTC) include promotion of democratic values and changing unjust social institutions (Szakos 1993). These two goals embrace the critical model of resistance and has led to the long term success of KFTC. Also, Save Our Cumberland Mountains (SOCM) has been effective as a multi-issue organization that explores commonalities and links among many issues facing local people in Appalachia.

The success of these and other grassroots organizations in the South can be attributed to their multi-faceted approach, which embraces the critical model of political education and action. These local groups have developed a knowledge of their personal biographies and experiences and the connection to larger economic, political, and social structures. Based on this critical knowledge, they are then able to engage in action for change.

Therefore, a new model of critical resistance and development is emerging which overcomes some of the shortcomings found in New Populist theory. Many grassroots organizations embrace this new model and supporters agree

that a promising, new movement has begun. Although still at the grassroots level, the movement

has the possibility of transforming contemporary economic restructuring into a new model of development, one that links matters of the economy to matters of democracy and dignity - at the local level as well as in the broader arena (Gaventa et al. 1990, p. 290).

DISCUSSION

This chapter has presented many theoretical and practical ideas of development worthy of further investigation. First, the theoretical evidence demonstrates the need to examine power relationships in local economic development, for certain people and interests have historically had the power to shape policy. Power relationships may be examined by addressing current trends in local development.

Second, the theory suggests the state has contradictory functions in society -- to maintain capital accumulation and social legitimation. These functions can be investigated by examining local development initiatives to determine whose interests are represented by local and state policies.

Third, the theory contends that inherently, the state's legitimation function enables the state to become a "contested terrain," or "legitimate arena for grassroots action and dissent" (Gaventa et al. 1990, p. 286) In regard

to development, therefore, how have local grassroots groups gained access and power in the political process, thereby using it to change their political and economic realities? The literature implies that the creation of "free spaces" is necessary for effective grassroots resistance and change. An investigation should also assess whether or not "free spaces" have emerged to create critical consciousness about local development.

The theoretical issues must be investigated more fully in a contextual manner to provide a better understanding of economic development. The contextual arrangements can then be used to inform theoretical assumptions of development. Therefore, the next chapter of this dissertation presents the methodology used to test the proposed theoretical model.

CHAPTER THREE

RESEARCH METHODS

This chapter specifically outlines the methodology that is employed in the present study to advance the theoretical understanding of power, resistance, and the state. The first section addresses specific research questions for investigation. The second section discusses the research design and strategy that is utilized. The third section presents methodological techniques to collect data regarding these questions. The final section provides information on data analysis.

RESEARCH QUESTIONS

In order to further an understanding of economic development theories (e.g., issues of power, politics, economics, and resistance), the process of economic development at the local level must be explored. This section provides practical research questions that derive from the theoretical issues (see Table 3.1).

To begin, an understanding of the recent history of development is necessary. In other words, what development has taken place in the community within the last ten years? Which industries are locating there and why? What does development reveal about the relations of power in the

TABLE 3.1

**THEORETICAL ISSUES, RESEARCH QUESTIONS,
RESEARCH METHODS, AND CASE EXAMPLES**

THEORETICAL ISSUES	RESEARCH QUESTIONS	RESEARCH METHODS	CASE EXAMPLES
Relationships of power	What is the recent process and history of economic development? Who has benefitted? Who has not?	Public records and documents; corporate records; interviews with key groups/people	History of Southern development (chp. 4); history of Roane County and current development process (chp. 5)
The state's role and the functions of accumulation and legitimization	What has been the state's role in recent development initiatives? How does the local polity respond to business? How does the local polity respond to organized resistance? How does the state legitimate its actions?	Documents of economic, political, and social issues relating to economic development; public records; interviews; corporate records	State's role in Southern development (chp. 4); history and current development process (chp. 5); The State's role in Roane County development (chp. 6)
Organized resistance	What has been the recent history of resistance? How have groups used local and regional politics as a means to gain power? What strategies of resistance are used? Does critical discourse occur?	Interviews; public records and written documentation; public meetings	History of Southern resistance (chp. 4); Resistance in Roane County (chp. 7)

community?

Once the history and process of local economic development has been explored to uncover power relationships in the community, a second theoretical issue can be addressed -- the role of the state in economic development. How does the local polity respond to its contradictory functions of capital accumulation and legitimation? Is the local polity receptive to the needs of business and industry? For instance, are incentive packages offered to attract new industry? Has the local polity been responsive to organized resistance from community groups and members? The effects or consequences of recent development efforts are also examined. How has development affected the local economy and environment? More specifically, who has benefitted from development and who has not?

To explore the final theoretical issues of resistance and local development, the recent history of community resistance can be explored. What groups have organized around development issues within the community? What are the issues? What resistance strategies have been effective in shaping local development? Equally, what strategies have been effective? In an effort to explore the idea of the state as contested terrain, how have grassroots organizations worked within the local political structure to shape economic development? In addition, what strategies of

resistance operate at the local level? For instance, do critical strategies of resistance operate, whereby grassroots members create a discourse for their experiential reality of development in connection to the larger economic, political, and social milieus. If so, how does a critical discourse emerge and continue? Further, is critical discourse related to the successes and/or failures of grassroots development initiatives?

RESEARCH DESIGN

The theoretical issues and research questions under investigation demand an intense study of development. As a result, the case study approach is employed. A case study is defined as an "in-depth, multifaceted investigation, using qualitative research methods, of a single social phenomenon" (Feagin et al. 1991, p.2). Thus, a case study is a broad, intense investigation of a social phenomenon which relies on various qualitative data sources to provide rich, thick descriptions of micro and macro structures of social reality.

There are several advantages in using the case study. First, the case study enables the grounding of concepts and observations about social action and social structures in their natural settings (Feagin et al. 1991; Yin 1993). The

researcher is able to observe and record people engaged in real-life activities. Second, the case study provides a more holistic account of complex social action and the meaning attached to that action due to information gathered from varied sources over time (ibid). The case study, then, gives insight into the various levels of social meaning associated with a social phenomenon. Third, the case study provides a sense of time and history, for the researcher is able to examine continuity and change of social life over time (ibid). Finally, the case study enhances theoretical innovation due to its qualitative nature (ibid).

In order to ground the history and theories of development in a more concrete social reality, this dissertation employs a case study of local economic development. The case and unit of analysis is one county -- Roane County, Tennessee -- and the process of economic development within that county. By focusing on one case of local economic development, a more holistic understanding of the development process emerges to inform existing theories and/or generate new theory.

METHODOLOGICAL TECHNIQUES

Several qualitative research techniques are used to investigate the research questions presented in the first

section of this chapter. These techniques are delineated in table 3.1, along with the theoretical issues and research questions.

Since the Industrial Development Board is the public body ultimately responsible for development in Roane County, the investigation began here as a means to document the process of economic development at the local level. I interviewed members of the local Industrial Development Board (see Appendix A) and researched board records and other local documents. If board members identified other key players in the development process, I interviewed them as well. Thus, I employed a "snowball" sampling technique.

To understand how the local polity responds to its accumulation function, I examined Industrial Board records to determine what types of incentives, if any, are used to attract industry into Roane County. I analyzed newspapers and attended public meetings to determine how accountable the local polity is to its legitimation function. The sources reveal how the local polity reports development initiatives to members of the community. These sources also indicate whether or not knowledge is made public. Further, they reveal how responsive the local polity is to members of the community.

To measure the impact of development on Roane County residents, I gathered documentary evidence on local economic

and environmental issues and examined any changes over time. Also, local development leaders and resistance groups were asked to discuss the impact of development in their community and their lives.

To explore the history of resistance and local development, I used a combination of interviews and documentary evidence. I interviewed members of Save Our Cumberland Mountains (SOCM) to obtain their perspectives on economic development and their stories of resistance (see Appendix B). I also examined local newspapers for articles and/or editorials submitted in behalf of SOCM and other organizations.

Therefore, the research process consists of a variety of qualitative techniques such as interviews/conversations, content analysis of documentary information/archival records, and participant observation. These "multiple sources of evidence" lead to a more comprehensive case study of economic development in Roane County.

There are strengths and weaknesses to each of these "sources of evidence" which must be considered. For example, in documentary/archival evidence, one of the strengths is the stability of the evidence -- it can be reviewed repeatedly. Also documentary/archival evidence is unobtrusive in that it is not created as a mechanism of the case study. In addition, this type of evidence may have a

high level of precision in which exact names, references, and details of an event are provided. Moreover, documentary/archival evidence is comprehensive; it covers a long span of time, many events, and many settings (Yin 1984).

Documentary/archival evidence also has its share of weaknesses. First, retrievability can be low. Also, access to documentary/archival evidence may be denied or deliberately blocked. In addition, a reporting bias may be inherent in the documents which would reflect the unknown bias of the author (Yin 1984). To counter this last and most important weakness, Yin suggests,

it is important in reviewing any document to understand that it was written for some specific purpose and some specific audience other than those of the case study being done. In this sense, the case study investigator is a vicarious observer, and the documentary evidence reflects a communication among other parties attempting to achieve some other objectives. By constantly trying to identify these conditions, you are less likely to be misled by documentary evidence and more likely to be correctly critical in interpreting the contents of such evidence.

Another "source of evidence" used in this project is the interview. One of the major strengths of the interview is that it is targeted to focus directly on the case study topic. Also, interviews are insightful and provide perceived causal inferences. In addition, interviews often give shortcuts to the history of a situation and helps

identify other sources of evidence (Yin 1984).

However, interviews should always be considered verbal reports. Thus, they are subject to problems of bias, poor recall, and poor articulation and must be corroborated with information from other sources. In spite of the problems, "interviews are an essential source of case study evidence because most case studies are about human affairs" (Yin 1994, p. 85).

A final source of evidence is knowledge and insight gained from my role as observer in various activities, which include public and private meetings and conversations with Roane County citizens. This evidence will reflect not only observations of people and activities, but also my own perspectives and feelings regarding them.

One of the major strengths of this type of field research is the depth of perspective that is gained. "By going directly to the social phenomenon under study and observing it as completely as possible, you can develop a deeper and fuller understanding of it" (Babbie 1986, p. 239). Also, participant observation allows us to understand the attitudes and behaviors of others within their natural setting as they are occurring, thereby enabling us to embrace the dynamics of a given situation. Finally, participant observation allows us to investigate social processes over time (ibid).

There are also weaknesses in participant observation. First, due to awareness of the research investigation, people may act and speak in reaction to it, thereby altering the natural or typical processes. Researchers must recognize this when doing participant observation. Second, researchers can come to over-identify with the interests and viewpoints of the participants. While this is not altogether undesirable, we must not let the subjective distort the objective to the point of inaccuracy. Finally, since participant observation is qualitative, it rarely yields descriptive statements about large populations. We must, therefore, remember that conclusions drawn from participant observation are suggestive rather than definitive (Babbie 1986).

ANALYSIS

Since data is gathered over a long period of time, analysis occurs sequentially. Thus, findings from earlier evidence is used to guide subsequent research. This analytical technique is often found in the case study approach.

...Analysis need not await completion of data gathering but can go on concurrently with it; results of early analyses may be used to direct further data-gathering operations. Different problems arise at different stages of the research (Becker 1968 p. 236).

When analyzing the data, the subjective nature of the data must be recognized. Views and perceptions of reality are shaped by social and spatial situations encompassing the interests of both the researcher and the researched as they together define, create, and experience the moment. Thus, analysis must be informed by the interactive, interpretive reality of the data (Vidich 1970).

I employed a triangulation of sources to ensure validity in the research. Triangulation is the process of cross-checking various sources, such as newspaper reports, correspondence, and interviews, in an effort to validate observations as well as claims based on those observations (Feagin 1991).

This chapter has presented the research methods that are used to test the theoretical model. Now that the theoretical and methodological foundation has been laid, this dissertation now moves forward with the investigation of power, resistance, and the state as they relate to the history of economic development in the South.

CHAPTER FOUR

A HISTORICAL VIEW OF ECONOMIC DEVELOPMENT IN THE SOUTH

Historically in the South, the traditional model of development has promoted a pro-business/anti-worker sentiment, which has been crucial in the migration of industry to the region. Equally important, there has also been a history of resistance to the traditional model, which has emphasized more equality and justice in Southern development. This first two sections of this chapter present the history of development and the history of resistance in the South. The final section provides a discussion of the history in light of the theoretical model presented in chapter two.

POLITICAL ECONOMY AND DEVELOPMENT

Early Development of the South

The South first developed as an agrarian economy. Up until the Civil War, plantations owners ruled the Southern economy. Protected by law, they operated their plantations with slave labor until 1865 when slavery was abolished (Beaver 1988).

After the war the South economically lagged behind the rest of the country. Although some industry developed in

After the war the South economically lagged behind the rest of the country. Although some industry developed in the region, the South remained an agricultural area as tenant farming became the predominant unit of agricultural production (Billings 1979).

Even from the beginning, uneven development occurred in the South. For example, slavery and tenancy had little impact in the Appalachian region, for bad terrain and poor transportation systems isolated many sections of this region. As a result, subsistence farming characterized the Appalachian region much longer than in other parts of the South; the "family farm" was the predominant unit of agricultural production (Billings 1979).

Subsistence agriculture failed to generate sufficient local capital and led to uneven development in the South. For example, in a forty-year longitudinal study of East Kentucky rural communities, James S. Brown found that as late as the 1940's, 89 percent of all farm production was consumed at home. Only a small surplus was marketed commercially. Consequently, cash levels in these communities were extremely low (Schwarzweiler et al. 1971).

Industrialization and its Impact on the South

During the late 19th century, industrialization began in the "New South" for two reasons: (1) the South had a low-

Although industrialization provided jobs for many people throughout the region, it also had devastating effects on the environment and the people.

Cheap and Available Labor Supply. During the time of the New South, cheap labor was readily available. Subsistence farming could no longer sustain families and communities; consequently, there was a large supply of workers who were willing to work for wages much lower than those paid in the North. Also in the South, cheap labor was often provided through the Convict Lease System, which leased convicted criminals to lumber and mining industries.

by leasing convicted criminals...southern state and local officials found a way to make crime pay. Instead of shouldering the burden of a growing prison population in a time of budgetary retrenchment they simply took advantage of the cheap-labor orientation of New South Industry (Cobb 1984, pp. 68-69).

The availability of a cheap labor supply was a definite enticement for industrial expansion into the South.

Natural Resources and Outside Control. The discovery of the South's natural resources also gave impetus to industrial development in the region. Outside economic interests dominated the New South as speculation in minerals and timberlands intensified. In Appalachia, for instance, mineral, railroad, and timber companies opened up isolated areas of the region, accumulated vast amounts of land, and built company towns for the extraction of natural resources.

As a result, an impoverished, indigenous population became dependent on corporations that extracted local wealth from the region (Beaver 1988; Eller 1982; Gaventa 1980; Lewis et al. 1978).

Absentee owners, therefore, controlled much of the region, and they still do. For example, two thirds of West Virginia's surface land, and a vast majority of underground mineral deposits are currently owned by out-of-state corporations (Appalachian Landownership Task Force 1983).

This history of outside ownership and control in Appalachia is often referred to as colonization (see Lewis et al. 1978). While all of this country is in some sense "colonized" by corporate America, Appalachia stands out as a symbol of gross corporate exploitation and neglect (Gaventa 1980).

The Environmental Impact. During the time of the New South, industry began to extract the regions's rich natural resources with little regard for the environmental impact of this development -- the stripped forests or the eroded land. This was viewed as a small sacrifice for the benefits that new jobs provided to the economically deprived.

An historical example of the South's insensitivity to the environmental impact of industrial development involves the Great Copper Basin in southeastern Tennessee. Copper

mining began there in the mid-nineteenth century and eventually miners began to roast the ore on smoldering woodpiles to burn heavy impurities from the copper. This enabled an easier and less costly transport of copper out of the region. The roasting also provided more employment to local residents due to the increased demand for wood.

However, the community began to take on a butchered appearance due not only to the cutting away of trees, but also to the roasting process. During the roasting process large amounts of sulfur-dioxide were released into the air. The sulfur-dioxide devastated small vegetation and damaged larger trees.

When community residents in Tennessee began to complain, local officials were reluctant to oppose industries that dispersed large payrolls into otherwise economically deprived areas. Although an agreement was made that the companies would settle for damages, the companies continued with unregulated harmful emissions until the 1970's (Cobb 1984).

This is an example of how southern leaders have historically chosen economic gain over conservation and environment. Moreover, this tradition still continues. Despite stricter environmental regulations in place today, political and economic leaders still convey the impression that they are more concerned about economic growth than

environmental protection (Allen 1993; Cable 1993; Cobb 1984; Regan and Legerton 1990). For example, Southern states have been very receptive to the nuclear industry and as a result have reaped significant economic benefits from it.

Environmental protection and the threat of nuclear disaster have clearly taken a back seat to the anticipated increase in payrolls provided by this industry.

The Sunbelt South: Its Rise and Decline

During the 1960's and 1970's the South became known as the "Sunbelt South" as industry left the Northern "Rust Belt." Northern industrial firms targeted the South because of its "favorable business climate," which translated to low wages, low union activity, and low taxes. The South was the perfect location for industry to prosper (Cobb 1984; Gaventa 1990; Gaventa et al. 1990; Madison 1995).

For example, a 1969 study of plant location decisions in Tennessee reveals that 66 percent of the 308 firms who responded, cited labor costs and the availability of labor as crucial determinants in their decision to locate in Tennessee. The study also indicates that Tennessee's nonunion environment was a definite attraction to industries whose labor costs were a significant portion of their production expenses (Cobb 1993).

The economic boom of the Sunbelt South was largely limited to certain major urban centers and upscale suburban areas, such as Atlanta, New Orleans and Charlotte. Poor, rural communities in the South were often bypassed, especially those with large minority populations (Madison 1995). Therefore, uneven development continued to occur in the South.

By the early 1980's industries which had come to the South for the availability of a cheap and abundant labor supply, low levels of organized resistance, and indigenous resources were now relocating offshore to further maximize profits. For instance in the State of Tennessee, 2,844 manufacturing plants closed from 1980 to 1985. Also, between 1986 and 1987, approximately 10,000 workers lost their jobs as sixty plants closed or made permanent layoffs (Fox et al. 1987; Gaventa 1990).

Deindustrialization of the South was a result of national economic restructuring and global capitalist expansion. As one economic historian of the South writes, "industries fleeing the South are purchasing one-way tickets to Taiwan and other exotic destinations just as readily as they used to depart Akron, Ohio for Opelika, Alabama" (Cobb 1986).

Consequently, the South began to transform from a manufacturing economy to a service-sector economy. For

example, between 1969 and 1989 high-wage manufacturing jobs in the South declined from 27.5 percent of the total workforce to 18 percent, while low-wage service jobs increased from 14.3 percent to 22.6 percent (Madison 1993).

As a result of disinvestment in the South, political and economic leaders used new tactics, such as incentives or giveaways, to entice new industry or retain existing industry. According to James Cobb (1993, p. 268), "with interregional competition for industry becoming so heated, big-ticket subsidies remained the order of the day throughout the South, especially when large, modern, highly sought-after plants were involved."

One example of such a giveaway occurred in Tennessee when General Motors decided to locate its Saturn assembly plant near Nashville. The incentive package issued by state and local political leaders was worth hundreds of millions of dollars. Tax losses to the county in which it was constructed were estimated at \$57 million dollars for the first ten years. Other incentives included \$50 million for road construction and \$20 million in worker training. State and local officials expected a big payoff from the creation of new jobs, but this did not happen. Rather, Saturn announced that it would offer the majority of jobs to UAW members who had been laid off at other General Motors plants around the country. Some people believe that Saturn's

decision to build the plant in Tennessee had less to do with the generous incentives offered, and more to do with the fact that the area is within 500 miles of 75 percent of the domestic auto market (Cobb 1993). Thus, incentives and tax giveaways have been strategies used by economic and political leaders in the fading Sunbelt South to better compete for industrial startups and relocations.

However, these strategies have failed, and the traditional model of economic development in the South has undergone much criticism and scrutiny, for southern workers are suffering the costs, while industries are reaping the rewards (see Gaventa et al. 1990). For instance a study conducted in 1986 and 1988 by the Southern Regional Council concluded Southern industrial development benefitted business and industry at the expense of workers and communities.

In the name of maintaining the business climate, workers received low wages, communities provided tax and other concessions to industry, dissent was sometimes silenced. Based on the traditional notion of trickle-down economics, the assumption was that what was good for business was good for workers and communities (Gaventa et al. 1990, p. 280).

The dominant model of development in the South, therefore, has always and still continues to reflect a pro-business/anti-worker sentiment. However, as the next section, illustrates, citizens have historically resisted

the traditional model of development in favor of one that is more just and equitable for workers and communities in the South.

**POLITICAL ECONOMY AS CONTESTED TERRAIN:
LOCAL ACTIVISM AND ECONOMIC DEVELOPMENT**

Along with the dominant economic development model, there has also been a rich history of grassroots resistance as well, which has arisen from class, racial, gender, and environmental inequality in the South (Gaventa 1990). For instance as a result of worker oppression in the region, labor struggles began in the 1920's and 1930's and played a role in the emergence of the United Mine Workers of America and the Congress of Industrial Organizations (ibid). Also, as a result of the historical degradation of blacks in the South, civil rights struggles began in the 1950's and 1960's in an effort to increase political and economic participation among blacks. In addition, during the 1970's women of the South began to organize because of unequal relationships in the workplace. As a result, women in the Appalachian coalfields won national acclaim for gaining entry into the male-dominated mining industry (ibid). Finally, in the 1980's and 1990's resistance emerged as a result of community issues, such as environmental degradation. For instance, the Yellow Creek Concerned

Citizens formed as a result of industrial pollution in Middlesborough, Kentucky. (Cable 1993) Therefore, there has been a long history of grassroots resistance in the South for economic, political, and social reasons.

Failure of the pro-business model of economic development to promote equality and justice has led many grassroots groups to resist the traditional model in favor of alternative economic development strategies. A new level of participation by grassroots organizations now exists on economic concerns. The demands of these organizations are not only for a more equitable distribution of resources, but also for a redefinition of economic priorities and for more democratic involvement in the decision-making process of economic development (Gaventa 1990). As one writer observes about the South, "the failure of the dominant economic policies to provide for fair and equitable economic change presents the economy as 'contestable terrain,' a legitimate arena for grassroots action and dissent" (Gaventa 1990, p. 286).

Alternative Development Strategies

The literature reveals several alternative strategies that have been used by local citizens' groups in an effort to create and maintain fair and equitable economic change. Many of these strategies fall into one of two basic

categories: 1) efforts to protect and/or transform existing local jobs owned by outside interests and 2) efforts to promote local economic growth and sustainability.

Strategies to Protect Existing Jobs. Due to the increased globalization of capital and the emergence of free trade agreements, such as NAFTA and the WTO, many industries are relocating offshore in an effort to further maximize their profits. As a result, many individuals in the United States have been faced with the economic, social, and psychological losses of unemployment. Since these losses are experienced at the community level, many groups have been fighting back against plant closings in an effort to protect local jobs. Some successful techniques used by local groups to protect existing jobs include public pressure and the threat of boycotts; and efforts to find new ownership for companies threatening to close shop.

Public Pressure and the Threat of Boycotts. Local grassroots organization often use public pressure and boycotts to protect jobs in their communities. For instance when rumors began circulating that a local GM plant in Van Nuys, California, was closing its operations, members from the plant and community came together to forge a community-labor coalition to address the problem. The organizers of the coalition recognized that the Van Nuys plant did not

create high enough profit levels for GM, so a "save our jobs" campaign would not be effective. The organizers also recognized, however, that GM did desire the new car market of the Los Angeles area. Thus, the coalition decided to use the community's purchasing power to combat the threat of a shut down (Mann 1990).

The main tactic was to mount a public campaign of demonstrations, marches, rallies, press conferences, petitions, and letters, all directed toward GM management with the preemptive threat of a boycott. The coalition would not launch a boycott as long as the GM Van Nuys workers were still working but would demonstrate its capability for a successful boycott so that GM would keep the plant open rather than risk the loss of sales (Mann 1990, p. 115).

Over a four-year period, the community-labor campaign organized three rallies which gained local and national media coverage and generated more than 2,000 letters from individuals threatening a GM boycott if the plant shut down. Through the efforts of the community-labor coalition's campaign, the Van Nuys plant remained open for several years. However, General Motors has since closed its Van Nuys plant and moved production offshore (ibid).

Another example of local groups coming together to protect existing jobs is the "Save Brach's" campaign in Chicago, Illinois. In 1987 the Chicago factory was purchased by a Swiss billionaire whose first seven years lead to financial and bureaucratic disaster, ultimately

resulting in the loss of 1,000 jobs. Due to the instability of the factory, union and community leaders made a bid to purchase the company. However, the owner refused to talk to them. So, in 1994 the union and community groups took their campaign to the public (MCLR, Spring 1995). At a news conference in City Hall, they announced the "Save Brach's Campaign..."

If you want to change course and rebuild this ailing company, we will be the best partners you've ever had. We can help you make operations more efficient in the plant, secure public funds from the government for infrastructure and training, and build on the goodwill associated with the Brach's name. But, if you continue to take the company and the community down the tubes, we will fight you at every turn (MCLR, Spring 1995, p. 5).

After a four month stalemate, union and community members picketed the company's annual Christmas parade. The initiative received significant media attention. Within a few days of the parade, Brach changed its position and made several concessions (MCLR, Spring 1995). First, they withdrew a two-tier wage system which denied health care benefits to new employees. Second, they accepted the union proposal for increased employee participation. Last, they committed to a severance pay clause that would provide compensation to employees displaced by their relocation. This was a significant victory for the labor-community coalition to "Save Brach" (ibid).

In another instance, LaSalle Steel of Hammond Indiana threatened to close one of its plant shops. The shut down would have resulted in an immediate loss of 54 jobs and the possibility of entire plant closure in the future. Workers from the Progressive Steelworkers local contacted the city where the company was planning to relocate in order to avoid a bidding war. Workers also negotiated with local politicians to issue a \$97,000 tax break to keep the plant. Public pressure from both workers and local government forced the company to stop the closure of LaSalle Steel (TIRN 1992).

In Pittsburgh, Pennsylvania, Nabisco threatened to eliminate 650 jobs. The Bakery Workers local along with local political leaders organized a city wide boycott of Nabisco products. Even the mayor publicly swore he would never eat another Oreo. If the boycott had been unsuccessful, the union had already convinced city officials to use eminent domain to seize the plant, although some doubt such a radical proposal would have ever been implemented (TIRN 1992).

In addition to these examples, there have also been initiatives in the state of Tennessee to protect existing jobs. Many of these initiatives have been led by the Tennessee Industrial Renewal Network (TIRN), an affiliate of the now debunk Federation for Industrial Retention and

Tennessee Industrial Renewal Network (TIRN), an affiliate of the now debunk Federation for Industrial Retention and Renewal (FIRR). TIRN has been effective in setting up "early warning systems" within factories to anticipate plant closings; creating a Citizen Rapid Response Teams to quickly inform workers of available programs and services when they are faced with job loss; educating workers about how they can better use their own skills to deal with job loss and plant closings; and creating campaigns to fight plant closings in Tennessee (Becker 1995).

One initiative in which TIRN played a key role was the campaign to save Bike Athletic, a sewing factory in Knoxville. TIRN, along with the Amalgamated Clothing and Textile Workers United (ACTWU), created a public pressure campaign that was successful in saving 270 jobs. However, the success was only temporary, however, because in 1995 Bike Athletic announced that even those jobs would be eliminated, as they were moving their entire operations overseas (Becker 1995).

Another TIRN initiative involved Athletic Helmet Inc., also of Knoxville. Athletic Helmet announced the relocation of its Knoxville football helmet assembly plant to Illinois -- a relocation financed by federal funds. TIRN and ACTWU fought the use of federal money to move the plant to Illinois. They enlisted the help of local politicians and

groups were effective in stopping most of the federal money for relocation, Athletic Helmet closed its Knoxville plant in 1995 (Becker 1995).

Finding New Ownership. In addition to public pressure and the threat of boycott, another technique used by local groups to protect existing jobs is active pursuit for new owners of companies threatening to close. For instance, the Schmidt Brewery in St. Paul, Minnesota was shut down after being purchased by an Australian company. Workers from three unions formed a local task force to actively search for a new owner. A year later the brewery was reopened by another company and 60% of the workers returned to their jobs (TIRN 1992). Also, Furtex Industries, located in Lafollette Tennessee, went bankrupt, and the owner refused to talk about an employee buyout. The local ACTWU forced itself into the bankruptcy hearings and saved the jobs by getting the company sold to a new owner who agreed to keep the plant open and pay back wages to employees (ibid).

Strategies for Local Economic Growth and Sustainability. Another strategy used by local citizens' groups to promote and maintain fair and equitable economic change is the development of local economic growth and local sustainability. Tactics such as employee buyout and ownership, economic coops, and local job creation are being

used by community groups to gain leverage of the economic terrain.

Employee Ownership. The most popular form of employee ownership is the employment stock ownership plan (ESOP). An ESOP is generally set up as follows:

A trust fund is created, which lends money to an operating company. (The money may be loaned to the trust by the government.) The company deposits a block of its common stock with the trust as collateral for the loan. The company pays back its loan to the trust with operating income which it is not required to report for tax purposes...As the loan is repaid, a corresponding amount of the stock held by the trust is allocated to the accounts of individual employees, who receive it when they leave the employ of the company (Lynd 1982, p. 45).

Some sources criticize traditional ESOPs because they do not provide a mechanism for worker participation and control in the decision-making process (see Lynd 1982 and McCallister 1996). Genuine employment ownership would entail not only a potential for economic control, but also control over decisions affecting the company and workers. Theoretically, therefore, employer owned companies promote accountability for decision-making at the local level, as well as generate profits in the local community, a very different reality from the current trend of absentee ownership and control and extraction from local economies.

Throughout the past decade the number of employee owned companies has increased dramatically as communities and

workers everywhere have responded to plant closings.

Employee buyouts have saved jobs and sustained communities that would have otherwise disappeared.

In community after community jobs have been retained and neighborhoods stabilized when workers have bought out existing companies or companies that were threatened with closure. And community groups have been creating new worker-owned companies that provide new jobs for local people...Taken together there is now a network of worker-owned companies around the country that are doing business in a different and successful way. These are companies that stay in their communities, invest in building the business for the long term, and create secure jobs for worker-owners, their children and the communities (Megson 1996, pp. 4-5).

One organization, the Naugatuck Valley Project (NVP), was established to promote employee buyouts in western Connecticut, an area greatly affected by deindustrialization. The NVP serves as a vehicle through which local groups have a voice alongside powerful corporations and government institutions. Although their primary emphasis is on employee buyouts, NVP also emphasizes eminent domain, new enterprise creation, and job preservation (Brecher 1990).

One successful NVP project was the buyout of Bridgeport Brass Wire Company, a National Distillers subsidiary. When the company announced its plans to sell, the local union voted to pursue the possibility of a buyout. A Seymour chapter of NVP formed to support the workers in their

efforts. The local NVP was successful in gaining support for the initiative from local religious, community, and small business organizations (Brecher 1990). After a feasibility study was conducted, employees made a bid for the company, based on an Employee Stock Ownership Program (ESOP). The bid was accepted after a bid from a competing company was withdrawn, and Bridgeport Brass became Seymour Specialty Wire: An Employee Owned Company. A local bank provided the financing, and the union agreed to accept a 10% wage cut to ease the financial burden of the debt (ibid).

Seymour Specialty Wire was run by a nine member board of directors: five were elected by all employees on a one-person-one-vote basis, union and company presidents were automatic members, and two outside directors were selected by the board (Brecher 1990). After its first year, Seymour Wire showed an increase in sales, and after six months workers received a bonus in addition to the restoration of the 10% wage cut (ibid).

Another employee buyout occurred at Market Forge in Everett, Massachusetts. In 1991 Market Forge was put up for sale, and the union local offered an employee buyout. The local, along with help from the Steelworkers International Union, the Industrial Cooperative Association (ICA), and non-union management, negotiated a favorable buyout agreement in which the employees were able to buy Market

Forge outright (Slaney 1996). Upon the purchase, employees restructured the company in a more democratic manner. For instance, every employee had one vote, and 51% of employees could override the Board. In addition, employees get one share of stock per year (ibid).

Market Forge employees now enjoy three fundamental rights that all workers should have but very few do: the right to be reasonably secure in their job (predicated, of course, on the continued profitability of the company, the right to make (directly or by delegating authority) the decisions that affect their work and their livelihood, and the right to decide what to do with the after-tax profits produced by their labor...(Slaney 1996, p. 7).

The buyout revitalized the company -- profits soared, new management was recruited, new equipment was purchased, training was provided to employees, the 10% pay cut was reinstated, and shareholder value (Slaney 1996).

Not all attempts at employee buyouts are successful. For instance in Hammond, Indiana, the Stratojac clothing company announced the plant's closing. The United Garment Worker Local 256 contacted the Calumet Project for assistance. The Calumet Project is a coalition of labor, community, and church organizations formed to "preserve well-paying industrial jobs in the region and to empower worker and community constituencies in the economic development decision-making process" (Nissen 1995, p. 7). After the meeting, workers and Calumet staff decided to

proceed with an employee buyout. Soon it became apparent, however, that their efforts were futile. "Lack of a capable manager, the near impossibility of raising the necessary working capital, loss of the label, uncertainty about marketing and a sales force, and the like presented too many obstacles" (Nissen 1995, p. 79).

Local Job Creation and Cooperatives. Communities are using other alternative strategies to promote fair and equitable economic change. These strategies emphasize local economic growth and sustainability and may include the development of cooperatives, the creation of business incubators and micro-enterprise lending, and the development of training and technical assistance programs. The move toward local economic growth and sustainability is one which promotes independence from outside economic interests and reliance on local community members and organizations. This type of development is a process in which community members have power and control over the decisions affecting them. Development is done not only in an effort to secure jobs, but also in an effort to protect and preserve the community and its people. In its 1992 report, *Coming out of the Shadows*, a Southern regional research organization, states,

Job creation and dollars invested are no longer adequate goals for development. In rural areas issues of jobs are linked to those of infrastructure, social support systems, education

and protection of the natural resources. Job creation is only a piece of the economic development puzzle in a changing, competitive economy.

One example of a move toward local growth and sustainability is the Watermark Association of Artisans, a crafts coop in Camden, North Carolina. Watermark is the county's largest employer with 800 plus members, and it pumps over one million dollars annually into the local economy (Madison 1995). Coop employees make sculptures, wood items, baskets, quilts, and other craft items which are marketed through retail stores, catalogs, trade shows, and cable television (ibid).

Similarly, in a Kentucky county plagued by high unemployment and poverty, a group of local citizens organized Workers of Rural Kentucky (WORK). Assisted by regional development support organizations, WORK has created many jobs and opportunities for local residents (Madison 1995). Decent-paying jobs in such enterprises as a job referral service, a used clothing retail store, a bakery, and a child care center have been created (ibid).

Another example of communities working toward local sustainability is the Voice of Calvary Ministries (VOCM) in Jackson, Mississippi. VOCM is a Christian community development organization that has been successful in revitalizing the city and empowering community members by

providing services such as housing rehabilitation, home ownership counseling, small business development, youth leadership building, and health care (Madison 1995).

The development of business incubators and micro-lending enterprises is also a mechanism for local growth and sustainability. For instance, the Business Innovations Center (BIC) of Mobile, Alabama, provides information and consultation on small business start-ups, capital acquisition, management training, and marketing. BIC is funded by a public-private partnership between the city and county of Mobile and the Mobile Chamber of Commerce. This organization has been successful in creating more than 150 new businesses and producing several hundred jobs for a \$3 million annual economic impact on Mobile County (Madison 1995).

In Durham, North Carolina, The Center for Community Self-Help is another example of a successful local initiative. The Center created the nation's first statewide community development bank. Self-Help has stimulated growth in depressed areas of North Carolina by providing capital to small businesses, non-profit organizations, and low income home buyers (Madison 1995). As of 1995, Self-help had its own financing affiliates which made \$29 million in home mortgage loans to 600 families and \$30 million to almost 900 small businesses since 1980 (ibid).

Training and technical assistance are also effective tools used by community organizations to promote local growth and sustainability. For instance, in Chicago, the Save Brach's labor-community coalition proposed a candy industry training institute for employees and prospective employees in Chicago's confectionery industry. "The institute would be created and governed jointly by community organizations, labor unions, candy companies, and government. It would offer sophisticated training programs, research on the sector and its changing needs, and public policy initiatives" (MCLR 1995, p. 5).

Another example of training and technical assistance as a mechanism for local growth can be found in Wisconsin's Regional Training Partnership (W RTP), which emerged from the economic downturn of the 1980's. W RTP was built on the "one-stop shopping" concept for dislocated workers and used a growing network of workplace education centers in Milwaukee (HRDI Journal 1996). W RTP was committed to the goals of "increasing investment in workplace education, improving reemployment assistance for adults, developing school-to-work initiatives for youth, and benchmarking all training efforts to advanced practices" (ibid, p. 5).

Common Ground, Common Struggles

The literature reveals a history of resistance against the traditional model of development in the South, because this model fails to promote justice and equality. As a result, people are increasingly discontent with retaining a passive role in the development process. Thus, local citizen's groups are demanding more control of local development in an effort to regain control over their lives and their communities. As The New Chicago Campaign declares,

We need to reclaim, rebuild and restore our community to vibrancy...we also need to take matters into our own hands...we demand active and effective consultation with the community on the types of development that use our resources...we see an exciting future for our communities if we join together in developing our community in ways that recognize and protect our assets and give us greater control over what we have built (MCLR Spring, 1995, pp 1-2).

The literature suggests, therefore, that an alternative model of development has emerged which promotes economic equality and justice by insisting that development must be for, of, and by the community. The new model incorporates non-traditional strategies of development -- strategies which not only redefine economic priorities, but also, demand democratic principles and ideas within the economic process.

The literature also reveals the new model of development has been successful when accompanied by community-wide support and coalition building. Communities that have been effective in boycotts, employee buyouts, and local growth have all had strong community coalitions among religious groups, labor, and other local organizations to tackle the issues and devise appropriate strategies. These communities have also had support and assistance from a pool of local resources and professionals (e.g., business, legal, political) whose expertise is often essential to a community initiative.

DISCUSSION

Historical findings indicate the dominance of a development model in the South that protects the interests of business and industry. At the same time, findings suggest a history of resistance as a result of the dominant model. This section addresses the historical evidence in light of the theoretical model presented in chapter two. Therefore, what does the history of development in the South reveal about relationships of power, the role of the state, and resistance.

Relationships of Power in Southern Development

The findings suggest that business and industry have historically been attracted to the South because of its natural resources and cheap and abundant labor force. Industries came into the region in the beginning to claim lands and rights to the land in order to extract natural resources for exportation out of the region. Later on, industry came into the region to escape the high wages and levels of unionization present in the North.

Although early development created local jobs for people of the South, it also created an economic dependence on outside industrial interests. This early dependence has led to economic blackmail today, as companies threaten to relocate if their needs are not met. Further, the arrangements resulted in early control of the land and people by absentee owners. For instance, the Appalachian Land Ownership Task Force (1979, p.1) "found ownership of land and minerals in rural Appalachia to be highly concentrated among a few absentee and corporate owners, resulting in little land actually being available to local people."

More recent development efforts in the South have also given industry control in the process of development. Companies demand and receive incredible incentive packages

to relocate in a particular community. For instance, General Motors received a general incentive package to relocate to Tennessee. While this incentive package cost the county millions of dollars, state and local officials believed the result would be beneficial to the state due to projected growth and job creation. However, this didn't occur.

The history, therefore, indicates that industry has had the power to control the process of development. As a result, the people and land have been dominated and exploited by private, outside economic interests. While development may have spurred some local growth and job creation, industries have been the major beneficiaries of development as their profits have soared.

The State's Role in the Historical Development of the South

The evidence suggests the state has historically supported business and industry in the region. Local and state officials, seeking industrial recruitment as the answer to their economic ills, have given away land and incentives for industrial development. Also, local monies are used to provide infrastructure and training. As a result, rural and urban communities have spent billions on industrial recruitment and retention. State and local

officials justify their actions and argue that "what's good for business is good for the community."

However, the evidence suggests that development has not always been "good" for the local people and their economies. For instance, many communities in the South have become victim to environmental degradation caused by industries who are subsidized by local and state monies. Therefore, there is often a conflict of interest between industry and the community, a conflict in which the state has historically represented industry.

The Implications of Resistance

The historical evidence indicates a history of resistance in the South around development issues. Organized opposition has challenged the dominant economic interests of development and has worked through the political sphere to do so. This supports the idea of the economy as a "contestable terrain" in which local groups organize and act to transform the injustices and inequalities of failed economic development policies and practices.

Not only can the economy be regarded as contestable terrain, but also the political state may be viewed as contestable terrain, for this has been a legitimate arena through which local groups have contested the economic

domain. For example, Save Our Cumberland Mountain (SOCM), one of the strongest grassroots organizations in Appalachia, began in 1972 when Tennessee coalfield residents petitioned the state government to ensure coal landowners pay their fair share of taxes (Fisher 1993). Also, Kentuckians for the Commonwealth (KFTC), a citizen's social justice group started in 1981 by a group of eastern Kentucky residents, spearheaded a successful legislative campaign to give local governments the right to decide if hazardous waste incinerators could come into the community. KFTC also contested the political terrain by successfully campaigning to pass a constitutional amendment to stop strip mining without the permission of the landowner (Szakos 1993).

The successes of SOCM and KFTC can be attributed to the fact that they are multi-issue organizations. This enables them to learn from each other and to examine their individual struggles within a common social, political, and economic framework. There is solidarity and community among members who challenge and act to change oppression in their lives. These organizations have become "free spaces" or

environments in which people are able to learn a new self-respect, a deeper and more assertive group identity, public skills, and values of cooperation and civic virtue. (Evans and Boyte 1986, p. 17)

Moreover, the free spaces created by groups such as SOCM and KFTC pervade the political arena as the dominant terrain is

contested. Through this process, the state often becomes a "free space" through which community power can be realized and through which economic, political, and social inequities may be addressed.

However, the literature indicates that the state, although having some possibility of becoming a "free space", has historically represented the interests of business and industry. As the theoretical literature suggests, therefore, "the state is a capitalist state" within a global capitalist economy. Although, resistance efforts attempted within the political arena may have resulted in some changes, transformation of traditional economic and political relationships has not occurred and may not as a result of the state's interest to protect business and industry. This may explain the short-lived success of some resistance efforts such as the fight to keep General Motors Van Nuys plant open and the outright failure of other efforts such as TIRN's fight to keep Bike Athletic in Knoxville.

In conclusion, this chapter has presented a history of development, along with a history of resistance in the South. The history has many implications regarding relationships of power, the role of the state, and resistance in development. The next chapter moves to present the historical development of Roane County,

Tennessee, a rural county in the South that is the setting for this case study.

CHAPTER FIVE
THE HISTORY AND PROCESS OF ECONOMIC DEVELOPMENT
IN ROANE COUNTY
AND THE ISSUE OF POWER

The early history of Roane County suggests development was a result of dominant political-economic interests. A small group of military and business elites had the power to control the direction of development. The same trend has continued in Roane County, for there are certain people and/or organizations that are currently responsible for bringing industry into the community -- a small power elite. Also, there is a specific procedure for industrial development which involves these key organizations and people.

This chapter is divided into four sections and describes the historical and current development processes, which provides insight into the theoretical issues of power and the state. In the first section, the early history and development of Roane County is presented. In the second section, there is an overview of key players and organizations involved in development. The third section discusses the connections among these organizations and provides evidence of a power elite. The final section describes one actual case of a development initiative by Roane County's power elite.

EARLY HISTORY AND DEVELOPMENT IN ROANE COUNTY, TENNESSEE

Roane County is located in Eastern Tennessee, approximately forty miles west of Knoxville, and serves as the research setting for this case study. Like other communities across the South, Roane County's development has traditionally been driven by political-economic interests.

The county was was formed in 1801 when Knox County gave a portion of territory for the formation of a county that was named for Judge Roane (Governor from 1801-1803). The county was organized for civil and military purposes into six military companies. This organization provided a system for tax collecting, and protection from incursions by the native Cherokee Indians. The six districts were comprised of about 300 white men between the ages of 18 and 50 years (Roberts 1981; The Roane County Heritage Commission 1998). Therefore, from Roane County's beginning, the military and economy played an important role in development.

These factors continued to play a role as five townships eventually developed in Roane County. The remainder of this chapter discusses the formation of each of the five townships: Kingston, Rockwood, Harriman, Oliver Springs, and Oak Ridge.

The Development of Roane County Townships

Kingston. The town of Kingston preceded the formation of Roane County. Kingston was an army garrison between 1792 and 1807; the fort was surrounded by several trading posts, and provided a protected environment for the convergence of Southeastern trade routes at the mouth of the Clinch River. The city of Kingston was formally established in 1799 and today lies between Interstate 40 and the north shore of Watts Bar Lake (Roberts 1981; The Roane County Heritage Commission 1998).

Rockwood. The town of Rockwood originated when a union officer and trained geologist, John T. Wilder, discovered an abundance of iron on Walden's Ridge. After the Civil War, Wiler returned with Northern industrialists to form the Roane Iron Company in 1868. Rockwood was a "company town," where the majority of the population lived in housing built by their employer and used currency traded in the company store. The town was named for the Roane Iron Company's first president, William O. Rockwood. Rockwood's industrial base diversified after 1905 when previous employees of the Roane Iron Company began manufacturing textiles, stoves, and dry goods. One leading participant in this transition was Sewell Howard, who started the Rockwood Stove Works. Howard managed to obtain all of the company's raw materials within

a one-mile radius of the factory and eventually developed markets from the Ohio River to Latin America (Roberts 1981; The Roane County Heritage Commission 1998).

Oliver Springs. Oliver Springs, located in the northeastern corner of Roane County, was founded in 1830 as Winter's Gap, after its first white settler, Major Moses Winter. Archaeological evidence suggests that Native Americans used this area as a campsite, probably because of its natural mineral springs and abundant wildlife. The town's name was later changed to Oliver Springs, in honor of its first postmaster, Richard Oliver. Oliver was the first to develop the commercial potential of the mineral springs by transporting guests from his hotel to the natural spas. Consequently, Oliver Springs became a popular resort town which catered to wealthy guests, who came from all over the country to drink the waters and bathe in the springs (Roberts 1981; The Roane County Heritage Commission 1998).

Harriman. The town of Harriman was chartered in 1890 as a utopian community based on social temperance. Frederick Gates, a former Methodist minister and founder of the East Tennessee Land Company, desired a town of social temperance and industry, which meant no manufacturing, storage, or sales of alcoholic beverages. Gates advertised his ideas across the country to entice buyers, and thousands of people turned out to the 1890 Great Land Sale, led by

Gates and the 1888 Prohibition Party Presidential Candidate, General Clinton B. Fisk. The company sold 573 lots within ten hours of bidding and made \$604,000 (Roberts 1981; The Roane County Heritage Commission 1998).

Oak Ridge. Oak Ridge is Roane County's newest town. It was formed in 1942 when the United States Government constructed extensive facilities in Roane and Anderson Counties to house World War II's Manhattan Project, the enterprise that developed the atomic bomb. More than 75,000 people lived and worked in Oak Ridge during this time, under conditions of extreme secrecy and security. Since that time, Oak Ridge has continued to be influenced by a strong, governmental, military, and economic presence who focuses on research, development, and high-tech enterprises (Roberts 1981; The Roane County Heritage Commission 1998).

Discussion of the Early History

The early history and development of Roane County indicate control by economic interests. White, wealthy, educated, and decorated men had the power to shape development. Land was deeded and resources were extracted for profit by private interests, many from outside the area. These interests, then, begin to dominate the process of development in Roane County.

Today, political-economic interests continue to drive development in Roane County. The consequences of development have not been altogether favorable for citizens of Roane County, for today the county lags behind the state and nation in economic indicators: the unemployment rate remains slightly above the state average, per capita income is estimated below the state average and the poverty rate in Roane County exceeds state and national averages (East Tennessee Development District 1998). This dissertation now moves to discuss the current process of development in Roane County and how this process continues to reflect the interests of a small group of political-economic elites.

KEY ORGANIZATIONS INVOLVED IN THE PROCESS OF RECENT ECONOMIC DEVELOPMENT IN ROANE COUNTY, TENNESSEE

Several local agencies are primarily responsible for industrial and economic development decisions. These agencies are the Industrial Development Board and Chamber of Commerce, the Community Development Council, and Tennessee's Resource Valley. These groups ultimately have control over the economic development process in Roane County. Although they are separate organizations, they financially support one another and work closely together. Following is a description of each of these key organizations and the

specific role each plays in economic development (see Table 6.1).

The Industrial Development Board

The Industrial Development Board is a public body comprised of nine members who are appointed by the county commissioner for a six-year term. The Industrial Development Board was formed by the County Commission in 1964 for the sole purpose of approving municipal bonds, which are tax-free bonds issued by the county. Legally, there must be a separate agency other than the County Commission to approve these bonds. Once the bonds are approved by the board, they then became tax free. This provides more lucrative marketing ability to attract new industry.

The Industrial Development Board is ultimately responsible for bringing industry into the community -- its members vote on industrial startups and relocations and determine how to entice industries into their community. They work together with the Chamber of Commerce in designing information packets to send out to prospective industries. Also, they are responsible for the acquisition of land for industrial expansion, as well as retaining present industry and aiding in any expansion plans present industry may have.

**Table 6.1. FUNCTION AND TYPE OF MAJOR DEVELOPMENT
ORGANIZATIONS IN ROANE COUNTY, TENNESSEE**

ORGANIZATION	KEY FUNCTIONS	TYPE
Industrial Development Board	political body that votes on industrial development bonds; land acquisition; creates local marketing packets and strategies	public organization whose members are appointed
Chamber of Commerce	works closely with Industrial Board to create local marketing packets and strategies	private agency
Community Development Council	driving force in industrial recruitment, retention, and expansion in Roane County	private agency
Tennessee's Resource Valley	major marketing and recruitment agency for east Tennessee	private agency
Roane 2000	financiers of local, private development agencies	private agency

The Industrial Development Board also has the responsibility for maintaining the local industrial park. The land for the park, which was originally 700 acres, was acquired in 1974 by the County Commission for industrial development. At this point the industrial board also became funded by the County Commission for the maintenance of the park.

In addition the Industrial Development Board runs the waste water treatment plant which the industrial park uses. The plant was deeded to the industrial board. The county cannot own it, because they would be required to have a waste-water treatment committee and a utility district. Legally the county cannot run a utility -- they have to have a board to do it. Thus, this became the responsibility of the Industrial Development Board.

The Industrial Development Board has two paid staff positions. One is a secretary and the other is an industrial commissioner. The commissioner is the person who does the fieldwork for the board (i.e., talking with prospective industry, showing them sites for development, and negotiating contracts). This position was vacant for some time, during which time the chair of the Industrial Development Board assumed the responsibilities of the commissioner.

Members of the Industrial Development Board are prominent members of the community. For instance, one member is Vice-President of a local bank, another is an international business leader, while another is an ex-mayor with a long political career. There is no representation by average citizens, and all members of the board are Caucasian males.

Although the board is comprised of nine members who vote on industrial recruitment packaging, only a few are completely involved. For instance, only two of the members were knowledgeable about the entire process in obtaining a recent industrial acquisition. Thus, there is a power structure within the board itself with only a few holding real power in terms of knowledge surrounding industrial development within the community.

The Chamber of Commerce

The Chamber of Commerce, a private organization, works closely with the Industrial Development Board in preparing material to be distributed to prospective developers. One member of the chamber said, "we deal a lot with existing industry but we do supportive services for the Industrial Board as well." The cooperative relationship between the two agencies has not always existed. According to one respondent,

although their far off goal was the same, they weren't always in concert with one another. In fact they were in conflict at one time. The Industrial Board is public money and the Chamber is private money and often times it is not a good mix...I'm not saying they didn't work together, I'm saying they really didn't work with one another.

The Community Development Council

In an effort to provide a vehicle by which the Industrial Development Board and the Chamber of Commerce could work together, the Community Development Council (CDC) was formed. This organization was formed specifically to pursue industrial and economic development in Roane County.

According to one CDC representative, the CDC was formed in late 1988 in an effort to promote unity within the county -- to have an organization that was represented by each of the three cities within the county. But the idea was not only to promote unity, but also to devise a fairly aggressive marketing program that would support the Industrial Board.

Although the Industrial Board receives money from the county commission, their budget does not leave a whole lot of money for things like entertaining prospective industries and actually going on marketing and recruitment trips. The CDC provides dollars for that purpose. One respondent replies,

you have to take prospective clients out to dinner and treat them well and show them that you want them in the community and you really have to put forth an effort. But when you're dealing with public money you have to be very careful about how the dollars are spent... because people will say, 'they're wasting money on trivialities.' But really that is not the case. You have to be able to wine and dine these people...you just have to spend money in order to get these people to come in.

The CDC meets on a regular basis and has an annual retreat to discuss problems and define strategies. They are an influential group of political and economic elites who are successful in planning and executing their agenda for economic and industrial development in Roane County.

Tennessee's Resource Valley

When asked who the key players are in economic and industrial development decision-making, every respondent mentioned the Tennessee Resource Valley (TRV) as the initial point of contact in many instances. The TRV is responsible for marketing a 15-county area in Eastern Tennessee. This organization prepares marketing materials, advertises in national trade magazines, and attends national trade shows to market the region.

When marketing the region, TRV accentuates certain facts that are favorable to business and industry. For example, their brochure within the packet provides information regarding the work force in Eastern Tennessee.

The region is described as having a "productivity advantage" due to factors such as average weekly wages 17% lower than the national average, low union activity, and right-to-work laws which favor industry.

One of Roane County's most recent acquisitions, Caterpillar, was generated through the TRV. The local Industrial Development Board members and Community Development Council members are very reliant on Tennessee's Resource Valley to provide prospects for development in Roane County.

Therefore, TRV is crucial to industrial and economic development throughout the region. TRV is the initial point of contact for prospective industries due to their marketing function. Moreover, there is a specific strategy by TRV to market this region in a manner consistent with pro-business/anti-worker sentiment.

INTERLOCKING DIRECTORATES AND THE POWER ELITE

The Roane County development organizations are interlocked with one another because of overlapping membership among them. Often, individuals serve on the board of two or more local development organizations. Figure 6.1 illustrates the extent to which key development organizations are interrelated by virtue of overlapping

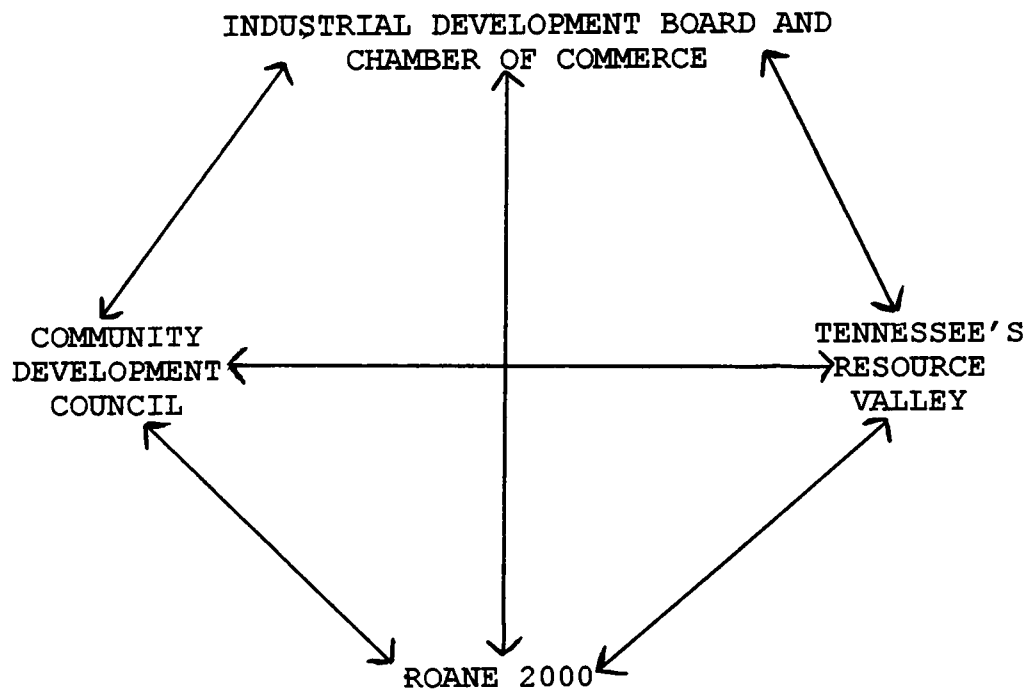


FIGURE 6.1. Interlocking membership directorates of development organizations in Roane County, Tennessee

membership. For example, members of the Community Development Council Board for 1992-93 consisted among others, Jim Henry, founder of Tennessee's Resource Valley and former Industrial Development Board member; William Manly, business leader and Industrial Development Board member; Tom Perry, a past industrial recruiter for the Industrial Development Board; and Tim Ledford, president of the Chamber of Commerce. These same individuals are also members of Roane 2000, a consortium of local businesses and individuals who financially contribute to development organizations in the county.

Therefore, a small group of people within a small number of organizations control the process of development in Roane County. This group is comprised of prominent political and economic figures in the county -- ones such as Jim Henry, a former state representative and real estate broker. This power elite works together to market, recruit, and finance development in Roane County.

The development organizations are also interlocked financially. As figure 6.2 indicates, development monies are being directed into marketing and recruitment agencies. For example, the local recruiting agency, the Community Development Council, is financially backed by Roane 2000,

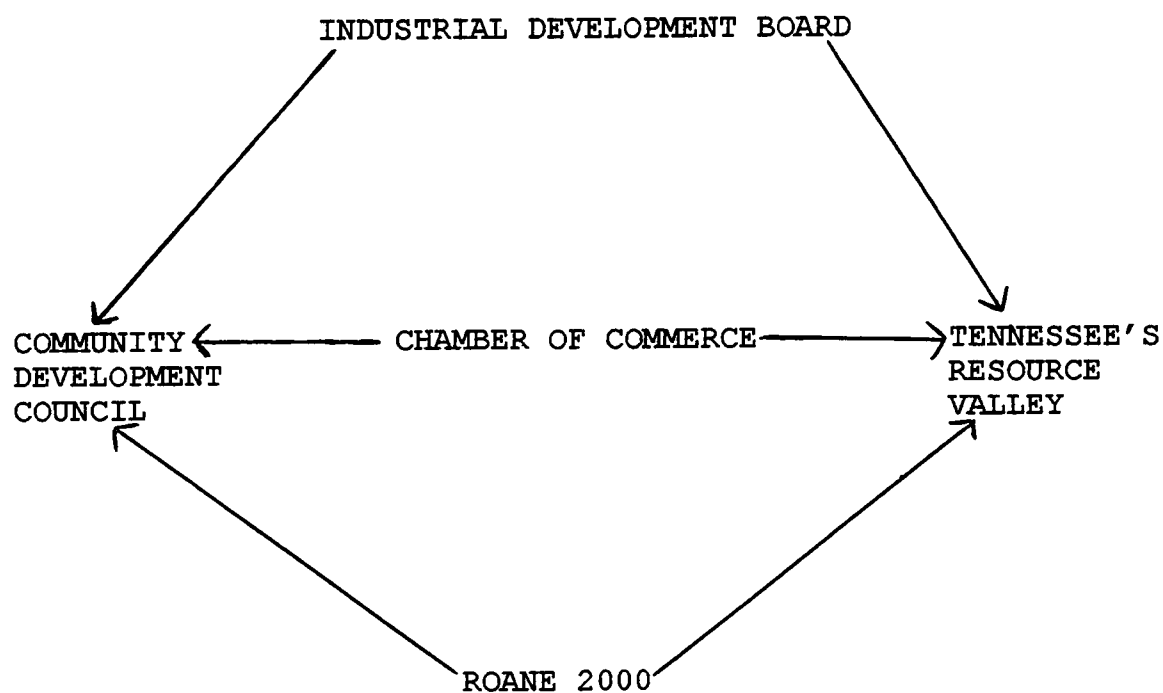


FIGURE 6.2. Flow and direction of financial support among local development organizations in Roane County, Tennessee

Tennessee's Resource Valley, the Industrial Development Board, and the Chamber of Commerce.

The regional recruiting agency, Tennessee's Resource Valley, is financially backed by private and public institutions in the 15 county area surrounding Knoxville that it is responsible for marketing. The Roane County Industrial Development Board, the Chamber of Commerce, and the Community Development Council are all among the financial contributors of TRV. In turn, the TRV obtains industrial development prospects and refers them to Roane County.

Therefore, findings suggest a concentration of development monies in a small number of organizations run by a handful of political and economic elites. These elite organizations work together and finance one another to shape development, thereby resulting in the concentration of power and economic resources in Roane County.

THE PROCESS OF ECONOMIC DEVELOPMENT AND THE CASE OF CATERPILLAR

The evidence indicates concentration of power among a small elite in Roane County -- certain people and organizations interact to shape development. But exactly how do they interact within the specific process of development? This section discusses the process of

industrial and economic development in Roane County and provides a case example of how one industry, Advanced Compacting Technology, a Caterpillar industry, came to relocate there.

The Process

The process of industrial and economic development involves all of the groups mentioned above. They interact and work closely together. TRV markets the region by designing and sending out packets to prospects, along with packets created specifically for Roane County by the Chamber of Commerce and the Industrial Development Board. The TRV is usually the initial point of contact and introduces a prospect to the region.

Once the prospect has decided on Roane County as a potential site, the Community Development Council (CDC), the Chamber of Commerce, and the Industrial Development Recruiter become involved. The marketing director for the CDC plans a meeting for the prospect with members from each of the key organizations, along with other local representatives. This meeting is an effort to demonstrate the county's desire to acquire the potential business and to detail benefits the county can provide them.

If the prospect develops and is interested in Roane County, they will submit a spec sheet stating their needs.

They will also request further detail and information at this time. The CDC then provides the prospect with information they need regarding their specific business. This may include bringing people from the community in (e.g., utilities, transportation, schools) to deal directly with the prospect. The Industrial Board is aware of negotiations with the prospect from the beginning, but much of the direct contact is made through the TRV and CDC, initially.

If the prospect is further interested in Roane County, the financial negotiations begin. The prospect will inquire about incentive packages the county can offer -- what can the county provide in terms of property, existing structures, utility hookups, and other infrastructure. The negotiations will continue until the prospect makes a final site selection.

The Case of Caterpillar

In 1993 Caterpillar started up its Advanced Compacting Technology company in Roane County, Tennessee. The process began a year earlier when, somewhere along the way, Caterpillar obtained Jim Henry's name. From that point on, a couple of elite people in Roane County began the successful campaign to "land the company." What follows are

excerpts from interviews with representatives from key agencies to explain how the negotiation process occurred.

Caterpillar contacted TRV. I don't know how Caterpillar got TRV's name. TRV contacted us and said they had a prospect that was looking for, whatever it was they were looking for and needed information. And then we sent the information back. They came back to TRV and had pretty much narrowed it down to four communities in this area. Jim Henry then took the representatives to look at these various communities and we did what we technically do. We get people together that might be able to speak on training programs, people from the schools and utilities. We got those people together and they met with the folks from the company when they came in. Caterpillar dealt just about all the time through Jim Henry and TRV. This was one of those occasions when TRV was very much in the center of it all. Sometimes, when you get contact between the community and the prospect, once that contact has been established, then TRV is out of the picture. But in this particular case, they felt very comfortable working with Jim Henry and they maintained that contact. And really right up until the last, they worked through Jim. So he played a very important role in getting Caterpillar here.

Once Caterpillar began to show serious interest in Roane County, the financial negotiations began. According to one Industrial Development Board member,

Basically, what we did was to send them a letter telling them what we could give them. We decided to give them the land, which is 23 acres of land in the Industrial Park for construction of a 50,000 square foot building. Then we decided to give them \$75,000 toward site preparation costs. This comes in from the Tennessee Infrastructure Preparation (TIPS) Grant and must be approved by the state and the county. If approved the county will put up 20% and the state will put up 80% to help get the land prepared for an industry to come in. So in this case, the state of Tennessee would give \$208,000 and we would put up \$75,000. So we

went to the county commissioners and asked them if they would be willing to give another \$75,000 to the budget, and they said they would. And then we went to the State of Tennessee and said we've got permission to get the 20%, now will you give the 80%. After they looked at the job proposal and decided that all the considerations were O.K., that environmentally they were O.K., they said they'd do it. And we had to go to Nashville to get this done. And then we went to the utility district - they [Caterpillar] wanted to know what facilities and infrastructure were available). So we went to the City of Rockwood, and they agreed to waive normal connect fees and equipment charges to provide this type of help that the company wanted. This was estimated to be \$100,000. The gas company waived the normal connect fees, too. At first we weren't going to give them anything. But we found out from Jim Henry that we would be out of the ball game if we did that. They were given over 20 acres at \$7,500 per acre, \$75,000 for site preparation, and free utility connect fees.

During the entire recruitment and negotiations process, however, Caterpillar used a pseudonym. They called themselves "Boxholder." Only two people in the entire county knew the company was actually Caterpillar -- Jim Henry and an Industrial Development Board member. This member claims,

I knew about it two months before the press statement was released because Jim told me about it. He and I were the only ones in the county that knew it. They asked us to keep it confidential, and we did. Once we worked out all the details and knew it was a done deal, then we issued a press statement. The press statement was written by Caterpillar, and they instructed us to release it only to the Roane County newspaper. They didn't want it in the Knoxville News Sentinel.

Another Industrial Development Board member made a comment to Jim Henry that he was going to try and figure out who "Boxholder" actually was. Within the next few hours Jim Henry contacted this member and said, "Company officials are worried. Please don't try to find out who it is."

According to Stan Hohulin, manager of Caterpillar's Advance Compacting Technology Company, this provision of confidentiality was one of the greatest factors that influenced company officials to locate in Roane County. Hohulin said, "In the early days it was important not to divulge who we were. This could harm our company, and we'd walk away."

Caterpillar needed this kind of protection from county officials due to their intensive labor struggle with the United Auto Workers Union (UAW). In 1991 the UAW/Caterpillar contract expired, and a new agreement could not be settled, thus affecting workers in eight plants across four states, one in Tennessee. Workers went on a six-month strike that ended in 1992 when the UAW ordered a return to work. Two years later in 1994, and still without a contract, Caterpillar workers again walked off their jobs protesting unfair labor practices. Workers were on strike for 17 more months. In December 1995, UAW officials told workers to return to work, in spite of union members' rejection of the company's latest offer. A contract was

finally negotiated three years later, in 1998, after a long and bitter labor struggle.⁵

While this intense struggle was occurring between workers across the country and Caterpillar, political and economic elites in Roane County were rolling out the welcome mat to this company. Not only did Roane County officials offer the company a generous incentive package to locate in Roane County, but also county officials granted Caterpillar's demand for confidentiality, thereby, protecting the company from organized labor. Caterpillar's interests were protected at the expense of workers and citizens who had no impact on the decision to bring this company into their county.

The evidence from the example of Caterpillar suggests, that a power elite exists in Roane County to make decisions regarding development. The evidence also suggests that the political process is closed to average citizens. Finally, the evidence suggests that development in Roane County often favors the needs of big business and capital accumulation. Thus, it appears that dominant economic interests are being served by a small group of elites within a closed political

⁵Workers were not only bitter toward Caterpillar, but also, toward the UAW, who they thought betrayed them by ending strikes, not once, but twice. Many workers were not satisfied with final negotiations, either, and felt the final contract provided more for UAW bureaucrats than for Caterpillar workers. See Jones and Grey 1995; White 1998.

apparatus. This dissertation now moves to explore this idea more fully in the next chapter.

CHAPTER SIX

WHO BENEFITS FROM DEVELOPMENT?: EXPLORING THE ROLE OF THE STATE IN ROANE COUNTY

The evidence presented in the previous chapter suggests that a small group of elites affect political decisions regarding development. Moreover, evidence from the example of Caterpillar suggests this group acts in the interest of business and industry. Thus, the previous chapter implies the state is attentive to its accumulation function.

This chapter explores the role of the state more fully by examining the power elite's general responsiveness to citizens and industry on issues relating to development, particularly when there is a conflict of interest. If the power elite is more responsive to industry than citizens, then as a consequence, industry should benefit from political decisions and policy. Has this been the case in Roane County? If so, the evidence supports the idea that the state's role is to foster capital accumulation.

Since the theoretical model indicates a dual state function, this chapter also explores the state role of legitimation. If the power elites in Roane County enable accumulation, how do they legitimize their decisions and actions to the citizens?

The first part of this chapter explores the role of the state by addressing state response and action regarding four specific development issues in Roane County. These four issues include access to information, land acquisition, incentives, and the environment. In Roane County, there is much contention among various groups and members around these issues. Examination of them provides a better idea of whose interests the local power elite serves. Once this has been established, legitimation of state action around development issues can be examined. The second section of this chapter addresses the issue of legitimation.

THE STATE ROLE OF ACCUMULATION: PROTECTING THE INTERESTS OF BUSINESS AND INDUSTRY IN ROANE COUNTY

Access to Information and the Question of Confidentiality

Local community members and organizations believe there is too much secrecy surrounding development decisions. Industries are recruited into the community without citizen knowledge and input. Local citizens desire access to information regarding local development and demand participation in the process. Often Save Our Cumberland Mountains (SOCM) members have gone to local public bodies to obtain information on development initiatives and are usually regarded suspiciously and denied unlimited access to public files. One members recalls,

Certain times SOCM has gone to the Industrial Development Board and to the Chamber of Commerce to look at certain documents. All the copies that we made were tagged. Everything we copied had a post-it put on it so that they could go back and look at what we copied. I can't remember what the industrial recruiter said to us, but we had a big go-round about what is public information. They held that we couldn't look at any active files. They tried to tell us that we couldn't look at any files at one point. Then they told us they would bring them to us. They wouldn't let us look through their file cabinets to see who they had files for. Instead they made us request who we wanted to see files about.

Another member states,

Every time I go to the Industrial Development Board I feel unwelcome and continuously watched over. We are placed in the conference room with folders or files that we have specifically asked for. Nothing additional is volunteered. During my first visit, the current Industrial Board recruiter sat with us the entire time. He brought his own work in and sat at the opposite end of the table. During my second visit he did not sit with us as before but was in and out of the room to bring in files we had requested. After our second request, he came back into the room with a very disgusted look on his face and told us that we were taking up entirely too much of his time and that he had to go through each of the files to pull out confidential material. He was very upset with us and told us as much. He also told us that future visits would have to be at his convenience, not ours. I had a problem with his attitude in that I see that as one of his responsibilities -- to serve the public. After all, the Industrial Board is a public body.

Findings from interviews with local officials reveal there is much secrecy and confidentiality, and the general public is denied access to information. An example of this is found with Caterpillar, Inc., who came into Roane County

and asked to remain anonymous until the deal was transacted. Remember, only two people in the entire county knew that "Boxholder" was actually Caterpillar.

When asked why such confidentiality is necessary, several responses emerge from local decision makers. First and foremost, confidentiality is used to protect the industry. For instance, in the case of Caterpillar they were moving South to escape the unionized North. Secrecy enabled them to avoid potential labor problems here. One respondent suggests,

If the labor union found out, they would start making demands. They would get in touch with their counterparts here and create some problems... Unfortunately, there are some labor unions in Roane County who actively try to persuade employees to join.

Also, confidentiality is used to protect the industry from competition. One respondent says, "if you're expanding, you don't want to advertise it. Rather, you keep it in your own environment so you can protect the company from competition." Thus, confidentiality is used to protect the industry from competition and potential labor problems.

One respondent also claims that confidentiality is used to keep down the price of land. The argument is that once word gets out that a multimillion dollar prospect is interested in a particular tract of land, the owner will increase the price of that land, which makes it more costly

for the developer. An Industrial Development Board member says regarding this issue, "if somebody like Caterpillar, IBM, or Disney world were looking at your land, what do you think would happen? You'd zip that price up there like crazy. It's best to keep quiet and confidential so the guesswork's there. You have a smoother flow."

Confidentiality is also used to protect the community. Some respondents believe community members do not need to worry needlessly about potential industry and set their hopes on new jobs, only to be disappointed if the industry decides not to come into the community.

Although there is much confidentiality surrounding decision making, respondents ironically believe the public has access to information but do not choose to use it. One city official argues, "meetings are open to the public...the general public is as involved as they want to be." An Industrial Development Board member agrees, "the bulk of the population is just not interested...they can get information if they want it." Thus, a contradiction exists in that decision makers believe information is made available to the public, yet agree confidentiality is and should be afforded to prospective industry.

Land Acquisition

Many local residents of Roane County desire to have input into how their land is used and want to exercise their rights as property owners. However, they don't feel as if they have input and are uncertain about the process of land acquisition for development purposes.

Findings indicate that the Industrial Development Board has a site selection committee that is responsible for securing land for future development. They enlist the aid of TVA and engineering companies in conducting a feasibility study. The engineering firms and TVA are ultimately the ones who are relied upon to make recommendations to the committee. One respondent says, "you need professional expertise to tell you what assets the land holds." The committee reviews the infrastructure surrounding the land -- does it have power and gas lines, is it close to highway, rail, and water -- in making its recommendation to the Board.

There are several options in purchasing the land. First, the County Commission could have a bond referendum to approve funds for the land. Thus, public money may be used, although private money may be used as well to acquire the land.

Increasingly, the trend is toward joint ventures for land purchases; this idea was promoted at the 1994 Community Development Council retreat. A spokesman for the Blount County (a neighboring county) Industrial Board and Chamber of Commerce says,

what we've done successfully in Blount County is engage in joint ventures -- partnerships that are backed by private and public funding. The profit is then split 50-50 when the facility is sold. The public money is then fed back into the Industrial Board to purchase more land to do another deal. So we advertise that we're looking for a joint venture, because assuming 50% of the risk is better than assuming 100% of the risk.

In the discussion which followed, there was more talk of the necessity for matching funds or public/private ventures. CDC members and other decision makers believe more leverage can be bought with public and private dollars.

A major concern among decision makers in Roane County is the lack of available land to develop a new industrial park. The present industrial park is filling up and does not have the amenities to compete with other industrial parks in the region. Though decision makers see the need for a new industrial park, they are having difficulty finding the land.

Most of those interviewed would like to see development in the East Corridor of the county, land extending anywhere from Gallagher Road to Buttermilk Road. They would like to purchase five hundred to six hundred acres and put

infrastructure on three hundred. However, they are faced with zoning restrictions in much of this area and undeveloped infrastructure, which is very costly. Nonetheless, this is the direction that development seems to be taking.

Many of those interviewed see an increased opportunity for contractual agreements or options to purchase land. Here, the industrial board signs a contract with the landowner to purchase the land at a set price for a given amount of time. If the Industrial Board needs the land for development during this period, it then has a binding contract to purchase and develop that land. Some Industrial Development Board members argue contractual agreements are a great strategy for keeping down the price of the land.

If the county really wants a parcel of land and the landowner refuses to sell, the state has the authority to take this land by right of eminent domain. Eminent Domain is the state's way of taking private land for public use, but with fair compensation to the landowner. Although decision makers suggest this strategy is rarely used due to political repercussions, the option is still available. An example of how this concept may be employed is with Roane County's bid for the Mercedes-Benz plant.

When Mercedes-Benz was looking at Roane County as a prospective site, company officials were concerned about

lack of visibility from the interstate. Within hours, orders came down from Governor McWherter's office that the interstate could be moved to accommodate them. This move would have affected many property owners in Roane County. If these property owners did not agree to sell their land, however, the state could have taken it through eminent domain. An Industrial Development Board member hints at the idea of eminent domain in his discussion on ownership and the future acquisition of land:

We need to look at land that's the best possible land...don't worry about who owns it. Get the land, then you'll get your industry. If you want it bad enough, you can get it. You may have to take some political heat, but you can get it. It can be politically dangerous, but municipalities can do it and that's the power we have.

The evidence suggests that local citizens and property owners are not consulted about land acquisition for development. Through binding contracts and eminent domain, citizens end up with little input into how their land will be used. Further, local government officials tend to dismiss the concerns of citizens regarding land use. For instance, when one local organization expressed written concerns about the East Roane County Land Use and Zoning Plan to the principal planner of the planning commission, the planner dismissed their concerns as "emotional pleas intended to misdirect the focus and intent of the report" (Dept. Of Economic and Community Development, ltr. dated

10/1/93). However, concerned members of the local organization believed their questions and concerns were legitimate. As one member states,

Our questions were asking for valid information, such as: data on past industrial zoning requests, the approval process for rezoning requests, explanations of development pressures on Gallagher Road, traffic volume data on hazardous shipments, data on commercial and industrial development trends and positive and negative economic impacts of I-3 zoning, to name a few (The Standard, 10/21/93, p.2A).

The Use of Incentives

Community members believe that many of their tax dollars are used to lure industries into Roane County. Although they do not understand the extent to which incentives are used, they are adamant that incentives should not be used to bring undesirable industry into their community.

Findings indicate a pattern of incentive offerings to attract prospective industry. The incentive package is designed around the prospect and negotiated through the Industrial Recruiter. The recruiter listens to the needs of the industry and comes up with an incentive offer. Incentives include land, site preparation, resources, and training. For instance, when Caterpillar negotiated to locate in Roane County, the Industrial Development Board,

along with input from Jim Henry, developed and presented a gracious incentive package to them.

The Industrial Development Board ultimately makes the decision regarding incentives. They use a formula to determine how much incentive to give, based on the economic benefit of the prospective industry. For example in the case of Caterpillar, they figured into the equation the average annual wage, a multiplier reflecting disposable income, local tax, and property tax to determine how long it would take to get back the initial investment. In the case of Caterpillar, the formula projected the initial investment in Caterpillar would be recouped in two years.

Responses from decision makers indicate that incentives are necessary in order to compete with surrounding counties. As a result, industries seem to have the advantage in getting what they want. An example of this is with the Mercedes-Benz incentive negotiations with Tennessee and Alabama. When Mercedes-Benz was concerned about visibility from the interstate in Tennessee, the governor said that we would not only move the interstate, but would also build a Mercedes-Benz museum at the entrance to the plant as an additional incentive. By the time Mercedes-Benz finished final negotiations with Alabama, that museum was part of the incentive package. Thus, industry has the upper hand in

playing one incentive package against another due to regional and local competition for their business.

The Environmental Debate: The Development of Roane County's "Incinerator Alley"

The Trend Toward Hazardous Waste Industries. Most decision makers agree that hazardous waste industries, or what they euphemistically refer to as "recycling" industries, are growing in Roane County, much to the dismay of many local citizens. In 1993 community officials projected Roane County to be the solid waste and recycling capital of the world within twenty years, and soon Roane County was labeled "Incinerator Alley." Specifically, Incinerator Alley refers to a four-mile stretch of Gallagher Road in Roane County where hazardous and/or radioactive waste facilities are housed (Roane County News, 10/6/93).

Officials and local newspapers support this type of development and suggest that "Incinerator Alley may be a blessing for Roane County" as "both the economy and environment will benefit in the end." (ibid) When asked about his vision of positive development in the county, one Industrial Development Board member said,

Now you've got to take my bias, O.K. Recycle business, the so-called dirty business. IMCO, that recycles aluminum; Tennessee Valley Steel, that recycles steel; Horsehead Resources, that recycles zinc and lead; the paper plant, that recycles paper to make hardwood. Then we got SEG that does what I consider to be a beautiful job of

consolidating low level radiation waste and now recycling metals that are slightly contaminated that comes from K25 and other sites. To me, recycling is very important. What I would like to see is that they get somebody in the plastic recycling business.

Some decision makers feel hazardous waste industries are increasing as a result of development initiatives to target this specific kind of industry. For example, one respondent points out, "Jim Henry's group just promoted this area at a BFI (waste management industry) trade show last year." However, other decision makers do not think these types of industries are necessarily being targeted. One respondent argues, "in Roane County the growing industries are primarily recycling. This seems to be an attraction... but we don't target these types of industries. What we target is clean, technically-oriented business; but you don't always get that." Therefore, while most decision makers view hazardous waste industries as "the growing industry" in Roane County, there is disagreement among officials as to whether these industries are specifically being targeted for development. Nonetheless, public and private officials overwhelmingly support this path of development in Roane County.

Controversial Companies in Roane County. Many citizens of Roane County are opposed to the growth in the hazardous waste industry and have organized to resist this type of

development. In order to understand their position, it is important to know a little about specific companies which have become controversial in Roane County. Therefore, three companies will now be explored -- Horsehead Resource Development, Scientific Ecology Group (SEG), and Diversified Scientific Services (DSSI) -- to inform a discussion of citizen response and the environmental debate.

Horsehead. In 1981, Horsehead Industries purchased several zinc manufacturing and marketing facilities from Gulf & Western Natural Resources Group (see Appendix C). The home office for these facilities, Horsehead Resource Development (HRD), is in Peoria, Illinois and other plants exist in Palmerton, Pennsylvania and Rockwood, Tennessee. These industries process electric arc furnace baghouse dust from steel mills (a hazardous waste according to EPA and Tennessee regulations), from which it recovers zinc calcine and other products. HRD accepts EAF dust for a fee charged to the generator, processes the material, and sells the recovered products to Horsehead Industries, Inc., a principal stockholder of HRD (Standard & Poors 1985).

HRD has been charged with environmental violations in the past. In 1989 Zinc Corp., HRD's Palmerton, Pennsylvania's plant, paid more than \$614,000 in fines and spent more than \$1 million to correct workplace hazards.

OSHA cited the plant with 295 "willful violations of its lead exposure standard and proposed fines of \$1.9 million (Wall Street Journal 1989). This site was placed on EPA's Superfund list in 1983. Horsehead later sued Paramount Communications, who had since purchased Gulf & Western (the seller of this plant to HRD), for large cleanup costs of the zinc smelting site (Wall Street Journal 1993).

HRD purchased Reserve Carbon, Inc., a plant located in Rockwood, Tennessee, in 1989 (see Appendix D). Reserve Carbon, Inc., was a division of Great Lakes Carbon, of which Horsehead Industries owns a 30% share with Hoechst currently the major shareholder (Wall Street Journal 1994).

In order to locate in Rockwood, HRD was successful in convincing the Department of Health and Environment to override the Tennessee General Assembly's amended version of the Tennessee Solid Waste Management Act in order to allow HRD an operating permit within 2000 feet of a school and within 1000 feet of residences. Although local decision-makers at the Industrial Development Board were aware of environmental issues surrounding HRD, they continued to pursue the industry for location in Rockwood.

Many local residents voiced concern over the plant in Rockwood, even before it was purchased by HRD. For instance, at an industrial board meeting in 1988, residents of the Clymersville community (located adjacent to the

plant) expressed concern over pollution problems they had observed at the Reserve Carbon facility in Rockwood. These residents were especially concerned that the Board was negotiating with HRD, who was interested in purchasing the facility. Jim Henry, the Industrial Board Commissioner at the time, told the residents the Board was aware of the problems that existed and that HRD informed him they were going to eliminate any pollution problems (Industrial Board minutes 12/13/88). Another Board member, Calvin Cheek, told the residents something should be done about the pollution, but the Industrial Board had nothing to do with it. He also told the residents the Industrial Board would not bring environmentally hazardous industry into the county (ibid). However, later evidence suggests that Tom Perry, then the Industrial Board recruiter, welcomed HRD to relocate its Pennsylvania plant, the one plagued with environmental violations, to Roane County, Tennessee.

Since the beginning, residents of the Clymersville community have continued to oppose plant operations in Rockwood and charge the plant with harmful emission levels of zinc, carbon, and graphite. Workers have also charged the plant with health and safety violations. Members of the Oil, Chemical and Atomic Workers Local 3-990 went on strike to protest unsafe working conditions at Horsehead.

Workers say they have been exposed to high levels of lead, which can cause damage to major organs. They obtained company documents that report the results of personal air monitoring of employees and found that lead levels exceeded the acceptable standard in nine of the 20 employee groups tested. The documents also indicate that third shift workers were exposed to nearly 70 times the acceptable level of lead and 23 times the acceptable level for cadmium. Although workers have filed grievances with the union and complaints with the Tennessee Occupational Safety and Health Administration, little has been done (Knoxville-News Sentinel, 8/21/94, p.D1,6).

In spite of health and safety allegations, the Industrial Board continues to maintain the plant is environmentally sound. For instance in 1990, a resolution was passed by the County Commission, in response to Clymersville residents, for an impact statement on HRD to be completed by the Industrial Board and the Environmental Review Board. The statement, which was presented by Jim Henry to the County Commission in May, was in support of HRD and the current renovation of their Rockwood recycling facility (Industrial Board minutes 5/7/90).

In addition, HRD was named by the Industrial Development Board as Roane County's 1993 Industry of the Year. The Board cited HRD's contribution to the community

as the major reason for their selection, for in 1992 HRD provided financial support of \$85,000 to community-based, non-profit organizations (Industrial Board records).

Horsehead currently employs approximately 50 people at the Rockwood plant, although the citizens of Roane County were initially informed that the plant would bring 120 jobs to the community (Knoxville News-Sentinel, 8/21/94, D1,6).

DSSI. Diversified Scientific Services, Inc. (DSSI) is a hazardous waste incinerator which was started up by local businessmen in 1989 and acquired by Chemical Waste Management, Inc. (ChemWaste) in 1991 (see Appendix E). DSSI disposes of mixed waste solvents through thermal destruction by using hazardous mixed waste as the feed for a boiler unit which produces steam that is fed into a generating system. The facility is licensed to burn liquid and radioactive wastes, including 100 specific hazardous compounds and a variety of spent solvents. The Roane County facility is located on Gallagher Road, next door to a special education school and in close proximity to long-time county residents, churches, and small businesses.

Until 1994 DSSI was owned and operated by ChemWaste, a company plagued with environmental violations. For instance, in 1992 the operator of ChemWaste's St. Louis incinerator was fined \$3.1 million for ash and steam

explosions, only two years after a \$250,000 fine was imposed at the same plant (Wall Street Journal, 3/20/92). A month later Business Week (4/13/92) reported that in response to pressure from ChemWaste headquarters to maximize profits, employees at ChemWaste's Chicago incinerator intentionally mislabeled up to 100 barrels of hazardous waste, disconnected air pollution monitors, and overloaded the incinerator with non-permitted wastes. Three years after the facility changed management and spent millions on upgrades, an explosion occurred in the incinerator, resulting in fines up to \$5 million against ChemWaste. At this point the overdue shutdown of the Chicago plant occurred.

Violations and mishaps have also plagued DSSI, ChemWaste's Roane County facility. In 1992 a fire broke out at DSSI damaging "a charcoal filter and the adjacent upstream particulate filter" -- both components that help to control air emissions (Ltr. dated 8/13/92 from the facility's former manager to the State Air Pollution Control director). Fortunately, there was no hazardous waste in the boiler at the time; if there had been, hazardous material trapped on the charcoal filter would have been released into the air. As a result of the fire, DSSI was taken off-line for almost a year and a half.

No sooner than processing resumed at DSSI, the company was slapped with a \$64,000 fine from the federal Environmental Protection Agency (EPA) for not complying with federal laws. The EPA cited the company for exceeding its chlorine feed rate limits and submitting an inaccurate Certification of Precompliance (COP), which is used to determine emission limits for facilities. Although DSSI reported the maximum terrain rise for its emissions was ten feet, in reality, the rise was almost 200 feet (Roane County News, V. 38, #118, Knoxville News-Sentinel, Business, September 29, 1993). One concerned resident said in response,

DSSI supplied misleading information to the EPA that allowed DSSI to establish air emission limits for these hazardous air pollutants that were up to 10 times higher than they should have been. This also meant that they could feed hazardous waste into their boiler at a much higher rate than the regulations allowed and thus increase their profits. MONEY appears to be ChemWaste's overriding concern, not 'environment and safety' as they were quoted as saying... (ltr. to editor, Roane County News, 10/27/93).

A month after DSSI was cited with fines from the EPA, plant managers held an open house and tour of the facility in an effort to salvage their reputation among local citizens. The general manager of DSSI stated at that time, "We are committed to being a good corporate citizen and actively participate and provide support for our local community" (Roane County News, 10/13/93). Many local

citizens neither trusted nor believed DSSI management by this point, and on the same day as the open house they held a rally at an empty lot across from DSSI to voice concern and protest over current and future waste facilities, such as DSSI (Roane County News, 11/3/93).

Company officials have reported that when DSSI becomes fully operational, they will employ a maximum of "approximately 65 people, the vast majority of whom may come from the local area" (Roane County News, 10/13/93). This varies from DSSI's 1988 projection to provide 100 jobs to the people of Roane County.

SEG. Scientific Ecology Group (SEG) was founded in 1985 by Bud and Jane Arrowsmith and Joe Lochamy and began operating the first commercially licensed low-level radioactive waste incinerator in the country (See Appendix F). Westinghouse, Inc. purchased SEG in 1989 and GTS Duratek purchased it from Westinghouse in 1998. SEG soon became the nation's leader in low-level radioactive waste disposal; radioactive waste from all over the country is brought to Roane County to be incinerated, melted, or compacted. SEG currently incinerates radioactive wastes for more than 90 percent of the nuclear utility power plants in the country, and handles about half of the country's radioactive medical wastes (Oak Ridger, editorial,

11/16/90, p.6). Since its operations began, SEG has expanded at a rapid rate and has purchased additional acreage in Roane County for further expansion.

At about the same time SEG was obtaining license to operate its first facility, company officials announced their plan to construct a second incinerator at its Bear Creek Road waste processing facility. The new incinerator would have half the capacity as the old one and would burn waste products contaminated with uranium (Knoxville News-Sentinel, 11/17/90, p. 1A). When the decision was made to add a second nuclear waste incinerator, state officials amended SEG's license to include the new operation (Knoxville News-Sentinel, 9/2/94, p. 1A).

Citizens of Roane County and Oak Ridge were outraged that the state approved the new incinerator without "full public notice, disclosure, hearings, and the normal due process involved in permitting for air pollution sources" (Knoxville News-Sentinel, 9/2/94, p.1A). A coalition of environmental groups, including the Oak Ridge Environmental Peace Alliance, Save Our Cumberland Mountains, Nashville Peace Action and Citizens for Better Health, wrote a letter to the state Department of Radiological Health and Office of Air Pollution Control requesting them to rectify the situation by restarting the licensing process with full public participation (ibid). The letter stated, "We believe

the state's failure to provide citizens with full information is an egregious avoidance of your responsibility to the citizens on whose behalf you serve."

Since SEG has started operations, there have been several fires at their metal melting facility in Oak Ridge. Just recently, a fire broke out injuring three workers who were burned with molten slag. There have also been injuries to workers at other SEG plants in the country. For instance, the SEG facility at the Hanford Nuclear Reservation has reported that seven workers were contaminated with radioactive material when one of the worker's breathing apparatus malfunctioned. As the worker was waiting to remove his protective gear, his air supply was lost and he began smothering. Other workers rushed over and tore away his hood, and all of them got radioactive material on their arms, necks and heads. Although officials said it was not serious, at least two of the men had positive nasal smears, indicating they might have breathed some material. The incident occurred at a high-level radioactive waste samples laboratory. The workers reportedly had been cleaning up contamination in a waste-pipe access tunnel and had decided to leave because of unacceptably high radiation levels (Portland Oregonian, 9/11/96 p. E04).

In April, 1996, SEG forged an alliance with Molten Metal Technology to open its first commercial plant in Tennessee -- Quantum-CEP Deployment. Bud Arrowsmith joined the new company as vice president. By October Molten Metal Technology signed a letter of intent to become the full owner of Quantum-CEP Deployment. Two years later, a Securities Class Action Suit was filed against SEG for its involvement with Molten Metal. The complaint charges SEG with Section 10(b) of the Securities Exchange Act of 1934 and common fraud. Plaintiffs allege SEG misrepresented material information concerning Quantum-CEP Deployment, which artificially inflated Molten Metal's stock price, who, incidentally, filed for bankruptcy soon after the suit was filed.

THE POLITICAL STRUGGLE

The examples of controversial industries in Roane County indicate that many citizens are outraged with officials who support and target toxic waste treatment facilities. At a Department of Energy meeting one SOCM member said their community felt like it was "under siege from waste companies building treatment plants in the area," and said that "residents don't want Roane County to become the waste capital of the world" (The Knoxville News-

Sentinel, June 21, 1995, A12). Not only are citizens outraged, they have also organized in opposition to the growth and expansion of hazardous waste industries in Roane County. For example, the Roane County Chapter of SOCM states,

As participants in an organization whose 1,500-member families across East Tennessee believe that we have the power and right to affect the course of our lives and surroundings, we will continue to raise our voices when we become concerned about developments in our community that potentially affect our health, welfare, property and quality of life. In this case, we are saying loud and clear that we do not want the Gallagher Road area of East Roane County to become a sacrifice zone to the hazardous and radioactive waste incineration industry (Roane County News, 10/15/93).

Local and county officials have their own agenda, however, and respond to criticism by arguing that hazardous waste industries currently located in the county provide much benefit to the community. One respondent claims, "for every ton Horsehead Industry recycles, \$1.00 goes to a special fund for the community. Then non-profit organizations can apply for the funds. Last year Rockwood 2000, an organization that works with the city to redevelop downtown, received money from Horsehead's initiative."

Public and private officials who support hazardous waste industries also believe facilities are safe and are "doing our environment a service by ensuring recycling and proper disposal of contaminated materials" (Roane County

News, 10/6/93). One Industrial Development Board member states, "if you look at energy balance and dollar balance, it's much more important to recycle...A lot of what people do and think has to do with image. And I think the recycle business should be a positive image, not a negative image."

In addition, decision makers claim industries in operation have been deemed safe by environmental review agencies, such as the Environmental Protection Agency (EPA) and the Environmental Review Board (ERB), and are continually reviewed for safety. One Industrial Board member says, "any industry that anyone has a question about are reviewed by this group of people, as well as state and federal approval of EPA." Local political elites rely on the expertise of these agencies and do not really believe that the controversial industries pose a danger to the community or environment.

Finally, local officials respond to the criticism of hazardous waste development by arguing that the opposition is often uninformed and unjustified. Officials label citizen groups as "self-appointed watchdogs" who are anti-development. In discussing this issue one official argues, "there is unfounded justification for the local furor. SOCM (the environmental group Save Our Cumberland Mountains) and their representatives...are the voices of ignorance."

However, local residents of the county do not think they are ignorant nor uninformed regarding the issue of hazardous waste. One resident whose property backs up to SEG says, "they done me damage here." If you walk with this resident along his property with an instrument that measures radiation, you begin to understand just what he means; for the radiation level at the back of his property, which is adjacent to the plant, is more than twice the background levels taken at the front of his property. This property owner is in a predicament, moreover, because he cannot financially afford to get his family out. He states, "SEG made me an offer on the house and then backed out...if I sell residential I will have to take a real loss. I'm going to talk to a lawyer and see if they can give me some damages."

Another community resident whose property is adjacent to Horsehead Industries does not believe he is ignorant about the issue of hazardous waste either. He argues that white dust, composed of lead and zinc, is emitted from the plant. He states, "that's what we have to breathe...We've collected dust off the front porch and had it analyzed, and it's loaded with zinc, cadmium, and lead." The resident submitted this evidence to the local environmental regulatory board, but they could not take action because there was no visible emission. So the resident decided to

videotape emissions from the plant and submit this as evidence. However, the board must see the actual emission to take action. The resident argues, "there has to be some ties between somebody on the review board and somebody in that plant, because anytime we call them and report emissions, by time they get out there, the emissions have stopped." He continues video-taping plant emissions, although the plant has constructed a large concrete wall inside their property line adjacent to his property. The resident says, "I just climb on top my roof with my video-camera and keep filming."

Local residents, therefore, feel they are in fact knowledgeable about the realities of hazardous waste industries due to their experiences, contrary to some decision makers' perceptions that they are ignorant and uninformed.

Members of grassroots environmental groups also disagree with local officials' belief that safety nets are in place to regulate toxic waste industries, and they do not trust officials to ensure their protection. The Oak Ridge Environmental Peace Alliance (OREPA) charges the state fails to protect the public from dangers associated with toxic waste facilities.

The failure of the state to establish stringent regulations for air and water pollution..., and the pathetic level of enforcement by state

officials of the regulations we do have make Tennessee an attractive home for waste companies. Many air pollution sources are monitored only by infrequent "drive-by" inspections, where state officials look at the smokestack from a nearby road to observe the color of smoke. In addition, the state refused to consider the cumulative effects of multiple pollution sources, permitting each one as though it were the only one in the state (OREPA Newsletter, 9/94, p. 5).

Another citizen also has little faith in the Environmental Review Board or the EPA and argues, "they don't come out here and check these facilities thoroughly." Yet, another citizen recalls an incident where DSSI violated environmental regulations without detection from these agencies.

DSSI told lie after lie on a permit application...and the state EPA didn't question it. But we brought it to their attention. And we had to find a case where they had violated the permit. They were fined \$64,000 for the violation.

Community members feel the burden of proof is often on the citizens to present regulatory violations for examination by the EPA and Environmental Review Board. However, this is often not enough, as with the citizen who lives adjacent to the Horsehead property. He has repeatedly approached the Board but to date no action has been taken to further investigate the problem.

There is much disagreement, therefore, regarding the environmental impact of hazardous and radioactive waste processing facilities on the local community. While public

and private officials support this type of development in Roane County and believe it is beneficial, many local citizens do not and believe it is detrimental to their health and safety.

DISCUSSING THE EVIDENCE: THE STATE AND CAPITAL ACCUMULATION

Findings from the research indicate that the local polity in Roane County is very attentive to the needs and interests of business and industry. First, findings demonstrate that development decisions afford industry confidentiality, at the expense of public knowledge. Citizens of Roane County are often denied access to information in order to protect business from organized labor and competition. Second, findings reveal the county offers incredible incentive packages for industrial recruitment. Public money is used to provide land, buildings, utilities, and training for private companies in an effort to attract them to Roane County. Third, land is acquired for private interests often at the expense of local property owners. An individual's property may be taken by the state for private industry because the polity deems this necessary for the "common good." Finally, findings suggest that the local political and economic elite support the development of the hazardous waste industry. An increasing number of companies in the waste industry are locating in

Roane County -- companies that have a history of flagrant environmental degradation.

The findings suggest, therefore, that the local power structure makes development decisions in the economic interests of business and industry. As a result, business and industry profit quite nicely as the beneficiaries of development practices in Roane County. This provides support to the theoretical premise that the state's role is to facilitate profitable capitalist accumulation.

THE STATE ROLE OF LEGITIMATION: MAINTAINING CONTROL IN ROANE COUNTY

In addition to the state's role to facilitate capitalist accumulation, the theoretical model also suggests the state must "maintain the appearance of class-neutrality while at the same time effectively excluding anti-capitalist alternatives" (Gold et al., 1975, p.33). Thus, the state's role is extended to include legitimation.

The final section of this chapter documents how the local polity in Roane County has legitimated development practices and decisions, in light of overt controversy from local, organized opposition. The first part of this section discusses how the local political apparatus maintains the "appearance of neutrality," and the second part demonstrates how "anti-capitalist alternatives" have been excluded. The

examples of development issues presented in the first section of this chapter (i.e., information, land, incentives, environment) guide this discussion.

The Appearance of Neutrality

Although the evidence suggests otherwise, local political elites believe they are fair and neutral agents. They believe they act in the best interests of Roane County citizens. For instance, they defend their development initiatives and argue that growth and jobs are vital to the county. They suggest that incentives are necessary to compete for jobs and view incentives as a financial investment in the future. The Industrial Development Board has even devised a complicated, mathematical formula to project long term profits from the "investment."

Based on their belief that jobs are good for the county, the political elite attempt to neutralize the negative impact of hazardous waste companies by focusing on the positive benefits they provide. Recall how one Industrial Development Board member reported that Horsehead donates money to a special community fund for non-profits. Also, the Industrial Development Board voted Horsehead, the "Industry of the Year." In addition, leaders promote the idea that hazardous waste industries are beneficial to our nation. Although they recognize the environmental risks,

members of the political elite believe they are far outweighed by the economic benefits to Roane County.

The political elite also believe their practices and policies serve and protect the citizens of Roane County. For instance, many of those interviewed suggested that they wouldn't bring "bad" companies into the county. They argue "recycling" companies are safe because they are regulated by agencies, such as the EPA, designed to protect the environment and the citizens. Also, in defense of its policies on land acquisition, the Industrial Development Board claims eminent domain is for the "common good" and insists the landowners are served by the provision of "fair compensation" for their land.

Finally, local political elites believe that citizens have an impact in development. They hold many open meetings and insist people have a voice if they choose to use it. When overt controversy occurs in the county over particular issues, the political elite have even called special forums and meetings with citizens of Roane County.

The power elite, therefore, believe they serve to represent and protect the interests of Roane County citizens. They regard themselves as true leaders of Roane County and portray this image to the public -- an image reinforced by the media. For instance, the majority of news articles in local newspapers refer to the power elite as

"leaders" of the community. Members of the elite hold "leadership" retreats on community development. The consistent portrayal of the elite as leaders, serving to protect the citizens, is internalized, not only by the citizens but also the elite, themselves.

This image of the power elite confers the appearance of neutrality; political leaders appear to make decisions in the interests of Roane County citizens. As the first part of this chapter demonstrates, however, political leaders actually make decisions in the interests of business and industry. Therefore, the portrayal and internalization of the ideology that local politicians are neutral leaders, result in legitimation of their actions.

The Exclusion of Alternative Views of Development

The internalization of the idea that local politicians are leaders in development, confers acceptance of the idea that they are the experts; they have ultimate power to make decisions because they know better how to make these decisions. As long as this idea is accepted, everything flows rather smoothly. However, when organized opposition threatens the relationships of power by questioning decisions and motives, local officials act to exclude their criticism and their views. This is accomplished by dismissing their protests as invalid. Recall one local

leaders comment that SOCM members were the "voices of ignorance" and their views were "uninformed and unjustified."

When threatened, local officials not only exclude the opposition's ideas on development initiatives, they also attempt to physically exclude the opposition from entering into the decision-making arena. For instance, the Community Reuse Organization of East Tennessee (CROET) was formed and did not include representatives from organized labor and environmental groups because of the historical opposition from these groups in Roane County and their alternative views of job creation and development. Also, once the opposition began showing up at CROET meetings, officials changed the meeting time in, what is suspected as, an attempt to keep the opposition at bay. One SOCM member said, "they hold those meetings in the middle of the afternoon, knowing most of us work and can't get there to see what they're up to...they don't like us and what we stand for, and they don't want us getting in their way."

The power elite not only excludes, but precludes organized opposition by instilling their own ideology into local, public education. For instance an increasing number of alliances have been established with local community colleges. Roane State Community College now has a Technology 2020 program designed to train a workforce for

the hazardous waste industry. Also, Tennessee's Resource Valley has its operations on the Pellissippi State Technical and Community College campus. Further, there are plans to set up "technology" programs in local high schools. These actions which instill the ideas and presence of the power elite in people's lives, preclude alternative ideas from even being formed.

The political elite's actions in Roane County, therefore, are further legitimated by excluding the opposition and precluding their ideas and presence in the decision-making arena. This legitimation serves to protect the relationships of power that exist -- relationships which ultimately foster the interests of business and industry.

This chapter has presented findings and discussion concerning the theoretical issue of the state's role in development. The evidence suggests a dual state role to foster capital accumulation and to induce legitimation among the citizens. The evidence also suggests primacy is given to accumulation, although legitimation occurs to ensure protection of the state's primary function. Thus, this chapter has addressed the second element of the theoretical model. The next chapter moves to present findings related to the final element of the model -- resistance in Roane County, Tennessee.

CHAPTER SEVEN

CITIZEN RESISTANCE TO DEVELOPMENT INITIATIVES IN ROANE COUNTY

The theoretical model suggests that the dual functions of accumulation and legitimation are contradictory and, as a result, the state may become an arena for class and power struggles. This chapter explores how grassroots organizations in Roane County have tested the state's legitimation function by using the local political apparatus as a means to resist economic development initiatives.

Most of the recent history of resistance around development in Roane County involves the Roane County Chapter of Save Our Cumberland Mountains (SOCM); this chapter involves *their* struggles and *their* stories in resisting recent development initiatives.

The first part of the chapter examines specific resistance efforts led by SOCM to protect Roane county from undesirable development and to affect the political process and, hence, the relationships of power. The second section of this chapter provides a broader analysis of organizing and resistance as SOCM members reflect on their personal experiences.

"ROCK'M SOCM:" BLAZING THE TRAIL OF RESISTANCE

The Early Years: Staving off Incinerators and Landfills

The first organized resistance from Roane County citizens came in the early 1980's when the Department of Energy proposed to create a Monitoring Retrieval Storage (MRS) system to store spent fuel rods from commercial reactors all over the country at the Oak Ridge Reservation in an underground storage facility. At that time there was not an active SOCM chapter, but there were SOCM members in the community. These SOCM members, with help from the SOCM organization, began speaking out against the proposal, and it soon became a regional issue. Citizens rallied around the health effects of such an industry coming into their community and actually won that first fight, although it was a temporary win. As one SOCM member states,

I always hesitate to say we won that fight. We won that fight right then, but it's come back in different forms, and actually they do temporarily store all kinds of waste there and probably things much worse than that. But we won that big public fight at that moment in history. That facility wasn't put there in the early 1980's as a result of our actions.

After that fight the chapter went dormant for several years and reactivated again in the late 1980's around landfill and incinerator issues.

In 1989, there was a proposal to construct a landfill in Oliver Springs. Many local citizens opposed the landfill

because they believed "its construction in the hollow could be environmentally disastrous and...taint groundwater residents depend on to feed their wells" (Knoxville News Sentinel 8/13/94, A4). Oliver Spring residents, along with the Roane County chapter of SOCM organized around this issue and were successful in staving off the landfill. However, after five years of fighting the landfill, Oliver Springs residents conceded defeat in 1994 when they learned that state officials cleared the path for construction of the controversial landfill.

There are other landfill struggles which have been more successful than the first. In 1995 Roane County SOCM members were successful in opposing a plan to expand an existing landfill in Midtown. The proposed expansion would include 69 acres and 300 tons of out-of-county garbage per day. SOCM members and residents gathered facts and turned out in force at the County Commission meeting to voice opposition to the proposal. SOCM members suggested "instead of accepting 400 tons-per-day for 15 years, why not keep it for Roane County at 100 tons-per-day for 60 years" (The SOCM Sentinel, January/February 1995, pp.1-2). Others argued the existing landfill was already posing health risks to their community. "Many neighbors of the dump have had contaminated water wells for years. People talk often about their illnesses or their children's illnesses" (ibid).

By the time the County Commission met again the following month, one commissioner and former supporter of the plan stated his change of heart and moved that the landfill vote be rescinded. The commissioner was able to persuade other members to change their opinion, and the landfill was voted down. It became evident from the commissioner's arguments that he had taken into consideration the concerns expressed by citizens. The organized efforts of citizens -- the letters to newspapers, neighborhood signs, and call to commissioners -- paid off. After the vote to rescind the proposed landfill expansion, one SOCM member said to the commissioners,

God bless you. We have been called "the same old bunch" and "SOCM" like that is a bad thing. But we are Americans who have exercised our freedom of speech, freedom of the press and freedom to disagree with the government (The SOCM Sentinel, January/February 1995, pp. 1-2).

Another Midtown resident and SOCM member concluded, "Thank you. The ones who pay the taxes say thank you" (ibid).

At about the same time the landfill issues began to surface, citizens also came together around proposed medical waste incinerators in Roane County. The county was proposing to sell county land located by the landfill in Midtown for construction of a medical waste incinerator. When SOCM members learned of the proposed incinerator, they attended a County Commission meeting to voice opposition.

The commissioners had intended to vote on the proposal at that meeting, but due to public pressure from local citizens and SOCM members, they decided to hold a public hearing the following month to further discuss the proposal. SOCM members quickly contacted Howard Kerr from nearby Blount County who had been successful in organizing opposition to medical waste incinerators in his county. Upon Kerr's information and advice, SOCM members began circulating fliers to inform the public about the proposed incinerator and the upcoming hearing. As a result, 400 people showed up at the public hearing to voice opposition to the plan, and county commissioners quickly voted down the proposal. One Industrial Development Board member recalls,

There was a big uproar from the population. We immediately told the company that because of public opinion, we didn't think it would be a good idea to pursue it. They tried to purchase some land privately, but when the people found out about it, they put pressure on the landowner and he backed off...

According to one decision maker, however, members of the local power structure had some reservations themselves about the transport of medical waste onto the facility. They thought the incinerator was "state-of-the-art" but were concerned with transportation risks. Thus, although SOCM's efforts were successful in affecting this decision, the struggle was made easier with support from members of the local power structure.

Soon after this, SOCM members organized with community citizens to fight off two other medical waste incinerators who were negotiating privately with landowners in Midtown and on Lawnville Road. SOCM members and citizens scheduled a protest march, and 75 people marched a mile through Midtown to demonstrate their opposition to the medical waste incinerator. One former SOCM staffer recalls, "the landowner of the proposed Midtown site was a merchant in Midtown. We marched real slow past his store to make sure he got the message." Lawnville Road residents, many who were influential people in the community, were also in opposition to the proposed incinerator in their community but were fighting separately. Soon they consolidated efforts with SOCM and Midtown residents to mount a public pressure campaign against the incinerators in Roane County. The public pressure campaign was successful and the landowners ended negotiations to sell their land for development of the incinerators.

SOCM Fights Rezoning and the Toxic Waste Industry

Several years later SOCM members and local citizens organized around the development of toxic waste industries in Roane County and the zoning of land to accommodate these industries. In 1993 Jay Vincent, State Planner for Roane County, devised the East Roane County Land Use and Zoning

Plan. This plan would have allowed a residential and agricultural area of Gallaher Road to become an I-3 zone, which would permit heavy industry, including incinerators and landfills, in the area. Once Roane County SOCM members were aware of the plan, they immediately organized against it. For six months, SOCM members gathered signatures on petitions, held rallies and protests, attended Planning Commission meetings, helped to appoint a SOCM member to an open slot on the Planning Commission, met with individual Planning Commission members, and wrote letters to the editors of local papers (The SOCM Sentinel, January/February 1994, p. 16). By time the Planning Commission met later that year to discuss the plan, the Planning Commission Chairperson instructed Jay Vincent to revise the plan to exclude I-3 zoning. One SOCM members recalls, "There is no question that we had a big effect on the outcome of this plan. SOCM being involved had an effect" (ibid, p.16). Another SOCM member adds, "We made a lot of people sit up and take notice about what was happening in East Roane County...that was something we were successful at, and we were able to get some new members as a result."

During this same period SOCM members were organizing against the development of "incinerator alley" in East Roane County, as citizen opposition to Horsehead, DSSI, SEG and other hazardous waste facilities continued to grow. SOCM

members distributed fliers, frequented public meetings, and wrote countless letters and editorials stating and defending their position on "incinerator alley." In the fall of 1993, SOCM and community members dressed in "ghoulish garb" to protest Gallaher Road waste facilities. According to one SOCM member,

DSSI was having an open house and it was right at Halloween. So we had a Halloween action to show up in costumes. And we made a graveyard -- an incinerator alley graveyard. And we just did lots of stuff. And we were on a little plot of land that used to be a service station that a friend owned, and he let us use that for the action. So we were right directly across the street from DSSI when they were having their open house. So it was really pretty good. We got good coverage.

During this same time SOCM members began to target specific industries in the community for environmental degradation. For instance, SOCM members and residents of the Clymersville community began a five year battle to make Horsehead accountable for lead pollution. The effort was a partial success because citizens of Clymersville eventually won a lawsuit against Horsehead.

SOCM was also involved in gathering information and data on DSSI's emissions violations, which they revealed to the Environmental Protection Agency (EPA) who, in turn, fined DSSI \$64,000 for noncompliance to emission limits. One SOCM member said in response to the EPA's decision,

SOCM is very pleased that DSSI is being fined by the EPA, but we also have to

ask how they got away with this for two years...For two years now, local residents have been exposed to higher levels of chlorine than is allowed under law. This should not have been allowed to happen...It took citizens informing the EPA of the error before anything was done about this (Roane County News, October 4-October 5, 1993, vol 38, #118).

SOCM led another fight against DSSI the following year. In 1994 DSSI applied to the state environmental department for a permit to discharge waste water from its facility into Young's Creek, which flows through communities before emptying into the Clinch River. One SOCM member said, "They were planning to release polluted water, obviously because it was a water pollution permit..into Young's Creek...That creek is well-known to a lot of people around here...Many people could relate to Young's Creek." SOCM members got together and organized a campaign to fight the permit and water pollution. They distributed fliers to the community and informed citizens of an upcoming public hearing on the matter. Almost 300 Roane County residents flooded the Kingston Courthouse when a delegation from the state's environmental department held the public hearing. More than twenty citizens spoke in opposition to the proposed permit, while no one except DSSI's environmental relations manager spoke on behalf of the permit. Even a twenty-year veteran in the waste management industry stated that based upon his

experience, he was opposed to the issuance of the permit (The Standard, March 31, 1994, col. A1). Two months later DSSI General Manager, Richard Dabolt, agreed not to pursue the water discharge permit, after Environmental Review Board members questioned levels of zinc and copper in water samples taken from the plant (Roane County News, 6/10/94).

Therefore, SOCM's initiatives in the early- to mid-1990's concentrated on hazardous waste facilities. SOCM and community members worked together to resist not only actions by specific companies, but also, the development of the hazardous waste industry in their county.

SOCM Demands Inclusion in the Political Process

By the mid-1990's, Roane County SOCM members and SOCM's Economic Issues Committee engaged in an investigation of who was making the decisions about development in Roane County. They worked collectively with researchers from the University of Tennessee to ascertain and better understand the process of economic development in their community. After the study was completed, SOCM and other community members decided broader representation was needed on the Industrial Development Board, the organization ultimately responsible for development. This began SOCM's struggle to be included in the decision-making process of development in Roane County.

SOCM's Campaign for a Seat on the Industrial

Development Board. In March 1995, three seats on the Industrial Development Board became vacant and SOCM members quickly allied with the Oil, Chemical, and Atomic Workers (OCAW) to nominate representatives of their groups for these seats. These groups felt their interests were not represented by the current Board and made their position known, publicly. Members of SOCM and OCAW wrote editorials to local newspapers expressing their dissatisfaction with the present board and stressed the idea that broader, more diverse representation was needed.

On March 13, supporters of the groups and residents of the community gathered in the County Courthouse to voice their desire for change in the Board. One voice was that of Dr. Janice Morrissey, SOCM representative, who asked to be elected to the Board. Dr. Morrissey, who has a doctorate in sociology from The University of Tennessee, has done much work in the area of economic development. Morrissey argued there must be partnerships among diverse groups to promote local economic development. She also stated the need and right for good industry and suggested that recent history shows bad industry is what is being targeted -- industry that pays low wages, has low levels of unionization, and is polluting their community. Further, she suggested that what

is needed is community-based development that is premised on a democratic, open process.

Bill Alexander also asked to be elected to the Board. Bill, a union representative, has a long history in the union movement. He currently serves on the Central Labor Council of Knoxville and the National Safety Council. Bill Alexander also argued there must be change in the types of industry being recruited into Roane County.

Once the two candidates "threw their hats into the ring," local residents began to voice their support. Underlying this support was the need for change and new voices in the decision-making process of economic development. One supporter argued,

It is time for a change. Fresh voices of Roane County residents need to be heard...We need a plan that's responsive to the needs of people in the community. Why is there such resistance to appointing a SOCM member to the Board? We make no apologies for wanting to have a voice in what goes on in the community. Working people need a voice in this community.

Another supporter suggested that no women were presently serving on the Board. She argued that "women's voices are needed on this Board." She added that there was a lack of representation from the east end of Roane County, which is up for grabs by developers. Another supporter and representative of the Knoxville Building Trade and its 700+

union members suggested that better representation was needed and backed the nomination of Bill Alexander.

After the discussion, nominations were open from the commission and then the floor for election to the Board. Nominees from the commissioners included Janice Morrissey, Bill Manley, Bethel Poston, Bob Kyker, and Bush Hondalas. No one from the commission nominated union representative, Bill Alexander, so the motion was made from the floor to nominate him.

The first vote among the thirteen county commissioners present ended with only two of the nominees having majority votes (eight or more); these two newly-elected members were Bill Manley and Bob Kyker. Nominations were open once again for the third member. Again county commissioners nominated Janice Morrissey, Bethel Poston, and Bush Hondalas, and again someone from the floor nominated Bill Alexander. This vote still did not result in a majority vote, thus one more vote was tried. The third time the Commissioners elected Bush Hondalas. Throughout the entire voting process, Janice Morrissey only received one vote and Bill Alexander received no votes.

The County Commissioners did not listen to the voices of the people in the Courthouse that night -- the voices demanding broader representation and change. The interesting thing is that none of the newly elected members

of the Board were present to discuss their qualifications and visions of future development.

I talked with a few SOCM members from the local community after the meeting. Although they were disappointed with the outcome, they were not surprised. As one member suggested, "it's just a good old boy network that's so hard to break down. They (the commissioners) had their minds made up before they walked in here tonight. They didn't really listen to us."

SOCM Challenges the Community Reuse Organization of East Tennessee and Permafix Industries. A second and more recent battle around inclusion in the decision-making process began in 1995 and continued through 1997. In the 1990's The Department of Energy (DOE) began to downsize and privatize operations to reuse its land. Officials at DOE agreed to lease 1,000 acres of reservation land east of Oak Ridge's K-25 site to the East Tennessee Economic Council (ETEC). ETEC was a non-profit organization primarily comprised of businessmen in Oak Ridge and was created as a mechanism to obtain federal funding and control of DOE land. Incidentally, this was the same group that had earlier said "Roane County will be the waste capital of the world in 20 years." DOE gave ETEC \$2.1 million to oversee the subleasing of this land for industrial expansion and reuse. ETEC soon changed its name to the Community Reuse

Organization of East Tennessee (CROET) and their sole purpose was "to assist the private sector in creating quality jobs in the region by using the underutilized land, facilities, equipment, personnel, and technologies available at the Oak Ridge Complex." (CROET Purpose Statement)

Community members found out about CROET, and many were concerned about the limited representation of the CROET Board and the future use of land in their community. One SOCM member said,

Somewhere in [the DOE provision] they have to have a group that represents the community interests. So this ETEC appointed themselves as the group that was going to represent the community interests. And it was nothing more than eight Oak Ridge businessmen tied up with the private waste management association. The focus was entirely on Oak Ridge. But they were focusing efforts in Roane County, but not including these Roane County people.

SOCM members soon allied with local OCAW members and organized resistance to CROET. They wrote a letter to Hazel O'Leary at the Department of Energy and argued that CROET represented limited interests in the county and requested that the board be expanded to reflect broader community interests. Roane County officials, as well as surrounding county officials, also actively challenged the lack of representation on the CROET board. As a result of their actions, the board was eventually expanded to 35 people in an effort to provide more equitable representation. One of

these seats was filled by a SOCM representative and two were filled by union representatives.

In spite of more diverse representation on the board, CROET decisions continued to be made by a small group of staff and original board members. CROET board meetings seemed more of an after-the-fact formality than a place and time to discuss the issues and actual plans around development and subleasing. After the first CROET meeting with the new board, Janice Morrissey, the newly-appointed SOCM representative, wrote in a letter to other CROET board members,

I wonder if I'm not the only board member who believes things are happening too fast. In fact, it feels like there is an effort to push through decisions without sufficient opportunity for discussion and debate. Regardless of any of our positions on particular issues, I would imagine that we all want to feel we've had an opportunity for meaningful input, that we know exactly what we are being asked to vote on, and that our vote counts. Based on what I have seen so far, the process needs improvement in these respects (Letter dated 9/19/96).

Other members of the board agreed with Dr. Morrissey. In response to her comments, one board member wrote,

I too thought that things were moving fast...The CROET board is dominated by the interest groups that promote industrial development...I have found that they prefer to move quickly on decisions and actions, consensus is not very important to them and they are suspicious of anyone with a different agenda or opinion (Letter dated 9/94/96).

Dr. Morrissey and other SOCM members attended the monthly CROET board meetings and committee meetings over the next year to provide input and affect decisions being made. However, they faced much opposition from CROET staff and other board members and had little impact on decisions. For example, the sublease committee made recommendations to the board for particular companies to sublease the land for development. However, SOCM members felt the committee was willing to submit leases for board approval without full investigation of these companies and decided to research prospective companies themselves.

One prospective company SOCM members investigated was Permafix, who treats and processes hazardous and/or radiological contaminated waste. Permafix had applied for a sublease permit to establish and operate a mixed waste treatment facility at the East Tennessee Technology Park in the central and south bays of K-1200. This facility would ultimately transport outside RAD waste from other areas onto the premises. As stated in the application, Permafix officials agreed to clean the contaminated area at the termination of their sublease.

SOCM's investigation of Permafix revealed the company had a history of financial instability. According to public company records, "the company has suffered recurring losses from operations, has a net working capital deficiency and is

in violation of substantially all financial covenants under its debt agreements with its two major lenders, which raises substantial doubt about its ability to continue as a going concern." In 1995, Permafix suffered a net loss of over \$9 million. SOCM's investigation also revealed that on January 27, 1997, two explosions occurred at Permafix's hazardous waste recycling plant in Memphis. The explosions resulted in fire involving over 15,000 gallons of chemicals, the release of noxious smoke into the air and petroleum-based chemicals into the local creek, and evacuation of a half-mile section of the surrounding community who had long opposed the industry (The Commercial Appeal, 1/28/97, p.A1).

At the April 8, 1997, CROET board meeting, Dr. Morrissey and other SOCM members provided evidence, expressed concern, and raised objections to Permafix based on their research findings. The board agreed to review the findings and meet again before a decision was rendered. At the next sublease committee meeting nine days later, company officials from Permafix were invited to counter the findings. President and CEO, Louis Centofanti, of Permafix told board members that his company was rebounding financially and had been successful in its Memphis operations. Mr. Centofanti added that his company had a good working relationship with the Memphis community.

However, had the committee invited members from the

Memphis community where Permafix is located, they would have heard a different story. According to Rita Harris, spokesperson from the Mid-South Peace and Justice Center, at the last public hearing related to Permafix, citizens voiced their opposition to a permit for continued operations requested by Permafix. Community opposition centered around concern that the facility had caused contamination of groundwater, which resulted in the closing of two local Memphis Light, Gas, and Water wells. Community opposition also cited the increased volume of vehicles in their community carrying toxic wastes and substances to Permafix's treatment and storage facility (SOCM Press Release dated 2/97).

SOCM quickly mounted opposition to Permafix's proposed sublease. They distributed fliers to members of the community, contacted CROET board members, and wrote press releases. They also asked for support at the upcoming board meeting when the vote would take place. The CROET meeting room was full of people the day the board was to vote on Permafix -- many SOCM, NAACP, and union supporters turned out, as well as a reporter from the local newspaper. After much public discussion and opposition, the board decided to delay the vote until further investigation of Permafix.

Before the Permafix sublease was finally put to vote several months later, Dr. Morrissey requested to step down

from her appointment with CROET, and SOCM members elected a new CROET representative. The new SOCM representative had been very involved with CROET and the fight against Permafix. When Permafix's sublease was put to vote, however, the new SOCM representative actually voted for Permafix. One SOCM member said in response to the ironic twist,

I don't know what happened that day...He just got sucked in by those board members...They patted him on the back and tried to win him over and act like they were his best friends...We [SOCM] looked like a bunch of fools.

Soon after this, SOCM members elected to resign their position on the CROET board, and Permafix signed a memorandum of understanding to sublease the DOE land.

WHAT DID IT ALL MEAN?: PERSONAL ACCOUNTS AND REFLECTIONS OF RESISTANCE

SOCM's Impact in Roane County

The historical evidence presented in the previous section suggest SOCM's efforts made an impact on specific actions and outcomes in development. SOCM's resistance efforts have also personally impacted the citizens of Roane County. For instance, SOCM's efforts have altered people's perception of development in Roane County. The public, in general, is more aware of the debate over toxic waste industries in their communities and is more mistrustful of

policy and decision makers' intentions. According to one SOCM member,

The world view of people in Roane County is different now. I mean now people might not agree with SOCM's position, but I think they're pretty mistrustful of things that are told to them about the effects of toxic industries...We [SOCM] can take credit for some of those changes in public perception.

Also as a result of SOCM's struggles, members of the organization and community have experienced personal growth and development. Today, citizens are confident they can make a difference and now take responsibility to understand and research development trends. They assert their right to voice and organize opposition to undesirable development initiatives. As one SOCM member says,

Along the way we learned a lot of things and thought differently about a lot of things. We had a lot of awareness about how important it is to not just say no to things. About how important it is to try to learn what the reality of it is and being real excited and doing actions and being very emotional because you feel it deeply that all those things are important...

SOCM members and citizens have also developed leadership skills as a result of their resistance efforts. Consequently, people in the community are becoming empowered to do things they never before thought possible. One SOCM member says, "certain individuals did some things that kind of stretched them, that maybe they might not have done if it hadn't been for an effort. They maybe had some practice in

leadership and democracy that they wouldn't have had otherwise." Another SOCM member reflects on her early days with SOCM:

I couldn't imagine what I had to offer an organization like SOCM. I wasn't good at expressing my feelings and really didn't think I had much to contribute to the organization...But SOCM teaches you that everyone has something to contribute and the potential to be a leader...SOCM provides opportunities and support for people to gain confidence in themselves so they can try out things they never thought possible before.

Another SOCM member agrees,

I'm one of those people who've never thought of themselves as a leader. I think SOCM has really helped me. In my wildest dreams I could have never visualized myself speaking at public meetings. But now I can do that...I feel good about my personal development. Now I feel like I can take on the people in the power structure, where one time I wouldn't dare do that. Now I actually face somebody and say something when I think it.

Reports from citizens and members suggest, therefore, that SOCM's resistance efforts have had a personal impact on members and citizens of Roane County. This impact has resulted in increased awareness, leadership development, and personal empowerment for SOCM members and citizens of Roane County.

The Lessons of Resistance

Roane County SOCM members and citizens have learned much from their efforts to resist traditional development efforts in their community. First, they have realized the

importance of developing coalitions to resist development initiatives. Broad-based community solidarity is necessary and SOCM has learned to do this effectively. One SOCM member says, "We're pretty good at helping people mobilize." SOCM has developed coalitions with local union groups, NAACP, and other environmental groups in the region to discuss current develop trends, resist particular initiatives, and develop strategies for sustainable, local development in Roane County. For instance in 1997, The Roane County Sustainable Community Alliance, a coalition of local labor, minority, and environmental groups, formed to apply for CROET grant monies to establish a direction and action plan for community development in Roane County. Although unsuccessful in this endeavor, SOCM was successful in developing alliances with other community groups.

Second, SOCM members have also learned the hard reality and frustrations of organizing and resistance. For instance, SOCM members relate that too few people are doing the bulk of the work. People lives are incredibly busy, and it's hard to get new energy and new people to commit to leadership roles within the organization. One Roane County SOCM member states, "We've had problems in our chapter in getting new leaders to emerge. It's always the same two, three, four people doing the work or at least all the work to initiate things." This has been a big problem for the

Roane County Chapter, and it results in burnout; evidence suggests that leaders within the local chapter work diligently for several years and then leave. SOCM members realize they have to do a better job in recruiting and securing people for leadership roles within the organization.

Another frustration experienced by some SOCM members is internal political conflict. For instance, some SOCM members suggest that there has not been enough discussion or analysis of local issues in a broader political-economic context; the discussion rarely goes beyond the particular issue at hand. One SOCM member says,

We organize around issues and it's real hard to connect those issues and make them part of the bigger picture -- social justice and so forth...It sometimes seems like we should start all over and start around social issues and things that matter like poverty and racism. But that's not what gets people out of their houses. It has to be some kind of direct threat.

SOCM members are so busy fighting these "direct threats," there is often no time for opening the discussion to include a broader analysis of the present issues facing them. One SOCM member says in relation to this, "Those kinds of things we don't do enough of because we're too busy just putting out brush fires. Your time and energy can only go so far."

Due to the lack of this political-economic education, SOCM members have often contradictory world views, which has

led to internal conflicts within the Roane County organization. One SOCM member says,

We have people who run the whole gamut, conservatives and radicals alike. It's an extremely conservative group, older people who are religious which is fine except religion gets in the way of how people think sometimes...We have people who are long term SOCM members who are officers in nonunion organizations. I have a hard time with it. How can they think in terms of social justice without looking at the worker...Then there are all these tense kinds of racial themes that come up every once in a while...How do we get people to grow and develop and get beyond those barriers?

As a result of the lack of emphasis on a political-economic analysis, people are not pushed forward to address the broader implications of the issues they face in their communities.

Third, SOCM members and citizens have learned the difficulties associated with challenging dominant relationships of power. For instance, while Roane County SOCM members have been successful in organized reaction to planned development initiatives, they have not been as successful in actively engaging to create these initiatives. The structures of political-economic power, therefore, have placed restraints on the level of participation by local citizens' groups. As one SOCM member and Oliver Spring resident says,

The corporate monster is terrible, and the almighty dollar is everything...The majority

doesn't rule. It just boils down to politics; they've got the money and we don't (Knoxville News-Sentinel 8/13/94, A4).

SOCM members have also learned that power is not conferred just by occupying a position within the power structure. For instance, while Roane County SOCM members gained a seat on the CROET board, they still had little impact on development initiatives. The power structure remained intact. One SOCM member expresses frustration over this:

One of the worst things is to constantly go to meetings and try to get your point across and try to do things that are totally rational and make sense and you've got a bunch of idiots up there just not listening. They don't listen to what you say and they're totally nonresponsive. You know you work your heart out...and they just sit there...and end up doing what they want.

Fourth, one of the most important things Roane County SOCM members have learned is that the fight to affect decisions in their communities doesn't go away. They must continue to organize and resist, in the face of success or in the face of frustration and defeat. One SOCM member states, "we don't count our losses...we just regroup and go on to the next battle." As another SOCM member puts it,

...you have to keep fighting every day, every month, every year. It never ends. You don't ever get to the point that we can say we won, we won the whole deal, that everything's changed now, and it's going to stay changed. So we keep fighting...for development that is safe -- development where people in the community wouldn't

suffer sickness or the natural beauty of the community wouldn't be disrupted; development where the water wouldn't be poisoned, the air, the ground, none of that would be harmed; development that would provide safe jobs that pay a living wage for our people. That's the kind of development that all of us talk about and think about and fight for and will continue to fight for...

DISCUSSION

This chapter has documented the history of resistance in Roane County as seen through the eyes of SOCM members and local citizens. The evidence demonstrates how SOCM members have attempted to use the state, or local polity in this case, as a vehicle for social struggle and change. Some of their efforts have been successful, and SOCM members attribute these successes to broad-based coalition formation around particular issues. However, many of the initiatives have not been successful, and SOCM members have come to realize how difficult it is to alter the relationships of power that exist to affect development in Roane County.

Therefore, while the findings lend some support to the theoretical idea that the state can become a "contested terrain" for citizen knowledge and participation, the evidence more convincingly reveals the difficulties in accomplishing this task.

This is not to say there is no value to organized resistance efforts. On the contrary, the evidence indicates

that resistance efforts have been particularly successful in altering people's perceptions of reality in Roane County. Citizens are more critically aware and informed about development today. Also, citizens are more inclined to demand accountability from those in power, as a result of local resistance. Finally, citizens and SOCM members have become personally empowered by their experiences and struggles. Therefore, resistance has created "free spaces" where people have come together to practice the skills of democracy, gain self-respect, and redefine themselves.

CHAPTER EIGHT

Discussion and Conclusion

This chapter provides a discussion of research findings in view of the theoretical model presented in chapter two. What do research findings from development in Roane County, Tennessee, reveal about the relationships of power, the state, and resistance? The first part of this chapter addresses power relationships as they exist within the current process of development in Roane County. The next part of the chapter discusses the state's role in economic development to better understand the state's contradictory functions of accumulation and legitimation. The final section addresses local resistance in Roane County within the framework of the state as "contested terrain." Also included in this section is a discussion of consequences and implications for successful grassroots development.

POWER RELATIONSHIPS AND ECONOMIC DEVELOPMENT IN ROANE COUNTY

Only a small group of elites have formal power to create and shape economic development in Roane County. The power elite within the community occupy positions on the Industrial Development Board, Community Development Council, Tennessee's Resource Valley, and the Chamber of Commerce

Although the public Industrial Development Board has ultimate authority to make decisions regarding economic development, they are heavily influenced by the other private development organizations.

Members of these groups, which consist primarily of older, affluent, white males, represent a limited constituency in the community. The power elite in Roane County belong to many of the same public and private organizations, thus forming interlocking directorates among the elite (See Figures 6.1 and 6.2). These findings are in conjunction with the findings of earlier community power studies (Hunter 1953, Domhoff 1967).

In order to move the discussion beyond the observable characteristics of power (the "first face"), the relations of power are explored. This provides a better understanding of power dynamics.

The "second face" of power incorporates the non-observable elements of power, or the mobilization of bias. In Roane County, public and private elites make decisions without the public's knowledge and participation. Private deals are made to recruit new industry, pollution permits are granted without formal notification, and land is acquired in a shroud of secrecy. This is done to protect the interests of business and to prevent conflict from erupting over prospective development. For instance, in the

case of Caterpillar, Inc., the public was not informed of the negotiations. According to one official, knowledge was withheld from citizens to prevent "unions from starting up trouble." Thus, the decision was made to withhold information from the public in an effort to suppress potential challenge to the interests of those making decisions, as well as the prospective industry. This impacted citizen non-decision making and non-action in the matter.

The primary method for sustaining a given mobilization of bias is nondecision-making. A nondecision, as we define it, is a decision that results in suppression or thwarting of a latent or manifest challenge to the values or interests of the decision-maker...[It's] a means by which demands for change in the existing allocation of benefits and privileges in the community can be suffocated before they are even voiced (Bachrach and Baratz 1970, p. 44).

There appears to be a "mobilization of bias" in terms of development issues in Roane County. A particular set of institutional procedures and practices operate systematically in favor of the local political and economic players and at the expense of others in the community.

This conceptualization assumes conflict (overt and/or covert) as an indicator of power relationships within the community. As the "third face" of power reveals, however, power is also the ability to shape and manipulate beliefs and ideas. Therefore, the concept of ideological hegemony

is incorporated into the discussion of Roane County. Is there a world-view of development as disseminated by the power elite? If so, how is consciousness manipulated by their views of reality?

Findings from the research indicate that ideological hegemony is present in affecting development in Roane County, for elites attempt to control public perception of their actions around economic development. Because some elites believe hazardous waste industry is and should be the future wave of development in Roane County, they spend much time and effort selling this idea to the community. They engage in PR and attain media attention to bolster the acceptance of and confidence in the industry. For example, annual economic development retreats promote and sugar-coat this type of development; private organizations and programs such as "Roane 2000" and "Technology 2020" have emerged to assist and promote them; and local community colleges have educational programs to train the future workforce. Also, public officials acknowledge hazardous waste companies as community-friendly in an effort to boost confidence in the industry. For example, Horsehead, a company that has been cited for numerous environmental violations, was anointed "Industry of the Year" by the Industrial Development Board. The local newspaper carried the story, and Horsehead was portrayed as a friend and asset of the community. The media

hype promotes the dominant ideology that these companies are good for the community. The power elite in Roane County, therefore, engage in efforts to ensure the consensus of the public and to prevent conflict from occurring around development issues.

Implicit in this campaign to gain consent, is the idea that the official and unofficial decision makers know how to do development better. Therefore, the dominant ideology adopts a traditional, top-down model of development -- a "trust us, we're the experts" mentality. As a result of the diffusion and enculturation of this idea, community members accept the belief that they themselves are not the experts, thereby rejecting their own personal knowledge and experiences.

Findings from the research indicate a power elite in Roane County who maintain their position of power via mobilization of bias and ideological hegemony. The research provides support, therefore, to the existence of three dimensions inherent in power relationships.

THE POLITICS OF DEVELOPMENT IN ROANE COUNTY

What role does the local polity play in economic development and whose interests are served? Do the findings support Weberian theories of the state as an autonomous

bureaucracy, free from the control of outside interests? Or do findings support Marxist theories of the state as a mechanism to protect and represent the interests of capital? If the latter is true, how does the state legitimate its actions?

Findings lend support to Marxist theories of the state, whereby the political apparatus creates and maintains conditions favorable to profitable capitalist accumulation. For example, Roane County officials offer incredible incentive packages for industrial recruitment and retention. Although incentive packages are costly for the county, they prove to be very profitable for the capitalist enterprise receiving them. Also, public officials afford prospective industry confidentiality. This enables companies, such as Caterpillar, Inc., to avoid potential efforts to unionize, thereby depressing wages and maximizing their profit. In addition, if the local Industrial Development Board needs land for private development, they can get it for the taking. The local government has that right, as sanctioned by the law. Moreover, although hazardous waste industries are costly to the local environment, it is a multi-billion dollar industry that is being targeted by local officials. Therefore, the structure of political power in Roane County protects the interests of capital and facilitates capitalist accumulation, often at the expense of community members.

As a result, conflict has ensued between local power elites and citizens in Roane County. This is because citizens want access to information that is currently being denied them by the process of industrial development. They want good, clean industry, not the incinerators that are being targeted. They want decent wages and favorable worker environments that are currently suppressed by the industrial marketing strategy of local elites. They want more public dollars to stay in their community, not to be given away as corporate incentives. Therefore, local political and economic elites are making decisions regarding economic development that run counter to community members' vision of development.

This has led to a crisis in state legitimation. Consequently, the elites have had to respond to this crisis. For instance, when SOCM and other groups waged opposition to development initiatives, Roane County's power elite responded by projecting themselves as neutral leaders trying to protect the interests of Roane County citizens. The power elite also attempted to delegitimize the opposition and devalue their arguments. Recall how one official referred to SOCM as the "voices of ignorance." However, these attempts to reinforce the state's power and position are not always successful, especially when the opposition has wide-based community support. As a result the crisis of

legitimation continues and the state may become "contested terrain" for social action and change by grassroots organizations.

COLLECTIVE RESISTANCE AND FREE SPACES

To contest the political terrain, free spaces are necessary for they are the catalysts for personal growth and empowerment which leads to resistance. For example, SOCM and other organizations in Roane County have provided a forum for citizens to discuss the issues and problems based on their experiential reality. Citizens have become critically aware and empowered as a result. They have confidently mobilized around development issues in their county, openly criticized and challenged the traditional model of development, and developed successful strategies and techniques to affect change.

The emergence of free spaces has led to resistance as Roane County citizens have come together to challenge the dominant ideology of those with formal power to shape development. Thus, as a result of free spaces, local resistance groups have waged an assault on the ideological foundations of domination and have attempted to create a counter-hegemony or "war-of-position" in Gramscian terms.⁶

⁶For Gramsci, in order for the proletariat revolution to be successful there has to be a "war-of-position," which is a

The "war-of-position" has led to a crisis in state legitimation, as resisters have challenged the local polity in Roane County. The crisis has involved the local polity since power to shape development is wielded via this entity. For example, SOCM members have successfully challenged the development of specific incinerator and landfill initiatives; they've demanded and fought for seats on local political boards; and they've pressured local and state agencies to enforce environmental codes and violations. Due to its legitimation function, the local political structure has become a contested terrain -- an arena for social change by local grassroots groups.

However, the evidence suggests limitations or constraints on the degree to which the political terrain can be contested. For instance, while SOCM has been fairly successful in attempts to use the local political structure to oppose specific issues on development, they have been less successful in becoming part of the polity in a truly participatory, democratic manner. Although environmental, labor, and racial groups have been given a seat at some of the political tables, their voice is not really heard. Open arms do not necessarily mean open minds. Recall one SOCM

cultural assault on the ideological supports of domination. The goal of a war-of-position is the development of a counter-hegemony by the proletariat (See Antonio Gramsci, 1985, Cambridge: Harvard University Press).

member's response to her position on a local board, "They don't listen to what you say and they're totally nonresponsive."

As a result of the limited legitimation within the local polity of Roane County, broad, sweeping changes have not been made: hazardous waste industries continue to locate in the county, and incinerators still burn; private/public financial ventures are on the rise; and development officials still represent the interests of capital, in the final instance.

THE THEORETICAL SYNTHESIS: POWER, RESISTANCE, AND THE STATE

Based on the research an enhanced theoretical model emerges which incorporates the elements of power, resistance, and the state. The model is employed in this dissertation to explain development in one Tennessee county.

When conflict arises based on peoples' experiential reality, the stage is set for the emergence of free spaces and resistance. People go "from fussin' to organizing" (See Cable 1993). As free spaces emerge, people develop critical consciousness and begin to question the existing relationships of power, creating a war-of-position or crisis of power. Since power is wielded through the state, the crisis of power leads to a crisis in state legitimation. As

a result the state may become contested terrain for grassroots resistance and change (See Figure 9.1). However, in Roane County there were constraints placed on the contested terrain. The state was permeable only as necessary to ensure legitimation among citizens and organized resistance. While some positive changes were made as a result of organized resistance, overwhelmingly, things remained the same.

This becomes a dilemma for grassroots resistance. Can relationships of power be transformed through a structure, such as the state, which functions to serve the interests of capital and reproduce dominant ideology? The evidence suggests not; so why bother with contesting the political terrain?

Implicit in a contested political terrain is the emergence of free spaces which leads to a crisis in power and state legitimation. In these free spaces citizens' perceptions of power and the state are transformed as "conscientization" occurs and a "war-of-position" is waged. Citizens begin to think and act critically to challenge political inequality and injustice, thus becoming politically empowered. Moreover, citizens become personally empowered through the free spaces as they do things they once thought inconceivable.

Free spaces are essential to overcoming oppressive political and economic domination, for free spaces enable critical discourse and action. While this may not lead to immediate transformation, it does lead to the development of a war-of-position, or a counter-hegemony, which can later translate into a social movement.

However, other strategies must be employed for the movement to be successful. First, wide-based coalitions are needed to connect the pockets of resistance; this enables the growth of the war-of-position. Second, there must be an active movement to contest the economic terrain as well as the political terrain, for this is essential to transformation of inequality. This requires critical economic education (education that links private economic troubles with public economic issues) and active participation in economic decision-making and change. Critical education must also reveal the interrelationships of power, class, race, and gender. Finally, local issues and crises must be understood in context of the global economy. For example, NWO and NAFTA are global policies with implications for local economies. Therefore, the historical reality must be incorporated into the discussion of local political-economies.

CONCLUSION

In an effort to explain local economic development, this dissertation provides a theoretical model which examines power relations in the community, the role of the local polity in development, and the impact of local resistance. This model of analysis embraces the dynamic relationship between structure and agency in affecting local development.

Research findings suggest that in one local setting, a small group of economic and political elites has historically controlled the process of development. Moreover, development policies and practices have reflected the economic interests of business and industry, often at the expense of the larger community. These findings support neo-Marxists claims that the state serves to accommodate its accumulation function, thereby protecting the interests of the dominant economic class.

Research findings also reveal that resistance makes a difference. Organized resistance to development policies and practices has changed the way people think about development in Roane County today. People now believe they have the right to challenge the old model of top-down development and the power to oppose specific development initiatives. As a result, the relationships of power have

been tested and somewhat changed in Roane County. Also, the local polity has been forced to become more responsive to the interests and grievances of resisters. This lends support to the idea that the state is "contestable terrain," an arena for citizen knowledge and participation to prevail in the struggle for social justice.

However, the findings also suggest that in addition to contesting the political terrain, resistance efforts must also contest the economic terrain. This creates a more effective war-of-position -- one which encompasses a critical analysis and discourse of class, race, and gender as it relates to local development in the global economy.

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APPENDICES

APPENDIX A:

Interview Schedule (IDB, CDC, TRV, Chamber, CROET)

1. How is business brought into your community? What is the process? Who (what groups) is involved in the decision-making process?
2. What do you see as the "growing" industry in the county? What kind of industry would the decision makers like to bring into the county? What kind of industry would you personally like to see come into the county?
3. Today there is much more competition among counties and states to draw business into their communities. What strategies are used by decision makers to best compete for new industry? Are incentive packages used to draw industry in? (provide examples)
4. What industries have recently relocated into you community? Why did they choose Roane County? Were any incentives used to bring them here? Where does the money for incentives come?
5. Have any industries been turned down or discouraged from coming into the community? If so, which industries and why?
6. What kind of restrictions are placed on industries coming into the county? Do they have to adhere to county or state regulations? What kind of regulations are there in place at this time?
7. Where does the land come from to bring in new industry? Is it county land or private land? Describe the process of obtaining land for development. Who are the key players in this process?
8. Are members from the community involved in the decision-making process of industrial recruitment? Economic development? Why or why not? Overall, how much public access is there to information pertaining to specific industrial recruitment in this area? What kinds of public access are there?

APPENDIX B:

Interview Schedule (Grassroots Groups)

1. Tell me about industrial and economic development in this Roane County.
2. Does (SOCM, NAACP, OCAW) have an influence on economic development?
3. What is the relationship, if any, between the Industrial Development Board and your organization? Community Development Council and yourselves? Tennessee Resource Valley and yourselves? CROET and yourselves?
4. What types of industry does your organization support for development?
5. What types of industry does your organization not support for development?
6. Has your organization ever been successful in keeping out "undesirable industry?" Has your organization ever been successful in bringing in "desirable industry?"
7. What do you see as the growing industry in Roane County? What are your reactions and feelings about this?
8. What are your organization's major concerns regarding industrial and economic development in Roane County?
9. What do you want for Roane County in terms of future economic and industrial development? Does this mesh with what you see happening now in this area? How do you best achieve the future objectives you've just mentioned?

APPENDIX C:

Timetable of Events for Horsehead Industries and Horsehead Resources Development Corporation

HORSEHEAD INDUSTRIES

- 1981 Horsehead Industries purchased several zinc manufacturing and marketing facilities from Gulf & Western Natural Resources Group. Gulf & Western was later purchased by Paramount Communications.
- 1989 Horsehead Industries' Palmerton, PA plant, Zinc Corp. of America, paid more than \$614,000 in fines and spent More than \$1 million to correct workplace hazards at its plant. OSHA cited the unit of Horsehead with 295 "willful" violations of its lead exposure standard and proposed fines of \$1.9 million.
- 1993 Horsehead sues Paramount Communications over potentially large cleanup costs of the zinc smelting site in Palmerton, PA. This site was placed on EPA's Superfund list in 1983.
- 1994 Horsehead Industries owns 30% share in Sigri Great Lakes (SGL) Carbon Group, manufacturer of graphite and carbon. Hoechst is currently the major shareholder.

HORSEHEAD RESOURCE DEVELOPMENT CO., INC.

- 1992 The volume of zinc products sold by Horsehead increased by 40%. Horsehead sold more of the zinc reclaimed from steelmaking waste and obtained higher prices for the metal.
- 1993 Memtek, an HRD subsidiary, purchased Haviland Engineering, a wastewater treatment business. Haviland Enterprises will now be oriented to its core business of chemical distribution.
- 1994 Whellabrator Engineered Systems acquired Memtek, owned by Horsehead Resource Development (HRD) for undisclosed terms. Memtek is a producer of wastewater-treatment systems and products.

APPENDIX D:

Timetable of Local Horsehead Development

Horsehead Exec. Offices,
Robert L. Hoguet III, Exec. VP and CEO
110 East 59th St.
New York, NY 10022
(212) 527-3003

Over the course of 1990 and 1991, the Roane County Industrial Board was approved for \$16,000,000 of tax exempt private activity bonds for the Horsehead project. This money was to finance the "purchase, modernization, renovation, and equipping of an existing facility, comprising a pollution control facility."

Early 1989 Horsehead Resource Development, Inc. purchased the Reserve Carbon, Inc. plant located in Rockwood, TN. The main reason for choosing this location, according to the Rockwood Asst. Plant Manager was the fact that it could easily be converted to fit the needs of HRD.

8/22/89 In a letter Horsehead describes itself and its purpose in the following manner. "HRD operates EAF dust recycling plants in Pennsylvania and Illinois. These plants take electric arc furnace baghouse dust from steel mills (a hazardous waste according to EPA and TN regulations) and produce two valuable products: a zinc oxide product and an iron rich product. No wastes are generated." HRD uses Waelz kilns which have been designated by the EPA as "Best Demonstrated Available Technology" for processing EAF dust." Incidentally, part of this letter's purpose was to convince the Dept. of Health and Environment to ignore the Tennessee General Assembly's amended version of the Tennessee Solid Waste Management Act and to allow Horsehead to gain an operating permit even though it is within 2000 ft. of a school and within 1000 feet of residences.

APPENDIX D: (CONTINUED)

- 5/7/90 A letter to the Roane County Commission from Hugh Sliger, former chairman of the Industrial Board. This letter states the whole-hearted support the Industrial Board gives to HRDC. The letter also states that both AKZO Carbon and HRD were once subsidiaries of Great Lakes Carbon.
- 6/28/90 The Roane County Environmental Review Board suggests that HRD establish air monitoring stations independent from HRD control be established in the vicinity of the plant. This suggestion was due to ERB's concern of human health effects caused by exposure to low-level concentrations of lead and cadmium that could potentially be released from HRD. ERB also suggested that Roane County develop detailed plans to contain and clean up hazardous wastes that could be spilled if a transportation accidents occurred.
- 7/9/90 A letter to Sandy McPherson (Ind Board atty.) from attorney Gerald Largen that states "it is my client's position that the Industrial Board is improperly constituted." When asked recently, Atty. Largen said this allegation was concerning the selection process of Industrial Board members. Unfortunately, he made no other direct comments about the incident.
- 7/9/90 A letter to the Industrial Board from Attorney Largen which states that the people of Roane Co. neither need nor want the presence of HRD.
- 7/11/90 A letter from Sandy McPherson to Jim Henry. In the letter Attorney McPherson makes reference to Largen's allegation that the Industrial Board is improperly constituted because its members were not selected from a "chamber of commerce, board of trade, or a similar civic organization." McPherson uses

APPENDIX D: (CONTINUED)

2/4/92

A letter from Tom Perry to Charles Holiway, plant manager of the Rockwood HRD site. The letter states that Perry is aware of the problems that the Pennsylvania site has recently faced with EPA concerning air emissions and solid wastes. Perry then goes on to welcome HRD to relocate the Pennsylvania site to Tennessee.

APPENDIX E:

Timetable of Events for DSSI and Chemwaste

1975	Chemical Waste Management (ChemWaste) forms as a division of Waste Management, Inc. and becomes a subsidiary in 1978.
1989	DSSI begins active construction as a locally-owned county industry.
11/1/91	Chemical Waste Management acquires DSSI. DSSI is then operated by Chemwaste Nuclear Systems.
3/92	The operator of a ChemWaste incinerator near St. Louis is fined \$3.1 million for ash and Steam explosions in the incinerator, two years after a \$250,000 fine at the same plant.
4/92	Reports document that as a result of management pressures at a Chicago ChemWaste incinerator, employees intentionally mislabeled hazardous waste containers and disconnected air pollution monitors.
4/92	Fire occurs at DSSI. Although the general manager said the fire was small and occurred in the ventilation system, other reports suggest the fire was downplayed and actually occurred in the charcoal filters, which are designed to trap gaseous radioisotopes such as iodine-131, carbon-14, and tritium.
7/92	DSSI is taken off-line to repair damages from the fire and upgrade processing facilities.
8/93	Processing is resumed at DSSI.
10/93	The Environmental Protection Agency fines DSSI \$64,000 for exceeding chlorine feed rate limits and submitting an inaccurate Certification of Precompliance, which is used to determine the emission limits for facilities.

APPENDIX E: (CONTINUED)

- 3/94 Upon DSSI's request, The State of Tennessee holds. A public hearing for a permit to discharge Blowdown water to Young's Creek in Roane County.
- 7/94 ChemWaste is 100% acquired by WMX Technologies, which already owns 79%.
- 10/96 WMX Technologies proposes the third-largest landfill in the United States at Altamont Pass, Illinois and faces opposition from local residents, ranchers, the Sierra Club, the Berkeley Ecology Center and the Northern California Recycling Association. The landfill is projected to receive 11,150 tons to 14,000 tons of waste daily.
- 12/96 WMX Technology shareholders voice unrest with salary and option packages given to top management personnel. Phillip B. Rooney, chief executive was given a five-year contract with a salary of \$1.25 million and stock options to buy 350,000 shares.
- 2/97 Chief Executive, Phillip Rooney, under pressure from investors, resigns from WMX.

APPENDIX F:

Timetable of Events for Scientific Ecology Group (SEG)

1985	SEG is founded by Bud and Jane Arrowsmith and Joe Lochamy.
1987	New Jersey Environmental Protection Agency begins shipment of radium-contaminated soil to SEG.
1989	SEG is acquired by Westinghouse, Inc.
1990	Plans are revealed by SEG management for construction of a second nuclear waste incinerator in Roane County.
1994	SEG is named industry of the year by the Roane County Industrial Development Board and The Roane County Chamber of Commerce.
1994	SEG announces the formation of technical assistance and patent licensing agreement to provide soil-remediation technology to TOPEKO of the Czech Republic.
1/96	SEG forges an alliance with Molten Metal Technology to open its first commercial plant in Tennessee. This plant will process ion exchange resins, a low-level radioactive waste.
4/96	Molten Metal Technologies announces Bud Arrowsmith has joined the company as vice president of Quantum-CEP deployment. He will be responsible for final stages of deployment of Molten Metal's jointly owned commercial facility with SEG.
4/96	U.S. Department of Energy begins investigation of how a highly radioactive piece of equipment ended up in a shipment to SEG in Oak Ridge. The shipment came from the Savannah River Site nuclear weapons complex near Aiken, S.C.

APPENDIX F: (CONTINUED)

- 9/96 Seven SEG workers were contaminated with radioactive material at the Hanford Nuclear Reservation. One worker's breathing apparatus malfunctioned and unprotected co-workers came to his aid.
- 10/96 Molten Metal Technology signs letter of intent to become the full owner of a waste-processing facility it jointly owns with SEG.
- 12/96 GTS Duratek wins a share in a \$1.2 billion contract for the removal of radioactive waste in Idaho. GTS will use its technology to help remove waste from Idaho's Department of Energy Advanced mixed Waste Treatment Project. The contract is projected to last until 2013.
- 1/97 GTS Duratek acquires SEG from Westinghouse for \$30 million. GTS pays \$28 million in cash and 156,986 in shares for SEG.
- 5/97 GTS Duratek reports a first quarter net loss of \$4.7 million.
- 1/98 A Securities Class Action Suit is filed against SEG. The suit is on behalf of all persons who purchased common stock of Molten Metal Technology during the period of 8/22/95 through 10/18/96. The complaint charges SEG and one of its former officers with Section 10(b) of The Securities Exchange Act of 1934 and common fraud. Plaintiffs allege SEG misrepresented material information concerning an Oak Ridge facility that was jointly owned with Molten Metal. As a result of the misrepresentations, Molten Metals stock price was artificially inflated throughout the Class Period.
- 2/98 Molten Metal files for bankruptcy.

VITA

Deborah Godwin Perkins was born in Charlotte, North Carolina on October 20, 1959. She attended schools in the Mecklenburg County public system in Charlotte and graduated from Garinger High School in June, 1977. She entered Western Carolina University in 1978 and graduated in 1982 with a Bachelor of Science degree in Criminal Justice. After working in the public sector for several years, in 1988 she entered the Master's program in Sociology at the University of North Carolina, Charlotte. She received research and teaching assistantships at UNC-Charlotte and graduated in 1993 with a Masters of Arts degree in Sociology. In August, 1994, she began work on the Doctorate of Philosophy in Sociology at the University of Tennessee, Knoxville, receiving this degree in December, 1999.