LIFE BEYOND COAL

A collection of stories published by the Daily Yonder



THE DAILY YONDER
KEEP IT RURAL

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TABLE OF CONTENTS:

Part 01: Living in the Fixer-Upper p 4
Dee Davis

Part 02: Proximity Matters p 14
Thomas Miller

Part 03: New Risk Takers Design a Post-Coal Economy p 20
Kelli B. Haywood

Part 04: Why Regions Fail p 28
Jason Bailey

Part 05: What Happens When You Don't Own the Land p 34
Chuck Shuford

Part 06: With Sights on a Livelihood beyond Coal p 46
Tim Marema

Part 07: Prison Progress? p 54
Sylvia Ryerson

Part 08: Life After Coal: Does Wales Point the Way? p 66
Tom Hansell and Patricia Beaver

Part 09: A Region Worth More Than Mountaintops p 72
Willie Davis

Part 10: Reclamation Money Could Fuel Recovery p 81

PART I:
Living in the Fixer-Upper

Dee Davis

Dee Davis, a native of Hazard, KY, is the president of the Center for Rural Strategies, which publishes the Daily Yonder. He lives in Whitesburg, KY.

Elwood Cornett stopped by my office. He is a retired educator and a minister, a kind and decent man. He came by six years ago on the same mission: to tell me about the effort to bring a federal prison to our county and to ask for my support. Our county is poor. The few industrial jobs we've had are in coalmining and that ship is sailing away. For most of the last ten years Mr. Cornett's volunteer group has been trying to attract a $300 million dollar prison project with its promise of good jobs and outside investment.

It is the kind of crummy choice rural communities often get. And in Appalachia it appears to be as close to a choice as anyone out there is going to give us. You preen for the Bureau of Prison screeners, you pledge all manner of local support, you turn your schools into corrections training facilities, and then if all goes well, you get outside contractors paying their own tethered suppliers to build a frightful facility with the few decent paying jobs going to qualified people mostly from long distances away. From that day forward this community will be known mostly for the prison and the special notoriety of the individuals housed there: terrorists, drug kingpins, and if we are lucky, local politicians.

Of course some fast food franchises and convenience stores will feed and fuel the families from the New Jersey or New Mexico who drive in to visit a wayward child, but the promised economic impact of the prison will lie there, beckoning but beyond local reach.

At least that is where the evidence points. Our Congressional District, Kentucky's 5th, is the nation's poorest. The two poorest counties in this poorest of Congressional Districts have federal prisons that some civic boosters thought would help them turn things around. They just didn't. As the song "Jericho" says,

"We are the prisoners of prisoners we have taken."

This is not to criticize Mr. Cornett. He is fighting for the prison because he loves his community and sees no other alternative. He told me that. And barring federal sequestration or spontaneous penal reform, there is the pending promise of a large federal outlay for this facility. The head of the House Appropriations Committee is our Congressman, Hal Rogers, who is doing what he can to get it here.

My questions about the coalfield economy are more basic than whether we get a maximum-security prison. To start, how did we get in this mess? Can we turn this thing around? Why do we always wind up back here fattening frogs for snakes?

Being poor is not a permanent predicament in this country. But it is a problem that won't fix itself. Throughout the twentieth century U.S. ethnic groups like Greeks and Koreans devised strategies to help their communities and to move immigrant families out of destitution. Many poor rural communities have been transformed from hard-scrabble to self-sufficiency and, in some unusual cases, to high-tech and amenity-rich zones of great wealth. Cities given up for dead make comebacks and create new prosperity. Strategies that work are not overnight "get me a grant" successes; they are more often plodding developments where the benefits may only come a generation or two down the pike. That might not sound like much of a solution to an out-of-work miner who has truck, car, and house payments he cannot make, but in this neck of the woods we did not get to where we got fast, and it is going to take a serious do-over to get us out.



Coal mining and the timber industry have extracted enormous wealth out of Appalachia, but provided little in the way of health care, housing and educational benefits for the people of the region.

One hundred years ago our corner of east

Kentucky was probably as rich in resources as any similarly sized-region in the country. We had abundant coal, oil, gas, water, and timber. We also had the rugged mountain beauty that could have been the foundation for destination tourism. So by some standard measurements we had excessive riches.

Today the Congressional District that spans the same corner of east Kentucky is ranked 436th in the Gallup-Healthways Well-Being Index (a comparative national indicator of wealth, health, and outlook, meaning mental health). And 436th is the bottom of the bottom of the barrel. Not only are we the poorest part of the United States, the life expectancy here has slipped below that in countries like China and Mexico. We are ranked at the top in psychological maladies like clinical depression. Embarrassingly, we are the part of Appalachia where other parts of Appalachia send a Santa Claus train to help us come up with Christmas gifts for our children.

Say this is a teachable moment. If what you are doing takes you to the bottom of the barrel, try doing something different. As my dad would try again and again to explain to me, you can't dig your way out of a hole. For east Kentuckians, it is particularly discouraging to realize that in every other part of the country, no matter how funny the people talk, what ball teams they root for, or what outfits they wear when they go to town, they are all doing better than we are. That can't be right.

In Sunday school we were told the story of the master and his slaves. Before leaving on a journey the master divided his wealth among three servants. He gave the first one five talents (something like five bags of silver). That servant invested and doubled the money, all of which he gives back to the master when he returns. The second slave received two talents. And through his acumen he doubled his allotment and also returns the principal and the profit to the master. For all their enterprise both faithful servants are rewarded with new responsibilities and their owner's respect. The third servant, however, was given just a single bag of silver, and fearing all that might go wrong, he buried it until his master returned home. When he repays only the single bag of silver, that servant is punished for both his caution and for his lack of industry. He is cast out into

the darkness. Bible stories don't always end well. And no matter how kindly the sweetest Sunday school teacher explained it, that third guy in the story was me. I always knew it. Now I am thinking maybe it's us.

How does the richest region become the poorest? Did we invest the resources entrusted to us unwisely? Were we loafing while the rest of the country was enterprising? Did we serve the wrong master? Did we keep quiet, go along and get along, when we should have been making hay?



A surface mining operation has deformed a mountain between Jenkins and Pikeville in Pike County, KY.

Almost 50 years ago, President Lyndon B. Johnson declared a national war on poverty. Coming the day after his one visit to the coalfields of east Kentucky, it was his idea for a do-over. He had grown up in abject poverty himself in dirt farm country in central Texas. According to historian Robert Caro, his family was so poor that they would not have eaten had the neighbors not organized themselves to bring plates of food by in the evenings.

The poverty he wanted to wage war on in 1965 was something he had actually experienced as a child, a legacy that motivated him through his political life. In announcing the federal initiative, he said the weapons the country would use in this war were education, health, training, and job opportunities. He was saying that being poor does not have to be a permanent predicament. He was saying that poor places like poor families can turn themselves around with a little help. It was the lesson he took from the parable he had lived through.

I would like to think that Johnson was right, because if he was, then the tools, at least some of them that we need to create prosperity, are already here. The schools are here. We just

need to make them better, a lot better. The health facilities and care providers are now mostly in place, we just need to make the system work. We have vocational schools and community colleges with training as their core services; we just need to make them more productive and a good deal more imaginative.

But before we can entertain a notion of public policy and public institutions playing a more useful role in the economy, we have to acknowledge the corrosive role of local corruption and its history here, some of it attached directly to the war on poverty itself. There are reasons so many public programs fall short of their intended mark, and one of them is tolerance of malfeasance. A pal of mine was elected county executive some years back. He decided to have a county wide fish fry. He called up the wholesale butcher in the next county and asked for a price for catfish for the celebration. They told him $4,800. We are a small county and that sounded like a lot of fish. He asked, " Are you crazy?" Then they said, they had not realized he wanted a real price. They thought he wanted one with his kickback already figured in. After all he was a county judge.

In Worlds Apart, Cynthia M. Duncan's book about the prevalence of rural poverty, she compares a county in chronically poor east Kentucky with a similarly poor county in the Mississippi Delta and a more prosperous county in New England. She concludes that educational attainment is the great advantage the prosperous county has over the poorer two, but she also points out that a culture of local corruption in many poor counties in the coalfields and in the Delta contributed to the disparity and their ultimate dysfunction. Poor counties may not have had all the resources they wanted or even needed, but often counties that should be financially stable fell further and further behind because they tolerated or even embraced long established patterns of systemic corruption. And whether that corruption shows up in kickbacks and graft or in more benign forms like nepotism and lowered institutional standards, it has a real cost for communities seeking to do better.

We know we have too often turned our backs on shady characters and accepted underperforming officials in public life here in east Kentucky. Without that reform, other efforts

to right the ship will always be vulnerable. We can't afford to subsidize failed systems. And none of what I will suggest here will work unless it is accompanied by vigilance against local corruption.

So how about this? We organize our economy around what has gone wrong. Then we fix it ourselves. It can be a plan for repair and restoration.

There is a reason we are last on the wealth index. We are poor. Instead of creating jobs for ourselves, investing our talents, we have become the very end of the industrial chain that extracts energy to create power to fuel economies in the rest of the world. We have sacrificed much of the land and many hard working people to help create wealth, but that wealth did not accumulate here. We can keep doing the same thing that got us to the bottom, but we should not expect that the results are going to change.

Rather we can think of what we have left, as ravaged and kicked around as it is, and invest in what it could be. We have mountains that can be rebuilt. We have streams that can be cleaned up. And because every place in the country that has valued its mountains and streams more than they valued screwing them up is now richer than we are, we can imagine a future that is better than what we have today.



A pro-coal rally in Pikeville, KY, June 7, 2012.

State and local policies now favor a kind of industrial future that most closely resembles where we have been and what other rural communities have tried

and failed to do with industrial recruitment. We can change those policies. We can seek advantages for local contractors and businesses that will employ the legions of miners who have lost their jobs in the last 12 years. That approach can mean creating systematic advantages on bids and contracts for biologists that deal with restoring endangered species and re-investing state severance tax revenues in sustainable and renewable strategies for redevelopment, including redeployment of severance taxes to endow smart growth funds. It also can mean looking to the billions of dollars in conservancy funds set aside to purchase and protect American wilderness.

There is a reason that our life expectancy is at the very bottom of the list. We are sick. We have the nation's highest rates of diabetes and abnormally high incidence of several preventable cancers, including lung and cervical cancer. We have epidemic rates of drug addiction. I live in a town of 1,500 with seven pharmacies. We can make a difference if we invest our talents in improving public health and the life expectancy of our kids. Other communities, rich and poor, have done that with success around the world. Places get healthier when the people who live in them make informed choices about what they put in their bodies, and when the communities themselves are committed to better health. Those steps improve the workforce and change how families use their resources. When communities demand better health care from hospitals and clinics, a secondary result is that more people can be treated locally, and the economic engine of the health care industry works locally and not just in urban commercial centers that are geared up to profit from our illnesses.

There is a reason that our mental outlook stares from the bottom of national assessments. We are crazy. Einstein said the definition of insanity is doing the same thing over and over and expecting different results. We continue in a protracted downward spiral in the coalfields searching for someone we can blame for our troubles: this president, the EPA, people who want clean air and water, but certainly not our own choices. Though the handwriting is on the wall for coal here -- and written again in large type by those analysts who cover the energy industry -- we don't change course. Though politicians

will acknowledge the business realities privately, in public they return to demagoguery.

Last month there was an anti-EPA rally in Pikeville, Kentucky, attended by more than 1,000 people and key members of the state legislature. Our leaders made voluminous threats and spit fire about 16 strip mining permits that were denied



A mine site near Pikeville, Ky.

because they would allow surface mining that endangered valleys and streams. No one mentioned that over the same time period the agency had approved 2,500 new mining permits and, further, that the reserves of already mined but unsold coal sat at a 30-year peak. Maybe this is where the overprescribed psychoactive drugs kick in. We are able to ignore facts about natural gas replacing coal in the market, the ever declining need for miners, and all manner of scientific data about carbon's role in climate change.

We keep betting on coal in part because we are told by every lousy official and 100,000 tax-payer-subsidized bumper stick-

ers that coalmining is our future, that, in essence, without it we don't have a shot. The fast food outlets display kids for coal signs on the drive-through windows, and 50,000 license plates tell us that "Coal keeps the lights on." We hold out hope that coal will come back and that this time it will bring with it broad prosperity -- unlike what happened in the '40s, the '50s, the '60s, the '70s, the '80s, the '90s, or the '00s.

It is both convenient and comforting to believe that coal can save us because it confirms a story we have always been told. If we dig deep enough, we will get out of this hole. The idea of taking our bag of talents and facing the open marketplace is terrifying. Think what all could go wrong. And when our politicians loudly rally the masses claiming that there is a "war on coal," we are encouraged to believe that we must stand shoulder to shoulder behind them, because as they point out, there is a world of people just over the horizon that hates us and is out to get us and wants to change our way of life. It is much more emotionally satisfying to think we are despised than to realize that folks over the mountain barely know we exist. Paranoia is a reliable part of crazy.

I do not know for sure how we improve our mental health, but there may be a lesson to learn from the South Africans after apartheid. They had done some things that made them far crazier than we are and they figured out how to come around. After generations of systemic racism, internal warfare and unspeakable government-sanctioned excesses, the country changed direction and changed its economy, but the South Africans realized they also needed to change their outlook (mental health). They came up with Truth and Reconciliation hearings around the country.

The idea was that too many people had gone way over the line. What had begun as a racial lie turned into a code of conduct, and then into an international humanitarian disaster. So many people had done so many things wrong that you could never punish them all, and if you tried, that would be all you would have time and energy to do. The South Africans would become prisoners of the prisoners they had taken. That newly reborn nation had the challenge of moving forward, disposing

of the decades of deceit and somehow rehabilitating the outliers whether they were just misguided patriots or self-serving creeps. The public solution was to give everyone a chance to come forward and tell the truth. Irrespective of the crime committed, all the accused or merely suspected were given the opportunity to come forward, to tell the truth, and in the end to be absolved so the country could move on together. It was not easy to admit what you had done wrong or even that it was wrong, but there was the opportunity for public growth and repair, even reconciliation for those who did.

That is what we need now in the coalfields: candor. We have done a lot of damage to the land and the people. If we continue to lead people astray, to believe things that we know in our bones are lies, to stand by as a culture of corruption infects our genuine prospects for moving forward, then we are going to get crazier. And if we refuse to acknowledge the reality of where we currently stand, then we don't have much of a shot hanging on here. Prisons for $300 million are small potatoes compared to the jail we will have already put ourselves in. There are tried and true ways to escape poverty, but we have to try them before we can make them true. Sometimes the proper response is courage. And sometimes the safest way forward is taking the greatest risk.

PART II:
Proximity Matters

Thomas Miller

Thomas Miller lives in Berea, Kentucky. He helped build the Kentucky Highlands Investment Corporation, is a founder of MACED, worked for the Ford Foundation in New York and East Africa and has been following community development issues for 40 years.

"Can we turn this thing around?"

Dee, you pull at the heartstrings, you speak the truth and you ask the right question. I have been asking it of myself for 40 years. I write in response to your essay because I believe the answer is no.



These 15 students from Knox County were recognized this year as Kentucky Future Business Leaders. How many of them will choose to put their entrepreneurial skills to use in the Appalachian region?

When you say "turn this thing around," I am thinking you mean significant and durable economic development, a large change for the better in the size and composition of our economy. Why have we not turned this thing around already? Are we chronically incompetent or do we have an expectations problem?

The evidence points to expectations. As the years roll by I am ever less able to muster confidence that we have a sufficient chance of transforming our economy in these mountains. I do

not encourage us to give up, but if we are to make progress we must be realistic about our expectations and pick targets we have a good chance to hit.

As you point out, Central Appalachia has made decent progress on a number of fronts. Education, health care, transport and communication are much improved. Yes, we have new problems alongside our old ones, but even our economy has improved considerably over the years. While we are still in last place by all sorts of measures and there is much distress to worry about, it is much harder to find abject human misery than when Lyndon Johnson was in town.

It has been more than half a century since the problems you note became clear. It would seem we have tried it all: fifty years of economic development involving lots and lots of taxpayer money, large scale and small spending on one program after another, from roads to hospitals, from venture capital to industrial sites, job training to craft cooperatives, Foxfire to clean coal. Yet our economy remains woefully deficient and poised to fall into an even bigger sinkhole as our reachable coal reserves play out at the same time that coal is losing favor as a source of energy.

You write, "Many poor rural communities have been transformed from hard-scrabble to self-sufficiency and, in some unusual cases, to high-tech and amenity-rich zones of great wealth." I would like to know much more about such places, what they faced and what they did. To begin serving candor right away, I will say I do not believe your assertion is true. I have been looking for such places for 40 years now and have yet to find one with useful lessons for Central Appalachia. But it is the most important sentence in your essay and we should learn more about what those others have done and draw from them some good ideas and some ever elusive confidence.

If we can't find such examples, then we must return to Elwood Cornett and help him bring that federal prison to town. Does it make you angry and depressed? Probably yes. Is it still worthwhile, better than the alternatives? Again, probably yes. Is it the best we can do? It just might be.



Coal has been a mainstay of the Eastern Kentucky economy, but reserves are dwindling and the resource is losing favor as an energy source. Eastern Kentucky needs businesses with a future.

I submit that in an area of chronic economic distress, far removed from cultural and economic and social attractions, where the more ambitious kids have for decades brought their suitcases to high school graduation, we might be doing as well as can be expected. If there were significant developmental fruit out there, whether hanging high or hanging low, I would expect some of our larger development organizations to be actively pursuing such. I do not see anything like that out there. All seem to be doing pretty much what they have always done, and still talk of the bright tomorrow their work will surely bring.

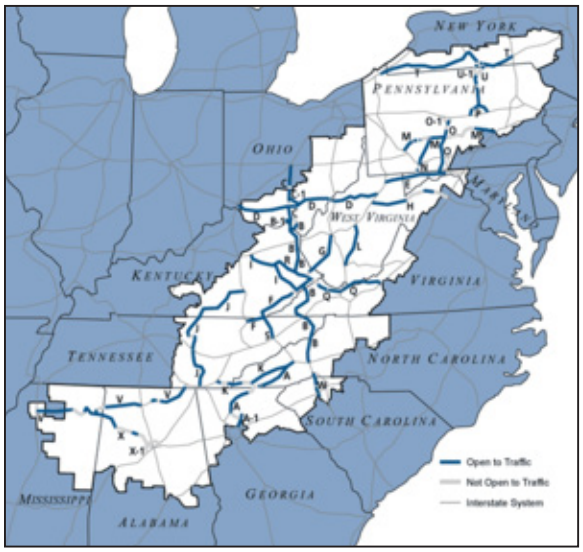
Our own experience of these past 50 years is not encouraging, and if we can't find others to show us where we have been going wrong and how to get our strategies right, then we must conclude that significant and durable economic development in the mountains is not a realistic prospect. Sure we should continue to work on stuff, but we should be honest about what we promise.

Do you find this view unacceptable? Me too. It risks becoming surrender. But I am not encouraging us to do nothing, only to be realistic.You are correct that there is a reason Central Appalachia remains at the worst end of the poverty and well-being tables, but it is not one we can do anything about. Being in tune with modern political life, I have a bumper sticker for it: Proximity Matters

All of the economics and economic development experience I have and all that I read tells me that economies do much better in places of higher human density. Silicon Valley and the Research Triangle and all their copy cats are in the center of things. It is revealing that nearly 40% of the management teams

of Silicon Valley start-ups are green card holders. I do not mean to suggest we ever thought we could become such a place, but it is surely true that skilled and ambitious people quickly move to places best suited to pursue their dreams, and they have not been moving to Central Appalachia.

Ever more damning, we all know lots of successful entrepreneurs who were born and raised in Central Appalachia but moved away and stayed away because they saw it necessary to their ambitions. A list of such expatriate success stories, had we the courage to prepare it, would be most depressing. But is it not also most revealing?



The Appalachian Development Highway System has been one long-term, and very costly, effort made to improve the economy of Eastern Kentcuky and neighboring states.

Enterprise clusters, entrepreneurial mixing and matching, friends and family and associates to help finance or solve business problems, finding economic opportunity in import substitution and new ways of combining resources, all these things happen in cities, or in proximity to them, much more than they do in rural areas. Even some of our very best poverty-reducing inventions, affordable housing and microfinance, do not work nearly as well in remote rural areas.

It is not that rural people do not know how or do not want to do these things. It is that a certain population density is necessary before you can accumulate the necessary amenities to attract new residents and build the skills and connections between people that can lead to a diversified economy, that social capital that Mil Duncan and others so rightly talk about. In many ways our development challenge is mostly a math problem about miles distant from the action and population per square mile.

I probably need a second bumper sticker. It would say "Amenities are necessary." That is not as zippy as the first, but probably more important. Unless you are from the mountains, it is very difficult to move here and fit in, difficult to find a movie theater or a restaurant or a drink or a museum or even

a handball court. I know. I tried. I love it here and moved back very much on purpose after a lifetime of chasing around the world, but I live in the technical mountains (as defined by ARC) and not the real ones. As you remarked, Dee, when I told you I was moving back to Berea, "Well, I guess you can see Appalachia from there." (Who knew that you and Sarah Palin had the same writers?) As much as my wife and I love this mountain culture, it is not welcoming to outsiders.

So, our kids take their suitcases to graduation and outsiders will not move here. How can that possibly end well?

Central Appalachia is not only rural, it is remote. Such places are the hardest development challenge of all. If a mistake has been made by the people of Central Appalachia it is not a new one. It was made when our forbearers moved away from the economic mainstream to these mountains so far away from everything else.

For most of the last 50 years our development strategies have addressed our communities, their infrastructure and their economies, but we remain profoundly disappointed at the failure of those economies to develop as hoped. There are other ways to think about these challenges. For example, The Economist (Nov. 3, 2012) recently summarized Bangladesh's development outcomes, some 40 years after Henry Kissinger called the country a basket case.

"…in the past 20 years Bangladesh has made extraordinary improvements in almost every indicator of human welfare. The average Bangladeshi can now expect to live four years longer than the average Indian, though Indians are twice as rich. Girls' education has soared, and the country has hugely reduced the numbers of early deaths of infants, children and mothers. Some of these changes are among the fastest social improvements ever seen. Remarkably, the country has achieved all this even though economic growth, until recently, has been sluggish and income has risen only modestly."

The article goes on to explain that through both effective outreach to assist the poor to improve their livelihoods and

a vast Bangladeshi diaspora and the remittances they send home, some of the pain of poverty is assuaged even if the basic economics of the country have not changed all that much. Is it time for us to think in these terms, to ask ourselves whether our focus ought to be less on the geography and infrastructure of Central Appalachia and more on the people themselves.

Most important of all, I submit that these observations and resolutions, yours as well as mine, are the easy part. The question, as always, is what to do on Monday morning that will have some chance of yielding more than what we have so far tried. Let our honesty begin with a discussion of what our efforts have or have not achieved and quickly move to lessons we can learn from others (those successful rural communities you talked about.) Let our honesty begin by talking with people we usually yell at. Let our honesty begin by dropping all the old feuds, by taking those pictures of strip mines off of our essays.

I do not know what else we can do but be radical now, in our analysis, in our debates and in who is sitting around the table. From a new analysis and a new table we might be able to see a better way forward and point our horses in that direction.

As you say, Dee, it begins with looking in the mirror. I quibble and quarrel as usual, but "To thine own self be true" really is a very important thing. You and Polonius got the big one dead-on right.

PART III:
New Risk Takers Design a Post-Coal Economy

Kelli B. Haywood

Kelli B. Haywood is a Lamaze certified childbirth educator, birth doula, and certified prenatal yoga instructor. She lives in southeastern Kentucky with her husband and two daughters.

All it requires is a short drive through the mountain towns of southeastern Kentucky to see a people on the defensive. Defense from what?, you might ask. For some the enemy is mountaintop removal mining, a sense that the environment and quality of life are in terrible danger from the ravages of mining. For other people, the threat comes from a "War on Coal" and the belief that their capacities to provide for their families and create opportunity for their children are being taken away.



The Parlor Room is one of five new businesses that have opened recently on Main Street in Whitesburg, KY.

Both positions of the community are broadcast on vehicles and storefronts, on television and billboards. There are rallies on both sides and countless campaigns. All this effort ends in a question -- the same question on the lips of people from both sides of the argument: What is the economic future of the Kentucky coalfields?

On April 15, 2012 Tom Sanderson noted in Benchmark Journal, a publication on global investment: "This year, with the prospect of a renewed recession hovering over the U.S. economy, it is cheering to see that rural small business looks especially promising."

What may have looked like "promise" from the outside

felt very different for my husband, John Haywood. When he went into business for himself in July 2011, we had no idea if this change would be financially viable for our family. The truth of the matter is we still don't know. With coal miners being laid off in the thousands, families moving away from the region to find work, and people seeming to live in fear of a financial doomsday, it is hard to do anything more than work hard, hold our breath, and wait.

My father, Mike Hansel, has worked in the coal industry for 39 years. That hadn't always been his plan. Before returning home to Letcher County, Kentucky, and marrying my mother, he went to East Tennessee State University, where he had planned to graduate and go on to teach physical education. But life demanded otherwise; if he was ready to start his family he would need to work, and the coal industry offered him "good money, good benefits" and training that allowed him to stay home with his family. He followed in the footsteps of his father, his grandfather, and his great-grandfather and went to work for the mines. My dad raised our family on coal money, and he now holds a strong view that reliance on coal mining is our region's economic future. He cannot see a future without it.



John Haywood's new business in the Eastern Kentucky coalfields is a tattoo parlor in Whitesburg. Haywood designed and executed this tattoo for Jon Free, a Kentucky native who teaches history at a university in North Carolina.

Whether John and I will be able to continue raising our family in our beloved homeland is often on my mind; neither of us really wants to imagine having to leave it again. So as many daughters do, I asked my dad what he thought. If the coal industry indeed does fail, will there be a financial future that will allow John to keep his business open?

My father has replied the same way many times over. As the

Environmental Director of his company, he must have such an answer researched and ready. "If the coal industry disappears, the tax burden for each man, woman, and child in the State of Kentucky would increase by approximately $3,500.00 per year," he told me. The tax increase would be needed to make up for losses of revenue from the Unmined Minerals Tax and the Coal Severance Tax. According to my father, school funding would be greatly reduced, highway construction and repair monies would vaporize, and support for local businesses would greatly diminish. These are mathematical facts, "not just numbers wished for or picked from the air by nay-sayers," he said. He emphasized that in Eastern Kentucky, where many people are on fixed incomes "the local economy is quite dependent upon a strong coal industry."

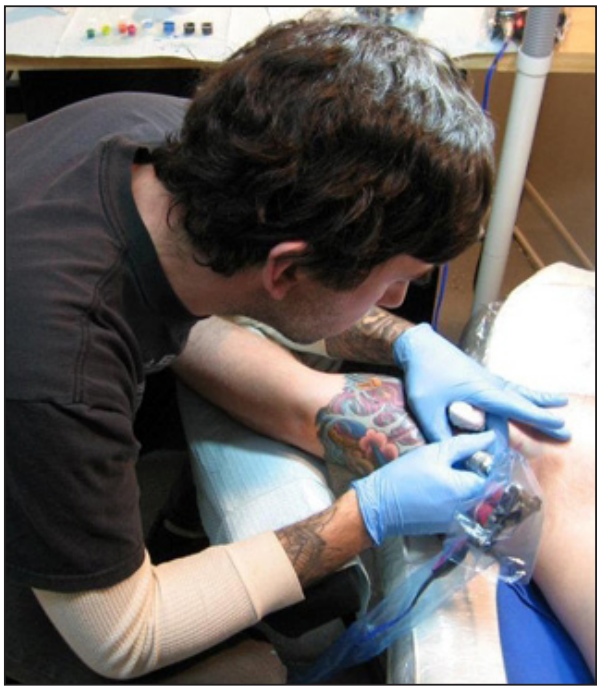
According to the 11th edition of the Kentucky Department for Energy Development and Independence and the Kentucky Coal Association's publication Kentucky Coal Facts, the coal industry paid $270.34 million in coal severance taxes and $16.9 million in unmined mineral taxes to the state of Kentucky in Fiscal Year 2009-10. Some $97.3 million in coal severance tax receipts were returned to coal-producing counties for infrastructure improvements and economic development projects. The booklet also states that the wages from employment in the coal industry made up 43.6% of the total wages earned in Letcher County in 2010.

John opened his business, The Parlor Room – Fine Art and Custom Tattoo, in Whitesburg, the county seat of Letcher County. With coal mining a leading employer here, it isn't an unfounded concern that the loss of coal jobs would also mean a loss in income for us.

John has known he'd have to take charge of his own employment from the time he changed his major in college from Art Education to Graphic Design and then to Studio Art. He knew he'd either be doing commissioned or contract work or peddling his own designs, paintings and drawings. His choice to follow an artistic calling and pursue education in art on the college level didn't come easy. He was continually asked whether he really thought he could make a living at

art and was told that in order to do so, he'd have to leave the mountains.

After college, we did leave for Louisville where we both received Masters Degrees and began our careers. It was then he realized that in order to make a living wage and still remain sane, he'd have to put his artistic skills to use in creative ways. He went under apprenticeship to the award winning tattoo artist Big Daddy Tray (recently featured on the television show Ink Masters) and learned the trade of tattoo.



John Haywood works at his shop. Open for just 16 months, his Parlor Room already has taken on another tattoo artist and two apprentices.

After the birth of our first daughter, we both realized that something was drawing us out of the city and back home. So, we followed that intuition. It was back in the mountains where we both decided to be our own employers. I went into service and John, after a few years of contract work and selling his paintings, decided to explore the possibilities that opening The Parlor Room would bring.

It seems John's entrepreneurial endeavors are following a rural trend. "Since 1969, the number of self-employed rural workers has expanded by over 160 percent to 5.6 million. In comparison, there was only a 64 percent growth in rural wage and salary workers over the same time period," writes Stephem J. Goetz ("Self-Employment in Rural America: The New Economic Reality," Rural Realities, Vol. 2: Issue 3, 2008).

Goetz goes on to cite other findings, ominous ones for us. "In the last four years, self-employment earnings relative to earnings of traditional workers have reached historic lows. In 2005, the average self-employed worker earned only one-half of what wage-and-salary employees captured ($16,851 versus $31,596)." This affirms that for a rural business owner to make an income, there must be wage earners who are earning enough to spend their hard earned money at the business,

sharing a little piece of the pie.

Unlike my father, John never really saw entering the mines as a realistic option. It wasn't that he felt it wasn't good work or that he wasn't capable, but his grandfather had counseled him against it. He had always told John, "I want you to get your education and stay out of those mines."

McIntire Risner, John's grandfather, had quit school in the 6th grade to go into the mines for work and stayed there until he retired. He was active in the United Mineworkers of America and managed to make a good life for himself and his family. But he was also diagnosed with Black Lung and suffered with poor health until he passed away in 2005. Having always looked up to his hard working Papaw, John took his advice as gospel.

"The meaning of my Papaw's advice has changed over the years," John says. "He also told me that nobody could take away what you know in your heart and mind. I am sure in his lifetime he faced unemployment and layoffs many times. I don't think he wanted me to fall victim to that as well. Even though there have been times in my life where I wished that I could just hang it up and get a 9-5, I knew I couldn't let down my Papaw. When I hear about layoffs, and people losing their jobs, I feel a little bit safe in knowing that by listening to what he said, I am now my own boss and practice a trade that I can take with me wherever I go."

I'm not sure what Mack expected when he told John to go to school. I wonder if he thought it would mean more money or an easier life, or if he foresaw the economic instability in coal's future. It's not surprising, after reading Goetz's "one-half less" statement, and in light of the 31.8% employment rate in coal for Letcher County, that John earns (at this time) less than a miner; the volatility in future mining jobs could possibly mean he'll earn even less in the future.

"The longstanding historic trends in the coal industry in Kentucky, combined with the reality of a rapidly changing energy landscape, pose challenges to the long-term role of

coal as a provider of employment and source of tax revenue for Kentucky," writes Mountain Association for Community Economic Development. Despite this truth, our plans for the future include living in the coalfields of southeastern Kentucky. John feels like it is better to stick it out and see what happens than to change the course before we know we have to. He didn't take out any business loans to start The Parlor Room. He used a credit card and income tax returns to fund the start-up costs. The shop's location on Main Street is surprisingly affordable and the operation itself doesn't have to be expensive to be high-quality. After 16 months, the shop pays for itself and the business has grown. Now John has another artist working with him and has taken on two apprentices.

Since opening The Parlor Room, John has been joined on a reviving Main Street by new start-ups: a restaurant, a consignment shop, an art gallery and, much anticipated, a new bakery. In Whitesburg and the surrounding towns in Letcher County, we see the trend in entrepreneurship very clearly. Joining the well established small business community are several men and women who have begun photography businesses. There are new embroidery shops, up-scale consignments, an outdoor sports and apparel shop, and a noticeable abundance of peddler's malls.



Mike Hansel, the author's father, checks PCB levels at a reclaimed mine site in Letcher County. Hansel believes the region's future depends on coal.

I asked my dad whether he believed, if the coal industry completely dissolved, the region would recover economically. His answer wasn't comforting:

"No, and here is why. Eastern Kentucky has no infrastructure to support any heavy industry, nor light industry for that matter. Rail systems have sold track lines and rights of way. Freight lines on highways would

create tremendous traffic problems and air pollution from diesel exhaust. There are no natural tourism attractions which would entice outsiders to visit, let alone spend money. You have some nice views, but attractions, none. Tourism could not flourish; it also has no infrastructure."

In the face of this, stands the revival of Whitesburg's Main Street. Somehow hope resides there, and in other areas of the region.

You'll also hear vague suggestions that a tourism economy could transition southeastern Kentucky, and Letcher County in particular, from coal. For a tattoo business, tourism would offer new clientele. John's work already has brought people from surrounding counties, cities, and states – even from Europe -- to Whitesburg for a tattoo. But the larger picture doesn't seem so promising. At best, if we were able somehow to attract outsiders in, we'd have seasonal income and the sorts of jobs that provide for the single person or student but not enough for benefits or the family pay that raising children requires. It would take work and lots of it to give Whitesburg even a good shot at attracting enough visitors. The work would have to begin now. No, this hope we see in newly lit shop windows of Main Street isn't about tourism.

In some small compartment the larger local consciousness, there's the "make do" attitude that has sustained the Appalachian people for hundreds of years. Whether a person stands on the side of the coal industry or feels the industry is the detriment to our well-being isn't going to matter when we are faced with having to transition our economy from coal. After the likely mass exodus, like those we have seen in our past when coal production declined, those left behind -- and those who choose to stay -- will have to find a way to work together to provide for their families or live in dire poverty.

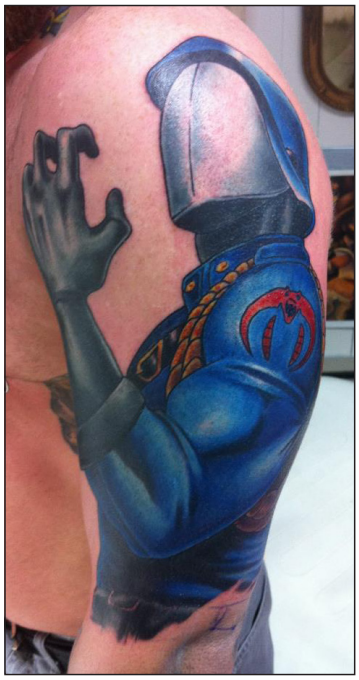
I dare say that a way will be found. I honestly don't know if John and I will be in the group that tries to work it out or in the group that goes -- or if, in the meantime, we will pack up the house and head on out to a community that isn't facing such a critical position, such hostility toward those of the

opposite opinion, and such day-to-day turmoil.

Dad says, "If the coal industry goes away, the only thing left in eastern Kentucky would be those singing kum-ba-yah around the campfire to deaf ears." Who knows what would come of that? I've been around some pretty productive campfires - and not. What if, though, this little pocket of d.i.y entrepreneurs is the beginning of something new?







Tattoos from the Parlor.

PART IV:
Why Regions Fail

Jason Bailey

Jason Bailey is research and policy director at the Mountain Association for Community Economic Development (MACED) and director of the Kentucky Center for Economic Policy (KCEP).



Former company homes. Jenkins, KY. Photo by Ted Wathen.

Others have rightly jumped on Nicholas Kristof's December column in the New York Times criticizing the Supplemental Security Income (SSI) program for children with disabilities. Kristof uses stories of families in Breathitt County, Kentucky, to suggest widespread abuse of the program, including cases where parents have kept their children from learning to read in order to maintain a monthly check.

Accusations of systematic abuse of SSI for children have arisen before, and the Government Accountability Office and other investigators have examined and discredited the claim. Getting SSI is in fact difficult, child participation in the program is not mushrooming and 98.6 percent of kids under age 12 in SSI are enrolled in school. SSI is a big help to

families paying the extra costs associated with raising a child with disabilities, and a growing body of research shows that poor kids in families receiving an income boost tend to do better in school and work and to have higher earnings as adults.

That's not to say there are no specific instances of misuse or ways to improve the program. But even in Breathitt County, the Social Security Administration reports there were only 262 children on SSI in 2011 in a county with a 47 percent child poverty rate. The share of kids on SSI is substantially higher there than in the nation as a whole, but disbursements are hardly at a level that can be described, in Kristof's words, as a "burden on taxpayers."

More importantly, what would cutting this safety net program, as Kristof proposes, truly do to help address the bigger challenge of poverty in Breathitt County and Eastern Kentucky?



"Bicentennial Post Office, Ned, Breathitt County, KY 1977" 47% of the children in Breathitt County, KY, live in poverty. Photo by Ted Wathen.

The problem with poverty diagnoses like Kristof's is that they look narrowly at strategies to treat the poor themselves while ignoring the larger historical and economic context in which those families live. He doesn't dig deeper to ask why there are so many hardships and so few jobs in a place like Eastern Kentucky.

Part of the answer to that difficult question, I believe, can be found in a recent book by economist Daron Acemoglu and political scientist James Robinson titled Why Nations Fail. The authors look across countries and throughout history to ask why some places are poor and some are rich. They conclude that economic success is not the result of culture, geography or other standard explanations. Rather, prosperity is caused by a



"Strip Mine Trucks, Breathitt County, KY, 1976" Extractive industries like coal mining have long dominated both the economy and the politics of Breathitt County, KY, and much of Appalachia. Photo by Bob Hower.

country's human-made institutions.

They characterize nations' economic and political institutions as either inclusive or extractive. Inclusive institutions create a fair environment for competition, provide education and encourage innovation, distribute political power widely and encourage public participation, and have an accountable and responsive government. Extractive institutions are designed to benefit the few at the expense of the many. They discourage democratic participation, fail to enforce the rule of law or promote new economic activity, and are characterized by corruption and cronyism.

Whether a country has inclusive or extractive institutions is established historically, but no place is doomed. Small institutional changes interact with what the authors call critical junctures to set or change a country's path. Inclusive economic and political institutions create virtuous circles whereby growing prosperity and a strengthening democracy reinforce each other. Extractive institutions create vicious circles that make it harder for things to change.

It's easy to see how Acemoglu and Robinson's theories could be applied to Breathitt County and to Eastern Kentucky more generally. The region has long been made up of haves and have-nots. In the late 19th century, wealthy investors and their powerful local allies bought up much of the region's land and mineral rights. Coal and timber companies extracted the natural wealth while leaving behind little but damaged land. Company towns formed rather than vibrant local democracies. Small groups of local elites, closely linked to dominant industries, established "little kingdoms" in local government focused on enriching themselves and maintaining power.

Although Breathitt County is not now one of the region's major coal producers, it has been part of eastern Kentucky's coalfields throughout its history. Coal exemplifies the kinds of challenges Acemoglu and Robinson identify. Its dominance in the region politically, economically and physically has limited economic diversification. The rule of law and protection of private property, two attributes of inclusive institutions according to Why Nations Fail, often haven't applied to coal. Laws to address the impacts of coal on land, water and worker safety have often been missing or simply unenforced. Just one example: In 2009 flooding along Quicksand and Cane Creeks, exacerbated by poor reclamation of surface mines in the area, destroyed hundreds of homes – in Breathitt County.

While in his column Kristof rightly talks about the importance of schools and of early childhood education in addressing poverty, he fails to mention that Breathitt County's school system was recently taken over by the state due to corruption and mismanagement at the top. The superintendent was indicted for vote-buying; he is the eleventh county leader (including the sheriff) to have been recently convicted or pled guilty to illegal activity associated with political battles among county elites. The Lexington Herald-Leader noted that Breathitt County "is becoming almost a full-time job for the FBI and the U.S. Attorney."

When we scratch our heads about poverty in America, we too often ask what's wrong with poor people who are

struggling to survive rather than what's wrong with our politics and economy. Unfortunately, the conclusion to Why Nations Fail offers no simple solution for poor places. The authors emphasize that the solution is not micro-level changes to incentives or development efforts that just reinforce existing inequalities. The answer, they say, is broad-based empowerment — building a stronger and deeper democracy in those places.

Developing new leaders and organizations can foster inclusive political and economic institutions. That's not easy. The process is slow, but it can be accelerated by unanticipated critical junctures that create opportunity. Is the current economic transition related to coal in Eastern Kentucky just such an opportunity? It's hard to say. But building an economy by building a democracy may be just the approach our region needs.

"Pikeville cut and house. Pike County, 1977."
Photo by Bill Burke.





Mine site near Salyersville, KY. Photo by Shawn Poynter/Daily Yonder.

PART V: What Happens When You Don't Own the Land

Chuck Shuford

We can either have democracy in this country or we can have great wealth concentrated in the hands of a few, but we can't have both. — Louis D. Brandeis (1856-1941), U.S. Supreme Court Justice, Louisville, KY

The democracy thing? It isn't working. Here, our democracy is being held hostage by our capitalism. — Nina McCoy, high school teacher, Martin County, KY

The national broadcast media rarely grapples with the interplay of concentrated wealth and power and the functioning of democracy when it attempts to explain the widespread, stubborn poverty in rural Central Appalachia.

The recent ABC 20/20 program The Hidden America—Children of the Mountains which followed for two years four children growing up in poverty in Eastern Kentucky, drew 11 million viewers. According to ABC "thousands offered to get involved and make a difference." This wasn't the first network spotlight on Appalachia's children to evoke a strong reaction. Charles Kuralt's Christmas in Appalachia, which aired in December 1964 and focused on eastern Kentucky, lit up the CBS switchboard with offers of help.

Both of these documentaries attempted to interpret a piece of the poverty puzzle by putting faces on poverty and showing how poverty is lived at the level of individual and family relationships. Inevitably unemployment, lack of education, poor health care, drug addiction, and inadequate housing are the reasons given by the networks for why there is persistent poverty in Appalachia. What they don't attempt to explain is the century-old political/economic famework in which this individual poverty plays out. University of New Hampshire



Appalachian deep coal miners headed to work. Photo by Jack Corn.

sociologist Cynthia Duncan, who has spent her career studying rural poverty, refers to this context as "these larger histories of deliberate underinvestment for control, to maintain vulnerability."

Appalachia's rural poor have been put under sociological and psychological microscopes many times over the last 150 years. Basically, two theories have been offered for their poverty. The culture of poverty theory directs attention inward to the capacities and habits of the poor themselves. In contrast, a structural theory focuses attention on the relationship between poverty and the corporate economy within Appalachia – especially in its coal regions. Appalachian sociologist Helen Lewis drew a sharp dividing line between the two theories by stating, "In simple terms it [the cause of poverty] is either fatalism or the coal industry."

Kentucky attorney and author Harry Caudill began raising a warning about the region's uneasy relationship with the coal industry in his 1963 book Night Comes to the Cumberlands. Despite some cultural stereotypes that upset regional activists

and a good many of his neighbors, Caudill's popular book, more than any other vehicle at the time, moved the poverty discussion from folk culture to issues of absentee corporate control of the region's land and minerals. Caudill's work opened the door for a flood of young academics and activists to look at the political economy of the region and the cozy relationship between the dominant industry and the public officials shaping economic, tax, and environmental policy.

A theory centering on coal as a major contributor to poverty in the Appalachian coal region looks something like this:

The region's immense wealth found in timber and coal has never benefitted local communities because it is owned largely by out-of-state corporate interests, resulting in the region's wealth being transferred to urban centers outside the region. Despite extensive land and mineral holdings, the coal industry historically paid a pittance in taxes, leaving the region deprived of basic municipal services and adequately-funded schools.

After establishing central Appalachia as predominantly a one-industry economy, the coal industry mechanized, destroying hundreds of thousands of jobs and leaving the unemployed with few alternatives but to flee the region or stay and live with intermittent or no formal employment. To expand profit margins, coal companies increased strip-mining and mountain top removal techniques, further reducing jobs and leaving the region a legacy of economic and environmental ruin.

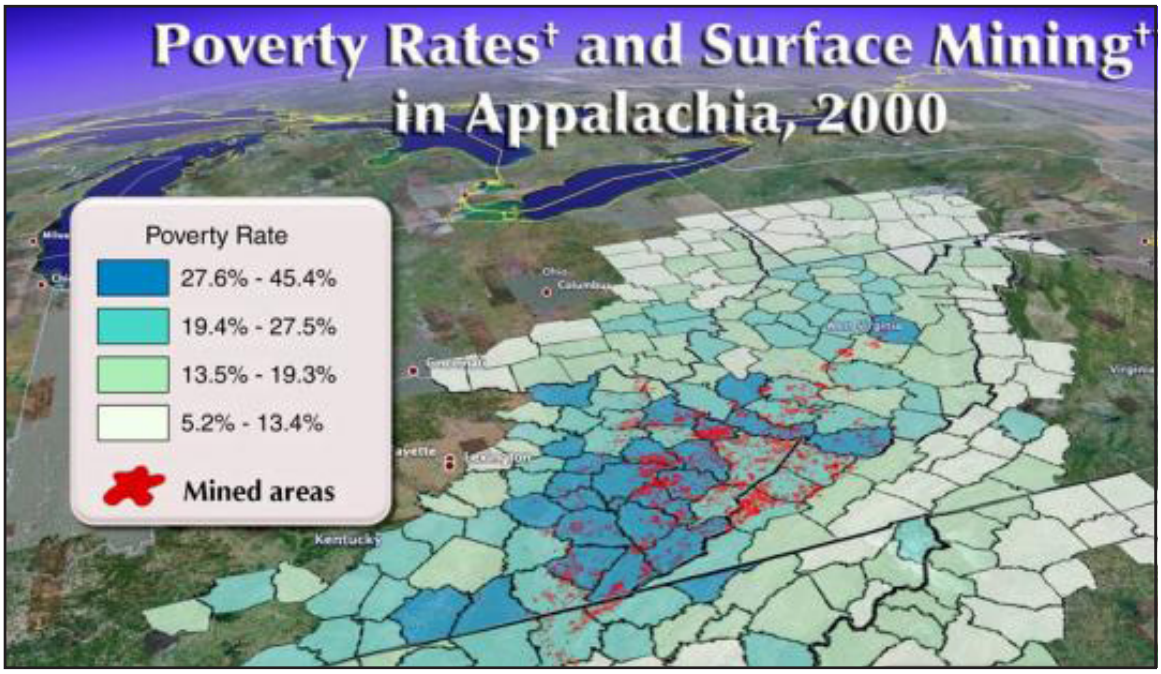
Taken together, these factors help to explain poor people in a rich land. This is not to suggest that coal is the only reason for poverty in Central Appalachia. Poverty is prevalent in areas without extractive industries as well. In fact, 80% of the world's population exists on less than $10 a day so worldwide, prosperity is more of an aberration than poverty. Legendary urbanist and economist Jane Jacobs suggested that "to seek the 'causes' of poverty...is to enter an intellectual dead end because poverty has no causes. Only prosperity has causes." Even if Jacobs is correct, there are conditions and policies that exacerbate or ameliorate the impact of poverty and to depict poverty without taking into account structural issues related to

the political economy is to present what Appalachia historian Ron Eller refers to as "a pattern of critical but superficial commentary" about the region.

With even a cursory glance, socioeconomic data on eastern Kentucky paints a dramatic picture of a connection between coal country and poverty. The two dozen coal producing counties consistently have the highest overall poverty rates, the highest percentage of children in poverty, lowest median income, the lowest high school graduation rates in the state and a substance abuse problem that is eroding the area's social and economic fabric. A more focused look at the history of the eastern Kentucky coal region illuminates in greater detail the impact of coal on the Central Appalachian economy.

Losing the minerals

By the mid 1800s eastern industrialists realized that eastern Kentucky was abundantly rich in timber and coal. The timber industry moved in first, removing virtually all of eastern Kentucky's virgin timber by the early 1900s. In the 1880s John C.C. Mayo, a Paintsville, Kentucky, school teacher, began buying mineral rights and selling them for three or



This map shows the relationship between coal surface mining and poverty. The red Xs are mined areas. The darker blue counties are those with the highest rates of poverty. Graphci from Appalachian Voices.

four times his purchase price, eventually receiving backing from industrialists. After 20 years Mayo had obtained mineral rights for thousands upon thousands of acres, often persuading landowners to part with their timber and coal for as little as 10 cents an acre or as much as a dollar an acre for the more resistant land owners. At the time of his death, Mayo was alleged to be the wealthiest man in Kentucky.

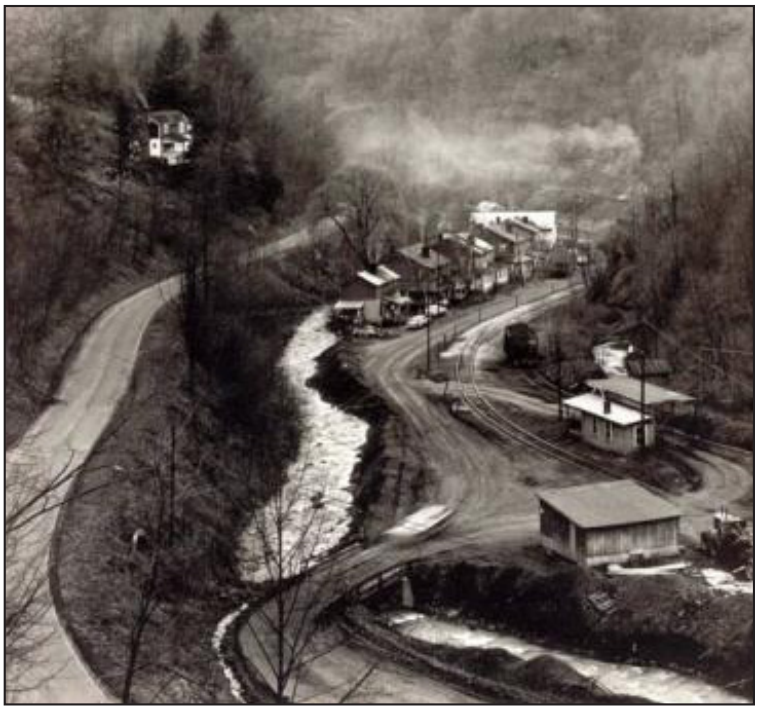
Although Mayo is the most famous, there were others buying mineral rights at the time as well and it should be noted that many of these mineral leases were shrouded in controversy from the outset. Due to a variety of uncoordinated titling processes coupled with unscrupulous land speculation practices, it is said, only half jokingly, that more land was titled in Kentucky than existed. Additionally, the validity of many conveyances was questioned when mineral buyers possessed mineral deeds "signed" with a surface owner's mark or X when the surface owner could read and write, raising questions whether the land owner had been involved in the deal at all. Dubious title or not, with the coming of the railroad, the lease holders began to exploit their leases.

Much of the minerals were obtained through a conveyance called the broad form deed. This type of deed, which would later become the center of great controversy, allowed the mineral owner to extract coal or other minerals by any means "necessary or convenient." While other states construed the broad form deed to refer only to coal extraction methods existing at the time the deed was executed, Kentucky courts would rule that the broad form deed allowed large-scale, mechanized strip mining, a practice inconceivable in the late 1800s. This ruling allowed coal companies to destroy surface land even if the surface owner objected. It took an amendment to the state constitution in 1988 to change this law.

Dependence on King Coal

From its entry into Central Appalachia, the coal industry controlled virtually every aspect of miners' lives. The companies built the coal camps. They owned the houses

miners lived in and frequently the stores where they shopped. The companies hired the doctors who tended their workers and, until outlawed, they paid miners partially or totally in scrip that could be used only at stores owned by the coal company. Miners, historians report, were frequently expected to vote as the company wanted. Dependency and vulnerability go a long way toward fostering loyalty.



This is Builder Levy's photo of a coal camp near Grundy, Virginia, in the early 1970s. Photo by Builder Levy.

This is not to deny the importance of well-documented and frequently corrupt political machines at the county level. These machines, often dominated by one or two families, used control over federal work and commodity programs along with county job patronage to create a power base. As long as they did nothing to damage coal's economic interests there was little interference from the industry. In fact, some local political leaders became involved in the coal business so that political and economic interests overlapped.

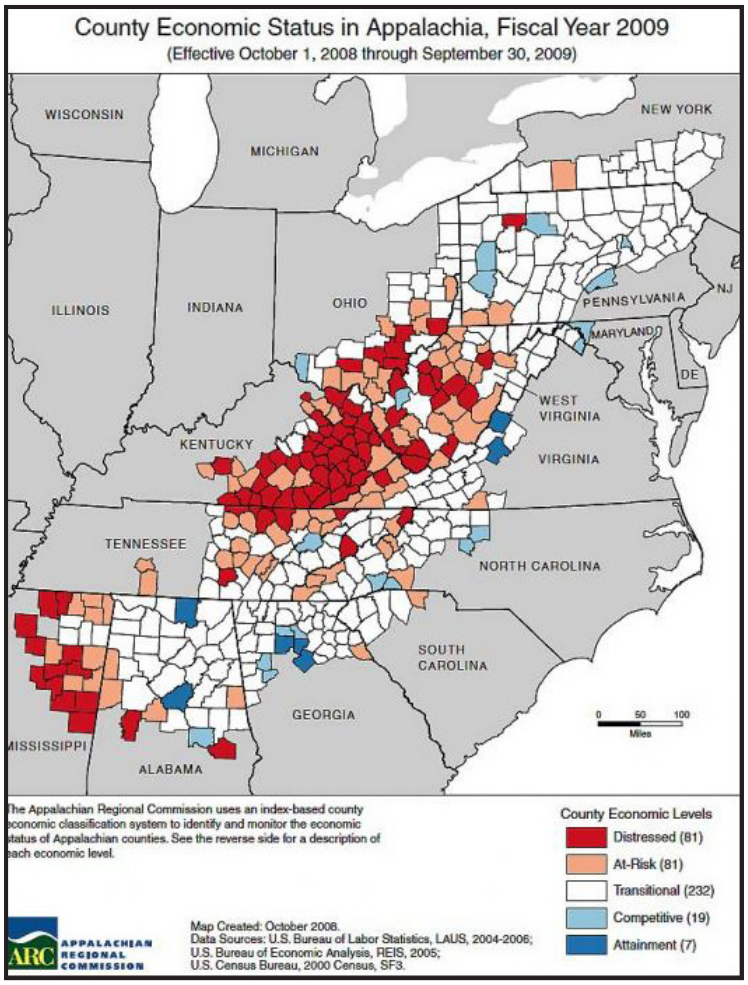
Coal has always been afflicted with dramatic boom and bust cycles and in the early days even the good times could be precarious. The 1950s brought an even more dramatic downturn. The 1950 wage agreement between the coal industry and the United Mine Workers of America allowed the rapid mechanization of the mines, which both sides knew would drastically reduce the number of mining jobs. For this concession the remaining union miners were to receive increased wages as productivity increased with mechanization. Because these terms were imposed upon all operators regardless of the size of the operation, the result – and most would say the intended result—was to drive out the small mines,

leaving the large companies in control of the market. The 1950 agreement, combined with the widespread conversion of home heating to oil and gas along with the railroads' move to diesel fuel, devastated the Central Appalachian job market. Kentucky historians Lowell Harrison and James Klotter in A New History of Kentucky report that between 1950 and 1965 mechanization accounted for the loss of 70% of Kentucky's underground mining jobs. Between 1950 and 1960 there was a net out-migration from Kentucky's Appalachian counties of 340,000 people, 32% of the area's population.

A final seismic jolt to mining jobs and the Central Appalachian landscape began in the 1970s as surface mining gained a permanent foothold in coal extraction thanks in great part to a partnership between the industry and the Tennessee Valley Authority (TVA). TVA's early accomplishments and the widespread loyalty engendered by those accomplishments were hardly a harbinger of policies to come. In its early days, TVA hired miners blacklisted for union activity, built dams that averted devastating flood damage estimated at twice the cost of dam construction, planted two hundred million trees, created parks and recreation areas, and brought electricity to homes and factories in rural areas.

As early as the mid 1950s, however, TVA began shaping the path for strip mining's dramatic growth in what Appalachian journalist Jim Branscome would later refer to as "TVA's bitter harvest." Reporting in the 1970s for the weekly Mountain Eagle newspaper in Whitesburg, Kentucky, Branscome documented how the agency gave strip mining a foothold in the region by providing long-term contracts for surface mined coal, by its willingness to buy non-union coal, and by building mine-mouth steam plants on or near strip mines. TVA became the nation's largest coal buyer, with 72% of its coal coming from Kentucky, half of it from strip mines. Additionally, 83% of the coal was supplied by a dozen companies, all owned by oil or metal conglomerates. Many coalfield residents must have felt that the TVA experiment, which historian Henry Steele Commager once called the "greatest peacetime achievement of twentieth-century America," had gone extraordinarily awry.

In 1920, 784,000 miners in the U.S. produced a little over 658 millions tons of coal. By 2006, only 82,595 U.S. miners (14,000 in eastern Kentucky) were needed to produce over 1 billion tons of coal. While the United Mine Workers of America at one time represented 75% of U.S. miners, today the union represents about 28.5% of the nation's miners. There is not one coal miner working under a UMWA contract in Eastern Kentucky.



The counties in red above are considered economically distressed by the Appalachian Regional Commission. Most of the Eastern Kentucky coalfields are distressed according to the federal agency. Map by the Appalachian Regional Commission.

The Impact of Land Ownership

Land ownership isn't usually offered as a mitigating factor in Appalachian poverty, but ownership of surface and minerals determines where people live and where they work and whether land is destroyed or preserved, polluted or left pristine. In Appalachia, ownership is directly related to who has power and how that power is exercised.

A startling example of the power of land ownership occurred in April 1977 when major flooding, exacerbated by strip mining practices, left thousands homeless in southern West Virginia and southeastern Kentucky. Relief trailers stood empty for lack of land to put them on and the government refused to seize corporate land for this purpose. Out of this tragedy, however, a region-wide coalition, the Appalachian Alliance, formed and put the question of land ownership high on its agenda. With support from private foundations and the Appalachian Regional Commission, the Alliance initiated the

Appalachian Land Ownership Study in 1979. It remains one of the few efforts to explore land ownership patterns and their impacts on economic and community development. It is the only one that focused on such a broad area of the Appalachian region (covering 80 counties in 6 states), coordinated and carried out by activists, academics, and community residents.

The study was released in April 1981 and the findings were stark: Of the 13 million acres included in the survey, nearly 75 percent of the surface acres and 80 percent of the minerals were absentee owned. Forty percent of the land and 70 percent of the mineral rights were held by corporations – mostly coal and other energy companies along with some timber interests. One percent of the owners controlled 53 percent of the land.

The link between land control and longstanding problems with insufficient local tax revenues and public services became evident when the study revealed that 53 percent of the land generated only 13 percent of the property taxes.

The situation in Martin County, Kentucky, is particularly instructive. Long one of the poorest counties in the nation, it was here in 1964 that President Lyndon Johnson declared his "war on poverty" from Tom Fletcher's front porch. While poverty rates in Martin County have dropped from 56 percent at the time of Johnson's visit to 35.8% in 2007, it remains one of the nation's poorest counties. Transfer payments represent 39% of personal income in the county. Nationally in 2002, transfer payments amount to 14% of personal income.

At the time of the Land Ownership Study, not only were Martin County's residents poor, local government was starving. The county's largest landowner was Pocahontas-Kentucky, a subsidiary of the Norfolk and Western Railroad, which owned 47,869 acres or one-third of the county's surface and over half its minerals. Despite its vast ownership, however, the taxes the company paid on its surface land would have been about enough to buy one school bus for the county school system. The tax bill for its mineral holdings – the real wealth in the land—was $76, maybe enough to buy one tire for that

school bus — a tire likely needed to replace one worn out from negotiating local roads badly damaged by heavy coal truck traffic. Despite being the state's second leading coal producer, the county had no hospital, no sewage system, an inadequate water system, bad roads, and old school buildings in dire need of repair.

Given these conditions, it's not surprising then that in the 1980s some coal county schools assigned homework to be done in class because there weren't enough books (outdated books at that) for students to take home. Allowing time for homework in class, of course, reduces the time for teaching. Having the largest property owners virtually exempt from taxation created innumerable problems for school systems.



The broadform deed, which allowed large-scale strip mining on leases signed nearly a century before, was finally overturned by Kentucky voters in 1988. The citizens' group Kentuckians for the Commonwealth led the campaign to restrict the use of these deeds to allow stripping. Photo from KFTC.

The land study's findings stirred the press across the region. The Louisville Courier-Journal called for legislation against "this economic colonialism," The Nashville Tennessean called the situation "an outrage," and the Charleston (WV) Gazette demanded: "End the exploitation."

Is it any wonder why regional activists and public thinkers puzzle over network news specials on Appalachia that repeat the statistics about poor schools, high dropout rates and poor health, yet never mention this more complete explanation about why these conditions exist?

Paying the price of others' prosperity

It is difficult to avoid the conclusion that Appalachia has been

sacrificed to fuel the nation's prosperity and development. The poverty, the bad health, the drug abuse and bad schools are the costs of coal that aren't reflected in the price of electricity. Harry Caudill warned over 45 years ago that these costs are ultimately paid when he advised that the nation "cannot afford to leave large islands of its own population behind, stranded, and ignored… an anchor dragging behind the rest of America."

Unfortunately, stereotypes of mountain residents, often reinforced by television and film images, have hindered a productive response to these external costs. With stereotypes, utility trumps accuracy. University of Kentucky historian Ron Eller points out that stereotypes are very useful to those in power because they can be used to justify exploitation of those with little power. And here lies the rub. While sacrifice areas are easier to live with if they are invisible, merely shining a light on broken, addicted, poverty stricken lives doesn't illuminate the larger story of how these conditions became widespread and persistent. Showing these conditions isn't the same thing as informing the decisions necessary to shape productive energy policy and rural economic development strategies.

The growing economic divide between Appalachia's coal counties and nearby cities reflects a growing economic disparity around the nation. Yet they aren't the only rural places to be falling behind. The U. S. Government now recognizes the Pine Ridge Reservation in South Dakota as the poorest community in the nation. The South is the only region in the nation where low income students account for a majority of public school students. The colonias of South Texas, home to 400,000 Hispanic Americans, have only recently obtained access to water lines and safe sewage disposal.

The richest 1 percent of Americans possesses more wealth than the combined wealth of the bottom 90 percent. Appalachia is testimony that unless the uninhibited pursuit of self-interest is tempered by recognition of a common interest, our democracy may well collapse under the weight of intolerable inequities.

With a popularly accessible public discourse on economic,

political and environmental issues, perhaps the nation could begin to grapple with the question of its obligation to Central Appalachia and other rural areas in the nation like it, for there are many.

PART VI: With Sights on a Livelihood Beyond Coal

Tim Marema

Tim Marema is vice president of the Center for Rural Strategies.



Coal trucks roll through Louisa, KY.

Helen Lewis has a simple idea for transforming the Central Appalachian economy.

"Promise every child a clean glass of water," says the sociologist and founder of the field of Appalachian Studies.

It sounds easy, but Lewis quickly describes the breadth of the problem and the potential economic impact of fixing it.

"You would have to clean up coal," she said. "You would have to stop mountaintop removal [coal mining]. A lot of money could go into an absolutely good project that would hire a lot of people – if you could get into restoring the watersheds of this whole region.

"You have to do all of that to promise a child a clean glass of



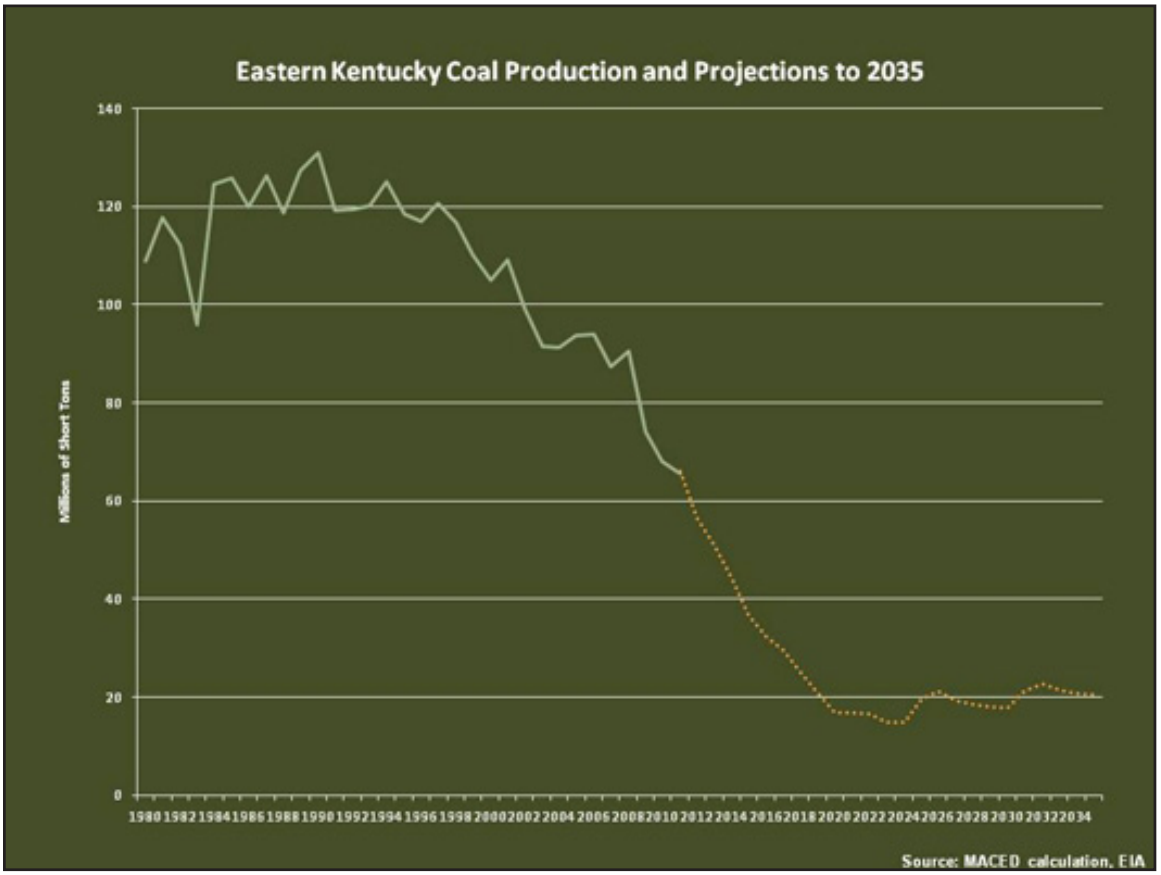
A truck dumps raw coal in the coal storage yard of the Big Sandy Power Plant near Louisa, KY.

water."

Lewis's idea was one of several brought forward during a roundtable discussion April 25 on economic transformation for east Kentucky, organized by the Center for Rural Strategies (publisher of the Daily Yonder) and the Mountain Association for Community Economic Development.

The dozen participants at the gathering in Whitesburg, Ky., represented economic development nonprofits, educational institutions, community organizers, media makers, private philanthropy, and a citizens law center. A second day of discussions took this small group's ideas to a regional conference, the East Kentucky Leadership Conference, in Prestonsburg, Ky., where approximately 75 other coalfields leaders discussed the proposals.

The goal of the discussions was to create an "idea bank" of economic renewal projects to contribute to building a healthier economy for the region.



This chart shows changes in Eastern Kentucky's coal production since 1980 and projected changes through 2035. Kentucky jobs in mining are half what they were in 1984 and production is declining.

By the end of the sessions, the "bank" had a number of deposits – ideas about increasing local food production, expanding the forest economy, improving access to affordable broadband, building the health care economy, and expanding local and national philanthropy. There were also several ideas, such as Lewis's clean water plan, that were aimed at tapping private and public funds to clean up the region's environment, which has been devastated by more than a century of intensive coal mining.

Participants purposefully focused on a wide variety of ideas, rather than trying to line out a large solution, such as recruiting a large manufacturer.

There's not a single answer to east Kentucky economic problems, says Justin Maxson, president of MACED, a community development nonprofit that has encouraged a range of economic alternatives, including sustainable forestry, wood products manufacturing, alternative energy production, and other small-business development.

"We don't need a silver bullet," he said. "We need a bunch of silver BBs."



Whatever the gauge of the ammunition, there needs to be a lot of it. East Kentucky ranks among the poorest, least healthy regions in the nation. The Fifth Congressional District, which covers southeast Kentucky, is ranked last in the nation in well being, according to a national index that measures prosperity, health, and residents' outlook. It's also the nation's most rural congressional district by percentage of population.



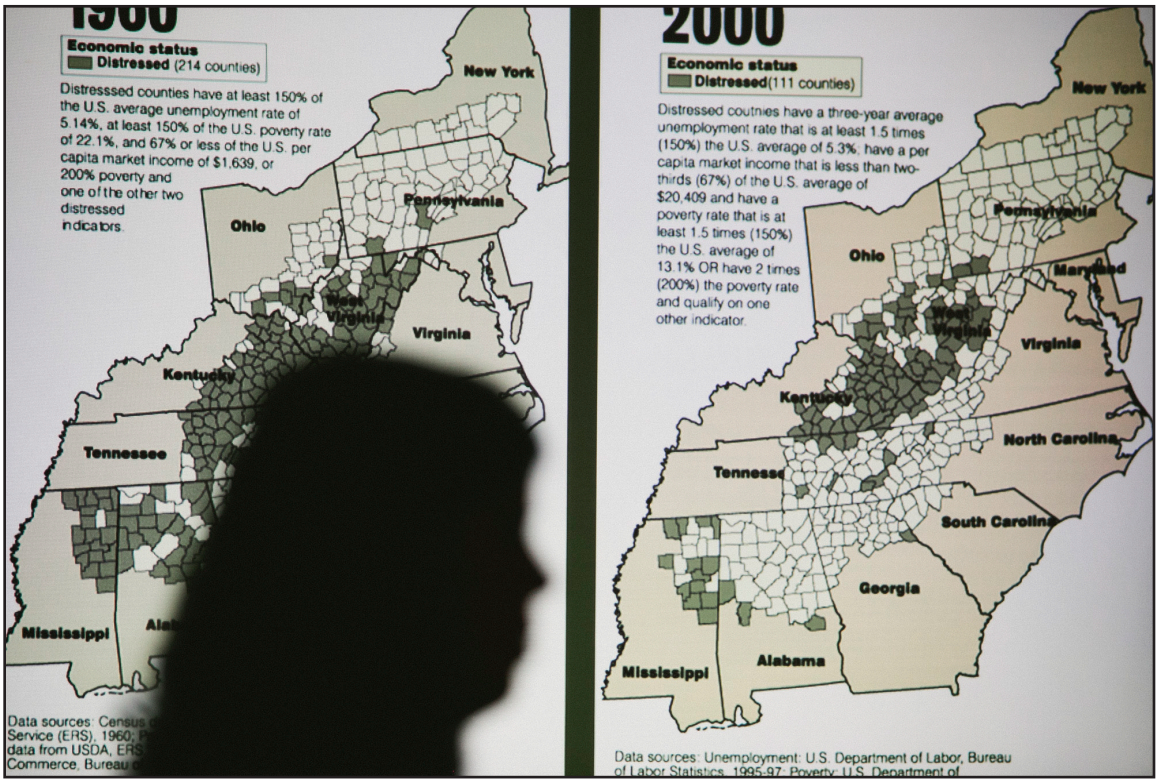
For the past 100 years, the public discussion of the economy of east Kentucky has been synonymous with coal. But that's changing – slowly.

Since 1984 the state has lost half its coal mining jobs. Today, miners number fewer than 15,000 in the state. Analysts predict more decline in coal production in the years ahead. Nonetheless, the culture of coal mining, along with its environmental and political legacy, remains strong.

"If coal mining stopped tomorrow, you'd still be trying to deal with the footprint of coal," said Brady Deaton Jr., an agricultural economist at University of Guelph (Ontario, Canada) who worked on water and sewer projects in east Kentucky in the 1990s. Deaton said the kind of economic-transition discussion occurring in the coalfields is a familiar one in other rural areas. The South lost many of its factory jobs

TOP: A dozen community organizers, economic development specialists, educators, and others gathered in Whitesburg, Ky., to discuss the Appalachian economy April 25.

BOTTOM: Brady Deaton, Jr., an ag economist at University of Guelph, said that many rural places are having to transition from old livelihoods to new ones.





TOP: A MACED employee gives an overview of the decline in coal production overw the last century.

BOTTOM: Sociologist Helen Lewis, who established the field of Appalachian Studies, took part in recent roundtable talks to consider how the region can move beyond a coal economy.

to overseas manufacturing, and the Midwest lost agricultural jobs through consolidation and mechanization.

Keep America Free

The Friends of Coal specialty license plate benefits the Kentucky Coal Association.

The challenge is how to discuss economic alternatives to coal within a region that still views itself as coal country. (The state sells a "Friends of Coal" specialized license plate, with proceeds going to the Kentucky Coal Association, an industry group. The organization says the state has sold 50,000 of the plates – that's more than three plates for every mining job in Kentucky.)

MACED is proposing that Kentucky do a better job of using coal severance-tax revenue to support economic transition. The state started taxing mined minerals in the 1970s. But too much of the revenue goes to address short-term needs, not accomplish long-term economic change, says Jason Bailey,

research and policy director of MACED. What is more, coal production is expected to fall in the future, which will reduce revenue from the tax.

To create a more stable source of economic-development funding, MACED has proposed that the state set aside 1 percentage point of the tax (currently at 4.5 percent) for a permanent fund or endowment. That would mean a little less money for local-government projects for about 10 years. After that, east Kentucky would start to see a net gain in economic development funding from the fund, according to MACED's analysis. By 2035 the fund's value would reach $735 million and generate $31 million a year for economic development,

That kind of money could buy a lot of BBs.

• Economic transition ideas that came out of the gathering in Whitesburg fell into four categories:

• Supporting small businesses and entrepreneurial initiatives such as "eco-agri-tourism," woodlot production, professional arts initiatives, and local food production. Nancy Adams of Pine Mountain Settlement School mentioned the school's participation in Grow Appalachia, a collaboration with Kentucky's Berea College that is expanding gardening to improve nutrition and, perhaps, increase cash income.

• Improving infrastructure and the environment to make the region more attractive to businesses. Dee Davis, president of the Center for Rural Strategies, cited improving broadband infrastructure as a necessary ingredient in any long-range development plan. Others mentioned retrofitting public and private structures to make them more energy efficient, remediating lands damaged by mining, restoring watersheds, and improving housing stock.

• Building on the health-care economy, which could be affected by federal health-insurance reform.

• Generating new revenue for economic and community development. Besides MACED's coal severance tax idea, participants also discussed the need for expanding the number and size of local community foundations and getting national

foundations to invest more heavily in the region.

Notably absent from the discussion were any proposals to encourage more industrial parks or industrial recruitment. Such approaches, including hefty tax breaks, have been a mainstay of Kentucky economic development policy for decades.

MACED staff member Carrie Ray said she's heard local government officials in east Kentucky acknowledge that this strategy isn't effective: "People are finally realizing that this is not working, and it is time to move on."



Big Sandy coal powered energy plant near Ashland, KY. Photo by Shawn Poynter/Daily Yonder.

PART VII:
Prison Progress?

Sylvia Ryerson

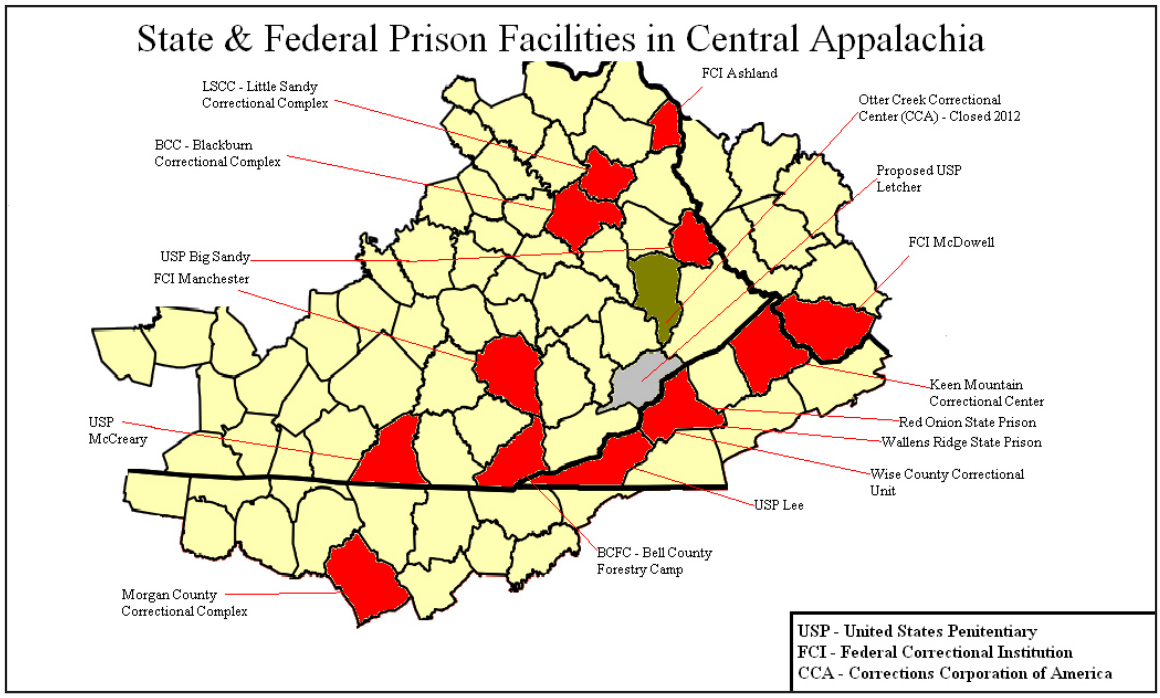
Sylvia Ryerson lives in Letcher County, Kentucky, and is a journalist for WMMT 88.7 Mountain Community Radio

Plans for a new federal prison are floating around Letcher County, Kentucky, a rural county of about 25,000 people located in the Appalachian coalfields. Prison proponents say it will turn our economy around, that it could become the new center of our "post-coal" economy. Others believe that getting a prison, while not ideal, may be the best we can get -- and we simply can't afford to be picky. But what else is there to say?

While we wait to see whether Congress will appropriate more money for prisons, what better time to look to our neighboring counties and ask – did this work for you? Because building prisons in Appalachia as a means of economic development is nothing new.

If built, United States Penitentiary (USP) Letcher will be the fourth new federal prison to come to eastern Kentucky, and the sixth federal prison built in Central Appalachia, since 1992 – in addition to many new state prisons. Central Appalachia has become one of the most concentrated areas of new prison growth. Between 1990-1999 approximately one third of all rural prison construction nationwide occurred in four of the most economically depressed regions in the country, according to demographer Calvin L. Beale. Those regions were the West Texas Plains, South Central Georgia, the Mississippi Delta and the coalfields of Central Appalachia. Since Beale's study just over 10 years ago, three more prisons have been built in the coalfields.

Each prison came with promises about jobs and economic development. But what has happened since construction? For one example among many, let's look to McCreary County, Kentucky.



On the evening of May 21, 1998, six years before the prison opened in McCreary County, representatives from the Federal Bureau of Prisons and a private consulting firm hosted a public hearing in the McCreary Central High School auditorium. David J. Dorworth, chief of the Site Selection & Environmental Review Branch of the Federal Bureau of Prisons, told the 175 people in attendance about the potential economic boost:

The proposal to build a Federal facility will have significant economic impact. The project costs could range from 90 to a 110, perhaps more, million dollars in project costs… Once the facility is open, it will have an operating budget in the range of $25 million a year... and 80 percent of that money will be spent locally on salaries, purchases of goods and services, and utilities. There will also be substantial job creation as a result of the opening of the facility.

That was welcome news. McCreary County's budget was in the red, and rumors were going around that if the county didn't find a way to balance the budget, it would cease to exist altogether and be absorbed into surrounding counties. In 1990, McCreary County had the lowest per capita income level in

the state, and a staggering 45 percent of the population was living below the poverty line.

"At that particular time it was the biggest thing, it was like Santa Claus has come," said Jimmie Greene, who was then McCreary County judge-executive. "He's given us a gift that we didn't expect, didn't know anything about. And I was just overjoyed."

McCreary County laid out the red carpet to ensure the prison's arrival – running new septic lines, paving roads, building a whole new water treatment plant.

But Dorworth also explained that local people wouldn't get all the new jobs:

The Bureau of Prisons will bring in about 40 percent of those positions, and the reason we do that is we don't like to open prisons with new or inexperienced people… That leaves the balance, 60 percent, for local people to compete for. And I don't want to mislead anyone by implying or suggesting that there's a guarantee that the 60 percent of those jobs will go to people within the region or commuting area of the county. The number of jobs will be a function of the readiness of the community to compete for those particular jobs.

Dorworth did not detail the terms of that competition. So the prison was proposed as a federal jobs creation program -- with no guarantee of jobs. It was not until the fall of 2001 – a year into the prison's construction – that the qualifications for getting a job at the prison became apparent, at the first job information seminar held at the local high school. All applicants would be drug-tested and put through an extensive background check that would go back seven years or to their 16th birthday. All new hires would need a clean credit history and no criminal record. All new hires would have to be younger than 38 years of age (because of "hazardous work" laws that require federal prison employees to retire at age 57, and one must work at least 20 years to earn a full pension). There would be a rigorous physical exam and interview process. County residents would be given no preference in the



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The Martin County-Tug Valley

MOUNTAIN CITIZEN

50¢

SPORTS

UK's Prickett

Look inside!

Sweeney urges: Stay out of the heat

Folklore: The Dark People A look back into the Melungeon Page 1B

Have a Safe and Happy 4th

INSIDE

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out busy June

Prison is "Dream Come True"

BY J.D. CHARLES
CITIZEN STAFF EDITOR

HONEY BRANCH — They came in carloads. Political dignitaries from all over the area, local business leaders, law enforcement officers, representatives of the print and broadcast media and others joined hundreds of Martin Countians who braved the elements and the muddy ground to attend the groundbreaking ceremony for the new $130 million federal prison.

At the start of the ceremony the Kentucky Junior Opry Pros entertained the crowd with uplifting songs, and an honor guard composed of students from the Carl D. Perkins Rehabilitation Center marched in and presented the flag.

Seated at the platform were various dignitaries, including Congressman Hal Rogers (R-Ky), who served as keynote speaker, Father Ralph Beiting, Inez Deposit Bank President Mike Duncan, BOP officials Jim Jones and Margaret Hambrick, County Judge/ Executives Kelly Callahan, Donna Damron and Ben Hale, Inez Mayor Winnie Mance, Prestonville Mayor Robin Cooper, Pocahontas President Danny Smith, Beechfork President/ CEO Jim Booth and Big Sandy ADDExecutive Director Roger Recktenwald.

Local land developer and entrepreneur Jim Booth was honored with a plaque, as was Danny Smith of Pocahontas Development. Smith presented the deed to the land, and Booth gave the lease to the coal to Congressman Rogers, who gave it to Jim Jones. The BOP now owns all 365 acres on which the prison will be located.

Booth said, "It's obvious by the turnout here today that there are a lot of people who are very pleased to have been a part of it myself. I'm excited as well as Mike [Duncan] is, and we're going to do more than build a prison here."

"We're looking forward to having economic development here... and I hope to be a part of it," he said.

Margaret Hambrick, Regional Director for the Mid-Atlantic Region of the BOP, spoke to the large audience. She praised the high spirit of cooperation among the area counties.

Congressman Rogers also praised the region-wide support of the project and discussed the vital economic benefits of the prison. "Not only will it bring hundreds of permanent, high-paying, recession-proof federal jobs with federal benefits for the residents of our area, but it will also open up the region for tremendous economic opportunities beyond these walls. Millions of dollars will pour into this area, hundreds of jobs will be created through the construction of, and then the operation of this facility throughout the years to come."

"As jobs are created, as money is

See PRISON, page 10A

Martin County's prison underway

BY GARY BALL
CITIZEN EDITOR

INEZ — "We've always been a region in distress," said Congressman Hal Rogers, recalling the spirit of independence that has passed through generations of mountaineers who have been forced to "make do" with whatever resources available.

"We were born to pioneers who had to scrape every bit they had from every resource they could find. But we aren't content to sit by and watch the future happen, because we are the ones to make that future happen.

"Always looking forward. Exploring new opportunities, new angles and new ideas. Fighting age-old problems with new solutions. Because of that tenacity, today you're marking another major notch on the belt of achievements you're making here in eastern Kentucky."

This was part of Rogers' speech which was interrupted frequently with rousing applause by a huge crowd gathered beneath the tent. A heavy thunderstorm forced those gathered to huddle together against the elements.

The difference in the Inez County (Va.) groundbreaking

See MARTIN, page 10A

Congressman Hal Rogers speaks to hundreds during the prison groundbreaking ceremony yesterday. He called the

U.S. Rep. Hal Rogers (R-KY-5) heralds the arrival of a new prison.

hiring process, and a four-year college degree and previous institutional experience were "highly recommended."

The requirements eliminated most of the county's unemployed and underemployed population. Rodney Miller, general manager of the local newspaper in Manchester, was one of the many residents who had hoped to get a job when the prison opened in Clay County. He realized he was ineligible -- in his case, he was just a few years too old. "They rip and tear you apart," he said. "It's like applying to be president of the United States."

Local Jobs Didn't Materialize

Blaine Phillips succeeded Jimmie Greene as judge-executive and took office the year the McCreary federal prison opened. The front-page newspaper picture of the dedication ceremony shows Phillips standing shoulder to shoulder with U.S. Rep. Hal Rogers (Ky.-5th) smiling as they cut the ribbon for the new prison. Five years later, Phillips spoke about the low number of local hires.

"Of the 300 and something employees that work at the prison, I don't think we have over 25 or 30 local people that are working there," he said. "And the others, they don't even live here. They drive from Pulaski County and Whitley County; they don't chose to live here. It was not what they were telling us at first."

Bureau of Prison employees with prior work experience took most of the positions (including almost all of the higher paid jobs). Most live outside McCreary County. They did not buy local real estate, shop at local businesses or put their children in the county school system. Once the prison opened it chose to purchase supplies from national wholesalers, not local businesses. And the county's property tax base was permanently reduced when the prison land transferred from private ownership to the federal government.

In the winter of 2003-2004, just months before the McCreary County federal prison was set to open, the county was once again about to go broke. The budget had already been cut by $100,000, and Judge-Executive Phillips was worried they were going to have to start cutting basic services. So in a desperate attempt to generate more revenue, he instituted a payroll tax.

The proposal was controversial. And the citizens who were most opposed to the tax were the new prison employees who had just transferred from out of state but who chose not to live in McCreary County, according to McCreary County occupational tax collector Stephanie Tucker. Many of these

employees subsequently managed to avoid paying the tax, she said.

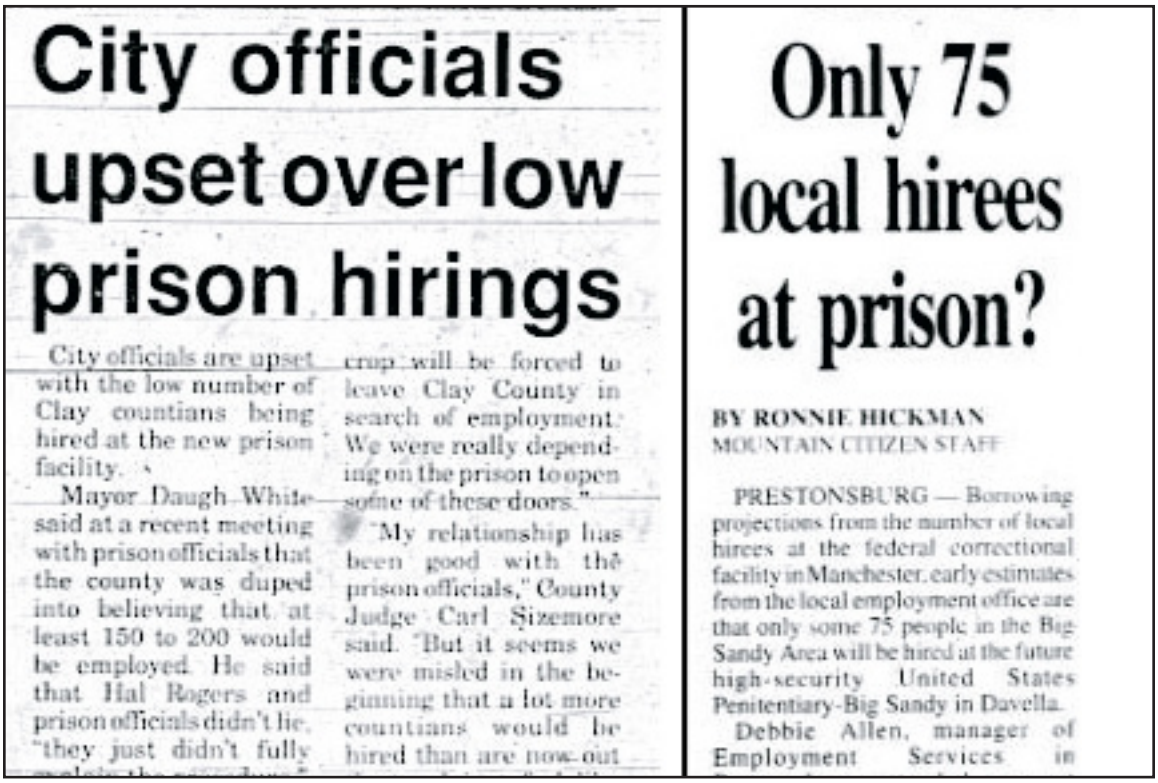
The same month Phillips instituted the new tax on McCreary Countians, U.S Rep. Rogers secured $163 million for law enforcement and development efforts in southern and eastern Kentucky. Forty-two million of the total was set aside for McCreary County – but only for the operation of the McCreary prison. Another $42 million went to operations at a new prison in Martin County, and $32 million more went to the operations of a prison in Clay County. In all, of the $163 million Rogers secured for helping eastern Kentucky, 71 percent was allocated to operating prisons.

"Broken Promises"

It's been 21 years since the federal prison opened in Clay County, a decade since the prison opened in Martin County, and nine since opening day at the McCreary prison – and none of the promises of Dorworth, the federal prison official, have been fulfilled. Clay, McCreary and Martin remain three of the poorest counties in one of the nation's poorest Congressional districts.

Central Appalachia's experience is not unique. Prisons don't work as economic development engines, researchers say. One study analyzed data on every rural county in the United States, with or without a prison, from 1969-2004. The report concluded: "We find no evidence that prison expansion has stimulated economic growth. In fact we provide evidence that prison construction has impeded economic growth in rural counties that have been growing at a slow pace."

The same study found that counties facing the toughest economic conditions are the ones most likely to be hurt, not helped, by prison construction. These counties are more willing to offer up scarce financial resources to entice the prisons to come, yet have the lowest number of residents who meet the job qualifications. They also are less likely to offer the amenities that attract transferring prison employees to stay within the county. As leading rural prison scholar Ruth Wilson Gilmore



City officials upset over low prison hirings

City officials are upset with the low number of Clay countians being hired at the new prison facility.

Mayor Daugh White said at a recent meeting with prison officials that the county was duped into believing that at least 150 to 200 would be employed. He said that Hal Rogers and prison officials didn't lie, "they just didn't fully

crop will be forced to leave Clay County in search of employment. We were really depending on the prison to open some of these doors."

"My relationship has been good with the prison officials," County Judge Carl Sizemore said. "But it seems we were misled in the beginning that a lot more countians would be hired than are now out

Only 75 local hirees at prison?

BY RONNIE HICKMAN
MOUNTAIN CITIZEN STAFF

PRESTONSBURG — Borrowing projections from the number of local hirees at the federal correctional facility in Manchester, early estimates from the local employment office are that only some 75 people in the Big Sandy Area will be hired at the future high-security United States Penitentiary-Big Sandy in Davella.

Debbie Allen, manager of Employment Services in

Local press also covered disappointment about prison hiring.

puts it: "Counties are making themselves poorer to get an economic benefit that will not benefit the county. And this we have seen over and over again throughout the United States."

The Letcher County Planning Commission knows the positions offered will require skills, and so they are doing their best to prepare a workforce. Starting in the fall of 2013, students at the vocational school adjacent to the Letcher County Central High School will have the opportunity to apply to a new law enforcement and criminal justice program, spearheaded by Superintendent Anna Craft and designed to prepare kids for prison jobs.

But such preparation can only go so far. In the years leading up to the opening of the Big Sandy federal prison in Martin County, a similar program was started at Prestonsburg campus of the Big Sandy Community and Technical College -- designed to prepare locals for the prison jobs. Mike Dixon has been head coordinator since the beginning, and as he told me in 2009:

I don't think the program is the panacea that they expected it to be. That all one would have to do would be to come here and earn an associate's degree and be automatically guaranteed a position at the new prison in Martin County. It is rare that somebody just leaves Big Sandy [Community and Technical College], goes on to [Eastern Kentucky University], gets a bachelors degree in criminal justice, and walks right through the front door of the Big Sandy Penitentiary. That's not the norm, OK. Over the past 11 years, we have managed to graduate about 250 students. Some of them, I'm gonna say maybe as many as 10 or 12, or between 10 and 15, are now employed as correctional officers at the Big Sandy Penitentiary in Martin County. But if we've graduated over 250 people in our 11-history, and only 10 or 15 are working there, that gives you some idea of how disillusioned people can get even though they may have the education that's required.

It's nearly impossible to get a correctional officer position at the Big Sandy federal prison without previous work experience in a prison. So many of Dixon's students end up leaving the county after graduation – traveling as far away as Florida and Texas – to find work in lower-security state or private prisons with less rigorous employment requirements. Some come back, many do not. In such a way, such programs can increase youth outmigration, not reverse it.

But what happens if a county kid is one of the lucky ones to get the coveted position? As the Whitesburg (Ky.) Mountain Eagle reported in December, to prepare for the new training program, "The board also approved budgeting $28,000 to purchase materials and supplies needed to divide vacant space at the new Letcher County Area Technology Center to create classroom areas, a courtroom and a virtual shooting range needed for the new program."

What kind of so-called "rehabilitative" system requires the training of teenagers at a virtual shooting range? We've all heard about the school-to-prison pipeline channeling grossly disproportionate numbers of Black and Latino youth into the system from a young age. What kind of school-to-

prison pipeline are we creating for young people here in the mountains?

There is so much we can learn from our neighboring counties, of both their failures and their successes, if we take the time to listen. And if we listen closely, in this urgent moment of searching for real possibilities for transition, we'll hear that prisons are no transition at all.

So what do we do?

A New Way of Thinking

We need a new way of thinking about development altogether – and one that is no more abstract than bringing a prison to town. For example, between now and 2018, (the conjectured completion date for the yet-to-be-secured prison), what if we instead focused our efforts on opening 35 new locally owned business that each employed 10 people? This would bring the same number of 350 jobs, but would have a far greater economic impact. It's actually a safer bet than waiting and hoping for the prison to come.

Of course, it takes an incredible amount of hard work, careful planning and support from local governments to make this a reality. But to think that getting a federal prison is any easier is dead wrong. If the prison comes, it will not have been an overnight deal that brought 350 jobs. It will actually have been 15 years worth of work – the project started in 2003, and has been the primary focus of our local planning commission since. If it doesn't come, there will be nothing to show for all that work. Development is slow and risky business, however you go about it.

That's precisely why brave new entrepreneurs here in the mountains should get all the support we can possibly give them. A critical part of that is supporting the policies (and the people pushing them forward from the grassroots level) that will make a wide variety of businesses here in the mountains viable and competitive – like new energy policy that would keep renewable energy jobs in state, like creating a permanent

coal severance tax fund that would use our assets from the past and present to build a new economy, like insuring high-speed Internet that is accessible and affordable up every hollow. Eastern Kentuckians have a wealth of good ideas. But if such enormous amounts of time and resources continue to go in a top-down process toward siting new prisons and continuing to operate the ones we already have, there will not be much left over to build anything else.

Besides building a local economy here from the ground up based on the skills and talents of people here, Central Appalachia needs -- and some might even say is owed, after all the region has contributed to the national economy – support from the federal government.

It is an outrage that when our local leaders asked for help from our member of Congress, Hal Rogers, the only federal support – the only major "job creating plan" – they were offered was a 960-bed high-security prison with a 256-bed work camp. Take it or leave it. A jobs program with no guarantee of jobs, a supposed path out of poverty that requires the poverty of others – a plan that will actually make us poorer.

Why, for example, is there not a proposal on the table to invest the same amount of millions of federal dollars in a state-of-the-art drug rehabilitation center in Letcher County? A place that could give people struggling against drug addiction the quality treatment they need here at home (for a fraction of the cost of incarcerating a person for one year – on average upwards of $35,000 a year), and could theoretically employ the same number of people? A way we could work together to begin to heal one another from the drug abuse epidemic ravaging mountain communities.

Of course this is an abstraction, because that proposal does not exist. If it did, I know the Letcher County Planning Commission would be working day in and out to secure it for the county. Co-Chairmen Elwood Cornett has told me so himself, and I believe him entirely.

But at every moment, development is a choice, not

predetermined. And sometimes the first step is simply refusing the terms offered – and insisting, regardless of so-called "rational thinking," that there are more rational options. Because building a new prison here makes no sense for Letcher County, let alone when considering the proposal in the context of our nation's out-of-control criminal justice system -- a system that incarcerates a greater percentage of its own population than any other country on earth.

As we work to confront poverty in all places, connections and alliances must continue to be made between the rural and urban communities most affected by U.S. prison growth and mass incarceration. And we need to think creatively about how new models of restorative justice connect to, in the words of Dee Davis, a restoration economy. Because if history has taught us anything, it's that there are some kinds of "development" that will put us all even further behind.



Raw coal at a strip mine site. Photo by Shawn Poynter/Daily Yonder.

PART VIII: Life After Coal: Does Wales Point the Way?

Tom Hansell and Patricia Beaver

Tom Hansell is a documentary filmmaker and assistant professor at Appalachian State University. His documentary films have screened nationally on PBS and at international film festivals. Hansell's recent documentary project is titled After Coal.

Patricia Beaver is the director of the Center for Appalachian Studies at Appalachian State University. Beaver helped arrange an exchange of Welsh miners to the United States in 1979 and developed ASU's Summer Study Abroad seminar in Wales in 2001.

"Communities always change, industries come and go. It was foolish of us to think at the end of the 1985 miners strike that it was the end of the world – it was an opportunity for a new beginning" – Hywel Francis, Member of Parliament representing former Welsh mining valleys

What happens when fossil fuels run out? How do rural communities reinvent themselves as natural resources are depleted?

In the Appalachian mountains, where coal mining is projected to decline dramatically this decade, some people are looking to Wales for answers.

The challenges to Wales and Appalachia in recent decades are tragically similar. The Welsh coalfields were mostly shut down in the 1980's, with a loss of more than 85,000 jobs. Meanwhile, the Appalachian coalfields lost over 70,000 mining jobs between 1980 and 2000, according to the U.S. Energy Information Administration (EIA). A June 2012 EIA report projects that Appalachian coal production will be cut in half this decade. Former mining communities in Wales have 30 years of experience with regenerating local economies. By comparing and contrasting the Welsh and Appalachian experience with coal, we are examining the human costs of de-industrialization and asking "what's next for these rural communities?"

Wales is about the size of the state of New Jersey, and the coalfields cover the southern quarter of the country. These 20 narrow valleys were the cradle of the industrial revolution. At the dawn of the 19th century, Welsh factories began to produce iron, steel and tin. Welsh coal reserves fired the rising industrial



The last dram of coal raised in Wales' Rhondda valleys. It's now an exhibit in one of the region's coal museums. Photo by Chris Sampson

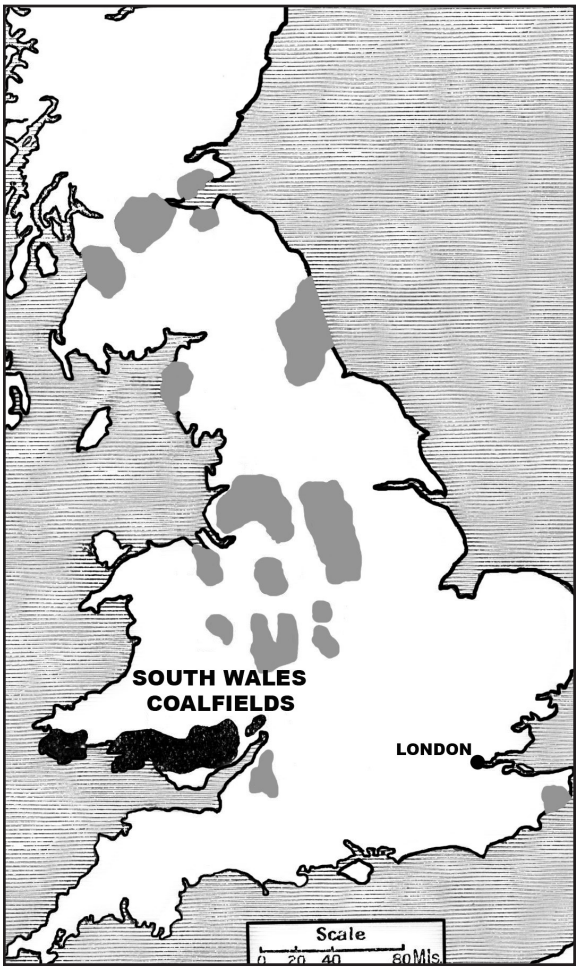
order. By the turn of the 20th century the population of the mining towns had exploded and more than one quarter of the workforce worked in coal. Historian John Davies writes that in 1914, more than 230,000 men were employed by the coal industry in 485 pits across South Wales.

After World War II, all coal mines in the United Kingdom were nationalized -- along with the rail, steel, and utility industries. The intent of nationalization was to set up a system that would use Britain's resources to benefit the British people as a whole, rather than a small number of mine owners or shareholders. Nationalization was a goal of Britain's growing Labour Party, and the National Union of Mineworkers carried considerable political clout.

During the 1970's and 1980's, ownership of coal and other energy resources consolidated, as multinational energy conglomerates bought up mining companies around the world. During this period of time, the nationalized coal industry in the United Kingdom faced tough competition from companies such as Royal Dutch Shell, which owned mines in South

Africa. At the time Royal Dutch Shell also held a controlling interest in the A.T. Massey coal company, which had extensive holdings in Appalachia. In both Wales and Appalachia the globalization of the coal industry had a devastating impact on coal mining communities, as the 1980's saw bitter strikes where union miners fought to keep well paying jobs in both Welsh and Appalachian mining communities.

The result of the strikes in Wales was privatization of the coal industry, a dramatic decline in the number of jobs and the final disappearance of coal mining from much of the area. In his book History on Our Side, Hywel Francis describes that after the strikes, the closing of mines in the Welsh mining valleys felt apocalyptic: "In such remote communities, the closures of schools and libraries, the end of bus services, the demolition of houses, the loss of a doctor from a practice, even the disappearance of a telephone kiosk, were all cumulative symptoms of a long-term decline. But this last rundown of colliery closures severed the surviving link with an industry that had given birth to these communities barely a century before."



The coalfields of Wales are shown in black. Other Great Britain coal deposits are in gray.

In both the United States and the United Kingdom, miners' unions (and all of organized labor) lost wages and influence after the strikes of the 1980's. However, in Wales, the 1984-1985 miners' strike laid the groundwork for community regeneration.

One example of Welsh efforts to reinvent their rural economy is the DOVE workshop. DOVE stands for the Dulais Opportinity for Voluntary Enterprise. Located in the village of Banwen at the head of the Dulais Valley, DOVE was started by a group of women who came together during the 1984-85 miners strike. These women understood that the coal industry would no longer provide large-scale employment in their

communities, and decided that community-based education was the most practical path to regenerate the local economy. Setting up shop in an abandoned mine office, they developed a series of adult education workshops for women. Three decades later, the DOVE building hosts a diverse set of small-scale entrepreneurs, including a daycare, library, a community garden and a café featuring local foods.

By the 1990's, the British government had finally begun to propose the Valleys Initiative to establish new and diverse jobs, as well as environmental and community improvements in the former mining valleys. Reclamation of abandoned mine sites became a cornerstone of the Welsh strategy for regeneration. Former miner and union leader Terry Thomas says: "If you look at the pits where I worked today, you would never know a mine was there. Now that reclamation is complete, you can't recognize the place."

In the Afan valley, government efforts turned thousands of acres of abandoned mines into a mountain bike park and

Wales' Waunlwyd Colliery was cloesd in the 1960s.



the South Wales miners museum. The two attractions bring 120,000 visitors to the former mining valley each year, says visitor center manager Leigh Acetson.

Together with tourism initiatives centered around national parks and other sites such as Mine Heritage museums, many government efforts seemed designed to attract wealthy visitors to the region. While this form of ecotourism does provide opportunity for small businesses, Terry Thomas points out: "Much of the employment that has been created is low-paid, minimum-wage employment in service industries, in place of well-paid manufacturing industries."

This focus on the service economy has made economic recovery in the Welsh coalfields a slow process. Still, many resourceful entrepreneurs are finding a way. Geraint Lewis left a corporate job in the city to return home to the former mining town of Seven Sisters in the Dulais Valley. Back in his hometown, Lewis started Call of the Wild. At first glance, Call of the Wild appears to be an ecotourism company, leading youth and adults on outdoor adventures such as hiking, rafting and repelling. However, to avoid the pitfalls of the seasonal tourism industry, Lewis deliberately created a leadership development business, providing services for a range of corporate clients and offering year round employment at a living wage for local people.

"We wanted to start this training and development company using the outdoors as our classroom, but there was nobody doing it in the South Wales Coalfield," Lewis says. "We had a lot of raised eyebrows from business consultants and bank managers…but we persevered, and I think we succeeded very quickly." Today, Call of the Wild has more than 30 year round employees and owns pubs in the former mining village of Seven Sisters and Ystradglynlais.

There is no magic bullet to economic recovery in coal mining regions. Former mining communities in the Welsh Valleys are doing better than the 1980's, but population has dropped and employment remains low. The first step to regeneration was "greening the valleys" -- government

programs to clean up mine waste piles, acid mine drainage and other sources of pollution. Naturally, government resources are required for large-scale reclamation to be successful. In order for government to be effective, rural people need to be actively involved in the process of government. This means that grassroots organizing is an important element of economic regeneration. The longest lasting initiatives in Wales involve local people creating their own programs to meet community needs, such as the DOVE workshop in Banwen.



Mountain bikers gather outside of the bike shop at the Glyncorrwg Visitors Center. Tourism has become part of economic development plans.

Perhaps most importantly, the topic of energy is still an intensely debated issue. In some areas coal is making a small resurgence – the latest figures have between 800 and 1,000 miners working in Wales. Meanwhile, energy corporations and the Welsh government have made a huge commitment to wind power -- spinning turbines are commonplace above the former mining valleys. The government has partnered with private power companies to develop these wind farms and is now exploring large-scale tidal power.

On the surface this all sounds good. However, these former mining communities have well founded concerns about outside corporations developing local energy resources without investing in the community. When residents of the former Welsh mining valleys look at proposals for industrial scale wind farms from multinational energy corporations, many wonder when these corporations will pull out, leaving communities to fend for themselves once again.

PART IX: A Region Worth More Than Mountaintops

Willie Davis

Not long ago, there was a rural region that based its economy entirely on one industry. Though the region itself was poor, it used its surfeit of natural resources to benefit the nation as a whole. The workers took immense pride in the industry, and most of the locals claimed it was a way of life. Though they knew this economy wasn't sustainable, they couldn't conceive of a time when the resource would not be there. When the industry collapsed, the region, having no backup plan, fell into disarray. Unemployment and poverty spiked. Young people fled. Worse, having their way of life stripped from them, many locals felt hopeless. There was an epidemic of drug and pill abuse so bad that it crippled the region for a generation. Many locals felt resentment toward the government, to the environmentalists perceived as the industry's enemy, even to the people who warned of the collapse.

The region was Newfoundland, the country was Canada, and the industry was cod. Canadian cod was overfished, and the government had to shut down the fisheries in 1994.

"I was so proud of my job. I loved my job," says Brendan Smith, a lifelong cod fisherman who, after the industry collapsed, went on to co-found the Labor Network for Sustainability. "Being in the belly of a boat for 30 days at a time with the other guys, I loved it." The crowd laughs, but he's not joking. He adjusts his Hartford Whalers cap and tries again. "I'm serious, it was great work. If it swam, I fished it."

He is speaking at the Kentuckians For The Commonwealth (KFTC) convention in Harlan, Kentucky. KFTC, a citizens' organization, held this convention to discuss the best path for Appalachia to take in a post-coal economy. If it's unclear why a Canadian fisherman is speaking to a rural Kentucky



A black bear decorated with coal is part of a public art project in Harlan County, Ky. The county has tried to build on its coal heritage as a way to develop tourism and community spirit. At an April 2013 conference, participants explored the complex ways that regions fail and succeed in building stronger economies. Photo by Shawn Poynter/Daily Yonder.

organization, then he is not shy about drawing the parallels between cod and coal.

"The way coal companies are treating retirees now [in Appalachia] sure sounds familiar," Smith says. He notes that these industries don't understand the nature of work—or what work meant to these fishermen. "Without jobs, they gave us checks. Money is great, I love money. But we lost our purpose. We would spend that check to buy a brand new beautiful truck, and we'd drink ourselves to death while wishing we were out on the boat."

After the cod industry collapsed, people found replacement jobs. They had a job at a call center selling seatbelts for pets. "The jobs they are offering suck," says Smith. A proud fisherman doesn't want to have to sell pet accessories to rich people, and a proud community—one that fueled the entire

nation—doesn't want to work over-the-counter jobs. They think they are worth more. They think their communities are worth more. "We need jobs that allow us not only to feed our families, but also to feed our souls."

The Canadian cod industry may offer a clear warning about Kentucky coal, but it is not the only one. Closer to home, Martin Richards, the executive director of the Community Farm Alliance, draws the parallels between the situation of coal companies and Kentucky tobacco farmers. Study after study showed tobacco farming to be a dying industry, both unhealthy for people and bad for the environment. The prognosis frightened the workers who refused to believe it. "Fear was leading people to blame the government, blame outsiders, blame the tobacco industries," Richards says. "When it was all against us, we still clung to our tobacco. We feared losing our communities more than we feared losing our tobacco." The effects of not preparing for that change were "devastating."



Brendan Smith, a former Newfoundland cod fisherman, says the cod and coal industries have a lot in common. Photo by Shawn Poynter/Daily Yonder.

How does Appalachia transition from coal to a new economy? Has mining been a positive or negative for the region? What will replace coal jobs, and what will give Appalachia a sense of identity now that coal is gone? It's open for debate.

What's not up for debate—according to the members of KFTC—is that the age of coal is over. In Knott County, Kentucky, coal production dropped 45% last year alone. The projections throughout the region are for a steeper decline in the future. On top of that, the coal-friendly Fifth Congressional District of east Kentucky is the poorest

in America. The physical health, mental health and life expectancy of Kentucky's coal counties are worse than some developing nations.

To say that "coal mining is our future" is not an argument—it's a lie. Any honest discussion about present-day Appalachia has to start with the admission that the age of coal is dead. It died, not because it left Kentucky broke and sick, but because we ran out of the valuable resource that made us so poor.

What Part of Coal Are They 'Pro'?

The fact that we can't move past establishing basic facts is not an accident. Coal companies don't want people to discuss economic transition. To ask where the economy goes now is to risk being labeled "anti-coal," a threat no Kentucky politician is willing to chance.

And that is the point. By flattening out the language—making all criticisms "anti-coal" and all agreement "pro-coal"—they create a linguistic zero-sum game. You are with us or against us. "[T]he reality of being pro-coal has meant being pro-coal industry," says Anthony Flaccavento, a Virginia organic farmer and the founder of Appalachian Sustainable Development. During his unsuccessful run for Congress, he refused to say he was "pro-coal". "I refused to say it. I said I was pro-coal miner. I'm pro-UMWA." His opponents labeled him anti-coal, but he did better in coal mining communities than anywhere else.

Keeping the debate simple, says Flaccavento, plays right into the coal companies' hands. It allows people to say they are pro-coal without ever having to ask what that means. "[B]ut I ask, exactly what part of 'coal' are they 'pro'? It's not the miners," he says, noting that they fought safety regulations that would protect miners from black lung. "It's not the miners' families… It's not the children of miners, because they ignore the reality that coal jobs have been declining for years."

This isn't unique to the coal battles. "[L]anguage always matters," says Bill Estep, a reporter for The Lexington Herald

Leader, whose primary job is to cover the Appalachian southern and eastern part of Kentucky. "Think of the abortion debate, and how pro-life sounds more positive than anti-abortion, while on the other side pro-choice sounds better than pro-abortion." He warns that this level of reduction can lead to tangible harm. It robs the debate of its complexity. "Pro-coal and anti-coal are terms that can be used to pigeon-hole people, and they sometimes don't fully capture what people really are. The best example may be that being against mountaintop mining doesn't necessarily mean someone is against coal, for instance (though of course many people who oppose surface mining also would like to see coal replaced with other forms of energy)."



Anthony Flaccavento. Photo by Shawn Poynter/Daily Yonder.

Who benefits from simplifying the conversation? Creating a dichotomy—pro-coal and anti-coal—encourages people to pick teams. When that happens, people stop listening to anyone on the opposing side. If acknowledging reality is political, then people who don't share those politics feel free not to do it.

Brendan Smith, the Canadian fisherman, urges people to reject false choices. "If you give me a choice," he says, "I'll always choose my job. If it's between the health of the earth and my job, I'll choose my job. Even if it's at the expense of my own health, I'll always choose my job. It's not about turning fishermen into environmentalists. It's a completely false choice." He also urges people to ignore the pacifying words from dying industries. "[In Canada,] there is still cod if you know where to look for it. But that's like saying 'There's sixty more years of coal'. It's not something you base an economy off of."

Again, the question isn't "Do we choose to move away from coal?" It's, "Now that the coal is gone, what do we do now?"

Poor Get Poorer: Dangers of Transition

"Many people see the decline of coal as a tremendous tragedy," says Bill Estep of The Lexington Herald Leader. "But it is also a tremendous opportunity. Coal sucked all the air out of the room. We always thought it would come back, but now we can finally focus on other things."

Without coal, many alternative jobs could swoop in to the area. Not all industries, however, are created equal—and, in fact, not all opportunities are worth taking. Appalachia has been promised riches before: coal, tobacco and the highways were all supposed to make the region prosperous.

Estep suggests that whatever replaces coal should come organically. "Dropping in a thing doesn't change the structure of the community," he says. "It didn't change anything that came before."



Newspaper reporter Bill Estep, center, says people in the region always relied on coal because they thought it would "come back." "Now we can finally focus on other things," he said. Panelist Al Smith, right, looks on. Daily Yonder/Rural Archive/Shawn Poynter

In Letcher County, Kentucky, the politicians are backing the construction of a new prison. "People have been promised pie in the sky," says Sylvia Ryerson, a Letcher County resident and a journalist for WMMT-FM. The jobs involved in building a prison are temporary, she says, and they can't transform the economy in a meaningful way. By taking short term jobs, she claims Appalachia is harming its community in the long term. "I think it is helpful to think of prison construction as a continuation of the industrial recruitment strategies of the 1990s, where economic development officials looked outside the region, for some new big thing to come in and fix everything that's wrong. And just as industrial recruitment failed to bring the region out of poverty, so will prison recruitment. It's a race-to-the-bottom strategy, not based on meeting the needs and cultivating the skills of a particular community, but rather forcing marginalized communities to compete for the kinds of industries that no one else wants. And the effects are disastrous."



Sylvia Ryerson. Photo by Shawn Poynter/Daily Yonder.

Some might argue that even if the jobs are temporary, they are a stopgap solution that otherwise wouldn't exist. Ryerson maintains that the evidence shows the opposite to be true. "[F]rom looking at studies as well as our neighboring counties, … prisons make poor communities poorer." Appalachia needs a vibrant, diversified and skilled economy. Prisons discourage those businesses, making Appalachia a less attractive place. "Many prison host communities have seen increases in drug abuse, domestic violence and divorce rates following the prisons opening." Additionally, in a region struggling to keep its young people at home, she worries about the unspoken message building a prison sends. "Is this what we want to be telling young people may be their best option if they want to stay home and have a good paying job?"

Furthermore, prisons create their own very dangerous economy. In order for a prison to become economically viable, it needs more and more prisoners. "[M]ass incarceration targets poor people of all colors," Ryerson says. "The more our economy here in eastern Kentucky depends on insanely high

incarceration rates nationwide, the more people from here in eastern Kentucky will end up going to prison."

Transition done poorly can do irreparable damage to a rural area. Again, one of the clearest examples of this comes from the Newfoundland cod fisheries. "A lot of laid off fishermen got jobs working in the tar sands," says Brendan Smith, referring to the area in Canada which is considered one of the dirtiest areas in the world. "So now they're working, polluting the very oceans they used to fish, killing off the remaining cod."

Where the Beasts Gather

Where does Appalachia go now? If we can no longer mine coal, and the easiest alternatives will do us active harm, then what do we do now? Transition takes time, and poor communities rightly have little patience. Now that we can no longer sell our resources, we may have to rely on selling our talents.

In Canada, Brendan Smith transitioned from being a fisherman to having an environmentally friendly aquatic farm. "What we really tried to do is to break down the core elements of being a fisherman," Smith says. "One element we couldn't get back was the hunting. The thrill of finding a fish. So it's a trade-off. We can work on the water all day. We don't have to work for other people. We succeed and fail on our own terms."

In Appalachia, there is growing confidence in the arts economy. "It's a bullish time for the arts, especially for the economy," says Robert Gipe, the director of the Appalachian Program at Southeast Community College in Cumberland, Kentucky. Gipe is also the executive producer of Higher Ground, a community theater troupe that explores the problems of central Appalachia. "In Western North Carolina, arts had a greater impact on the economy than tobacco did."

"In Appalachia, we've always had the visual arts, the traditional musical arts, the food arts culture," says Amelia Kirby, the co-owner of Summit City Café, a bar, restaurant, music



Members of Kentuckians for the Commonwealth and other leaders gather in Harlan, Ky., for "Appalachia's Bright Future," a conference on the economic transition currently underway in coal-dependent counties. Photo by Shawn Poynter/Daily Yonder.

venue and art gallery in Whitesburg, Kentucky. "But there hasn't always been a center for the disparate elements of art." She says that having such a place give people a sense of pride. "[It] creates a locally rooted space where people from here…are producing and sharing and appreciating art or music in the same context as other, off-er, more urban places, cultivating the idea that we are just as good as anywhere else. I think this is rooted in some pretty problematic identity issues and internalized hillbilly oppression, but I really do think that's one of the ways that it brings energy and power to our community." One of the tangible results of an artistic community is that the city of Whitesburg has become a destination for people in surrounding counties and states. "I used to leave every weekend," Kirby says. "Now I can't pry myself away."

"Most creativity happens at the edges of where ecosystems meet," says Gipe. "There has to be an ecology of these things." It's not enough for talent to exist in a community, he says. "There has to be a watering hole where the beasts gather."

The road to a healthier economy sometimes looks unconventional, even crazy, Brendan Smith says. "But in these times, we need a little crazy."

Appalachians investing in themselves, banking their future on their own talents rather than on short-term promises from outside corporations, may not be crazy. Maybe it has just never been tried before.

PART X: Reclamation Money Could Fuel Recovery

Willie Davis & Tarence Ray

In the poorest part of the poorest region in America, there is nearly $2.5 billion of federal money waiting to be spent. The money, which flows into the Abandoned Mine Lands Trust, comes from taxes that coal companies pay to reclaim old and abandoned strip mines. "Reclaim," in this context, means to refurbish and reforest the land, getting it as close as possible to its natural state before the land was mined. Additionally, the money is meant to "reclaim" the economy, paving the way for the region to move away from coal.

No one denies what that money could represent to central Appalachia, where in just the last 18 months over 5,500 high paying mining jobs have been lost in Eastern Kentucky alone. The problem is no one can agree on how to spend it. The longer it goes unclaimed, the less likely it is to help the region.

The Surface Mining Control and Reclamation Act (SMCRA), signed into law by President Jimmy Carter in 1977, created a permanent trust to address environmental hazards caused by mining. This Abandoned Mine Lands (AML) fund was to be supported by a tax on every ton of coal mined in the United States. Companies pay 35 cents per ton for surface-mined coal and 10 cents per ton for deep-mined coal. The fund is supposed to pay to fix old problems in cases where coal companies abandoned the land without reclaiming it.

Jack Spadaro was among the first to be hired by the federal Office of Surface Mining, which was created to oversee the new federal surface mining law, known as SMCRA. Before he was forced out of the Mine Safety and Health Administration after exposing a cover-up of the investigation of the 2000 Martin County coal slurry spill, he spent 18 years designing and engineering AML projects throughout central Appalachia.



An excavator works at a surface mine near Salyersville, Kentucky, that is owned by Licking River Resources Inc. A tax on coal supports the Abandoned Mine Lands fund, which is supposed to help restore areas damaged during mining. Photo by Shawn Poynter/Daily Yonder.

"Initially, we were spending a lot of money and creating a lot of jobs in the coalfields, and [the AML program] was a very effective program," Spadaro said.

Over time, however, the program became more and more limited. According to many, it has become prohibitively difficult for the average person to gain access to the funds. "It's almost impossible for anyone in Eastern Kentucky to get their hands on that money," said Greg Stumbo, Kentucky Speaker of the House. "Congress has kept that money bottled up for 30 years. It's the hardest money to access….If I knew the answer to [why], I'd probably be the smartest man in America."

Stumbo points out the jobs theoretically created by reclamation are jobs that miners are uniquely qualified to do. "Most miners can do darn near anything," he says. "They have to run equipment. They have a great skill-set."

Spadaro suggests that the fund is dormant and is being used to prop up the federal deficit. "It's a shame because the original intent of the AML fund was to do reclamation work and to improve conditions in the coalfields, not just for streams and forests but for communities as well. And instead of being used to do that, Congress has set it aside as a hedge against the deficit. And no one, it seems to me, has had the courage to point this out, even though there are many politicians who know what's going on."

Many Appalachians complain that the abandoned-mine-lands law distributes money to states that have no abandoned mine lands. The tax is specifically meant to solve old problems, so why, they ask, is the money going to states where these problems don't exist? Jason Bailey, director of the Kentucky Center for Economic Policy, sees this as one of the major flaws of AML. "So much of the mining happens out West now, and production is dropping dramatically in the Appalachian region," Bailey said. "The formula, however, does not allocate the monies based on the need. Most of the need [to reclaim abandoned mines] is here. It's in the Appalachian region." In 2012, for example, the state of Wyoming received $150 million and used it on infrastructure, schools and conservation programs. To some, this is not what the money was intended for. It could be better spent on jobs that put laid-off miners back to work.

Bailey stresses that AML should help the Appalachian environment in the long term, and in the short term, it should help improve the Appalachian economy. To start, the fund could provide employment for laid-off coal miners. "I think it's a perfect match between some of the skills that laid-off miners have and some of the jobs that are needed to do [remediation]," Bailey said. "You're talking about a lot of jobs that have similarities with surface mining."

Not only could the money help the region immediately, it could show the government is finally acknowledging the problems in post-coal Appalachia, where coal-mining jobs are in sharp decline, Bailey said. "We know that job loss has been happening for a very long time in the coal industry. … If

people could see a more tangible example of new jobs created that are accessible to folks who have lost their jobs…it would create a larger sense of hope that a new and hopefully better economy is possible."

It's a point echoed by Carrie Ray, Research and Policy Associate of the Mountain Association for Community Economic Development (MACED). "Reclamation…has the potential to be a big job creator, and one that can employ former miners who know how to operate the heavy machinery required to break up the compacted soil, regrade, etc." Outside the environmental and health benefits of such a cleanup, she says the short-term economic benefits are substantial. "The best use of AML funds would be to put Appalachians back to work on these reclamation jobs."

Though AML funds have to focus on reclaiming old sites, the Coal Severance Tax is more flexible. That is a state-sponsored tax that Kentucky levies on each ton of coal as it is mined. Ray sees great opportunity for this source of funding, since it was initially designed to be invested in economic development projects. "Miners have skills that can be used in other industries, whether it's the electrician who gets trained to install energy-efficient lighting or the dozer operator who can operate the heavy machinery needed to replant forests on abandoned mine sites. The key is to provide meaningful work. A person who's a coal miner because it's 'in his blood,' so to speak, is not going to be fulfilled answering phones at a call center for $10 an hour." She fears that the funds won't be spent this way. Her worst-case scenario is that "the money continues to be spent on one-off projects or to fill budget gaps, and in 20 years we find we barely have the money to do even that anymore, much less make the huge investments we need to bring the Appalachian economy around."

Others concerned about the future of Appalachian coalfield communities have called for creating permanent funds in Kentucky and West Virginia from severance-tax revenue that could help mining communities make the economic transition from coal.

But whether these Central Appalachian states create a new source of funding for economic development, a multi-billion dollar fund already exists in AML. That money could be used to harness a vision of economic rebirth, employing the very people the coal companies laid off. Instead, the money remains unclaimed, while the poorest region in America grows poorer.

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