

# Consultation, Planning and Monitoring: Lessons Learned in Community Consultation and Impact Assessment



**Cornelia Butler Flora**

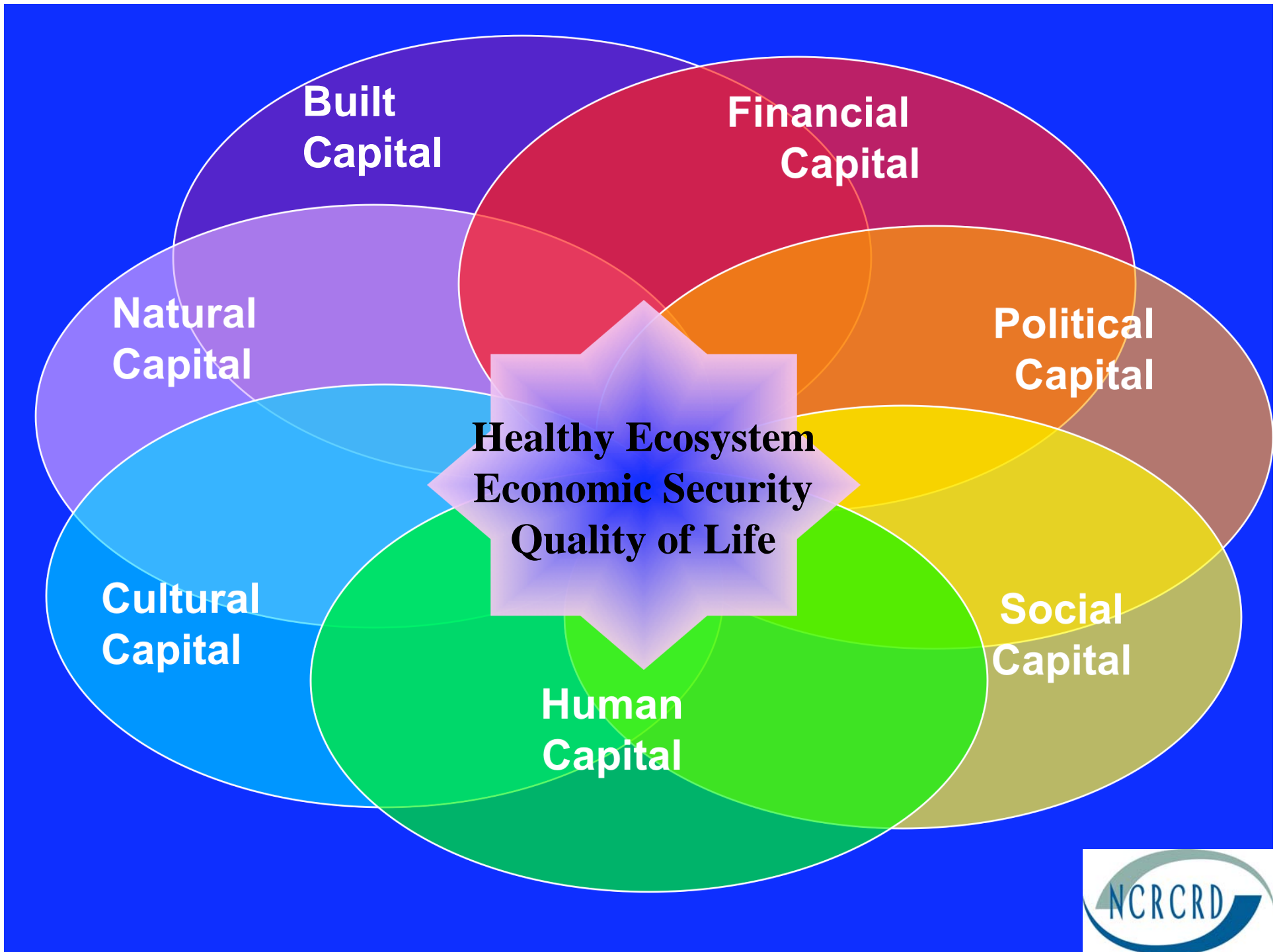
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# Why involve local people in technical and financial decisions regarding biofuels and their processing?

- Local people will face increased risks as induced innovations become part of the local landscape
- To be sure that the costs are not borne locally and the profits leave the community
- To make sure that the industries that development have the flexibility to respond to changing local, national, and global conditions.



# Typology of participation

(Source: Pretty and Chambers 1994)

- **Passive Participation**

Local men and women participate by receiving information from an outside investor, agency or development group about the siting of a biofuel plant. It is a unilateral announcement without public input.



# Participation by giving information

Local women and men participate by answering questions posed by researchers using questionnaires, surveys or similar approaches about their opinions about biofuels or a biofuel plant in the areas.



# Participation by consultation

- People participate by being consulted by external agencies, chambers of commerce and biofuel companies who listen to views in public meetings or focus groups.
- This process does not necessarily concede any share in decision-making, and professionals are under no obligation to integrate people's views into the siting or operation of a biofuel plant



# Participation for Material Incentives

- Farmers participate because they believe they will receive higher prices for their product.
- Local investors participate on the promise of high returns on their investment.
- Land owners sell their land for plant construction because of a good price



# Functional Participation

- Local residents form groups to meet to make sure that their concerns about their community capitals are met. Sometimes these groups are dependent on external initiators and facilitators, but many become self-reliant and make create their own mechanisms of holding the industry accountable.



# Interactive Participation

- Men & women participate in joint analysis of the advantages and disadvantages of biofuels on the community capitals, leading to action plans and the formation of new local institutions or strengthening existing ones. These groups take control over local decisions, giving a stake in maintaining initiatives, structures and practices.

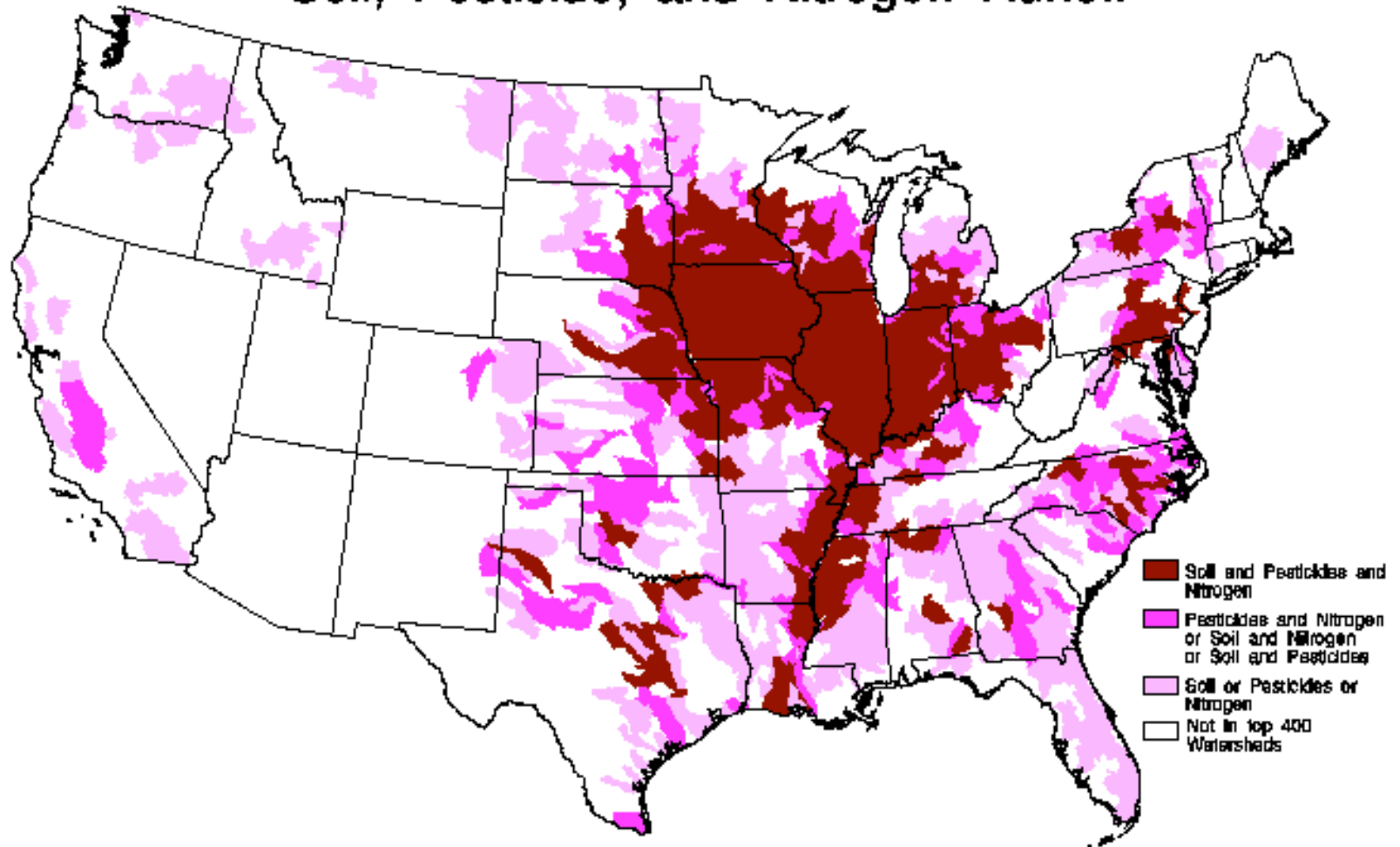


# Natural Capital and the Plants

- Prerequisite Natural Capital
- for the plant
  - Corn
  - Water
  - Land
  - Coal or Natural Gas to power the plant
- There increasing concern over EPA violations
  - Water (over)usage, air pollution, odors, land use, global green house gas emissions, agricultural runoff
  - Yet many communities with local ownership proclaim, despite the violations, that “Our plant is very clean.”



## Watersheds with a High Potential for Soil, Pesticide, and Nitrogen Runoff



U.S. Department of Agriculture  
Natural Resources Conservation Service  
Resource Assessment and Strategic Planning Division  
Map ID: BMW.1737 October 1997



# Natural Capital Farmland Concerns

- The impact of the ethanol industry on water supply and water quality (in relation to increased corn and soybean production and hypoxia);
- The impact of decreased soil organic matter on water quality;
- Taking land out of CRP and putting it into row crops;
- Planting fence row to fence row;
- Converting marginal land into row crops;
- Increasing tillage and decreasing rotations;
- Reducing agricultural diversity to take advantage of the ethanol/corn/soybean market.



# Cultural Capital



- Communities' progressive identity tied to plant when it is seen as locally owned
- Community defines itself as "green"
  - Most actors believed "their" plant to be more capable of weathering hard ethanol times than are other plants.
- Conflicts arise when residents are not consulted and a few benefit
- Divisions can become permanent

# Human Capital

- Plant employees
  - Imported high paid management
  - Regional employee base
  - Average plant = 40 employees, generally drawn from other local businesses
- Biofuel education programs
  - Plant supports electrician's continuing education
  - Local community college put in a curriculum
  - 500 hours of employee training
  - Transferable skills



# Social Capital

- Entrepreneurial social capital in place
  - Open boundaries
  - Acceptance of alternatives
  - Wide-spread participation
- Strong hegemony kept nay-sayers from publically expressing criticism



# Political Capital

- Political support
  - A key element to “paving the road” for the plant
  - Re-zoning and annexation of land
  - Federal, State, and township incentive programs
    - Federal subsidies
    - County and township tax abatement
  - Advocacy
    - Economic Development Councils
- Opposition groups and concern
  - Opposition group had access to political power structure and succeeded in reaching their objective – negotiating site location, environmental protections, etc.
  - One ethanol pessimists kept his/her opinion private due to community dynamic



# Private Financial Capital

- Local investors
  - Unique
  - Egalitarian ownership
- 40 jobs @ av. \$18/hr
- Buy from local businesses
- Outside investors come in later

OR

- Outside ownership from the beginning
- Local defined as from a three state area



# Public Financial Capital

- Bonds (city and county)
- Tax incentives (Federal, state and local)
  - 10 year incremental abatement
- Grants (Federal and state)

# Built Capital

- Prerequisite transportation and distribution infrastructure
  - Proximity to highway and rail
- Affected transportation and distribution infrastructure
  - Rail Road spurs
  - County and Township Roads expansion
  - Reinforced Bridges
- Water treatment facilities

# Conclusions

- The technology would not have been adopted without enormous policy incentives and protection, which shifted factor costs
- Those communities that sought wide-spread participation and were early adopters of the technology made money for investors before grain prices went up and then oil prices dropped
- The indebtedness that the early and late majority adopters with outside investors incurred for themselves and their communities decreased social and financial capital
- Consultation and monitoring could decrease negative impacts on community capitals

